

**Grupo Posadas, S.A.B. de C.V. & Subsidiaries**  
**October 26, 2007**

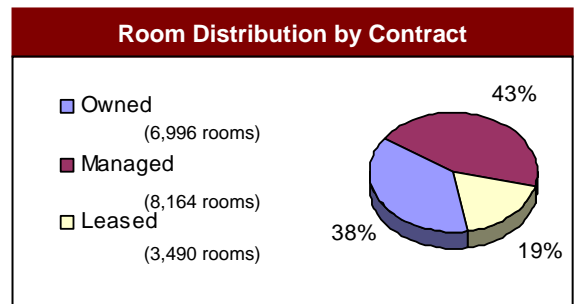
• **Relevant Figures**

Million pesos as of September 30th. 2007	3Q07	%	Real Var. %	Accumulated 2007	%	Real Var. %
Net Sales	1,420	100	5.9	4,348	100	4.1
Operating Profit	235	17	9.2	720	17	(4.0)
EBITDA	337	24	3.6	1,037	24	(4.1)
Majority Net Income	6	0	(96.3)	228	5	18.8

• **Grupo Posadas as of September 30<sup>th</sup> '07**

Brand	Mexico		Brazil		USA		Argentina		Chile		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Fiesta Americana	22	5,902									22	5,902
Fiesta Inn	56	8,252									56	8,252
Caesar Park			4	806			1	173			5	979
Caesar Business			7	1,393					1	142	8	1,535
FA Vacation Club	3	835									3	835
One Hotels	2	252									2	252
Others	1	212			3	683					4	895
<b>Total</b>	<b>84</b>	<b>15,453</b>	<b>11</b>	<b>2,199</b>	<b>3</b>	<b>683</b>	<b>1</b>	<b>173</b>	<b>1</b>	<b>142</b>	<b>100</b>	<b>18,650</b>
<b>%</b>		<b>83%</b>		<b>12%</b>		<b>4%</b>		<b>1%</b>		<b>1%</b>		<b>100%</b>

Country	Urban		Coastal	
	Hotels	Rooms	Hotels	Rooms
Mexico	70	11,763	14	3,690
USA	1	203	2	480
Brazil	10	1,899	1	300
Argentina	1	173		
Chile	1	142		
<b>Total</b>	<b>83</b>	<b>14,180</b>	<b>17</b>	<b>4,470</b>
<b>%</b>		<b>76%</b>		<b>24%</b>



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• **Owned & Leased Hotels**  
**Statistics**

Owned Hotels	Total		Urban		Coastal	
		% Real Var.		% Real Var.		% Real Var.
<b>3Q07</b>						
Average No. of Rooms	9,160	(5.5)	8,144	(1.9)	1,016	(26.5)
Average Daily Rate	974	(2.2)	953	(1.5)	1,188	(0.4)
Occupancy (Var. In pp)	65%	3.3	66%	3.3	52%	(0.5)
REVPAR	632	3.0	633	3.7	618	(1.3)
<b>Accumulated</b>						
Average No. of Rooms	9,172	(4.9)	8,156	(0.5)	1,016	(29.9)
Average Daily Rate	1,041	(0.4)	979	0.3	1,580	7.4
Occupancy (Var. In pp)	63%	2.2	64%	1.7	59%	2.4
REVPAR	658	3.1	623	3.1	939	12.0

*Includes owned and leased hotels*

During the third quarter of 2007 (3Q07) operational results of owned and leased hotels continued to show a positive trend. RevPar (Revenue per available room) increased 3% in real terms supported by a 3 percentage points (pp) increase of Occupancy. Owned and leased hotel revenues decreased 2.5% during the period due to the lower number of average rooms operated as a result of the conversion of the Fiesta Americana Condesa Acapulco into Vacation Club “villas”. If we exclude the impact of this event, revenues would have remained stable when compared to the same quarter of 2006 (3Q06).

Occupancy for coastal hotels remained flat during the quarter despite hurricanes “Dean”, “Lorenzo” and “Henriette” which passed through the Yucatan peninsula, Gulf of Mexico and the Pacific, respectively during the month of September.

Occupancy for urban hotels increased mainly as a result of the improved economic environment in Brazil and the sales and marketing strategies we have implemented in the region. Hotels in the northern cities of Mexico, specifically Monterrey, Saltillo and Torreon experienced a favorable performance during the quarter as well.



