



Casas GEO[®]
Te cambia la vida

Sustainable Growth with Cash Flow
Generation

November 2012



During the course of this presentation, management may make forward-looking statements regarding financial performance and future events.

We will attempt to identify these statements by use of words such as expect, believe, anticipate, intend, and other words that denote future events. These forward-looking statements are subject to material risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

We caution you to consider the important risk factors that could cause actual results to differ from those in the forward-looking statements as contained in this presentation, which speak only as of their dates.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

GEO Highlights

Dynamics of the Mexican Homebuilding Industry

GEO Strategy

Financial Performance Overview

Appendix

Why GEO?

Key Investment Highlights

GEO is the best vehicle for taking advantage of opportunities in Mexico's homebuilding sector

GEO's best-in-class operations ensures efficiencies and cash generation

GEO's market leadership as a result of its solid and sustainable growth strategy

Mexico's homebuilding industry provides an unparalleled opportunity for investment



Prioritize Cash Flow and Financial Equilibrium
Vertical Construction & ALPHA Efficiencies from GEO+Más Operations & Financial discipline

Sustainable Growth Strategy
Broad geographic footprint
Provide the best product for our clients
Use of innovative sales channels
Long-term vision in our communities

Robust Demand

Low Supply

Solid Mortgage Financing

Strong Government Support

Sustainable Growth with Cash Flow Generation

Our Mission: PROVIDE QUALITY OF LIFE



Creating Sustainable
Communities

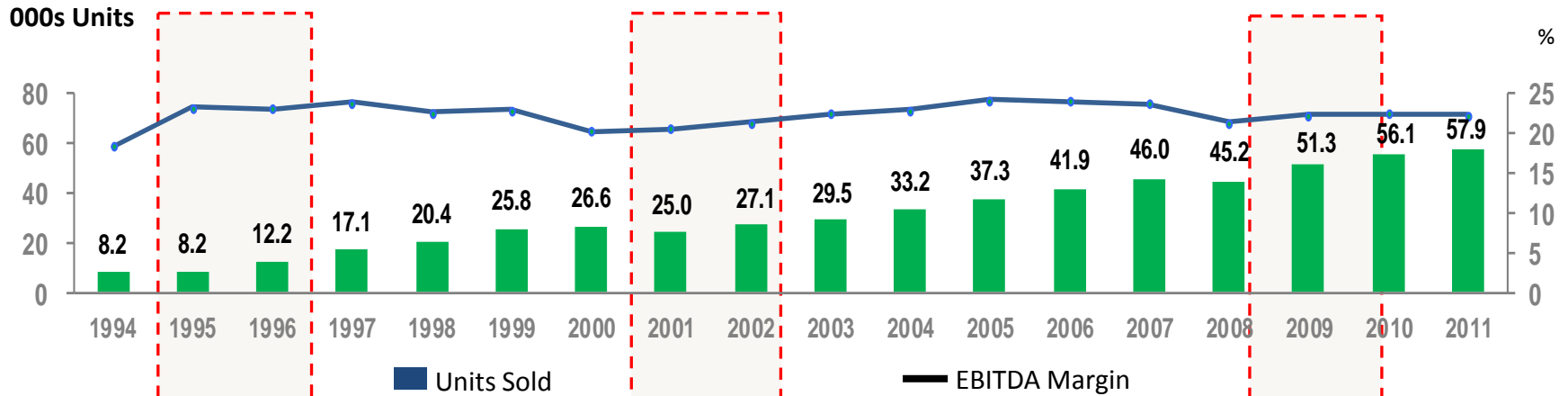


Delivered more than 600K homes to 2.4 mm Mexicans

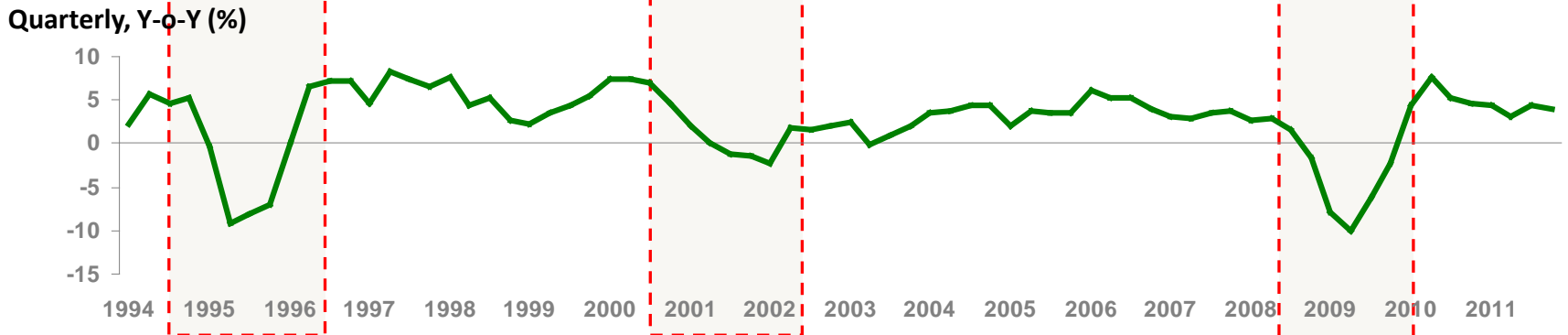
GEO has performed Consistently Through Challenging Economic Cycles

Delivering Growth With Profitability Despite Recessionary Backdrops

GEO Units Sold and EBITDA Margin



Mexico GDP Growth



Source: Banco de México

Units sold and EBITDA margins for 2008 through 2011 based on IFRS figures. Figures from previous years have not reformulated to IFRS for comparability

GEO: Leader in the Low-Income Housing Sector

Broad Geographic Footprint

GEO operates Seven Regional Divisions:



Market Share in the Housing Industry

Company	INFONAVIT Position ¹ (#)	FOVISSSTE Position ¹ (#)	States Present
GEO	1	1	22
Urbi	3	4	20
Homex	4	6	21
Ara	5	3	20
Sare	9	NA	10

¹ Based on houses sold in 2011 financed by mortgages from INFONAVIT & FOVISSSTE

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Mexican Housing Market Differs Substantially from Other Housing Markets

1

Demand

- Accumulated mortgage demand for 2011-2030 estimated at 20.2mm¹
- Significant underserved demand in both the formal and informal sectors
- Demographic evolution will fuel demand in coming years
- Changes to mortgage programs are broadening potential demand, including private programs for those ineligible for INFONAVIT & FOVISSSTE

2

Supply

- Stable home prices over a decade
- Lack of financing is affecting small players
- Top 3 players enjoyed top-line growth of 5.1% CAGR in 2007-11
- High barriers to entry

3

Financing and Loan Characteristics

- Unique and robust mortgage funding system
- Loan structures isolate borrowers from interest rate risk
- Full documentation loans are the norm

4

Strong governmental support

- Engine for the economic, social and environmental development of Mexico
- Addresses key welfare need: adequate housing
- Construction represented 6.3% of GDP in 2011

