JAVER REPORTS FINANCIAL RESULTS FOR THE SECOND QUARTER AND FIRST SIX MONTHS OF 2009

Monterrey, Nuevo Leon, Mexico - August 18, 2009 - Servicios Corporativos Javer S.A.P.I. de C.V., “Javer” or “the Company” today announced financial results for the second quarter and first six-month periods ended June 30, 2009.

On January 1, 2009, Javer adopted Mexican Accounting Standards Board rule “INIF 14: Construction Contracts, Sales and Services Related to Real Estate”. As a result, the method for revenue recognition was changed to recognizing revenues only upon the titling of homes. This report, under INIF 14 contains unaudited information for the quarter as well as an unaudited re-expression of our historical financials under the new rule. Therefore, figures in prior quarterly releases before the adoption of INIF 14 will not be comparable to figures presented herein.

EXECUTIVE SUMMARY

		2Q09		2Q08	Variance		6M09		6M08	Variance
Homes titled		3,891		3,218	20.9%		7,561		6,108	23.8%
Net Revenues (Ps.mm)	Ps.	1,185,520	Ps.	953,351	24.4%	Ps.	2,302,966	Ps.	1,892,473	21.7%
Gross Profit (Ps.mm)	Ps.	346,408	Ps.	320,201	8.2%	Ps.	686,609	Ps.	670,936	2.3%
Gross Margin		29.2%		33.6%	-4.4 pp		29.8%		35.5%	-5.6 pp
Operating Profit (Ps.mm)	Ps.	217,700	Ps.	210,111	3.6%	Ps.	428,606	Ps.	464,316	-7.7%
Operating Margin		18.4%		22.0%	-3.6 pp		18.6%		24.5%	-5.9 pp
EBITDA (Ps.mm)	Ps.	227,309	Ps.	222,746	2.0%	Ps.	447,002	Ps.	482,526	-7.4%
EBITDA Margin		19.2%		23.4%	-4.2 pp		19.4%		25.5%	-6.1 pp
Net Income	Ps.	82,556	Ps.	120,177	-31.3%	Ps.	182,976	Ps.	251,721	-27.3%
Net Margin		7.0%		12.6%	-5.6 pp		7.9%		13.3%	-5.4 pp

- **Net Revenues** for the quarter grew 24.4%, to Ps 1.2 billion, from Ps. 953.4 million, due to a 20.9% increase in the volume of homes titled, a modest increase in average prices of homes titled and a significant increase in commercial lot sales for the quarter. For the first half of the year, net revenues increased 21.7%, to Ps. 2.3 billion from Ps. 1.9 billion, due to a higher volume of homes titled and a modest average price increase, which partly offset lower commercial lot sales for the period.

- **Gross Profit** increased 8.2%, to Ps. 346.4 million from Ps. 320.2 million, as the increased home titling volume was unable to offset the effect of a lower amount of higher margin developments that were concluded in 2008 which were replaced during 2009 with developments with more normalized margins. For the first half of the year, gross profit increased 2.3%, to Ps. 686.6 million, from Ps. 670.9 million, given the above-mentioned effects coupled with a lower level of high-margin commercial lot sales.

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- **Operating Profit** increased 3.6% to Ps. 217.7 million from Ps. 210.1 million, due to increases in SG&A expenses related to higher titling volumes, which slightly offset gross profit growth for the quarter. For the first half of the year operating profit declined 7.7% to Ps. 428.6 million from Ps. 464.3 million, as the increased volume was not able to offset the drop in gross margin and increase in SG&A expenses.
- **EBITDA** for the quarter increased 2.0% to Ps. 227.3 million from Ps. 222.7 million and for the first six-months declined 7.4%, to Ps. 447.0 million from Ps. 482.5 million. EBITDA margin fell by 4.2 percentage points for the quarter, to 19.2% from 23.4% driven mostly by the effect in the gross margin mentioned above. For the first half of the year, EBITDA margin declined 6.1% to 19.4% from 25.5%.
- As a result of the above, **Net Income** declined 31.3% to Ps. 82.6 million from Ps. 120.2 million and for the first six months of the year, net income decreased 27.3% to Ps. 182.9 million from Ps. 251.7 million.

