

JAVER REPORTS FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2009

Monterrey, Nuevo Leon, Mexico - March 3, 2010 - Servicios Corporativos Javer S.A.P.I. de C.V., (“Javer” or “the Company”), one of the largest privately-owned housing development companies in Mexico, today announced financial results for the fourth quarter and full-year periods ended December 31, 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 Javer’s 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

		4Q09	4Q08	Variance	12M09	12M08	Variance
Homes titled		4,571	5,630	-18.8%	16,026	13,910	15.2%
Net Revenues (Ps.mm)	Ps. \$	1,490,702	\$ 1,838,250	-18.9%	Ps. \$ 4,931,677	Ps. \$ 4,472,945	10.3%
Gross Profit (Ps.mm)	Ps. \$	527,335	\$ 686,137	-23.1%	Ps. \$ 1,562,020	Ps. \$ 1,623,725	-3.8%
Gross Profit		35.4%	37.3%	-2.0%	31.7%	36.3%	-4.6%
Operating Profit (Ps.mm)	Ps. \$	400,003	\$ 489,674	-18.3%	Ps. \$ 1,050,215	Ps. \$ 1,059,916	-0.9%
Operating Margin		26.8%	26.6%	0.2%	21.3%	23.7%	-2.4%
EBITDA (Ps.mm)	Ps. \$	411,519	\$ 499,162	-17.6%	Ps. \$ 1,090,472	Ps. \$ 1,100,651	-0.9%
EBITDA Margin		27.6%	27.2%	0.5%	22.1%	24.6%	-2.5%
Net Income (Ps.mm)	Ps. \$	263,323	\$ 224,589	17.2%	Ps. \$ 498,634	Ps. \$ 510,425	-2.3%
Net Margin		17.7%	12.2%	5.4%	10.1%	11.4%	-1.3%

- Net Revenues** for the fourth quarter of 2009 declined 18.9% to Ps 1.5 billion, from Ps. 1.8 billion in 4Q08 due mainly to a 46.7% drop in commercial lot sales, coupled with an 18.8% decrease in the volume of homes titled. Lower housing revenues stemmed mainly from strategies implemented during the quarter to increase the average realized prices on existing inventory, as supply from competitors diminished over the year, resulting in weaker titling volumes but enabling Javer to reach its absolute EBITDA target for the year, while utilizing a lower number of lots from its land bank and less working capital. For the full year of 2009, net revenues increased 10.3% to Ps. 4.9 billion, from Ps. 4.5 billion in 2008, due to a higher volume of homes titled, partly offset by lower commercial lot sales.
- Gross Profit** decreased 23.1%, to Ps. 527.3 million in 4Q09 from Ps. 686.1 million in 4Q08, given the drop in home titling volume and commercial lot sales. For full year 2009, gross profit decreased 3.8% to Ps. 1.5 billion, from Ps. 1.6 billion in 2008, given the aforementioned factors, coupled with a lower level of high-margin commercial lot sales.

Investor Relations Contacts:

Eugenio Garza, Chief Financial Officer - **Servicios Corporativos Javer**
 Boulevard Antonio L. Rodriguez 2850
 Colonia Santa María Monterrey, N.L., 64650
 Tel: +52 81 1133-6684
eugenio.garza@javer.com.mx
www.javer.com.mx/investors