¹ Source: CONAVI

1 Robust Demand Supported by Sound Fundamentals

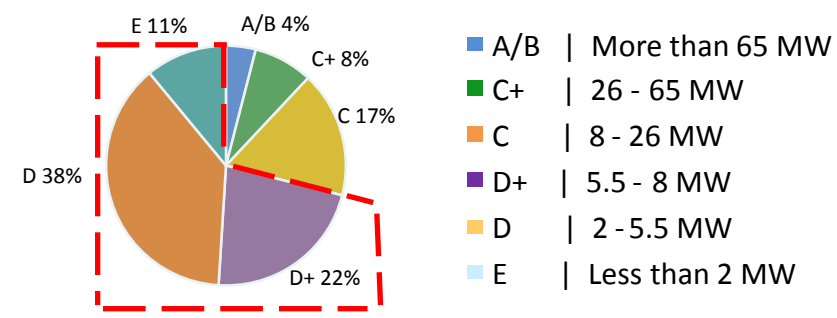
- Housing deficit of 20.2 million houses for the next 20 years concentrated in low-income segments
- Non affiliated market – opportunities for the development of new programs

Housing Needs 2011- 2030

mm units	Demographics	Housing Deficit	Total
Eligible	6.1	2.3	8.4
Non-eligible with payment capacity	1.9	2.4	4.3
Non-eligible without payment capacity	3.3	4.3	7.6
Total	11.3 +	8.9 =	20.2

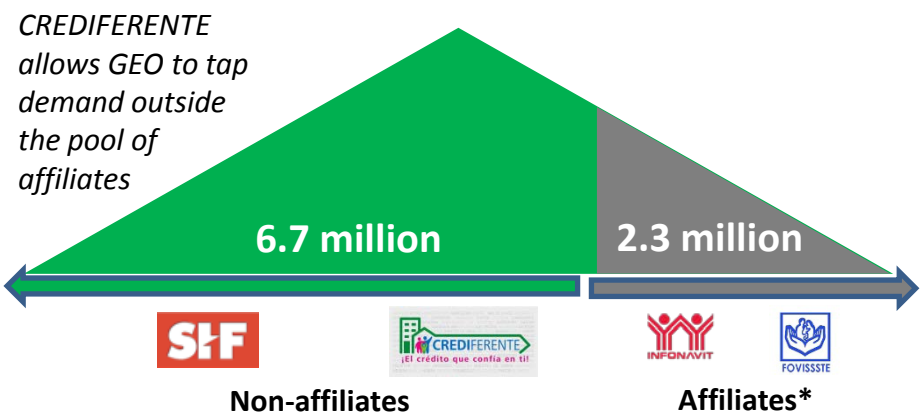
Source: CANADEVI based on CONAPO/SHF/CONAVI

Income by Segment



Source: INEGI
Monthly Minimum Wage in Mexico = USD 140

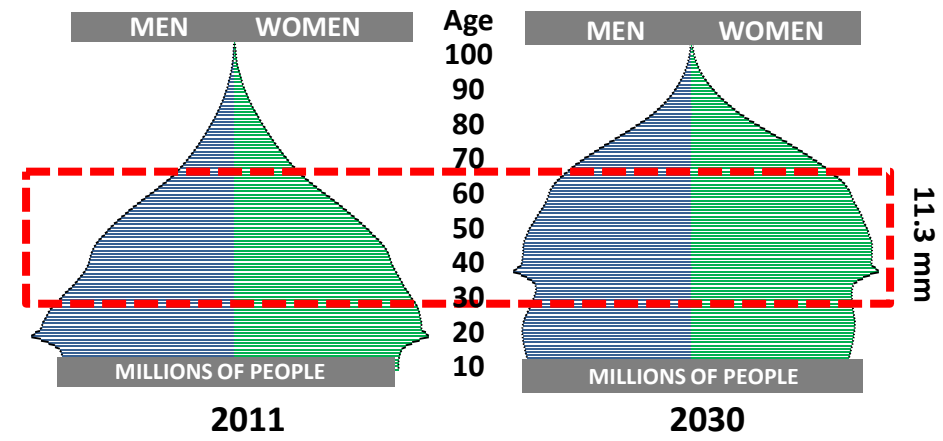
Housing Deficit



*Affiliates are those eligible for mortgages through INFONAVIT & FOVISSSTE

Source: CANADEVI based on Sociedad Hipotecaria Federal / SHCP

Demographic Bonus

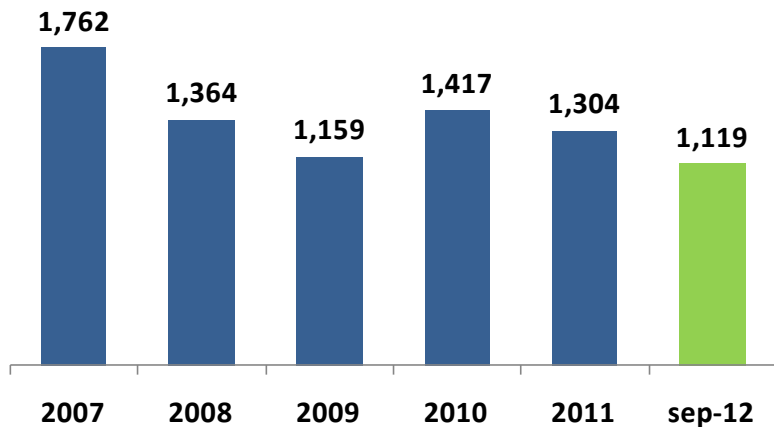


Source: INEGI

2 Served by a Limited Supply

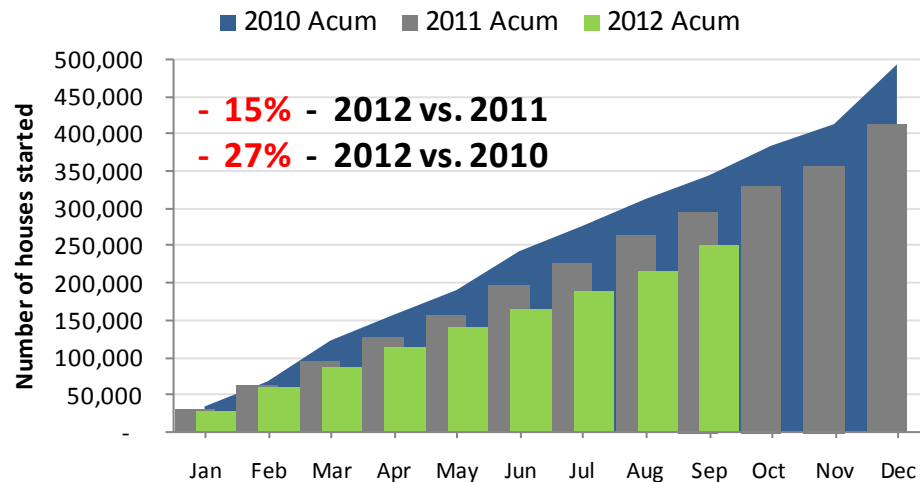
- Decrease in the number of players: lack of finance for the small and medium homebuilders
- Opportunity for largest homebuilders to gain market share
- High barriers to entry