## Management

### Statistics

Management	Total		Urban		Coastal	
		% Real Var.		% Real Var.		% Real Var.

3Q07						
Average No. of Rooms	16,961	4.5	13,987	6.0	2,974	(2.2)
Average Daily Rate	991	(3.3)	921	(1.8)	1,375	(3.3)
Occupancy (Var. In pp)	64%	1.2	66%	2.4	56%	(4.4)
REVPAR	638	(1.4)	610	6.2	769	(10.4)

Accumulated						
Average No. of Rooms	16,721	3.5	13,746	5.3	2,974	(4.4)
Average Daily Rate	1,053	(1.2)	944	(0.4)	1,610	2.4
Occupancy (Var. In pp)	62%	(0.3)	63%	1.1	57%	(3.6)
REVPAR	654	(1.7)	596	1.3	924	(3.7)

*Includes owned, leased and managed hotels*

Revenues for our Management business increased 14.3%, continuing its positive trend. This is mainly due to the following: (i) revenues of our Contact (call) Center (Konexo) grew 80%, (ii) Fiesta Rewards (loyalty program) revenues increased by 14%, and (iii) a 6% increase in the average number of operated rooms in urban hotels which resulted in a 6% increase in RevPar. During the last 12 months we have opened the following hotels, all under management agreements: One Monterrey Aeropuerto, FI Puebla FINSA, FI Tuxtla Gutierrez, FI Monterrey Fundidora, FI Ciudad Obregon, FA Grand Guadalajara Country Club and the One Coatzacoalcos Forum.

Operating profit (contribution) for this business grew 24.1% when compared to the same period of 2006, mainly due to economies of scale achieved by the opening of more hotels while maintaining the same cost structure. As a consequence, the contribution margin improved from 45% in 3Q06 to 48.8% in 3Q07.

## Vacation Club

Vacation Club Revenues increased 37% due to increased sales from the Vacation Club resort located in Acapulco. The contribution margin increased 1 pp versus 2Q07, but decreased 11.9 pp when compared to 3Q06 when an extraordinary adjustment in the cost of product benefited directly the contribution of this business.



## EBITDA

Due to the factors mentioned above, the 3Q07 EBITDA of \$337.3 million pesos represents a 3.6% increase in real terms versus the same period of the previous year.

## Comprehensive Financing Cost

Item	3Q07	3Q06	2007	2006
Interest income	(5,249)	(4,071)	(17,288)	(13,171)
Interest expense	100,972	103,636	290,566	304,711
Currency exchange fluctuations	23,535	12,359	11,465	105,170
Monetary position gain	(54,998)	(43,476)	(74,754)	(73,816)
<b>Total Financing Cost</b>	<b>64,260</b>	<b>68,448</b>	<b>209,988</b>	<b>322,895</b>

(thousands of pesos)

Foreign exchange loss was mainly due to a 1.3% depreciation of the Mexican peso over the US dollar in the 3Q07, compared to a 2.5% appreciation in 3Q06. Net interest coverage was 3.7 times at the end of 3Q07, same level as the one observed at the end of 3Q06.

## Financial Position

Net debt at the end of 3Q07 was US\$341 million. Net debt to EBITDA ratio for the same period was 2.8 times.

Total debt mix was: 9% short term, 83% denominated in USD and 65% was fixed rate. The average duration of the debt was 3.4 years and 13% is secured with hotel assets.

## Capital expenditures

Capital expenditures for the 3Q07 were US\$ 8 million: 47% of them were used for hotel maintenance; 39% for new projects, namely: (i) the final construction stage of the call center in Morelia (Konexo), (ii) the final construction stage of the One Patriotismo Hotel in Mexico City and, (iii) the One Queretaro hotel; and 14% were used for corporate purposes, specifically in technology.

