ALSEA

Alsea

Results and Important Events during the First Quarter 2011

- **Growth of 13.7% in net consolidated sales during the first quarter of 2011 and an 8.3% increase in same-store sales**
- **Increase of 6.5% in corporate units over the last 12 months, reaching a total of 1,016 corporate units at the close of the first quarter 2011**
- **An increase of 8.2% in EBITDA(1), totaling 243.2 million pesos at the close of the first quarter 2011**
- **Net income for the first quarter of 2011 closed at 17.5 million pesos**

Mexico, D.F., April 26, 2011. Alsea, S.A.B. de C.V. (BMV: ALSEA*), the leading Quick Service Restaurant (QSR) and Casual Dining operator in Latin America, reported its first quarter 2011 results today. This information is presented according to Financial Reporting Standards (NIF), and it is presented in nominal terms.

CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2011

The following table shows a condensed Income Statement in millions of pesos (except EPS). The margin for each item represents net sales, as well as the percentage change in the quarter ended March 31, 2011, in comparison with the same period of 2010:

	1Q 11	*Margin %*	*1Q 10*	*Margin %*	*Change %*
Net sales	$2,383.3	100.0%	$2,095.8	100.0%	13.7%
Gross Income	1,548.6	65.0%	1,358.4	64.8%	14.0%
EBITDA(1)	243.2	10.2%	224.9	10.7%	8.2%
Operating income	66.0	2.8%	56.0	2.7%	17.9%
Net Income	17.5	0.7%	3.4	0.2%	412.5%
EPS (2)	0.2679	N.A.	0.2408	N.A.	11.2%

(1) EBITDA is defined as operating income before depreciation and amortization.
(2) EPS is earnings per share of the last 12 months.

Net sales increased 13.7% to 2,383.3 million pesos in the first quarter of 2011, in comparison with 2,095.8 million pesos in the same quarter of the prior year. This increase reflects the growth in sales of the food and beverage segments in Mexico and South America, mainly due to an increase in the number of units and 8.3% growth in same-store sales. This positive effect was partially offset by the decrease in the distributor's revenues from third parties.

Growth in brand sales was due to the fact that there was a net increase of 62 corporate units in the last 12 months, as well as growth in same-store sales for the operations in Mexico and South America.

During the first quarter of 2011, gross income increased 190.2 million pesos to 1,548.6 million pesos, with gross margin of 65.0%, in comparison with 64.8% recorded in the same period of the previous year. The improvement of 0.2 percentage points in the gross margin is attributed to the effect on the business mix, as the units with higher sales growth are those that have a lower cost as a percentage of sales, to an effect of a decrease in the cost of sales due to appreciation of the pesos against the dollar over the last 12 months, and to a lesser extent to operating efficiencies attained during the period. Those effects were partially offset by the loss in margin due to the value strategy launched for Domino's Pizza in Mexico, and with the increase in the price of some materials that the brands use.

Operating expenses (excluding depreciation and amortization) increased as a percentage of sales by 0.7%, rising from 54.1% during the first quarter of 2010, to 54.8% during the same period of 2011. The foregoing was mainly due to the aforementioned business mix in which the units with higher sales growth are those that generated higher expenses as a percentage of sales, and to a lesser extent, to an increase in labor expenses. Those effects were partially offset with the margin resulting from the growth in same-store sales and the increase in the number of units.

As a result of the 14.0% growth in gross income and the 15.2% increase in operating expenses (excluding depreciation and amortization), EBITDA grew 8.2% to 243.2 million pesos at the close of the first quarter of 2011, compared with the 224.9 million pesos in the same period of the prior year. The increase in EBITDA of 18.3 million pesos is mainly attributable to the growth in same-store sales, the increase in the number of units and to the improvement in the cost of sales.

