



Second Quarter 2007 Results BMV; GFAMSA

Monterrey, Mexico, July 26th 2007. - Grupo Famsa, S.A.B. de C.V. (BMV:Gfamsa).

Today Grupo Famsa announces results for the second quarter of 2007 (2Q07) compared with second quarter of 2006 (2Q06). And also compared with six months period (2006-2007)



CEO's Report

Mr. Humberto Garza Valdéz, Grupo Famsa's CEO stated, “

During the second quarter of 2007 a slowdown in Mexico's consumption was experienced. In addition to this, comparable figures for 2Q06 were particularly stronger due to electoral processes, which by its nature arises higher expenses from political parties that finally yield a more dynamic economy and expenditure in a personal arena. Also contributing to a strong comparative evolution at the electronics line of products, World Cup was taking place during 2Q06, motivating this merchandises to have a stronger than average demand. The reasons above-mentioned bear on lower than expected sales for this quarter.

On the other hand, the Hispanic community's economy experienced very solid consumption behavior, which render important growth to our U.S. Same Store Sales index. Now having solid U.S. operations we felt those economies of scale and better leverage on our installed platform is right on track for better upcoming results from this U.S. operations.

Having to do with our expansion plans, during the second quarter of 2007, 12 new stores were set up in Mexico. For the United States, 1 new stores was organically opened in addition to the 12 stores from recent acquisition (La Canasta), concluding this first semester with 28 new stores (14 Mexico and 14 U.S.A.).

	1Q07	2Q07	Total (N.S.)	Total for 2Q07
Mexico	2	12	14	336
U.S.A.	1	13	14	38

As we have stated before, the banking branch openings had being gradually taking place, starting at Torreón Coahuila with 7 branches, followed by Monterrey City with 36 branches and currently arising in Mexico City with 2 banking branches running as this 2Q07. We are concluding this 2Q07 with 45 banking branches. We'll keep working on this roll over schedule for our banking operations aiming to complete at least a 70% deployment within our stores (Mexico).

With the idea of going one step ahead in our banking branches roll over, during the second quarter of 2007, we carry out the installment of personal loan booths at those stores where this services were early granted with our G.E.-Famsa's joint venture. This initiative had allowed us to go quicker in the offering up of this significant product. By the end of this second quarter 57 personal loan booths were opened.

	1Q07	2Q07	Total	City
Banking Branches	15	30	45	3
Personal Loan Booths	0	57	57	9

As of today, products incorporated by Banco Ahorro Famsa are; **deposits**; saving accounts which run through out a debit card account, as well as overnight investments with fix rate and tenor.

In terms of our credit products, as of today only personal loans are offered, we estimate that during the next month of October, consumer credit will be added to our banking products portfolio. So far Banco Ahorro Famsa's development had exceed our original estimates in both weighted average account

numbers and balance for credit and deposits as well. We think it's still too early to consider this development as guidance to forecast the future evolution of Banco Ahorro Famsa. It is important that a broader coverage of our banking operations (currently in Torreón, Monterrey and Mexico City) take place in order to have a clear perception of Banco Ahorro Famsa's development. As of today, only partial local advertisement campaigns are taking place in Torreón, Monterrey and Mexico City. A more aggressive and systematic campaign will take place at a nationwide arena, as soon as a broader coverage within our stores is in place.

It makes sense to believe that once these advertisement efforts go on, greater traffic of clientele will be experienced. With the firm idea of establishing a good quality service and a soft transition from currently Famsa's credit to Banco Ahorro Famsa's.

We are substantially training our banking personnel in order to assure the success of this operational transition, systems, service, knowledge of new products and procedures in order to comply with mandatory standards are among the most important matters.

SELECTED FINANCIAL INFORMATION

Net Sales

Grupo Famsa's Net Sales increased by \$244.7 million pesos, which represented a 7.7%, from \$3,159.0 during the 2Q06 to \$3,403.7, million pesos for this 2Q07. Such increment was mainly due to higher sales volume as a result of new stores opened.

By the end of second quarter 2007, six month period Net Sales increased \$602.1 million pesos which represented a 10.5%, from \$5,731.7 during the second quarter 2006 to \$6,333.8 million pesos for the second quarter 2007.

Net Sales	2Q06	2Q07	2Q06 Six Months	2Q07 Six Months
Net Sales	3,159.0	3,403.7	5,731.7	6,333.8

	Second Quarter	
	2006	2007
Number of Stores	333	374
Sales Floor Area (square meters)	389,606	466,866

Same Store Sales (retailing in percentage)	Second Quarter	Second Quarter (Six months)
<i>Mexico</i>	(2.9%)	0.3%
<i>USA</i>	16.2%	13.4%

Retailing Same Store Sales for the second quarter 2007, increased by \$117.0 million pesos, from which \$10.9 million pesos lie in Mexico's sales and \$106.1 million pesos to sales from our U.S. operations.