Registered Homebuilders in INFONAVIT



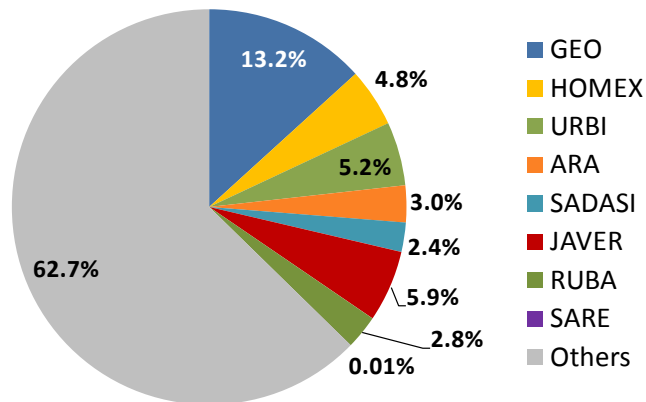
Source: CONAVI / INFONAVIT

Housing Starts 2011 vs. 2010 vs. 2009



Source: RUV







INFONAVIT New Homes Market Share – September 2012



INFONAVIT and FOVISSSTE Play a Key Role in Assuring Market Stability and Growth

- Founded in 1972 to provide Mortgages to:
 - Private sector: INFONAVIT
 - Public sector: FOVISSSTE
- Together they provide 75% of all mortgage loans for new homes in Mexico
- Solid funding framework through payroll contributions mandated by law
 - Minimum risk
- Successful subsidies programs support low income segments
- Mortgage structures isolate borrower from interest rate and currency risk
- INFONAVIT's bylaw reform allows to provide 2nd mortgages – 1 mm people added to the pool of potential demand

Government Is Most Involved in Low Income Sector

		Primary Funding	Goal 2012
Mortgages			
	Infonavit	Mandatory Private and Market Funding	490,000
	Fovissste	Mandatory Private and Market Funding	70,000
	Financial Institutions	Deposits and Market Funding	138,235
	SHF	Federal Funding	121,500
	Others ¹		23,650
Subsidies			
	Fonhapo	Federal Subsidies	98,327
	Conavi	Federal Subsidies	181,000
Total			1,122,712

¹ Banjercito, Habitat, ISSFAM, CFE, Orevis, Pemex, Fonacot
Source: CONAVI Preliminary Results – December 2011

Engine for the Economic, Social and Environmental Development of Mexico

2006-2012 GOAL: 7 MILLION ACTIONS FOR THE HOUSING INDUSTRY

Economic

Supports domestic demand

- ✓ Enhance investments – subsidy program up 55% from 2011 to 2012
- ✓ GDP growth – impact on 37 sectors of economic activity
- ✓ Job creation – generates more than 3.5 mm jobs

Social

Looks after households' quality of life

- ✓ Wealth creation through better housing products
- ✓ Additional benefits in security, health and education
- ✓ 2/3 of the mortgages to the low income segments

Environmental

Safeguards natural resources and families' budget

- ✓ Housing developments equipped with eco-technologies
- ✓ Energy, gas and water savings
- ✓ 377k green mortgages originated in 2011

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GEO's Strategic Focus and Disciplined Execution Delivers Sustainable Growth and Cash Flow Generation

sustainable growth

FCF Generation

1 GEO Culture

- Our client is the king
- Live with mission, vision and values

2 Be #1 in the market

- Ensure value creation
- Balance leadership in affiliated and non-affiliated markets
- Innovate distribution channels and sales strategies

3 Create a unique value offer:

- The best place to live at the bottom of the pyramid
- Deliver long-term value to our customers

4 GEO+Más:

- Operational and administrative efficiencies
- Disciplined management of inventories and expenses
- Vertical construction and ALPHA
- Land sourcing strategies

5 Reach our goals consistently

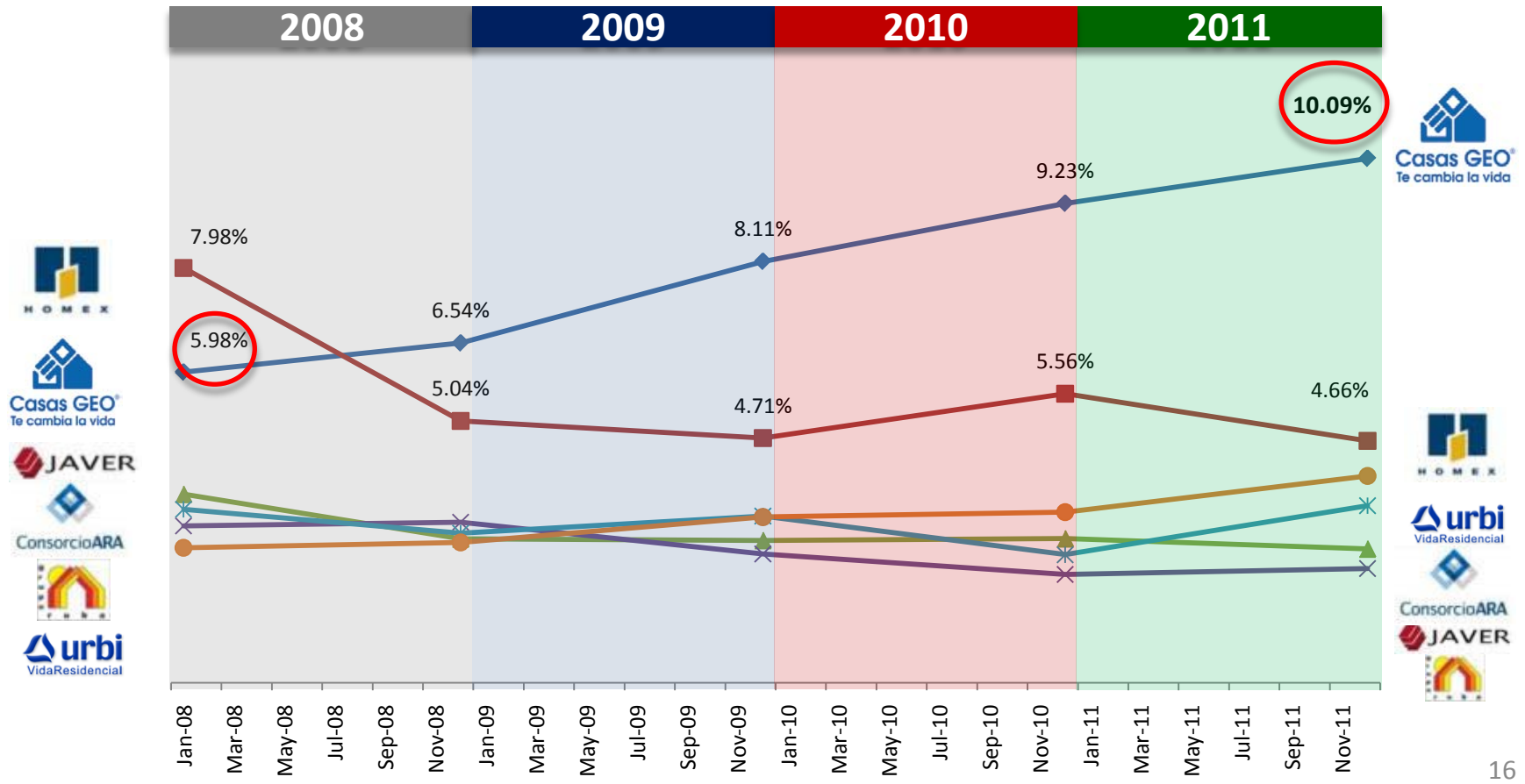
- Prioritize FCF generation and financial equilibrium