At the end of the first quarter of 2011, operating income showed an increase of 10.0 million pesos, closing at 66.0 million pesos, in comparison with the 56.0 million pesos in the same period of 2010. The foregoing was mainly due to the increase of 18.3 million pesos in EBITDA, which was offset by the 7.8 million pesos increase in depreciation and amortization due to the Company's expansion plan over the last 12 months.

Consolidated net income for the quarter increased 14.1 million pesos, closing at 17.5 million pesos, compared with 3.4 million pesos in the first quarter of 2010, mainly due to the positive variation of 10.0 million pesos in operating income, the decrease of 9.4 million pesos in other expenses, and the drop of 1.5 million pesos in the all-in cost of financing. Those variations were partially offset by the 5.3 million pesos increase in income taxes, and to the decrease of 1.5 million pesos in results from associated companies.

Earnings per share "EPA"(2) for the 12 months ended March 31, 2011, increased to 0.2679 pesos, in comparison with 0.2408 pesos for the 12 months ended March 31, 2010.

RESULTS BY SEGMENT

Net sales and EBITDA are shown below by business segment in millions of pesos for the first quarter of 2011 and 2010.

Net Sales by Segment	*1Q 11*	*% Cont.*	*1Q 10*	*% Cont.*	*% Var.*
Food and Beverages – Mexico	$1,643.9	69.0%	$1,474.0	70.3%	11.5%
Food and Beverages – South America	484.1	20.3%	360.8	17.2%	34.2%
Distribution	761.8	32.0%	698.6	33.4%	9.1%
Intercompany Operations (3)	(506.5)	(21.3)%	(437.6)	(20.9)%	15.8%
Consolidated Net Sales	**$2,383.3**	**100.0%**	**$2,095.8**	**100.0%**	**13.7%**

EBITDA by Segment	*1Q 11*	*% Cont.*	*Margin*	*1Q 10*	*% Cont.*	*Margin*	*% Var.*
Food and Beverages – Mexico	$186.1	76.5%	11.3%	$183.4	81.5%	12.4%	1.5%
Food and Beverages – South America	26.8	11.0%	5.5%	12.3	5.5%	3.4%	117.9%
Distribution	17.2	7.1%	2.3%	17.5	7.8%	2.5%	(1.8)%
Others(3)	13.1	5.4%	N.A.	11.7	5.2%	N.A.	11.9%
Consolidated EBITDA	**$243.2**	**100%**	**10.2%**	**$224.9**	**100.0%**	**10.7%**	**8.2%**

(3) For the purpose of information by segment, these operations were included in each respective segment.

Food and Beverages – Mexico

Sales in the first quarter of 2011 increased 11.5% to 1,643.9 million pesos, in comparison with 1,474.0 million pesos in the same period of 2010. This variation of 169.9 million pesos is mainly attributable to the net opening of 38 corporate units from its various brands over the last 12 months and the growth in same-store sales for the Casual Dining brands and some of the quick service restaurant brands in Mexico. The foregoing was partially offset by the loss in same-store sales from Burger King in Mexico.

EBITDA increased 1.5% during the first quarter of 2011 to 186.1 million pesos, compared with the 183.4 million pesos reported in the same period of the prior year. That increase is attributed to the margin generated by the increase in same-store sales of some of the brands in Mexico, and to a lesser extent to the decrease in the cost of sales as a consequence of the peso's appreciation against the dollar. The foregoing was partially offset by the increased cost of some of the principal materials required by the different brands.

Food and Beverages – South America

At the end of the first quarter of 2011, the Food and Beverages – South America division was comprised of Burger King Operations in Argentina, Chile and Colombia, as well as Domino's Pizza Colombia and Starbucks Coffee Argentina, with a total of 141 units at the end of the period. This division saw a 34.2% increase in sales, totaling 484.1 million pesos, in comparison with 360.8 million pesos in the first quarter of the prior year. This positive variation of 123.3 million pesos was mainly due to the net opening of 24 units over the last 12 months, as well as the increase in same-store sales. This division represented 20.3% of Alsea's total revenues.