Cost of Sales

For the 2Q07, Cost of Sales increased by \$47.7 million pesos, what represented 2.7%, from \$1,791.0 million pesos from 2Q06 to \$1,838.7 million pesos for this 2Q07.

Cost of Sales as percentage of sales diminished from 56.7% during 2Q06 to 54.0% by this 2Q07.

Gross Margin

Consolidated Gross Margin increased by \$197.0 million pesos, what represented a 14.4%, from \$1,368.1 million pesos during 2Q06 to \$1,565.1 million pesos for this 2Q07. This improvement is due to a greater evolution of our credit sales as well as to greater advertisement efforts in its tenor.

Operating Expenses

During 2Q07 Operative Expenses increased by \$173.0 million pesos, or 16.4%, to \$1,224.6 million pesos from \$1,051.6 million pesos for the same quarter 2006.

Such an increase was mainly due to higher expenses related with the opening of 41 new stores, during July 1st 2006 and June 30th 2007. As well as to expenses related with the opening of 13 new stores during this 2Q07 and 12 new stores to be opened in the coming months, in addition to expenses related with the startup of 12 recently bought stores (La Canasta). This growth at Operating Expenses include an increase of \$110.2 million pesos on salaries and wages, \$28.2 million pesos for leases on realty properties, \$8.5 million pesos on services (telephone, power & energy, water and natural gas among the most relevant), \$5.5 million pesos on Depreciation and Amortization, as well as \$20.6 million pesos for other expenses including those related with Banco Ahorro Famsa.

At a six month basis, Operating Expenses for 2Q07 were \$2,300.2 million pesos or 16.4% higher when compared with same period of 2006 when this were \$1,976.8 million pesos.

EBITDA

EBITDA increased by \$29.5 million pesos, representing a 7.7%, from \$385.0 million during 2Q06 to \$414.5 million pesos for this 2Q07. Under a six month basis, EBITDA increased by \$69.5 million pesos representing a 10.3%, from \$675.7 million pesos during second quarter 2006 to \$745.2 million pesos for the second quarter 2007.

EBITDA	2Q06	2Q07	2006 Six Months	2007 Six Months
EBITDA	385.0	414.5	675.7	745.2
Margen	12.2%	12.2%	11.8%	11.8%

Net Comprehensive Financial Cost

The Net Comprehensive Financing Cost increased by \$45.9 million pesos or 36.6%, from \$125.4 million pesos during 2Q06 to \$171.3 million pesos for this 2Q07. In a six-month basis, our Net Comprehensive Cost increases from \$265.5 million pesos by second quarter 2006 to \$292.1 million pesos by this second quarter 2007, representing a 10.0% increase. This was mainly due by a significantly lower comparative base where by the second quarter of 2006, a substantial amount of debt was just paid out from IPO proceeds.

Net Comprehensive Financing Cost	2Q06	2Q07	2006 Six Months	2007 Six Months
Financial Expenses	128.4	150.6	268.9	275.2
Financial Income	(9.5)	(5.3)	(14.3)	(12.1)
Exchange loss (gain), net	2.0	18.9	3.6	13.3
(Gain) loss on monetary position	4.5	7.1	7.3	15.7
Net Comprehensive Financing Cost	125.4	171.3	265.5	292.1

Income Tax Expenses

Income Tax Expenses diminished by \$38.6 million pesos to \$61.2 million pesos for 2Q07 from \$99.9 million pesos during 2Q06. What represented a (38.7%). Under a six-month basis period for second quarter 2007, Income Tax Expenses were \$50.8 million pesos from \$101.5 million pesos for the second quarter 2006, representing a 49.9% diminishment.

Net Income

During 2Q07, Grupo Famsa, yield a Net Income of \$96.9 million pesos, compared with a Net Income of \$86.5 million pesos for the 2Q06, representing a 12.1% increase.

Under a six-month basis period Net Income increases by \$53.9 million pesos representing a 27.1% from \$198.7 million pesos during second quarter 2006 to \$252.6 million pesos at this second quarter 2007. This increase was mainly due to a better performance on Gross Margin.