About Javer:

Servicios Corporativos Javer S.A.P.I. de C.V. is one of the largest privately-owned housing development companies in Mexico, specializing in the construction of low-income, middle income and residential housing in the Northern region of Mexico. The Company, which is headquartered the city of Monterrey, in the state of Nuevo Leon, began operations in 1973 and is the region's leading housing developer in terms of units sold, the third-largest supplier of Infonavit homes in the country, and has a 21% market share in the state of Nuevo Leon. The Company operates in the states of Nuevo Leon, Aguascalientes, Tamaulipas and Jalisco.

During 2008, the Company reported revenues of Ps. 4,472.9 million (US$ 323.4 million) and sold a total of 13,910 units.

CEO STATEMENT

Roberto Russildi, Javer's Chief Executive Officer commented on the quarterly results, "The second quarter 2009 proved to be yet another period of strong growth for Javer, despite a challenging macroeconomic situation and a slowdown in loan originations. We believe that there has been a contraction in supply from the smaller, less well-capitalized competitors, which has enabled the larger, more stable homebuilders ample room for continued growth.

Homes titled during the quarter grew 20.9% compared to the second quarter of 2008. For the first half of the year, homes titled increased 23.8% when compared to the year ago period. The volume of home titling during the quarter continues to place Javer as the third-largest provider of homes to the Infonavit system, year to date."

Mr. Russildi continued, "In July, Javer issued senior unsecured notes into the capital markets for US$ 180 million. This issuance was important for a number of reasons: (i) it was the first issuance by a Mexican non-investment grade corporate since the beginning of the financial crisis, (ii) over 50 domestic and international investors participated, and (iii) the issuance significantly strengthened Javer's financial flexibility at what we consider to be the right time, as the Mexican housing industry is experiencing one of the most attractive growth opportunities for well-capitalized developers in the last decade.

Despite the still sluggish economic and job market conditions, Javer continues to enjoy strong interest in our developments, which we expect will permit us to meet out titling goals for 2009. Infonavit loans have continued as per original projections for the year and we are experiencing no material delays in their titling or payment timetables. Therefore, we continue to be encouraged to increase production levels, and given these factors, and our strengthened financial structure, we remain optimistic about our business outlook."

UNITS SOLD AND NET REVENUES*

		2Q09	% of revenues		2Q08	% of revenues	Variance		6M09	% of revenues		6M08	% of revenues	Variance
Equivalent Units Sold														
Low Income		1,896			2,065		-8.2%		3,282			3,813		-13.9%
Middle Income		1,761			888		98.3%		3,957			1,800		119.8%
Residential		234			265		-11.7%		322			495		-34.9%
TOTAL		**3,891**			**3,218**		**20.9%**		**7,561**			**6,108**		**23.8%**
Revenues (Ps.mm)														
Low Income		416,144	35.1%		439,381	46.1%	-5.3%		712,381	30.9%		814,563	43.0%	-12.5%
Middle Income		574,904	48.5%		291,356	30.6%	97.3%		1,297,001	56.3%		591,038	31.2%	119.4%
Residential		178,581	15.1%		220,418	23.1%	-19.0%		266,803	11.6%		408,254	21.6%	-34.6%
Total Home Sales	**Ps.**	**1,169,629**	**98.7%**	**Ps.**	**951,155**	**99.8%**	**23.0%**	**Ps.**	**2,276,185**	**98.8%**	**Ps.**	**1,813,855**	**95.8%**	**25.5%**
Commercial Lot Sales		15,891	1.3%		2,196	0.2%	623.6%		26,781	1.2%		78,618	4.2%	-65.9%
TOTAL	**Ps.**	**1,185,520**	**100%**	**Ps.**	**953,351**	**100%**	**24.4%**	**Ps.**	**2,302,966**	**100%**	**Ps.**	**1,892,473**	**100%**	**21.7%**

* Low Income units are those with selling prices below Ps$260,000. Middle Income units carry selling prices of between Ps$260,000 and Ps$560,000. Residential units are those whose selling price exceeds Ps$560,000.