At the end of the first quarter of 2011, EBITDA for the Food and Beverages – South America division increased 117.9% to 26.8 million pesos, in comparison with 12.3 million pesos in the same period in 2010. EBITDA margin grew 2.1%, closing at 5.5%. Those increases are mainly attributable to the margin obtained from the increase in number of units, the growth in same-store sales, the decrease in the cost of sales arising from the appreciation of the different currencies against the US dollar in the countries where the Company has operations and to the decrease from the effect of new businesses as a consequence of consolidation of the brands in different countries.

Distribution

Net sales during the first quarter increased 9.1% to 761.8 million pesos, in comparison with 698.6 million pesos in the same period of 2010. The foregoing is due to the increased sales at Domino's Pizza in Mexico, the growth in same-store sales from others brands served, and by the increase in the number of units served over the last 12 months, supplying a total of 1,347 units as of March 31, 2011, in comparison with 1,304 units during the same period of the prior year, which was an increase of 3.3%. Sales to third parties decreased 2.1% to 252.3 million pesos, mainly due to the decrease in sales to third parties of Burger King in Mexico.

EBITDA decreased 0.3 million pesos during the first quarter of 2011, falling to 17.2 million pesos, compared with the 17.5 million pesos in the same quarter of the prior year, which was a 1.8% decrease. The 2.3% EBITDA margin dropped 0.2 percentage points in comparison with the same period of the prior year. This change was mainly due to the business mix and to discounts granted to the Domino's Pizza chain in Mexico, as a consequence of the support given to the brand's value strategy, which is focused on creating a higher number of orders. That change was partially offset by the effect generated due to a better exchange rate from the prior year.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing in the first quarter of 2011 decreased to 40.2 million pesos, in comparison with 41.6 million pesos in the same period of the prior year. That decrease of 1.4 million pesos can be attributed to the decrease of 1.3 million pesos in exchange rate losses and to the increase of 1.3 million pesos from the monetary result. The foregoing was partially offset by the increase of 1.2 million pesos in the net interest paid.

Other Expenses and Products - Net

This line showed a favorable change of 9.4 million pesos over the same period of the prior year, which was a consequence of the expense for a legal procedure to recover VAT balances in favor of the Company having been recognized in the first quarter of 2010. This change was partially offset by the asset write-off due to the closure of units during the first three months of 2011.

Tax on earnings

Taxes on earnings of 6.4 million pesos increased 5.3 million pesos in comparison with the same quarter of the prior year. This was the result of growth of 19.4 million pesos in earnings before taxes at the close of the first quarter of 2011, and to a lesser extent, to the effect caused by South American operations, as some countries have higher tax rates than Mexico.

BALANCE SHEET

Store Equipment, Improvements to Leased Locations and Properties, Brand Use Rights, Goodwill and Pre-Operations

The increase of 191.5 million pesos in this line was due to the acquisition of assets and opening of new stores as a part of the expansion program over the last 12 months. These effects were partially offset by the amortization and depreciation of assets in accordance with accounting policies, and to a lesser extent to the write-off of assets due to unit closures.

During the three months ended March 31, 2011, Alsea made capital investments of 234.0 million pesos, of which 156.3 million pesos, equal to 66.8% of total investments, were earmarked for unit openings, equipment refurbishing, and remodeling existing stores for the different brands that the Company operates. The remaining 77.7 million pesos was earmarked for other items, notably the development and construction of the bakery facility, logistics improvement projects, the Online System for Domino's Pizza in Mexico, and software licenses, among others.

Clients

The increase of 45.6 million pesos in the "Clients" account is mainly attributable to the gap in recovery in DIA's portfolio with some clients. This created a variation in the number of days in the portfolio, increasing from 7 days in the first quarter of 2010, to 8 days by the close of the same period of 2011.