Net Income	2Q06	2Q07	2006 Six Month	2007 Six Month
Net Income	86.5	96.9	198.7	252.6

Accounts Receivable

Accounts Receivable increased by \$1,573.6 million pesos representing a 23.4%, from \$6,737.2 million pesos at 2Q06 to \$8,310.8 million pesos for this 2Q07. This was mainly due as a consequence of an increase on credit sales as well as the tenor of these installment programs. It is important to mention that even though our credit sales have increased, we are being able to keep the same reserves (percentage) for write-off's, which represents a 2.3% for Mexico and a 5.5% at our U.S. operations maintaining a reserve index lower than 3.0% to credit sales.

Inventories

Inventories for the 2Q07 experienced an increase of \$312.3 million pesos, representing a 15.5% from \$2,014.3 million pesos during 2Q06 to \$2,326.6 million pesos for 2Q07. This was mainly driven by increase in sales, as well as a greater exhibition sales floor area as consequence of 41 new stores (last 12 months).

Suppliers

During 2Q07 suppliers balance diminished by \$12.2 million pesos, from \$1,500.4 million pesos at 2Q06 to \$1,488.2 million pesos for this 2Q07.

Net Debt

Net Debt for 2Q07 increased by \$1,881.1 million pesos, representing a 65.0% from \$2,983.2 million pesos during 2Q06 to \$4,774.3 million pesos for this 2Q07. This increase is mainly due to a 2Q06, which had just experienced the payment of a considerable amount of debt from proceeds, related to the IPO. Additional debt (from 2Q06 to 2Q07) has now being taken for the following purposes; accounts receivable, inventory fix assets among the most considerable ones.

Stockholders Equity

Stockholders Equity experienced an increase of \$469.8 million pesos, representing an 8.3% from \$5,647.9 million pesos during 2Q06 to \$6,117.6 million pesos for this 2Q07.

Segmented Selected Information (Six-Month Basis).

Net Sales by Segment (In million Pesos as of June 30 th 2007)			Six Month Period	
			2006	2007
Retailing Operations Mexico			4,814.9	5,072.4
Retailing Operations U.S.A.			853.6	1,212.5
Other Businesses			567.3	506.7
Total Segment Net Sales			6,235.8	6,791.6
Inter-Segment Operations			(504.1)	(457.8)
Total Consolidated Net Sales			\$5,731.7	\$6,333.8

Segmented Net Sales (Percentage)			Six Month Period	
			2006	2007
Retailing EBITDA Mexico			84.0%	80.1%
Retailing EBITDA U.S.A.			14.9%	19.1%
Other Businesses			9.9%	8.0%
Total Segment Net Sales			108.8%	107.2%
Inter-Segment Operations			(8.8%)	(7.2%)
Total Consolidated Net Sales			100.0%	100.0%

EBITDA			Six Month Period	
(In Millions of Mexican Pesos as of June 30 th 2007)				
			2006	2007
Retailing Operations Mexico			585.3	596.9
Retailing Operations U.S.A.			37.6	102.3
Other Businesses			26.4	13.2
Total Segment EBITDA			649.3	712.4
Inter-Segment Operations			26.4	32.8
Total Consolidated EBITDA			\$675.7	745.2

Exhibit II**GRUPO FAMSA, S.A.B. DE C.V. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET AT JUNE 30, 2007 WITH COMPARATIVE FIGURES FOR 2006****Thousands of Mexican Pesos of June 30, 2007 Purchasing Power**