- **Operating Profit** decreased 18.3%, to Ps. 400.0 million in 4Q09 from Ps. 489.7 million in 4Q08, due to the aforementioned decline in gross profit, which was partly offset by a sharp reduction in SG&A expenses. For full year 2009, operating profit decreased 0.9%, to Ps. 1.05 billion from Ps. 1.06 billion in 2008, as the year-long effort to reduce SG&A expenses helped offset the absolute reduction in gross profit.
- **EBITDA** for the fourth quarter of 2009 decreased 17.6% to Ps. 411.5 million, from Ps. 499.2 million in 4Q08, and for 2009 decreased 0.9% to Ps. 1.09 billion, from Ps. 1.10 billion in 2008. EBITDA margin increased 0.4 percentage points for the quarter to 27.6%, from 27.2% as the increased average prices coupled with a reduction in SG&A expenses was more than enough to offset the decline in higher margin commercial lot sales. For the full year, EBITDA margin declined 2.5% to 22.1% in 2009, from 24.6% for 2008.
- **Net Income** increased 17.2% to Ps. 263.3 million in 4Q09, from Ps. 224.6 million in 4Q08, due mainly to a reversal in Javer's deferred tax liabilities resulting from the 2007 spin-off of industrial real estate. For the full year, net income decreased 2.3% to Ps. 498.6 million in 2009, from Ps. 510.4 million in 2008.

CEO STATEMENT

Mr. Roberto Russildi, Javer's Chief Executive Officer, commented, "During the last quarter of 2009, Javer achieved its profitability targets albeit in a different manner than originally anticipated. To accomplish this, the Company seized the opportunities presented in the marketplace and adjusted its strategy accordingly.

For starters, there was a housing shortage created by the lack of funding for our smaller competitors. Javer positioned itself to fill the demand while remaining firm on prices; thus avoiding the need to compete through promotions and discounts. This made our average price per home higher than anticipated and thus the higher margin per home was more than enough to offset the lower total volume that resulted from demand elasticity at the higher price point. Furthermore, the Company was able to achieve its targeted level of absolute profitability for the year without utilizing as much of its two most important resources: land and capital. Despite the reduction in volumes, Javer finished the year in a virtual tie as the third-largest provider of homes for Infonavit, and actually increased its national market share.

The cost reduction measures implemented throughout the year allowed Javer to reach its profitability targets despite the lower margin sales mix. These measures also provided us with a solid platform to improve margins and returns as the business scale grows and as the economic and labor market conditions improve."

Mr. Russildi continued, "Although weakness in the labor market still exists, employment figures across all our target markets have improved from the bottoms experienced in mid 2009. Moreover, the volume and profile of development sales office visits continues to improve significantly and cancellation levels are trending towards those experienced before the crisis. All of these signals, coupled with Javer's ability to carry forward the higher average pricing achieved for the fourth quarter 2009 given the still weak position of our competitors, makes us confident in our ability to execute our business plan for the next few years.

Our recent issuance of US\$30 million dollars in senior notes due 2014 further helps us solidify our capital structure and liquidity profile as we enter 2010 with virtually no financial debt maturities for the next 4 years. We also view this as a great vote of confidence and trust from the financial markets."

Mr. Russildi concluded, "We expect 2010 to be another year of strong and profitable growth for the Company, nevertheless it will be a tale of two halves. The first half of 2010 will be characterized by the completion of major developments that were big contributors in 2008 and 2009, while the second half will be very strong, driven by the launch of 8 new macro-developments of over 63,689 life cycle units. Therefore, we expect 2010 to exhibit a much higher seasonality than experienced in the past between the first and the second halves of the year. More specifically, we expect an unusually soft first and second quarters, both in terms of home titling and cash flow generation, most likely below the comparable quarters for 2009. Our higher than normal liquidity position is more than sufficient to help us finance this period. Nonetheless, we do expect strong third and fourth quarters that should allow us to post very healthy year-over-year growth in home titling, revenues, and EBITDA, while remaining slightly free cash flow positive for the year."