Inventory

As of March 31, 2011, inventory had increased from 287.6 million pesos at March 31, 2010, to 356.1 million pesos. This increase of 68.5 million pesos is mainly attributable to the increase in cheese inventory, due to an opportunity that presented itself in the market.

Taxes Recoverable – Net

The decrease in the Taxes Receivable - Net of Taxes Payable line, of 106.7 million pesos at March 31, 2011, is mainly attributable to the recovery of VAT receivable amounts in the third quarter of 2010 for the period from May to December 2007. That variation was partially offset by the increase in VAT balances receivable from the different brands in the portfolio, and to the decrease of income taxes payable.

Deferred Income Tax

Deferred income tax increased from 520.0 million pesos at March 31, 2010, to 581.8 million pesos at March 31, 2011. This increase of 61.8 million pesos occurred mainly as a consequence of the effect of the differences in financial depreciation rates and tax rates and the recognition of tax losses.

Providers

Providers increased from 426.3 million pesos at March 31, 2010, to 560.0 million pesos at March 31, 2011. This variation of 133.7 million pesos was created principally by a larger number of units in operation and as a consequence of a better negotiating process, which translates into an increase of three provider days, having risen from 23 to 26 days over the last 12 months.

Bank Debt and Fixed-Rate Bonds

At March 31, 2011, Alsea's total debt decreased by 28.6 million pesos, closing at 1,524.3 million pesos, in comparison with 1,552.9 million pesos on the same date of the previous year. The Company's net consolidated debt compared with the first quarter of 2010 increased 269.7 million pesos, closing at 1,153.4 million pesos on March 31, 2011, compared with the 883.7 million at the same quarter of the previous year. This increase is mainly attributable to the Company's capital investment needs.

At March 31, 2011, 87.0% of the debt was long term, and on that same date 97.3% of the debt was denominated in Mexican pesos, 1.9% in Colombian pesos, and 0.8% in Chilean pesos.

The following table shows the amount of total debt in millions of pesos at March 31, 2011, as well as the maturity dates by year:

	Balance	Maturities									
	1Q 11	2011	%	2012	%	2013	%	2014	%	2015	%
Bank Debt	**$824.3**	$156.3	18.9%	$128.0	15.5%	$130.0	15.8%	$205.0	24.9%	$205.0	24.9%
Bond Debt	**$700.0**	$0.0	0.0%	$300.0	42.9%	$400.0	57.1%	$0.0	0.0%	$0.0	0.0%
Total Debt	**$1,524.3**	**$156.3**	**10.3%**	**$428.0**	**28.1%**	**$530.0**	**34.8%**	**$205.0**	**13.4%**	**$205.0**	**13.4%**

Share Repurchase Program

At March 31, 2011, the Company had an approximate balance in the repurchase fund of 6.07 million shares for a total of approximately 75.8 million pesos, at an average price of 12.49 pesos per share. During the three months ended March 31, 2011, the Company sold a net of 6.5 million shares for approximately 87.7 million pesos.

Financial Ratios

At March 31, 2011, the financial restrictions established in the Company's credit contracts were as follows: the net debt to EBITDA ratio for the last 12 months was 1.13x, the total liabilities to shareholders' equity ratio was 0.89x, and the 12-month EBITDA to 12-month interest paid ratio was 9.83x.

The Net Return on Invested Capital ("ROIC")(4) decreased from 7.9% to 5.7% over the 12 months ended March 31, 2011. The Return on Equity ("ROE")(5) for the 12 months ended March 31, 2011 was 5.4% in comparison with 5.0% for the same period in the prior year.