	<u>2007</u>		<u>2006</u>	
<u>Assets</u>				
CURRENT ASSETS				
Cash and temporary investments	\$	621,887 4.2%	\$	545,944 4.5%
Trade accounts receivable		8,310,815 56.1%		6,737,222 55.0%
Taxes recoverable		359,083 2.4%		321,291 2.6%
Other accounts receivable		396,710 2.7%		356,365 2.9%
Inventories		2,326,599 15.7%		2,014,251 16.4%
Total current assets		<u>12,015,094 81.1%</u>		<u>9,975,073 81.4%</u>
PROPERTY, LEASEHOLD IMPROVEMENTS AND FURNITURE AND EQUIPMENT				
		2,198,899 14.8%		1,709,214 13.9%
GOODWILL				
		233,707 1.6%		233,707 1.9%
DEFERRED CHARGES				
		307,040 2.1%		262,849 2.1%
OTHER ASSETS				
		66,581 0.4%		76,854 0.6%
TOTAL ASSETS		\$14,821,321 100.0%		\$12,257,697 100.0%
<u>Liabilities and Stockholders' Equity</u>				
CURRENT LIABILITIES:				
Short-term debt	\$	2,255,861 15.2%	\$	326,507 2.7%
Suppliers		1,488,201 10.0%		1,500,418 12.2%
Deferred value added tax		665,231 4.5%		545,175 4.4%
Accounts payable and accrued expenses		323,552 2.2%		208,518 1.7%
Income tax and asset tax payable		46,701 0.3%		14,940 0.1%
Total current liabilities		<u>4,779,546 32.2%</u>		<u>2,595,558 21.2%</u>
LONG-TERM LIABILITIES:				
Long-term debt		3,140,288 21.2%		3,112,616 25.4%
Deferred income tax		654,376 4.4%		829,905 6.8%
Estimated liability for labor benefits		129,489 0.9%		71,755 0.6%
Total long-term liabilities		<u>3,924,153 26.5%</u>		<u>4,014,276 32.7%</u>
Total liabilities		<u>8,703,699 58.7%</u>		<u>6,609,834 53.9%</u>
STOCKHOLDERS' EQUITY:				
Capital stock		2,185,829 14.7%		2,181,288 17.8%
Paid in capital		2,047,045 13.8%		1,995,244 16.3%
Retained earnings		3,376,476 22.8%		2,852,590 23.3%
Net income		252,633 1.7%		198,713 1.6%
Deficit on restatement of capital		(1,755,668) -11.8%		(1,591,547) -13.0%
Total majority interest		<u>6,106,315 41.2%</u>		<u>5,636,288 46.0%</u>
Minority interest		11,307 0.1%		11,575 0.1%
Total stockholders' equity		<u>6,117,622 41.3%</u>		<u>5,647,863 46.1%</u>
Total liabilities and stockholders' equity	\$	<u>14,821,321 100.0%</u>	\$	<u>12,257,697 100.0%</u>

GRUPO FAMSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FROM JANUARY 1ST TO JUNE 30, 2007 AND 2006

Thousands of Mexican Pesos of June 30, 2007 Purchasing Power

	<u>2007</u>		<u>2006</u>	
Net sales	\$	6,333,795 100.0%	\$	5,731,671 100.0%
Cost of sales		(3,430,139) -54.2%		(3,202,519) -55.9%
Gross margin		2,903,656 45.8%		2,529,152 44.1%
Operating expenses		(2,300,178) -36.3%		(1,976,765) -34.5%
Operating income		603,478 9.5%		552,387 9.6%
Comprehensive financing expense, net		(292,057) -4.6%		(265,462) -4.6%
		311,421 4.9%		286,925 5.0%
Other income, net		(7,799) -0.1%		13,993 0.2%
Income before income tax		303,622 4.8%		300,918 5.3%
Income tax		(50,813) -0.8%		(101,495) -1.8%
		(50,813) -0.8%		(101,495) -1.8%
Consolidated net income		252,809 4.0%		199,423 3.5%
Net income (loss) corresponding to minority interest		(176) -0.0%		(710) -0.0%
Net income corresponding to majority interest	\$	252,633 4.0%	\$	198,713 3.5%

GRUPO FAMSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FROM JANUARY 1ST TO JUNE 30, 2007 AND 2006

Thousands of Mexican Pesos of June 30, 2007 Purchasing Power

	<u>2007</u>	<u>2006</u>
<u>Operations</u>		
Net income	\$ 252,633	\$ 198,713
Items not affecting resources:		
Depreciation and amortization	141,697	123,309
Allowance for doubtful accounts	136,866	125,420
Deferred income tax	(52,866)	33,681
Estimated liability for labor benefits	13,492	5,627
	<u>491,822</u>	<u>486,750</u>
Changes in working capital other than financing:		
Trade accounts receivable	(823,167)	(348,991)
Inventories	(60,061)	9,905
Suppliers	(442,791)	(461,807)
Other, net	106,557	(44,538)
	<u>(1,219,462)</u>	<u>(845,431)</u>
Resources used in operating activities before the effect of adoption of new accounting standards	(727,640)	(358,681)
Effect of adoption of new accounting standards	0	0
Resources used in operating activities	<u>(727,640)</u>	<u>(358,681)</u>
<u>Financing</u>		
Bank loans and long-term debt, net	1,260,375	(817,674)
Increase in capital stock	59,039	1,578,510
Minority interest, net	178	1,028
Resources provided by financing activities	<u>1,319,592</u>	<u>761,864</u>
<u>Investment</u>		
Investment		
Property, leasehold improvements and furniture and equipment, net	(494,931)	(113,457)
Increase (decrease) in cash and temporary investments	97,021	289,726
Cash and temporary investments at beginning of year	524,866	256,218
Cash and temporary investments at end of year	<u>\$ 621,887</u>	<u>\$ 545,944</u>