UNITS SOLD AND NET REVENUES*

	4Q09	% of revenues	4Q08	% of revenues	Variance	12M09	% of revenues	12M08	% of revenues	Variance
Equivalent Units Sold										
Low Income	2,423		2,675		-9.4%	7,863		7,416		6.0%
Middle Income	1,866		2,795		-33.2%	7,418		5,606		32.3%
Residential	282		160		76.3%	745		888		-16.1%
TOTAL	4,571		5,630		-18.8%	16,026		13,910		15.2%
Revenues (Ps.mm)										
Low Income	546,360	36.7%	602,998	32.8%	-9.4%	1,742,739	35.3%	1,615,622	36.1%	7.9%
Middle Income	624,897	41.9%	937,960	51.0%	-33.4%	2,458,560	49.9%	1,885,189	42.1%	30.4%
Residential	221,160	14.8%	113,001	6.1%	95.7%	584,823	11.9%	700,070	15.7%	-16.5%
Total Home Sales	Ps. \$1,392,417	93.4%	Ps. \$1,653,959	90.0%	-15.8%	Ps. \$4,786,122	97.0%	Ps. \$4,200,881	93.9%	13.9%
Commercial Lot Sales	98,285	6.6%	184,290	10.0%	-46.7%	145,555	3.0%	272,063	6.1%	-46.5%
TOTAL	Ps. \$1,490,702	100%	Ps. \$1,838,249	100.0%	-18.9%	Ps. \$4,931,677	100.0%	Ps. \$4,472,945	100.0%	10.3%

* Low Income units have selling prices below Ps. 260,000. Middle Income units have selling prices between Ps. 260,000 and Ps. 560,000. Residential units have selling price exceeding Ps. 560,000.

	4Q09	4Q08	12M09	12M08
Average Sales Price per Unit				
Low Income	Ps. 225.5	Ps. 225.4	Ps. 221.6	Ps. 217.9
Middle Income	Ps. 334.9	Ps. 335.6	Ps. 331.4	Ps. 336.3
Residential	Ps. 784.3	Ps. 706.3	Ps. 785.0	Ps. 788.4
TOTAL	Ps. 304.6	Ps. 293.8	Ps. 298.6	Ps. 302.0

Javer sold 4,571 units in the fourth quarter of 2009 compared to 5,630 units in the same quarter of 2008, a decrease of 18.8%. The middle income segment presented the largest percentage drop at 33.2% followed by the low income segment at 9.4%. Residential unit sales rose 76.3% for the quarter. Low-income sales represented 53.0% of total units titled and 39.2% of housing revenues, compared to 47.5% and 36.4%, respectively, in the fourth quarter of 2008. For full year 2009, middle income unit sales continued leading within Javer's mix, representing 46.3% of total units titled and 51.4% 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. Given the pricing strategy implemented during the fourth quarter of 2009, Javer was able to increase its average price to Ps. 304.6 thousand from Ps. 293.8 thousand in the fourth quarter of 2008 despite the negative impact of the sales mix. For full year 2009, the average price per unit declined by 1.1% to Ps. 298.6 thousand from Ps. 302.0 thousand.

Commercial lot sales reached Ps. 98.5 million for the fourth quarter of 2009 derived mainly from the closing of a bulk sale to a private investor in addition to regular sales. The Company expects additional bulk sales of commercial lots during the first half of 2010.

GROSS PROFIT / MARGIN

		4Q09		4Q08	Variance		12M09		12M08	Variance
Gross Margin (PS.mm)										
Home Sales	Ps.	464,335	Ps.	524,009	-11.4%	Ps.	1,463,112	Ps.	1,391,567	5.1%
Commercial Lot Sales	Ps.	63,000	Ps.	162,128	-61.1%	Ps.	98,908	Ps.	232,158	-57.4%
TOTAL	Ps.	527,335	Ps.	686,137	-23.1%	Ps.	1,562,020	Ps.	1,623,725	-3.8%
Gross Margin (%)										
Home Sales		33.3%		31.7%	1.7 pp		30.6%		33.1%	-2.6 pp
Commercial Lot Sales		64.1%		88.0%	-23.9 pp		68.0%		85.3%	-17.4 pp
TOTAL		35.4%		37.3%	-2.0 pp		31.7%		36.3%	-4.6 pp

Gross Profit declined 23.1% to Ps. 527.3 million in 4Q09, from Ps. 686.1 million in 4Q08 due to an 18.8% decrease in volume of home units sold and lower commercial lot sales. For full year 2009, gross profit from home sales increased 5.1% and gross profit from commercial lot sales declined 57.4%, representing an accumulated decrease of 3.8%.