**1 GEO'S MISSION – PROVIDE QUALITY OF LIFE AND PROPERTY APPRECIATION TO OUR CLIENTS
BEST TEAM : MORE THAN 9,000 EMPLOYEES FOCUSED ON THE EXECUTION OF OUR SUCCESSFULL
STRATEGY**

2 Be Number One in the market with INFONAVIT and FOVISSSTE

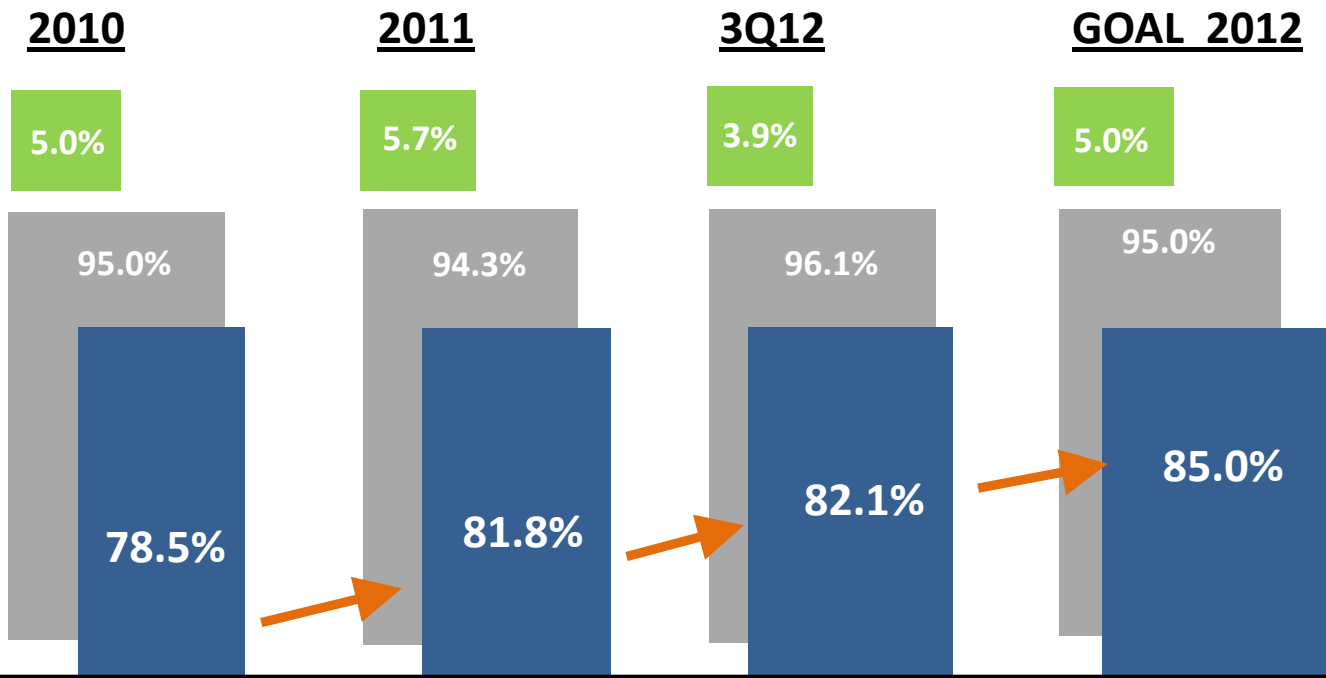
- GEO has captured greater market share as a result of focus on the low-income segments



Source: INFONAVIT- titled homes

2 Be Number One at the Bottom of the Pyramid

Sales Mix by Segment *(titled units)*



*House Prices (thousands of US)

Residential: < \$109 K

Middle Income: up to \$109 K

Affordable Plus: up to \$55 K

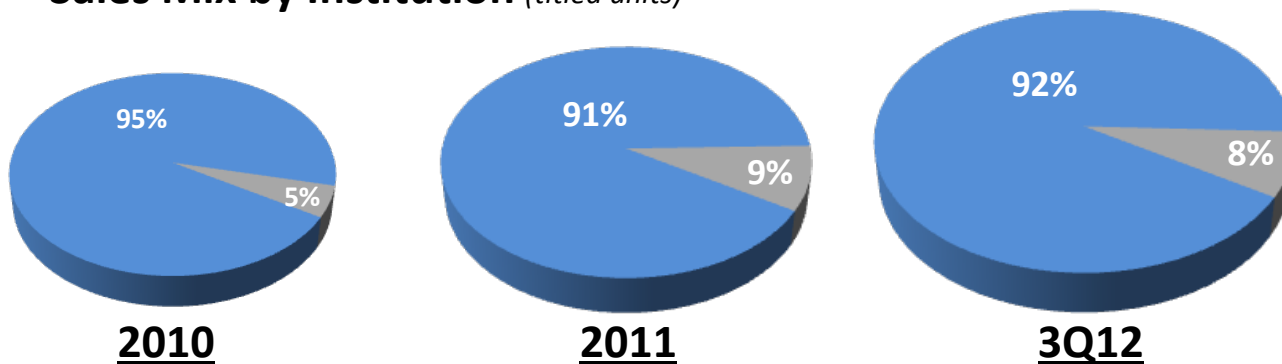
Affordable: up to \$34 K

Lower Affordable: up to \$23 K

Economic: up to \$19 K

Sales Mix by Institution *(titled units)*

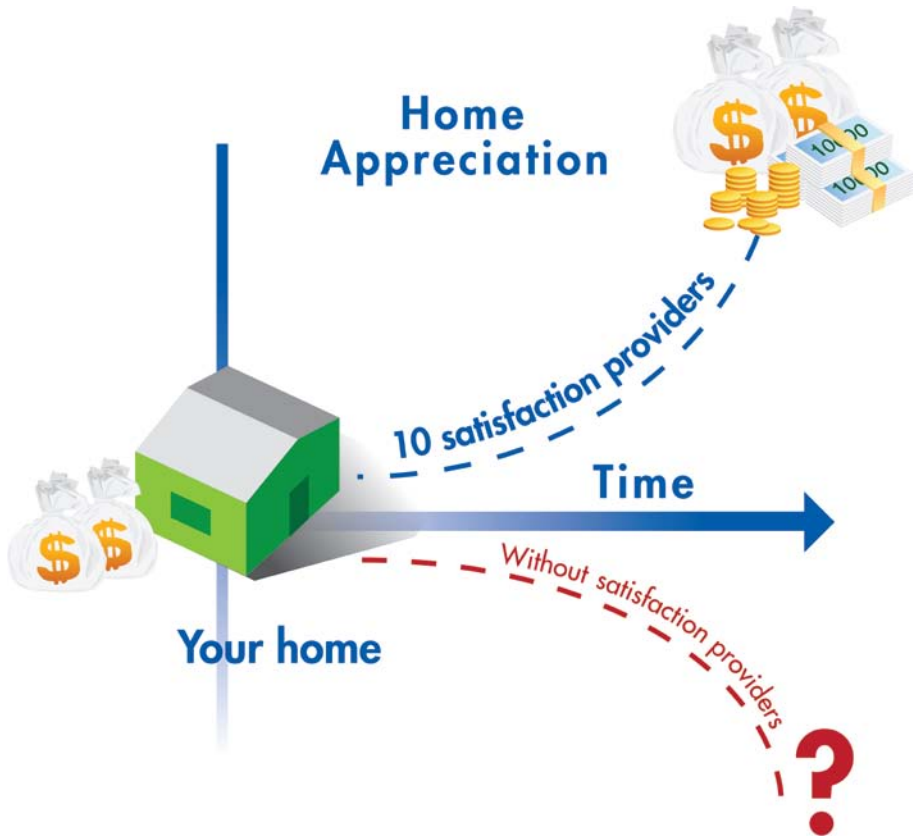
*FX rate: 12.8695 as of September 30, 2012