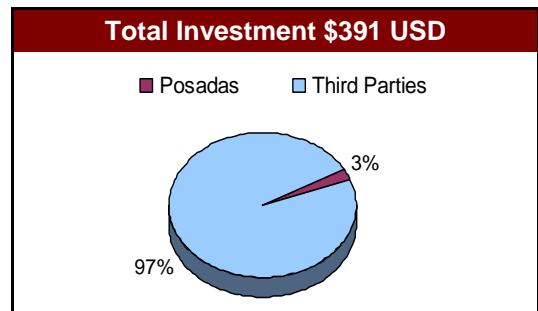
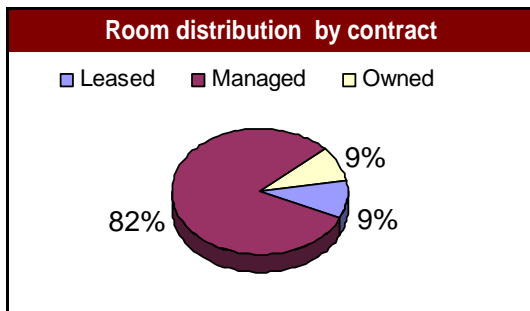


## Development

In August, we opened our fourth hotel under the brand “Grand”, the Fiesta Americana Grand Guadalajara Country Club with 208 rooms. Also, during August we opened the FI Ciudad Obregon with 120 rooms and by the end of September the One Coatzacoalcos Forum hotel with 126 rooms, all these under a management agreement.

The Company has a development plan of more than 50 hotels with approximately 7,000 rooms, which are either currently in construction or with executed operative agreements, to be opened in the next three years. According to the development strategy of the Company, most of these hotels will be with managed or leasing agreements.

Openings	Mexico		Southamerica		Total		%
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	
<b>Fiesta Americana</b>	3	398			3	398	<b>6</b>
<b>Fiesta Inn</b>	21	2,844			21	2,844	<b>40</b>
<b>Caesar Park</b>			2	261	2	261	<b>4</b>
<b>Caesar Business</b>			2	213	2	213	<b>3</b>
<b>One hotels</b>	24	2,991			24	2,991	<b>42</b>
<b>Lat 19°</b>	1	100			1	100	<b>1</b>
<b>Aqua</b>	2	320			2	320	<b>4</b>
<b>Total</b>	<b>51</b>	<b>6,653</b>	<b>4</b>	<b>474</b>	<b>55</b>	<b>7,127</b>	<b>100</b>



• **Opening Last 12 Months (as of September 30<sup>th</sup> '07)**

Hotel	No. of Rooms	Type
One Monterrey Aeropuerto	126	Managed
FI Puebla FINSA	123	Managed
CP Eco Resort do Cabo	300	Managed
FI Tuxtla Gutiérrez	120	Managed
FI Monterrey Fundidora	155	Managed
FI Ciudad Obregón	120	Managed
FAG Guadalajara Country Club	208	Managed
One Coatzacoalcos Forum	126	Managed
<b>Total</b>	<b>1,278</b>	