		2Q09		2Q08		6M09		6M08
Average Sales Price per Unit								
Low Income	Ps.	219.5	Ps.	212.8	Ps.	217.1	Ps.	213.6
Middle Income	Ps.	326.5	Ps.	328.1	Ps.	327.8	Ps.	328.4
Residential	Ps.	763.2	Ps.	831.8	Ps.	828.6	Ps.	824.8
TOTAL	**Ps.**	**300.6**	**Ps.**	**295.6**	**Ps.**	**301.0**	**Ps.**	**297.0**

Javer sold 3,891 units in the second quarter of 2009, compared to 3,218 units for the same quarter of 2008, an increase of 20.9%. While low-income and residential sales declined 8.2% and 11.7%, respectively, middle income unit sales grew 98.3%, remaining the main growth driver for Javer. Middle-income sales represented 45.3% of total units titled and 48.5% of housing revenues, compared to 27.6% and 30.6%, respectively, for the second quarter of 2008. For the first half of the year, middle-income unit sales represented 52.3% of total units titled and 56.3% of housing revenues.

It is important to note that the middle-income segment customer continues to be primarily financed through the traditional Infonavit program as well as through the Infonavit Total program, where Infonavit and Banamex jointly provide the mortgage to the Infonavit worker. These programs are very well suited for the skilled labor customer base, which is prevalent within Javer's coverage area.

Prices across all product segments continue to rise at or above inflation rates. Despite the change in the product mix during the quarter compared to the second quarter of 2008, average prices increased slightly to Ps. 301 thousand for the second quarter of 2009 from Ps. 296 thousand in the second quarter of 2008.

Commercial lot sales reached Ps. 15.9 million. However, we experienced no significant block sales of multiple lots during the quarter as experienced during the first and fourth quarters of 2008. Javer expects commercial lot sales will continue to be sold in the bulk, as has been the case in the past, and depend upon the construction progress at each development.

The Company is implementing a number of initiatives to make the investment in our commercial lot inventory more attractive for private and institutional investors.

GROSS PROFIT / MARGIN

		2Q09		2Q08	Variance		6M09		6M08	Variance
Gross Profit (PS.mm)										
Home Sales	Ps.	336,132	Ps.	318,786	5.4%	Ps.	666,815	Ps.	606,144	10.0%
Commercial Lot Sales	Ps.	10,276	Ps.	1,415	626.2%	Ps.	19,794	Ps.	64,792	-69.4%
TOTAL	**Ps.**	**346,408**	**Ps.**	**320,201**	**8.2%**	**Ps.**	**686,609**	**Ps.**	**670,936**	**2.3%**
Gross Margin										
Home Sales		28.7%		33.5%	-4.8 pp		29.3%		33.4%	-4.1 pp
Commercial Lot Sales		64.7%		64.4%	0.2 pp		73.9%		82.4%	-8.5 pp
TOTAL		**29.2%**		**33.6%**	**-4.4%**		**29.8%**		**35.5%**	**-5.6%**

Gross Profit rose 8.2% quarter-over-quarter, to Ps. 346.4 million from Ps. 320.2 million, due to a 20.9% higher volume of home units sold and higher commercial lot sales for the quarter. For the first six months, gross profit from home sales increased 10.0% and gross profit from commercial lot sales declined 69.4%, representing an accumulated increase of 2.3%.

Gross Margin declined 4.4 percentage points for the quarter, mainly due to 4.8 percentage points lower home sales and nearly flat commercial lot sales. Home sale margins contracted for the second quarter of 2009 compared to the second quarter of 2008, due mainly to the fact that extraordinarily higher margin developments, which were concluded in the first half of 2008, were replaced by developments with more normalized margins in 2009.