Gross Margin declined 2.0 percentage points in the fourth quarter of 2009 as the 1.7 pp increase in home margins was not enough to offset the 23.9 pp decline in commercial lot sales.

EBITDA / MARGIN

		4Q09		4Q08	Variance		12M09		12M08	Variance
SG&A										
Ps.mm	Ps.	127,332	Ps.	196,463	-35.2%	Ps.	511,805	Ps.	563,809	-9.2%
as a % of Sales		8.54%		10.69%	-2.1 pp		10.38%		12.60%	-2.2 pp
EBITDA										
Ps.mm	Ps.	411,519	Ps.	499,162	-17.6%	Ps.	1,090,472	Ps.	1,100,651	-0.9%
EBITDA Margin		27.6%		27.2%	0.5 pp		22.1%		24.6%	-2.5 pp

Selling, General and Administrative Expenses decreased 35.2% in the fourth quarter of 2009 as a result of cost reduction measures implemented throughout the year. As a percentage of sales, SG&A fell 2.1%. EBITDA decreased 17.6% to Ps. 411.5 million compared to Ps. 499.1 million as a result of the previously-mentioned factors. EBITDA margins increased 0.5 percentage points for the quarter, partly driven by the reduction in SG&A, which more than offset lower gross margins resulting from a lower commercial lot margins.

Operating Profit decreased 18.3% to Ps. 400.0 million from Ps. 489.7 million due the reduction in gross margin mentioned above which was partly offset with a sharp reduction of SG&A expenses. For the full year, operating profit decreased 0.9%, to Ps. 1.05 billion from Ps. 1.06 billion as the yearlong effort to reduce SG&A expenses helped offset the absolute reduction in gross margin.

Net comprehensive financing result decreased 32.2% to Ps. 103.7 million in 4Q09, from Ps. 152.9 million in 4Q08, driven mainly by a lower level of base interest rates (TIIE) which partially offset our higher debt levels. For the full year,

net comprehensive financing result decreased 4.5%, as the higher debt levels were offset by a lower TIIE rate in 2009 compared to 2008.

	4Q09		4Q08	Variance		12M09		12M08	Variance
Interest expense	Ps. 115,006	Ps.	152,940	-24.8%	Ps.	342,116	Ps.	354,019	-3.4%
Interest income	Ps. - 5,239	Ps. -	771	579.5%	Ps. -	14,445	Ps. -	6,295	129.5%
FX gains / losses	Ps. - 6,097	Ps.	732	-932.9%	Ps.	3,194	Ps. -	1,440	-321.8%
CIF	Ps. 103,670	Ps.	152,901	-32.2%	Ps.	330,865	Ps.	346,284	-4.5%

Net Income increased 17.2% to Ps. 263.3 million in 4Q09, from Ps. 224.6 million in 4Q08, due mainly to a reversal in deferred tax liabilities resulting from the 2007 spin-off of industrial real estate. For the full year, net income decreased 2.3% to Ps. 498.6 million, from Ps. 510.4 million.

ASSETS / LIABILITIES

Cash and cash equivalents increased to Ps. 805.9 million at the end of the fourth quarter of 2009 from Ps. 350.0 million at the end of the fourth quarter of 2008, as Javier's continued efforts to improve the working capital cycle (as described below), generated greater free cash flow for the Company.