Income Statement (constant million pesos as of September 30th. 2007)	3Q07		3Q06		Var%	2007		2006		Var%
	\$	%	\$	%		\$	%	\$	%	
<b>Total Revenues</b>	1,419.6	100.0	1,340.9	100.0	5.9	4,348.3	100.0	4,176.5	100.0	4.1
<b>Owned &amp; Leased Hotels</b>										
Revenues	829.0	100.0	850.2	100.0	(2.5)	2,585.3	100.0	2,721.4	100.0	(5.0)
Direct cost	687.6	82.9	702.2	82.6	(2.1)	2,106.5	81.5	2,128.4	78.2	(1.0)
Contribution	141.4	17.1	148.0	17.4	(4.5)	478.8	18.5	592.9	21.8	(19.3)
<b>Management</b>										
Revenues	309.0	100.0	270.3	100.0	14.3	859.0	100.0	759.9	100.0	13.0
Direct cost	158.1	51.2	148.8	55.0	6.3	454.6	52.9	405.1	53.3	12.2
Contribution	150.9	48.8	121.5	45.0	24.1	404.5	47.1	354.8	46.7	14.0
<b>FA Vacation</b>										
Revenues	264.7	100.0	193.3	100.0	37.0	819.8	100.0	629.8	100.0	30.2
Direct cost	197.0	74.4	120.9	62.5	63.0	620.2	75.7	436.4	69.3	42.1
Contribution	67.7	25.6	72.4	37.5	(6.4)	199.6	24.3	193.3	30.7	3.2
<b>Other Businesses</b>										
Revenues	16.8	100.0	27.2	100.0	(38.1)	84.3	100.0	65.4	100.0	28.9
Direct cost	16.3	97.0	23.2	85.4	(29.6)	66.1	78.4	61.3	93.8	7.7
Contribution	0.5	3.0	4.0	14.6	(87.3)	18.2	21.6	4.0	6.2	349.7
Corporate expenses	23.2	1.6	20.2	1.5	14.5	63.7	1.5	63.5	1.5	0.3
Depreciation/amortization	102.1	7.2	110.3	8.2	(7.4)	316.8	7.3	331.0	7.9	(4.3)
Goodwill amortization, net	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
<b>Operating Profit</b>	<b>235.1</b>	<b>16.6</b>	<b>215.4</b>	<b>16.1</b>	<b>9.2</b>	<b>720.5</b>	<b>16.6</b>	<b>750.6</b>	<b>18.0</b>	<b>(4.0)</b>
<b>EBITDA</b>	337.3	23.8	325.6	24.3	3.6	1,037.3	23.9	1,081.6	25.9	(4.1)
Comprehensive financing cost	64.3	4.5	68.4	5.1	(6.1)	210.0	4.8	322.9	7.7	(35.0)
Other expenses (revenue)	43.6	3.1	24.2	1.8	80.2	66.6	1.5	66.9	1.6	(0.5)
<b>Profit Before Taxes</b>	<b>127.3</b>	<b>9.0</b>	<b>122.8</b>	<b>9.2</b>	<b>3.7</b>	<b>443.9</b>	<b>10.2</b>	<b>360.8</b>	<b>8.6</b>	<b>23.0</b>
Income taxes	36.6	2.6	35.8	2.7	2.0	109.5	2.5	139.1	3.3	(21.2)
Deferred taxes	9.8	0.7	5.5	0.4	78.6	25.8	0.6	(22.7)	(0.5)	na
Part. in results of assoc. companies	(45.0)	(3.2)	99.1	7.4	na	(45.0)	(1.0)	(29.8)	(0.7)	51.0
<b>Net Income before Minority</b>	<b>35.9</b>	<b>2.5</b>	<b>180.5</b>	<b>13.5</b>	<b>(80.1)</b>	<b>263.6</b>	<b>6.1</b>	<b>214.7</b>	<b>5.1</b>	<b>22.8</b>
Minority Interest	29.6	2.1	9.6	0.7	209.4	35.8	0.8	22.9	0.5	56.2
<b>Net Majority Income</b>	<b>6.3</b>	<b>0.4</b>	<b>170.9</b>	<b>12.7</b>	<b>(96.3)</b>	<b>227.8</b>	<b>5.2</b>	<b>191.8</b>	<b>4.6</b>	<b>18.8</b>

Grupo Posadas has specialized for more than 35 years in providing high quality hotel services aiming at covering the more specific needs of hotel guests. Currently, the Company operates 100 hotels and approximately 18,000 rooms in the most important and visited urban and coastal destinations in Mexico, the United States and South America. Grupo Posadas operates under the Aqua, Fiesta Americana Grand, Fiesta Americana, Lat 19°, Fiesta Americana Vacation Club, Fiesta Inn, One Hotels, Caesar Park, Caesar Business and The Explorea brands.

Grupo Posadas shares are quoted and traded on the Mexican Stock Exchange since 1992 under the ticker names POSADASA & POSADASL; in addition, series A & L are quoted and traded in the U.S. in the PORTAL system under the ticker names GRPALP y GRPYP, respectively.