EBITDA / MARGIN

		2Q09		2Q08	Variance		6M09		6M08	Variance
SG&A										
Ps.mm	Ps.	128,708	Ps.	110,090	16.9%	Ps.	258,003	Ps.	206,620	24.9%
as a % of Sales		10.86%		11.55%	-0.7 pp		11.20%		10.92%	0.3 pp
EBITDA										
Ps.mm	Ps.	227,309	Ps.	222,746	2.0%	Ps.	447,002	Ps.	482,526	-7.4%
EBITDA Margin		19.2%		23.4%	-4.2 pp		19.4%		25.5%	-6.1 pp

Selling, General and Administrative Expenses increased 16.9% for the second quarter of 2009. The increase was mainly due to the increased sales volume and staffing levels to support it. However, given the operating leverage of the business, as a percentage of sales, SG&A fell 0.7%. EBITDA increased 2.0% to Ps. 227.3 million compared to Ps. 222.7 million as a result of the previously-mentioned factors. EBITDA margins contracted by 4.2 percentage points for the quarter, driven partly by lower gross profit, which was slightly offset by a decrease in SG&A expenses as a percentage of sales.

Operating Profit increased 3.6% to Ps. 217.7 million from Ps. 210.1 million as increases in SG&A expenses, related to the higher titling volume, slightly offset gross profit growth for the quarter. For the first half of the year, operating profit declined 7.7% to Ps. 428.6 million from Ps. 464.3 million, as the increased volume was not able to offset the drop in gross margin and the increase in SG&A expenses.

Net comprehensive financing result increased by 25% to Ps. 63.1 million from Ps. 50.4 million for the quarter driven mainly by our higher level of debt for the period. For the first six months, net comprehensive financing result increased by only 1.7%, as our higher level of debt was partially offset by a lower TIIE rate in 2009 compared to 2008.

Net Income declined 31.3% to Ps. 82.6 million for the second quarter of 2009 from Ps. 120.2 million for the same quarter of 2008; for the first six months of 2009 net income decreased 27.3%, to Ps. 182.9 million from Ps. 251.7 million in 2008.

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ASSETS / LIABILITIES

Cash and cash equivalents increased to Ps. 466.2 million at the end of the second quarter of 2009 from Ps. 156.8 million at the end of the first quarter in 2009, as Javer's continued efforts to improve the working capital cycle (as described below) continue to generate free cash flow for the Company.

WORKING CAPITAL

		June 2009			June 2008	
		Ps.mm	Days		Ps.mm	Days
Trade Accounts Receivable	Ps.	594,759	44	Ps.	288,651	24
Inventory (Work in Progress)	Ps.	2,355,152	264	Ps.	2,606,340	354
Inventory (Land Reserves)	Ps.	574,810	64	Ps.	322,675	44
Suppliers (not including Land Payable)	Ps.	168,862	19	Ps.	210,036	29
Customer Advances	Ps.	101,448	11	Ps.	32,250	4
Working Capital	Ps.	3,254,411	343	Ps.	2,975,380	389
LTM Sales	Ps.	4,883,438		Ps.	4,294,154	
LTM Cost of Goods Sold	Ps.	3,244,041		Ps.	2,680,587	

The increase in home titling, vis-à-vis our construction spending during the last twelve months, supported an overall working capital cycle improvement from 389 days in 2008 to 343 days in 2009.

Javer continues to expect improvements in the working capital cycle for the remainder of 2009 given the Company's focus on maintaining the projected level of home titling with a much lower level of home construction, thus lowering inventory levels and generating strong cash flow.

LAND PURCHASES

As of June 30, 2008, the Company's total land bank reached approximately 86,500 units, of which about 41,200 were owned land reserves and 45,300 were held through land trust schemes. We expect an important increase in land reserves during the next few quarters as we are working on finalizing agreements reached on land trust schemes and direct purchases.