■ INFONAVIT & FOVISSSTE
 ■ Banks / Sofoles / GEOFácil

3 Create a Unique Value Offer

- Purchasing a home is the most important economic decision our customers will make in their life time
- Between 25% - 30% of their disposable income will go to mortgage service for the next 25 to 30 years



- GEO’s focus on a top-quality product makes us the #1 choice for consumers
- Our “Bienestar” Program ensures proper maintenance of developments and help neighbors keep security standards



3 GEO's Value Offer Set to Deliver the Best Place to Live

- Generate **Economical, Social & Environmental benefits** to our clients through **10 satisfaction providers**:



Housing



Basic Services



Transportation



Security



Urban Design



Product & Services



Education



Employment

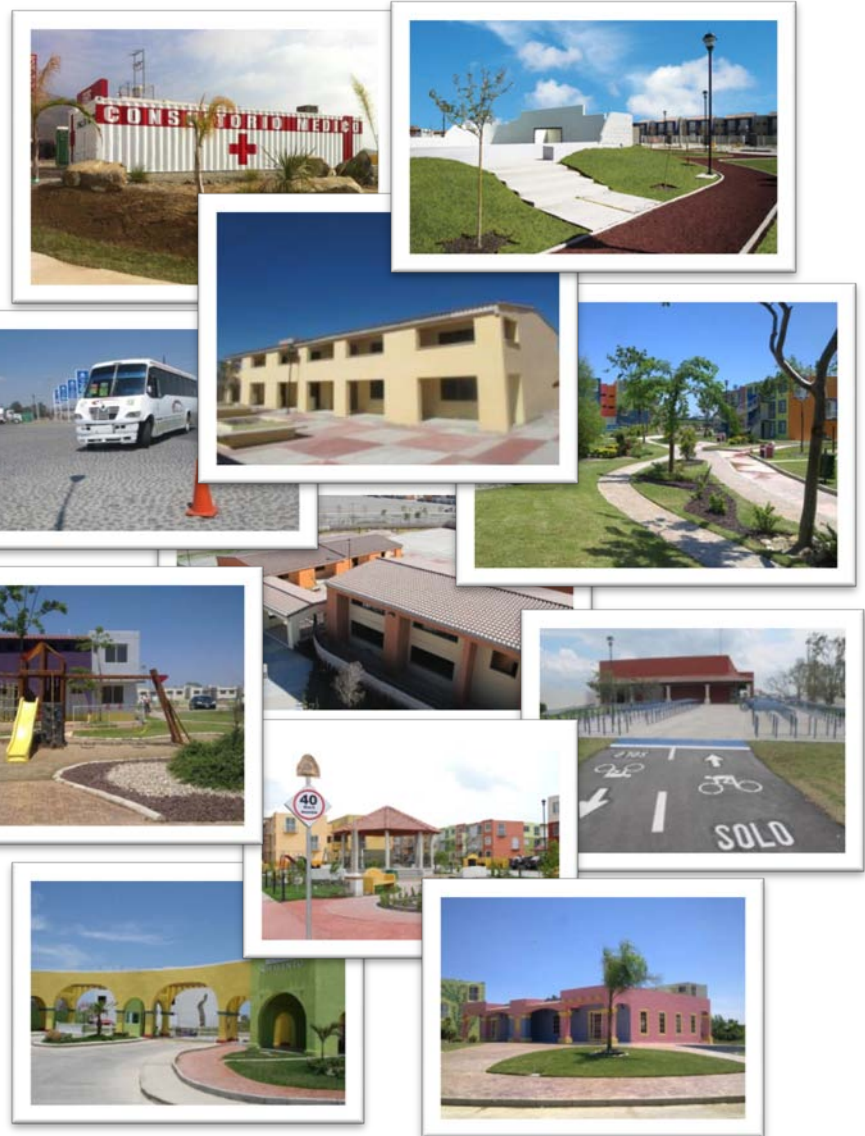


Health Services



Community Living

Creating Sustainable Communities



Vertical Construction Provides a Better Value Proposition, Increases Margins and Boosts Government Support



one bedroom

Market tendency towards vertical construction


two bedrooms

Advantages of Vertical Construction

- Savings in infrastructure investments
- Better land use
- Use of prefabricated concrete technologies reduces construction cycle
- Density housing construction increases
- Government support / subsidies program aligned to vertical construction

GEO is Ahead the Industry

Ensuring Broad Support of the Subsidy Program

CONAVI Scoring System	Parameters	GEO Status
300 points	Location Developments close to high growth cities	Most of its projects are located nearby high growth cities
250 points	Equipment Provide services such as clinics & schools, community centers, playgrounds, green areas, transportation	GEO's satisfaction elements in every development 
230 points	Construction Density Develop three-story buildings, above 80 units per hectare and higher construction space	GEO offers 3-4 story buildings; Land Bank aligned to vertical projects; Increasing sales mix of vertical projects to 45% in 2012
220 points	Competitiveness Eco-friendly technologies	GEO is leader in granting products aligned to green mortgages

GEO's business strategy gives us the best scores in the subsidy program

GEO's products are a decade ahead of its peers in the industry

GEO's seasonality is aligned to the 2012 subsidies where 70% was granted in the first semester

3 GEO's Unique Sales Strategies are tailored to Best Meet Customer's Needs and Preferences

- **Traditional distribution channel:** Direct sales through sales centers
- **New channels:** innovative ways of reaching out to the client

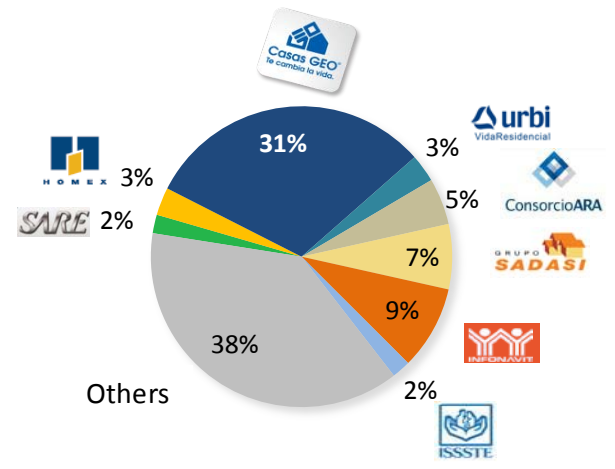
	<u>Titled Units</u> <u>September 2012</u>	
GEO Stores	3,556	
GEO Partners	6,154	
Call Center	3,195	