KEY NUMBERS

BRAND	Units 1Q 11	Units 1Q 10	Variation	% Var. - Annual
Domino's Pizza Mexico	415	424	(9)	(2.1)%
Domino's Pizza Colombia	21	22	(1)	(4.5)%
Starbucks Mexico	304	269	35	13.0%
Starbucks Argentina	32	15	17	113.3%
Burger King Mexico	109	108	1	0.9%
Burger King Argentina	52	45	7	15.6%
Burger King Chile	30	32	(2)	(6.3)%
Burger King Colombia	6	3	3	100.0%
Chili's Grill & Bar	31	28	3	10.7%
California Pizza Kitchen	10	7	3	42.9%
P.F. Chang's China Bistro	6	1	5	500%.
Total Corporate	**1,016**	**954**	**62**	**6.5%**
Starbucks Chile	31	30	1	3.3%
Starbucks Brazil	0	24	(24)	(100)%
Total Associated Companies[(7) (8)]	**31**	**54**	**(23)**	**(42.6)%**
Domino's Sub-Franchises	**164**	**163**	**1**	**0.6%**
TOTAL UNITS	**1,211**	**1,171**	**40**	**3.4%**

Financial Indicators	1Q 11	1Q 10	Variation
EBITDA[1] / Interest Paid	9.8 x	8.9 x	N.A
Net Debt / EBITDA[1]	1.13 x	0.84 x	N.A
Total Liabilities / Shareholders' Equity	0.89 x	0.87 x	N.A
ROIC [4]	5.7%	7.9%	(220) bps
ROE [5]	5.4%	5.0%	40 bps

Stock Market Indicators	1Q 11	1Q 10	Variation
Book Value per Share	$4.81	$4.95	(3.0)%
EPS (12 months) [2]	$0.2679	$0.2408	11.2%
EV[6] / EBITDA[1] (12 months)	8.9 x	8.8 x	N.A.
Shares in circulation at the close of the period (millions)	611.7	608.8	0.48%
Float of shares in circulation	38.7%	35.7%	300 bps
Price per share at close	$12.61	$13.40	(5.9)%

(4) ROIC is defined as operating income after taxes (last 12 months) over net operating investment (total assets – cash and short-term investments – no-cost liabilities).
(5) ROE is defined as net earnings (last 12 months) over shareholders' equity.
(6) EV is defined as market value plus net debt plus minority interest, and considers the price per share at the close of each quarter.
(7) Associated stores are defined as all operations that are recognized using the equity method.
(8) The decrease of 23 stores from the total of associated stores is due to the sale of the minority stake in Starbucks Coffee Brasil operations.

This press release contains certain forward-looking information regarding the Company's results and outlook. However, actual results may vary materially from these estimates. Information on future events contained in this release must be read jointly with the risk summary in the Annual Report. That information, as well as future reports made by the Company or any of its representatives, whether verbally or in writing, may vary significantly from actual results. These projections and estimates, which are prepared with reference to a determined date, should not be taken as fact. The Company is in no way liable for updating or revising any of these projections and estimates, whether as a result of new information, future events or other associated events.

The Company's shares are traded on the Mexican Stock Exchange under the ticker ALSEA.*

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ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT MARCH 31, 2011 AND 2010
(In thousands of nominal pesos)

	March 31, 2011	March 31, 2010
ASSETS		
Current assets:		
Cash and short-term investments	$ 370,926	$ 669,140
Clients	203,192	157,538
Other accounts and documents receivable	60,744	50,968
Inventory	356,128	287,654
Taxes recoverable	229,967	390,255
Other current assets	214,769	160,881
Current assets	1,435,726	1,716,436
Investments in shares of associated companies	20,262	30,957
Store equipment, improvements to leased locales, and property, net	3,035,678	2,829,375
Brand use rights, goodwill and pre-operations, net	962,617	977,393
Deferred Income Tax	581,791	519,990
Discontinued operations	122	191
Total Assets	**$ 6,036,196**	**$ 6,074,342**
LIABILITIES		
Short term:		
Providers	$ 560,032	$ 426,328
Taxes payable	136,023	189,574
Other accounts payable	517,954	578,115
Related parties	27,851	22,277
Bank credits	197,818	535,531
Short-term liabilities	1,439,678	1,751,825
Long term:		
Bank credits	626,500	317,356
Unsecured local bonds	700,000	700,000
Other long-term liabilities	76,074	63,859
Long-term liabilities	1,402,574	1,081,215
Discontinued operations	520	705
Total Liabilities	**2,842,772**	**2,833,745**
SHAREHOLDERS' EQUITY		
Minority interest	250,087	235,654
Majority interest:		
Capital stock	530,903	529,456
Net premium in share placement	1,241,761	1,238,366
Accumulated income	1,181,239	1,253,179
Income during the year	11,610	(658)
Conversion effects – foreign entities	(22,176)	(15,400)
Majority interest	2,943,337	3,004,943
Total Shareholders' Equity	**3,193,424**	**3,240,597**
Total Liabilities and Shareholders' Equity	**$ 6,036,196**	**$ 6,074,342**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2011 AND 2010
(In thousands of nominal pesos)