WORKING CAPITAL

	December 2009		December 2008	
	Ps.mm	Days	Ps.mm	Days
Trade Accounts Receivable	Ps. 766,934	57	Ps. 472,312	38
Inventory (Work in Progress)	Ps. 2,066,696	223	Ps. 2,956,577	378
Inventory (Land Reserves)	Ps. 836,359	90	Ps. 560,311	72
Suppliers (not including Land Payable)	Ps. 165,614	18	Ps. 187,324	24
Customer Advances	Ps. 40,519	4	Ps. 85,139	11
Working Capital	Ps. 3,463,856	348	Ps. 3,716,737	453
LTM Sales	Ps. 4,931,677		Ps. 4,472,945	
LTM Cost of Goods Sold	Ps. 3,369,657		Ps. 2,849,221	

The increase in home titling, vis-à-vis Javier's construction spending during 2009 supported an overall working capital cycle improvement from 453 days in 2008 to 348 days in 2009.

LAND RESERVES

As of December 31, 2009, the Company's total land bank reached approximately 128,495 units, of which approximately 56,145 were owned land reserves and 72,350 were held through land trust schemes.

DEBT AND DERIVATIVES EXPOSURE

Short Term Debt (Ps.mm)

Pre-Bridge Loans	Ps.	3,560
Construction Loans	Ps.	75,100
Supplier Factoring	Ps.	155,080
Current Portion of Long Term Debt	Ps.	18,786
TOTAL	Ps.	252,526

Long Term Debt (Ps.mm)

High Yield Bond	Ps.	2,347,866
Capital Leases	Ps.	28,110
Less Current Portion	Ps.	18,786
TOTAL	Ps.	2,357,190

TOTAL DEBT	Ps.	2,609,716
CASH AND CASH EQUIVALENTS	Ps.	805,927
NET DEBT	Ps.	1,803,789

TOTAL DEBT / LTM EBITDA	2.39
NET DEBT / LTM EBITDA	1.65
LTM EBITDA / LTM INTEREST EXPENSE	3.25

Derivatives

	Notional (US\$)	FMV (US\$)	FMV (Ps\$)
Coupon Swaps (TIIE)	90	12,216	Ps. 159,345
Coupon Swaps (Fix)	90	2,773	Ps. 36,170
Principal Hedges (Forwards)	90 -	2,240	Ps. - 29,221
TOTAL		12,749	Ps. 166,294

During the 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 December 31, 2009, Javer continued to have available credit facility lines in excess of Ps. 1,206 million.

As of December 31, 2009, Javer maintained derivative positions to hedge 100% of the Company's currency exposure related to the High Yield Bond coupons and 50% of the exposure related to the bond's principal amount.

Beginning January 1, 2009, Javer ceased to report the net effect of US dollar-denominated debt with cross currency derivatives. The total debt balance reported for the fourth quarter of 2009 was Ps. 2,609 million pesos, not including any offset from derivative contracts. The Ps. 166.3 million gain on the Company's cross currency derivative positions was reported as "Other Assets" on the balance sheet.

As of December 31, 2009, Javer had US\$ 32 million in available credit lines from derivative counterparties to finance any potential negative carrying values of the Company's derivative contracts.

As of December 31, 2009, Total Debt / LTM EBITDA reached 2.39x; EBITDA interest coverage reached 3.25x.

RECENT DEVELOPMENTS

On February 4, 2010 Javer successfully closed a \$30 million reissuance of its 13% notes due 2014. The notes were priced at 109.5%. Net proceeds were used to pay down short-term debt and for general corporate purposes. Through this offering, Javer has virtually no material short-term maturities for the next four years.

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 in 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 19% market share in the state of Nuevo Leon. The Company operates in the states of Nuevo Leon, Aguascalientes, Tamaulipas and Jalisco.

During 2009, the Company reported revenues of Ps. 4,931.7 million (US\$ 378.6 million) and sold a total of 16,026 units.

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.

Servicios Corporativos Javer, S.A.P.I de C.V. and Subsidiaries

Consolidated Balance Sheets as of December 31, 2009 and 2008

(in thousands of Mexican pesos (Ps.))