Advantages:

- Less expensive to create traffic in the new channels
- Higher productivity: More houses sold per salesperson



Brand Top of Mind as of September 2012



Source: Estudios de Comunicación. Medios y Audiencias, SA de CV (Moctezuma y Asociados)

➤ **Moderate Growth**

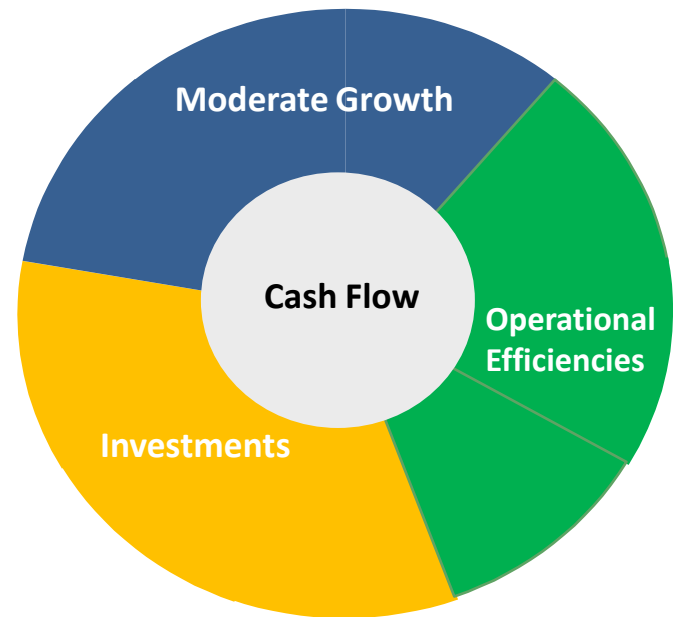
- Prioritize cash generation
- No aggressive expansions into new cities

➤ **Investments**

- Higher construction density - better land use
- Efficient land sourcing strategies
- Reduce work in progress inventories

➤ **Operational Efficiencies**

- Vertical construction – savings in infrastructure and urbanization
 - Grants access to more subsidies
- Construction flexibility with ALPHA
 - Reduction in construction cycle
 - Building and delivery times reduced up to 50%
- ORACLE –improve collection management & expense control



Efficiency Gains will come through Construction Processes – “ALPHA” ...

Building Technology

- Fully automated housing factory (pre-fabricated elements)
- Worldwide fully proven technology
- Adapted to best practices and to GEO’s needs
- Factories can be replicated, based on demand
- Production flexibility for all segments: main target is economic segments which means smaller project sizes
- Reduce labor costs, construction and inventory
- Building and delivery times reduced
- Improve working capital cycle and lower financial costs
- Standardized housing and superior quality



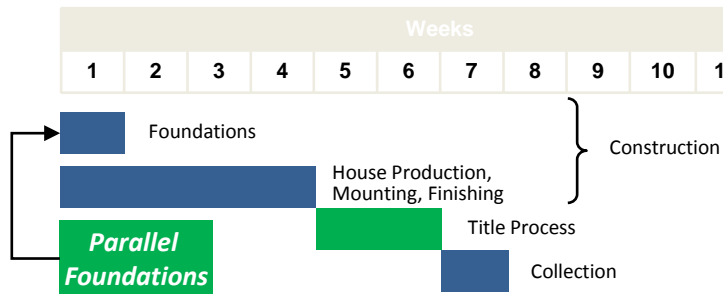
...Time Reduction vs. Traditional System in both Horizontal and Vertical Units

Horizontal Construction

Traditional Building Systems

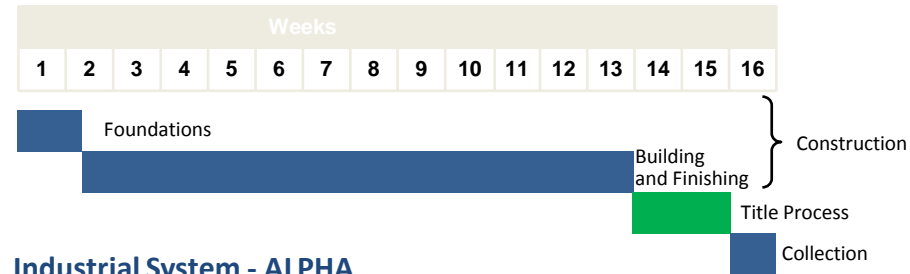


Industrial System - ALPHA

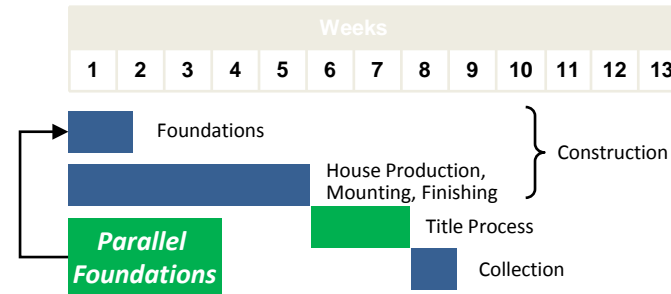


Vertical Construction

Traditional Building Systems



Industrial System - ALPHA










MAIN IMPROVEMENTS

- ✓ Working Capital Cycle reduction
- ✓ Improved quality of construction

Land Bank aligned to the Affordable Segments

Land Bank by Region

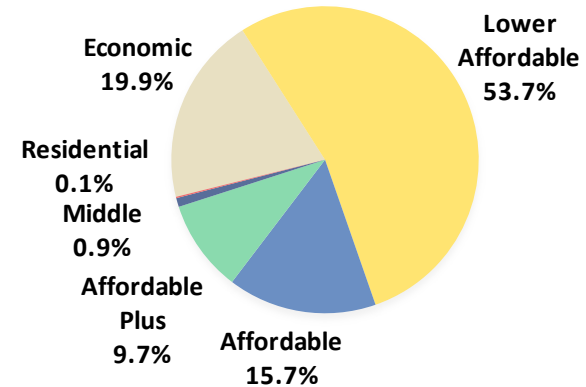


 Pacific	14%	 Northwest	14%
 Bajío	9%	 Northeast	10%
 West	11%	 South	15%
 Central	27%		

- 355,944 units in land bank
- Current inventory of 4.5 years of construction
- Land bank composition consistent with market segmentation strategy

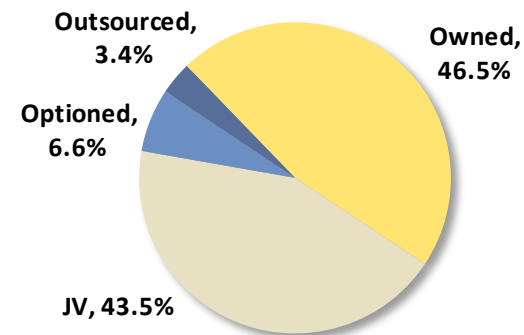
Information as of September 30 2012

Land Bank by Segment



- 89% of Land Bank in low income segments
- Potential revenue of land bank (once developed) of approximately MXN\$124 Bn

Land Bank Structure



- JV's with Prudential Real Estate Investors and Sólida Banorte optimizes land investments