DEBT AND DERIVATIVES EXPOSURE

Short Term Debt (Ps.mm)

Construction Loans	Ps.	107,790
Supplier Factoring	Ps.	190,814
Current Portion of Long Term Debt	Ps.	425,711
TOTAL	Ps.	724,315

Long Term Debt (Ps.mm)

Syndicated Bank Loan ("SBL")	Ps.	1,715,526
Capital Leases	Ps.	43,336
Less Current Portion	Ps.	425,711
TOTAL	Ps.	1,333,151
TOTAL DEBT	Ps.	2,057,466
CASH AND CASH EQUIVALENTS	Ps.	466,191
NET DEBT	**Ps.**	**1,591,275**
TOTAL DEBT / LTM EBITDA		1.93
NET DEBT / LTM EBITDA		1.49
LTM EBITDA / LTM INTEREST EXPENSE		3.75

Derivatives (Ps.mm unless noted)

		Cross Currency Swap		Interest Rate Swap
Notional (Javer Pays)	Ps.	537,642	$	145,181
Notional (Javer Receives)	US	51,563	$	145,181
Term		Same as SBL		Same as SBL
Interest Rate (Javer Pays)		11.86%		12.77%
Interest Rate (Javer Receives)		3MLIBOR + 400		28D TIIE + 400
Fair Market Value (6/30/2009)	Ps.	131,544	Ps. -	6,354

During the second quarter, Javer did not require any material incremental net financing, as cash from operations was more than sufficient to cover the investment program. As of June 30, 2009, Javer continued to have available credit facility lines in excess of Ps. 700,000.

As of June 30, 2009, Javer maintained derivatives positions to hedge 100% of its currency exposure and part of the TIIE exposure related to the syndicated bank loan through derivative contracts. The entirety of the US$ 55 million syndicated bank loan that was denominated in US dollars was hedged through a cross currency swap held through two financial institutions at an exchange rate of Ps. 10.4270 per US$ 1. The remainder of the syndicated facility is denominated in Mexican pesos. The Ps. 154 million tranche of the loan was hedged for interest rate exposure through an interest rate swap at a fixed interest rate of 12.77%.

Beginning January 1, 2009, Javer ceased to report the net effect of the US$ denominated debt with cross currency derivatives. The total debt balance reported for the second quarter was of Ps. 2,057 million pesos, not including any offset from derivative contracts. The Ps. 131 million gain on the Company's cross currency derivative position was reported as "Other Assets" on the balance sheet.

As of June 30, 2009, Javer had US$ 15 million in credit lines available from our derivative counterparties to finance any potential negative carrying values of our derivative contracts.

As of June 30, 2009, Total Debt / LTM EBITDA reached 1.93x; EBITDA interest coverage reached 3.75x.

RECENT DEVELOPMENTS

- On July 30, 2009, Javer successfully placed US$ 180 million in senior unsecured notes in the international capital markets. The notes, which were rated Ba3/BB- by Moodys/Fitch, carry a coupon of 13% and mature in five years with a single amortization at maturity. Approximately US$140 million of the proceeds was used to refinance 100% of the outstanding balance on our syndicated bank loan facility and approximately US$ 40 million was used to make a distribution to our parent company, Proyectos del Noreste S.A. de C.V., who in turn used the resources to pay off 100% of the remaining balance of its senior secured credit facility. As of today, Proyectos del Noreste has no remaining financial obligations to any party outside of entities controlled by our controlling shareholder.
- In the days following the issuance of the notes, we undertook a number of hedging activities to manage the foreign exchange exposure of this new liability. As of today, 100% of the coupons of the notes have been hedged using a national exchange ratio of Ps. 13.23 pesos per US$ 1. 50% of the coupons were hedged into a variable interest rate in Mexican pesos at an average rate of around TIIE + 435, while the other 50% of the coupons were hedged into an average fixed rate in Mexican pesos of around 14.23%. As of today 50% of the principal amount of the notes has also been hedged with one year forward contracts that were entered into at spot rates of between Ps. 12.86 and Ps. 13.16 per US dollar plus the appropriate forward points. It is Javer's intention to roll these forward until the maturity date of the notes. The hedging activity was executed via six different counterparties. Through these counterparties we have exposure thresholds in excess of US$ 32 million to cover potential negative mark-to-market exposures in the derivative portfolio.