	2009	2008
Assets		
Current assets:		
Cash	Ps. 805,927	Ps. 350,041
Trade receivables – net (Note 1)	766,934	472,312
Due from related parties		101,801
Other accounts receivable – net	65,776	48,445
Inventories (Note 2)	2,066,696	2,956,577
Prepaid expenses	28,920	43,189
Total current assets	3,734,253	3,972,365
Land held for future development	836,359	560,311
Improvements, machinery and equipment – Net	225,316	174,566
Other assets – net	228,173	222,602
Derivative financial instruments (Note 5)	181,360	208,730
Total	Ps. 5,205,461	Ps. 5,138,574
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable to financial institutions (Note 3)	Ps. 233,740	Ps. 282,760
Current portion of long-term debt (Note 4)	18,786	341,166
Trade accounts payable	241,364	301,803
Due to related parties	15,392	221,586
Advances from customers	40,519	85,139
Income tax payable	30,317	20,590
Other liabilities	274,907	182,584
Total current liabilities	855,025	1,435,628
Long-term debt (Note 5)	2,357,190	1,578,316
Trade accounts payable real estate	114,890	
Employee retirement obligations	31,404	26,125
Deferred income taxes	682,579	798,679
Total liabilities	4,041,268	3,838,748
Commitments and contingencies		
Stockholders' equity		
Capital stock	733,641	1,319,641
Retained earnings (accumulated deficit)	454,164	(44,470)
Valuation of derivative financial instruments	(23,612)	24,655
Total stockholders' equity	1,164,193	1,299,826
Total	Ps. 5,205,461	Ps. 5,138,574

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

Consolidated Statements of Income

For the three month and twelve-month period ended December 31, 2009 and 2008
(in thousands of Mexican pesos (Ps.))

	4Q09	4Q08	2009	2008
Revenues	\$1,490,702	Ps. 1,838,250	Ps. 4,931,677	Ps. 4,472,945
Costs	<u>963,367</u>	<u>1,152,113</u>	<u>3,369,657</u>	<u>2,849,221</u>
Gross profit	527,335	686,137	1,562,020	1,623,724
Selling and administrative expenses	<u>127,332</u>	<u>196,463</u>	<u>511,805</u>	<u>563,809</u>
Operating income	<u>400,003</u>	<u>489,674</u>	<u>1,050,215</u>	<u>1,059,915</u>
Other expenses – net	<u>97,722</u>	<u>33,514</u>	<u>151,968</u>	<u>28,238</u>
Net comprehensive financing result	<u>103,670</u>	<u>152,901</u>	<u>330,865</u>	<u>346,284</u>
Income before income taxes	198,611	303,259	567,382	685,393
Income taxes	<u>(64,712)</u>	<u>78,670</u>	<u>68,748</u>	<u>174,968</u>
Net income	<u>\$ 263,323</u>	<u>Ps. 224,589</u>	<u>Ps. 498,634</u>	<u>Ps. 510,425</u>

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

Consolidated Statement of Cash Flows

For the Years Ended December 31, 2009 and 2008

(in thousands of Mexican pesos (Ps.))