GEO Highlights

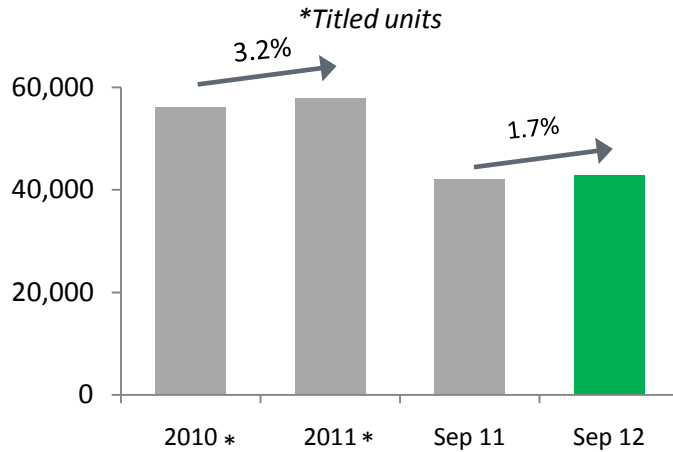
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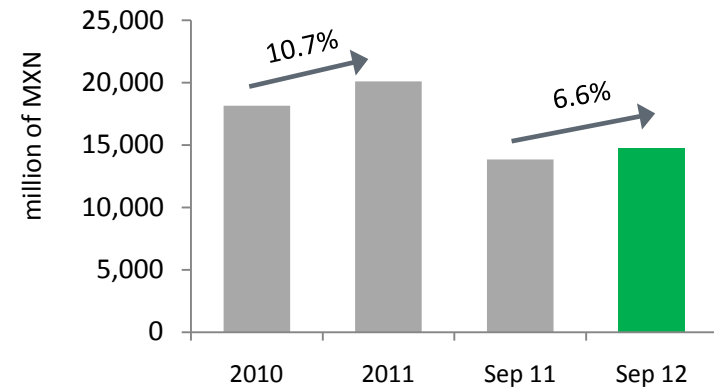
Financial Performance Overview

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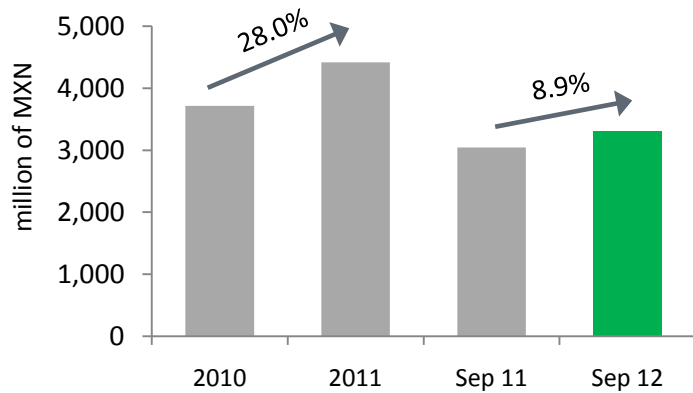
Homes Sold (units)



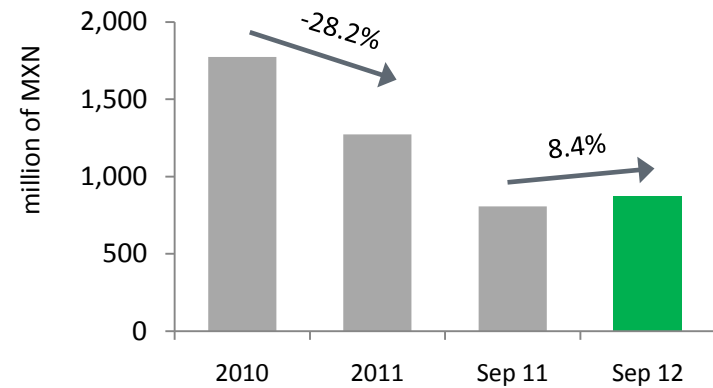
Revenues



EBITDA

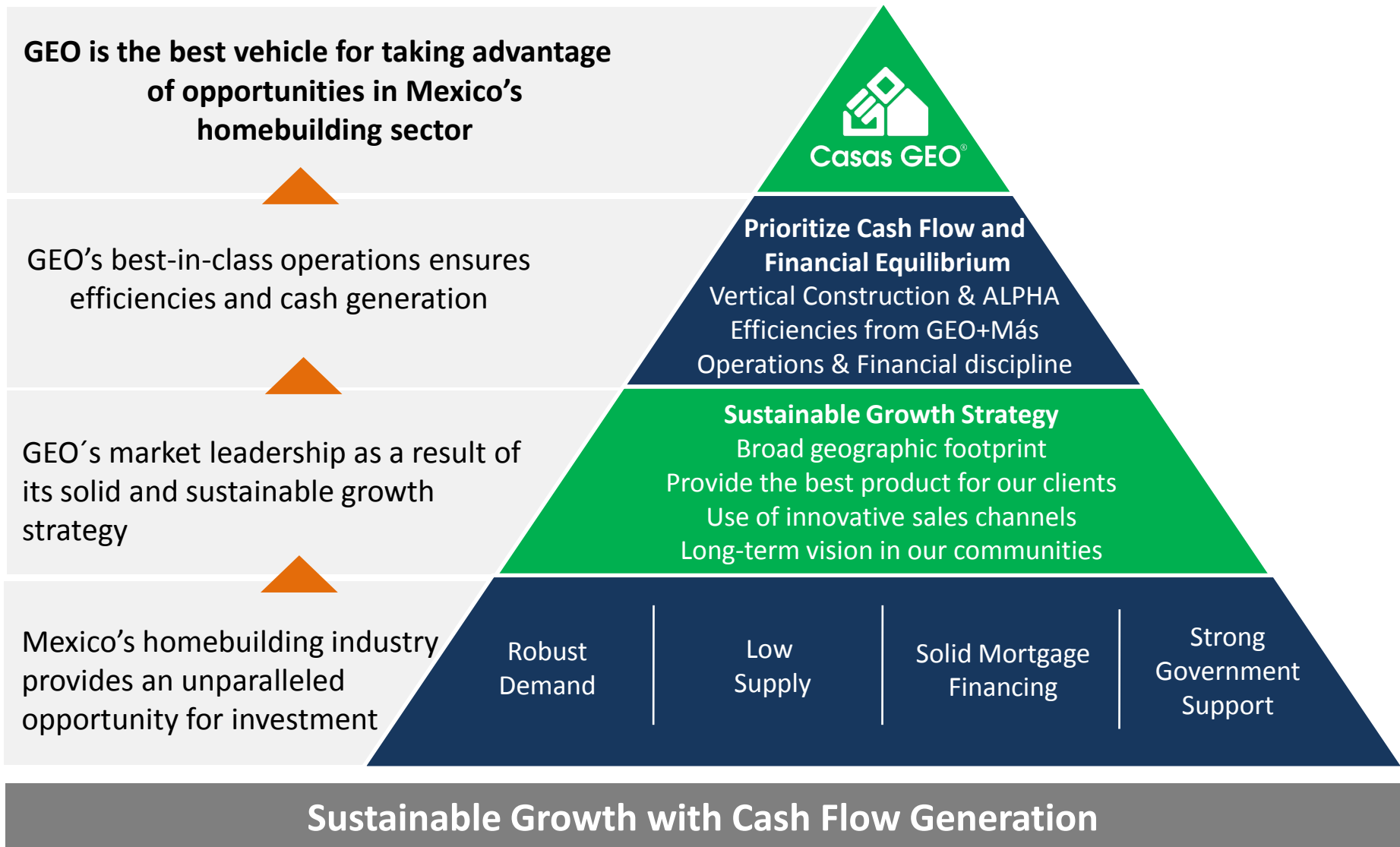


Net Profit



Why GEO?