Disclaimer:

This press may include forward-looking statements. These forward-looking statements include, without limitation, those regarding Javer's future financial position and results of operations, the Company's strategy, plans, objectives, goals and targets, future developments in the markets in which Javer participates or are seeking to participate or anticipated regulatory changes in the markets in which Javer operates or intends to operate.

Javer cautions potential investors that forward looking statements are not guarantees of future performance and are based on numerous assumptions and that Javer's actual results of operations, including the Company's financial condition and liquidity and the development of the Mexican mortgage finance industry, may differ materially from the forward-looking statements contained in this press release. In addition, even if Javer's results of operations are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause these differences include, but are not limited to: risks related to Javer's competitive position; risks related to Javer's business and Company's strategy, Javer's expectations about growth in demand for its products and services and to the Company's business operations, financial condition and results of operations; access to funding sources, and the cost of the funding; changes in regulatory, administrative, political, fiscal or economic conditions, including fluctuations in interest rates and growth or diminution of the Mexican real estate and/or home mortgage market; increases in customer default rates; risks associated with market demand for and liquidity of the notes; foreign currency exchange fluctuations relative to the U.S. Dollar against the Mexican Peso; and risks related to Mexico's social, political or economic environment.

Consolidated Balance Sheet

For the six-month periods ended June 30, 2009 and 2008
(in thousands of Mexican pesos (Ps.))

	2008	2009
Assets		
Current assets:		
Cash and cash equivalents	Ps. 266,595	Ps. 466,191
Trade receivables – net (Note 1)	288,651	594,759
Other accounts receivable – net (Note 2)	148,438	172,298
Inventories (Note 3)	2,606,340	2,355,152
Prepaid expenses	32,422	46,770
Total current assets	3,342,446	3,635,170
Land held for future development	322,675	574,810
Property, plant and equipment – Net	145,421	178,709
Other assets	268,469	427,353
Total	Ps. 4,079,011	Ps. 4,816,042
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable to financial institutions (Note 4)		Ps. 298,604
Current portion of long-term debt (Note 5)	138,411	425,711
Trade accounts payable	226,356	168,861
Due to related parties	37,608	11,276
Advances from customers	32,250	101,448
Income tax payable	224,569	73,930
Other liabilities	123,801	155,105
Total current liabilities	782,995	1,234,935
Long-term debt (Note 5)	1,580,746	1,333,151
Employee retirement obligations	24,516	27,184
Deferred income taxes	613,010	770,737
Total liabilities	3,001,267	3,366,007
Stockholders' equity:		
Capital stock	1,273,641	1,319,641
Retained earnings	(195,897)	130,394
Total stockholders' equity	1,077,744	1,450,035
Total	Ps. 4,079,011	Ps. 4,816,042

The accompanying notes are part of the consolidated and combined financial statements.

Consolidated Statements of Income

For the three-month and six-month periods ended June 30, 2009 and 2008
(in thousands of Mexican pesos (Ps.))

	2Q08	2Q09	6M08	6M09
Net Revenues	Ps. 953,351	Ps.1,185,520	Ps. 1,892,473	Ps. 2,302,966
Costs	633,150	839,112	1,221,537	1,616,357
Gross profit	320,201	346,408	670,936	686,609
Selling and administrative expenses	110,090	128,708	206,620	258,003
Income from operations	210,111	217,700	464,316	428,606
Other income – net	(985)	9,845	(1,428)	9,073
Net comprehensive financing result:	50,433	63,128	129,219	131,409
Income before income taxes	160,663	144,727	336,525	288,124
Income taxes	40,487	62,171	84,804	105,148
Net income	Ps. 120,176	Ps. 82,556	Ps. 251,721	Ps. 182,976

The accompanying notes are part of the consolidated and combined financial statements.