	2009	2008
Operating activities:		
Income before income taxes	Ps. 567,382	Ps. 685,393
Depreciation and amortization	40,119	40,735
Gain on sale of land		(128,355)
Interest expense	327,671	354,019
Unrealized exchange loss	(15,408)	
Effects of valuation of derivative financial instruments	73,039	
	<u>992,803</u>	<u>951,792</u>
(Increase) decrease in:		
Trade accounts receivable – net	(294,622)	76,075
Due to related parties	101,801	(29,151)
Other accounts receivable – net	15,337	(22,113)
Inventories	664,945	(506,081)
Prepaid expenses	14,269	(32,111)
Trade accounts payable	54,451	(79,740)
Due to related parties	(76,194)	(9,600)
Advances from customers	(44,620)	(42,027)
Income taxes	(207,610)	(147,901)
Other liabilities	(29,573)	46,953
Net cash provided by operating activities	<u>1,190,987</u>	<u>206,096</u>
Purchase of machinery and equipment	(112,787)	(53,846)
Other assets	(23,173)	(173)
Net cash used in investing activities	<u>(135,960)</u>	<u>(54,019)</u>
Excess of cash before cash generated by financing activities	1,055,027	152,077
Financing activities:		
Proceeds on notes payable from financial institutions	456,391	621,381
Repayment of notes payable to financial institutions	(505,411)	(1,507,891)
Proceeds from long-term debt	2,323,625	1,638,988
Repayment of long-term debt	(1,864,067)	(330,107)
Interest paid	(252,826)	(269,532)
Debt issuance costs	(40,854)	(9,442)
Reimbursement of capital stock	(586,000)	
Dividends paid	(130,000)	
Net cash (used) provided by financing activities	<u>(599,141)</u>	<u>143,397</u>
Net increase in cash	455,886	295,474
Cash at beginning of year	350,041	54,567
Cash at end of year	<u>Ps. 805,927</u>	<u>Ps. 350,041</u>

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

Consolidated Statements of Cash Flows

For the three month period ended December 31, 2009 and 2008.
(in thousands of Mexican pesos (Ps.))

	2009	2008
Operating activities:		
Income before income taxes	Ps.198,611	Ps. 303,259
Items related to investing activities:		
Depreciation and amortization	11,378	9,488
Unrealized exchange loss	(44,569)	
Gain on sale of land		(128,355)
Items related to financing activities:		
Interest expense	109,767	158,464
Effects of valuation of derivative financial instruments	82,495	
	<u>357,682</u>	<u>342,856</u>
(Increase) decrease in:		
Accounts receivable	(86,341)	(246,168)
Trade accounts receivable – net	148,767	76,897
Inventories	29,650	452,577
Prepaid expenses	15,169	11,331
Other assets		(20,886)
Increase (decrease) in:		
Trade accounts payable	151,064	(216,489)
Due to related parties	(2,650)	(14,385)
Other liabilities	38,216	177,129
Advances from customers	(3,401)	(44,084)
Income taxes	(12,478)	(98,128)
Net cash provided by operating activities	<u>635,678</u>	<u>420,650</u>
Investing activities:		
Purchase of machinery and equipment	(68,594)	(10,881)
Other assets	(21,984)	(140)
Net cash used in investing activities	<u>(90,578)</u>	<u>(11,021)</u>
Excess cash before cash generated by financing activities	545,100	409,629
Financing activities:		
Proceeds on notes payable from financial institutions	57,305	33,797
Payment of notes payable to financial institutions	(161,802)	(62,805)
Payment of long-term debt	(46,496)	(7,492)
Interest paid	(102,897)	(115,053)
Debt issuance costs	(13,881)	(9,442)
Net cash provided by financing activities	<u>(267,771)</u>	<u>(160,995)</u>
Cash and cash equivalents:		
Net increase in cash and cash equivalents	277,329	248,634
Cash and cash equivalents at beginning of year	528,598	101,407
Cash and cash equivalents at end of year	<u>Ps. 805,927</u>	<u>Ps. 350,041</u>

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

Servicios Corporativos Javer, S.A.P.I. de C.V. and Subsidiaries

Notes to Consolidated Financial Statements

For the years ended December 31, 2009 and 2008

(in thousands of Mexican pesos (Ps.))