<b>Consolidated Balance Sheets as of September 30th. 2007 &amp; 2006</b>					
<b>(Constant million pesos as of September 30th. 2007)</b>					
	<b>Sep-07</b>	<b>%</b>	<b>Sep-06</b>	<b>%</b>	<b>Var. (%)</b>
<b>ASSETS</b>					
<u>Current</u>					
Cash & marketable securities	443.7	3.5	476.2	3.8	(6.8)
Notes & accounts receivable	1,004.4	8.0	1,062.3	8.6	(5.4)
Inventories	292.5	2.3	149.1	1.2	96.2
Other assets	44.8	0.4	54.0	0.4	(17.1)
<b>Total current assets</b>	<b>1,785.5</b>	<b>14.2</b>	<b>1,741.7</b>	<b>14.0</b>	<b>2.5</b>
<u>Long-term</u>					
Long-term notes receivable	701.7	5.6	565.4	4.6	24.1
Long-term investments	154.7	1.2	639.3	5.1	(75.8)
Property & equipment, net	8,916.8	70.7	8,875.9	71.5	0.5
Intangible and deferred assets	1,052.6	8.3	594.8	4.8	77.0
Other long-term assets	0.0	0.0	2.4	0.0	(99.1)
<b>Total Assets</b>	<b>12,611.3</b>	<b>100.0</b>	<b>12,419.5</b>	<b>100.0</b>	<b>1.5</b>
<b>LIABILITIES</b>					
<u>Current</u>					
Suppliers	342.7	2.7	317.7	2.6	7.9
Short-term debt	363.6	2.9	202.3	1.6	79.7
Other current liabilities	723.8	5.7	759.8	6.1	(4.7)
<b>Total current liabilities</b>	<b>1,430.1</b>	<b>11.3</b>	<b>1,279.9</b>	<b>10.3</b>	<b>11.7</b>
<u>Long-term</u>					
Long-term debt	3,776.7	29.9	4,196.7	33.8	(10.0)
Other loans	36.5	0.3	33.6	0.3	8.5
Other long-term liabilities	1,679.9	13.3	1,664.7	13.4	0.9
Deferred credits	304.6	2.4	234.7	1.9	29.8
<b>Total Liabilities</b>	<b>7,227.7</b>	<b>57.3</b>	<b>7,409.7</b>	<b>59.7</b>	<b>(2.5)</b>
<b>STOCKHOLDERS' EQUITY</b>					
Majority stockholders' equity	4,438.4	35.2	4,090.7	32.9	8.5
Minority interest	945.1	7.5	919.1	7.4	2.8
<b>Total</b>	<b>5,383.5</b>	<b>42.7</b>	<b>5,009.8</b>	<b>40.3</b>	<b>7.5</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>12,611.3</b>	<b>100.0</b>	<b>12,419.5</b>	<b>100.0</b>	<b>1.5</b>



<b>Consolidated Statement of Changes in Financial Position</b> (Constant million pesos as of September 30th. 2007)		
	<b>3Q07</b>	<b>3Q06</b>
<b>Consolidated Net Income</b>	<b>263.6</b>	<b>214.7</b>
<b>+ (-) Items added to income which do not require the use of cash</b>	<b>415.7</b>	<b>282.3</b>
+ Deprecitation and amortization	316.8	331.0
+ (-) Other items	98.9	(48.6)
<b>Cash flow form net income for the year</b>	<b>679.2</b>	<b>497.0</b>
<b>Cash generated (used) in operating activities</b>	<b>18.2</b>	<b>47.6</b>
+ (-) Decrease (increase) in accounts receivable	(21.3)	238.4
+ (-) Decrease (increase) in inventory	7.3	8.2
+ (-) Decrease (increase) in other accounts receivable	(10.3)	(12.2)
+ (-) Increase (decrease) in supplier accounts	(15.3)	(92.4)
+ (-) Increase (decrease) in other liabilities	57.9	(94.5)
<b>Cash generated by (used in) operating activities</b>	<b>697.5</b>	<b>544.6</b>
<b>Cash flow from external financing</b>	<b>18.0</b>	<b>186.0</b>
+ Bank financing	35.5	955.3
+ Stock exchange financing		
+ Dividends received		
+ Other financing		
(-) Bank financing amortization	(17.4)	(769.3)
(-) Stock exchange amortization		
(-) Other financing amortization		
<b>Cash flow from internal financing</b>	<b>(202.7)</b>	<b>(369.2)</b>
+ (-) Increase (decrease) in capital stock		
(-) Dividends paid	(128.2)	(118.8)
+ Premium on sales of shares	(57.7)	
+ Contribution for future capital increases	(16.7)	(197.1)
+ (-) Other items		(53.2)
<b>Cash flow generated (used) by financing</b>	<b>(184.6)</b>	<b>(183.2)</b>
<b>Cash flow generated (used) in investment activities</b>	<b>(567.4)</b>	<b>(293.1)</b>
+ (-) Decrease (increase) in stock investments of a permanent nature		
(-) Acquisition of property, plant and equipment	(265.4)	(212.9)
(-) Increase in buildings in progress		
+ Sale of other permanent investments		(244.0)
+ Sale of tangible fixed assets		220.7
+ (-) Other items	(302.1)	(56.8)
<b>Net increase (decrease) in cash and short-term investments</b>	<b>(54.6)</b>	<b>68.3</b>
<b>Cash and short-term investments at the beginning of period</b>	<b>498.3</b>	<b>407.9</b>
<b>Cash and short-term investments at the end of period</b>	<b>443.7</b>	<b>476.2</b>