Consolidated Statement of Cash Flows
For the six-month periods ended June 30, 2009 and 2008
(in thousands of Mexican pesos (Ps.))

	2009	2008
Cash flows from operating activities:		
Net Income	Ps. 182,976	Ps. 251,721
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	18,396	18,210
Deferred income taxes	105,148	84,804
	306,520	354,735
Working capital	163,255	(102,717)
Net cash (used) provided by operating activities	469,775	252,018
Cash flows from investing activities:		
Acquisition of property, plant and equipment and other assets	(78,850)	(94,024)
(Cash used) surplus to be used for financing activities	390,925	157,994
Cash flows from financing activities:		
Dividends	(130,000)	
Proceeds from long-term debt		1,640,498
Notes payable to financial institutions	(144,775)	(1,586,464)
Net cash provided (used) by financing activities	(274,775)	54,034
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	116,150	212,028
Balance at beginning of period	350,041	54,567
Balance at end of period	Ps. 466,191	Ps. 266,595

The accompanying notes are part of the consolidated and combined financial statements.

Consolidated Statement of Cash Flows
For the three-month periods ended June 30, 2009 and 2008
(in thousands of Mexican pesos (Ps.))

	2009	2008
Cash flows from operating activities:		
Net Income	Ps. 82,556	Ps. 120,177
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	9,607	12,636
Deferred income taxes	62,171	40,487
	154,334	173,300
Working capital	182,746	(35,655)
Net cash (used) provided by operating activities	337,080	137,645
Cash flows from investing activities:		
Acquisition of property, plant and equipment and other assets	(73,401)	(84,185)
(Cash used) surplus to be used for financing activities	263,679	53,460
Cash flows from financing activities:		
Proceeds from long-term debt		1,472,313
Notes payable to financial institutions	45,736	(1,299,665)
Net cash provided (used) by financing activities	45,736	172,648
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	309,415	226,108
Balance at beginning of period	156,776	40,487
Balance at end of period	Ps. 466,191	Ps. 266,595

The accompanying notes are part of the consolidated and combined financial statements.

Notes to Consolidated Financial Statements
As of June 30, 2009
(in thousands of Mexican pesos (Ps.))

1. Trade receivables – net

	2009
INFONAVIT	Ps. 288,245
Fovi credit	82,964
Other	237,977
Total	609,186
Allowance for doubtful accounts	(14,427)
	Ps. 594,759

2. Other accounts receivables

	2009
Related parties	Ps. 127,506
Tax advances	21,710
Other	23,082
	Ps. 172,298

3. Inventories

	2009
Land under development	Ps. 575,879
Housing units under construction	801,535
Urbanization and related equipment	841,333
Advances to suppliers	136,405
	Ps. 2,355,152

4. Notes payable to financial institutions

	2009
Unsecured loans for building real estate developments collateralized by land held for future development, bearing a variable interest rate based on the Mexican interbank equilibrium interest rate ("TIIE") plus an average spread of 3.0%.	Ps. 99,428
Mortgage bridge loans collateralized by inventories, bearing a variable interest rate based on the TIIE plus an average of spread of 3.25%.	8,362
Loans to pay suppliers bearing variable interest rates based on the TIIE plus an average spread of 2.75%.	190,814
	Ps. 298,604

5. Long-term debt

	2009
Capital lease agreements to acquire trucks bearing an annual fixed interest rates of 14.22%, with various maturities through 2013.	Ps. 11,013
Capital lease agreements to acquire vehicles, bearing annual fixed interest rates of 16.5 %, with various maturities through 2011.	4,227
Capital lease agreements to acquire molds, bearing annual fixed interest rates of 13.5%, with various maturities through 2010.	28,096
Senior secured credit (proceeds utilized to refinance existing indebtedness (Note 6)), 44% of the principal bearing an annual average interest rate of 12.06% and 56% bearing a variable interest rate based on the TIIE, plus a spread of 4%.	1,715,526
Long-term debt	1,758,862
Less – Current portion	(425,711)
	Ps. 1,333,151

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