1.-Trade receivables – net

	As of December 31, 2009	As of December 31, 2008
INFONAVIT	Ps. 368,657	Ps. 228,971
Fovi credit	100,802	84,185
Other	321,506	167,479
	<u>790,965</u>	<u>480,635</u>
Allowance for doubtful accounts	(24,031)	(8,323)
	<u>Ps. 766,934</u>	<u>Ps. 472,312</u>

2.-Inventories

	As of December 31, 2009	As of December 31, 2008
Land under development	Ps. 815,275	Ps. 742,020
Housing units under construction	315,816	1,266,891
Urbanization and related equipment	769,177	843,553
Advances to suppliers	166,428	104,113
	<u>Ps. 2,066,696</u>	<u>Ps. 2,956,577</u>

3.-Notes payable to financial institutions

	As of December 31, 2009	As of December 31, 2008
Unsecured loans for real estate developments collateralized by land held for future development recognized in inventories, bearing a variable interest rate based on the Mexican interbank equilibrium interest rate (TIIE) plus an average spread of 2.5% and 1.9% in 2009 and 2008, respectively.		Ps. 48,453
Mortgage bridge loans collateralized by inventories (at a rate of 2 to 1 with respect to outstanding balances), bearing a variable interest rate based on the TIIE plus an average spread of 3.75% and 3.23% in 2009 and 2008, respectively.	Ps. 78,659	83,316
Loans to pay suppliers bearing variable interest rates based on the TIIE plus an average spread of 2.75% and 3.5% in 2009 and 2008, respectively.	<u>155,081</u>	<u>150,991</u>
	<u>Ps. 233,740</u>	<u>Ps. 282,760</u>

4.-Long-term debt

	As of December 31, 2009	As of December 31, 2008
Senior Notes (proceeds utilized to prepay existing indebtedness), 50% of the principal amount bearing a fixed interest rate of 14.23% and the remaining 50% bearing a variable interest rate based on the TIIE plus a spread of 4.36%, maturities through 2014.	Ps. 2,347,866	
Senior secured syndicated loan payable in U.S. dollars and Mexican pesos collateralized by the shares of SC Javer and its subsidiaries, as well as on land held for future development under a trust agreement; 41% of the principal amount bearing interest at 11.86%; 8% with a fixed interest rate of 12.77%, and the remaining 51% bearing a variable interest rate based on the TIIE plus a spread of 4%, with various maturities through 2013.		Ps. 1,855,339
Capital lease agreements to acquire molds, bearing annual fixed interest rates of 13.75%, with various maturities through 2010.	14,194	52,819
Capital lease agreements to acquire trucks bearing annual fixed interest rate of 14.22%, with various maturities through 2013.	10,675	
Capital lease agreements to acquire vehicles, bearing annual fixed interest rate of 16.5 %, with various maturities through 2011.	3,241	5,070
Capital lease agreements to acquire computers payable in U.S. dollars bearing an annual fixed interest rate of 6.6%, with various maturities through 2009.	<u> </u>	<u>6,254</u>
Long-term debt	2,375,976	1,919,482
Less – Current portion	<u>(18,786)</u>	<u>(341,166)</u>
	<u>Ps. 2,357,190</u>	<u>Ps.1,578,316</u>

As of December 31, 2009, long-term debt maturities were as follows:

2011	Ps. 4,043
2012	3,479
2013	1,802
2014	<u>2,347,866</u>
	<u>Ps. 2,357,190</u>

5.-Derivative financial instruments

The Company designated the forwards and the cross currency swaps with fixed interest rates as cash flow hedges, and the cross currency swaps with variable interest rates as fair value hedges. The fair value of the Company's derivative financial instruments as of the date of inception (contract date) and as of December 31, 2009 was Ps. 97,697 and Ps. 166,294, respectively, as further detailed below:

Description	Type of Instrument	Notional Amount	Fair Value at December 31, 2009
Cross currency swaps	Cash flow hedge	US\$ 90 million	Ps. 36,170
Cross currency swaps	Fair value hedge	US\$ 90 million	Ps. 159,345
Forwards	Cash flow hedge	US\$ 90 million	Ps. (29,221)
			<u>Ps. 166,294</u>
Net asset			
Fair value debt			<u>Ps. 15,066</u>
Total			<u>Ps. 181,360</u>

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