	Three months ended March 31, 2011		Three months ended March 31, 2010	
Net sales	$ 2,383,285	100%	$ 2,095,818	100%
Cost of sales	834,668	35.0%	737,383	35.2%
Gross Income	1,548,617	65.0%	1,358,435	64.8%
Operating expenses	1,307,099	54.8%	1,134,729	54.1%
Depreciation and amortization	175,504	7.4%	167,705	8.0%
Operating Income	66,014	2.8%	56,001	2.7%
Other expenses (products) – net	2,723	0.1%	12,125	0.6%
All-in cost of financing:				
Interest paid – net	23,173	0.9%	21,997	1.0%
Exchange rate loss – net	16,997	0.7%	18,283	0.9%
Result by monetary position	0	0.0%	1,335	0.1%
	40,171	1.7%	41,615	2.0%
Share in the results of associated companies	738	0.0%	2,222	0.1%
Income before taxes	23,858	1.0%	4,483	0.2%
Tax on earnings	6,396	0.3%	1,076	0.1%
Income before discontinued operations	17,462	0.7%	3,407	0.2%
Consolidated net income	**17,462**	**0.7%**	**3,407**	**0.2%**
Minority interest	5,852	0.2%	4,065	0.2%
Majority net income	$ 11,610	0.5%	$ (658)	0.0%

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2011 AND 2010
(In thousands of nominal pesos)

	March 31, 2011	March 31, 2010
Operating activities:		
Consolidated result before income taxes	$ **23,858**	$ **4,483**
Income from investments:		
Depreciation and amortization of brands	177,206	168,875
Income or loss on sales of fixed assets	7,902	7,734
Other entries	(2,287)	(10,463)
Total	**206,679**	**170,629**
Clients	4,032	5,904
Inventory	(3,690)	47,254
Providers	(150,516)	(137,357)
Taxes payable	(105,601)	(156,213)
Other assets and other liabilities	19,190	8,657
Total	**(236,585)**	**(231,755)**
Net cash flow from operations	**(29,906)**	**(61,126)**
Investment activities		
Store equipment, improvements to leased locales, and property	(159,255)	(19,080)
Brand use rights, goodwill and pre-operations, net	(74,714)	(74,018)
Investments in shares of subsidiaries and associated companies	521	(5,924)
Net cash flow from investment activities	**(233,448)**	**(99,022)**
Cash receivable from financing activities	**(263,354)**	**(160,148)**
Financing activities		
Bank credits and loan payments, net	(73,206)	(149,216)
Unsecured local bonds	0	400,000
Minority interest, net	(1,406)	7,814
Sale (repurchase) of shares	89,372	100,689
Net cash flow from financing activities	**14,760**	**359,287**
Increase (decrease) net of cash	**(248,594)**	**199,139**
Adjustments to cash flow due to exchange rate variations	(20,683)	6,787
Cash at the beginning of the period	640,203	463,214
Cash at the end of the period	**$ 370,926**	**$ 669,140**