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Financial Highlights

Income Statement Data	Third Quarter			Nine - Month Period		
	2012	2011	YoY var.	2012	2011	YoY var.
Sales (delivered units)	12,688	14,307	-11.32%	42,861	42,125	1.75%
Revenues	\$4,496.8	\$4,631.9	-2.92%	\$14,768.5	\$13,856.6	6.58%
Gross Profit	\$1,426.7	\$1,515.1	-5.84%	\$4,599.8	\$4,428.8	3.86%
<i>Gross Margin</i>	31.7%	32.7%	-0.98 pp	31.1%	32.0%	-0.82 pp
Operating Profit	\$657.6	\$691.2	-4.87%	\$2,324.1	\$2,174.9	6.86%
<i>Operating Margin</i>	14.6%	14.9%	-0.3 pp	15.7%	15.7%	0.04 pp
Profit before Taxes	\$568.1	\$499.0	13.83%	\$1,458.7	\$1,565.2	-6.80%
<i>Profit before Taxes Margin</i>	12.6%	10.8%	1.86 pp	9.9%	11.3%	-1.42 pp
EBITDA	\$1,047.5	\$1,063.0	-1.46%	\$3,315.2	\$3,044.3	8.90%
<i>EBITDA Margin</i>	23.3%	23.0%	0.34 pp	22.4%	22.0%	0.48 pp
Net Profit	\$356.6	\$204.6	74.31%	\$876.0	\$808.3	8.38%
<i>Net Margin</i>	7.9%	4.4%	3.51 pp	5.9%	5.8%	0.1 pp
Free Cash Flow to Equity	\$412.3	-\$1,379.2	\$1,791.5	-\$1,114.3	-\$2,860.7	\$1,746.4

Balance Sheet Data	Quarter - Quarter		
	3Q12	2Q12	QoQ var.
Cash and Cash Equivalentents	\$2,126.2	\$2,549.8	-16.61%
Working Capital Cycle	645 days	624 days	21 days
Total Debt	\$13,502.5	\$14,706.8	-8.19%
Interest Coverage	2.2 x	2.3 x	-0.1 x
Net Debt to EBITDA (LTM)	2.4 x	2.6 x	-0.2 x

Debt Profile		
Mortgage Bridge Loans	1,979	15%
Loans for Land Purchase	727	5%
Direct Loans	636	5%
Leasing for Machinery	92	1%
Certificado Bursatil (notes) - Long Term	400	3%
Revolving Credit	1,150	9%
Long Term Bonds	8,518	63%
Total	13,503	100%

Average Cost of Debt 8.77%

Short Term 25% Long Term 75%

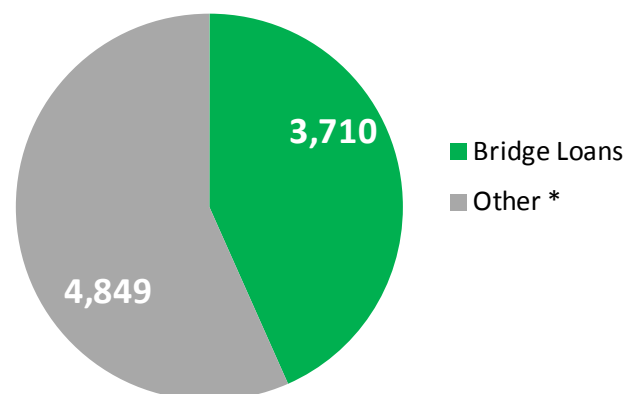
Interest Coverage: 2.2x

Net Debt / EBITDA: 2.4x

Average LT Maturity: 7.4 years

Available Credit Lines as of 3Q12

(million Pesos)



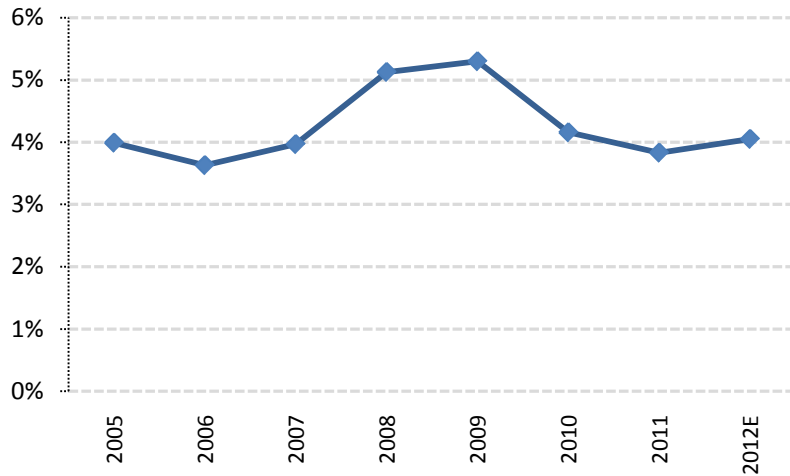
* land purchase, direct credits, commercial paper, certificados bursátiles program (medium -term notes) and leasing

Mexico's Macro Indicators

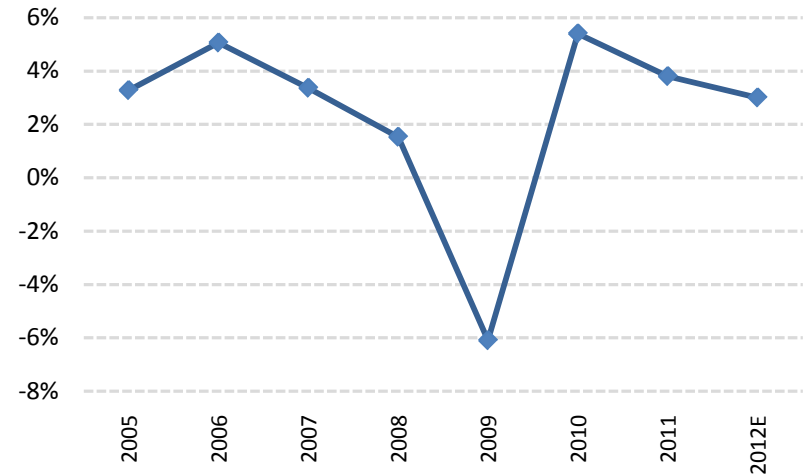
	2005	2006	2007	2008	2009	2010	2011	2012 E
*Total Population	103.3	104.9	105.8	106.7	107.6	112.3	112.6	113.6
GDP Growth	3.28%	5.06%	3.36%	1.53%	-6.10%	5.40%	3.80%	3.00%
FX (Peso/Dollar)	10.90	10.90	10.93	11.13	13.51	12.63	13.95	13.52
CETES	8.02%	7.02%	7.44%	7.97%	4.51%	4.45%	4.31%	4.60%
Interest Rate (TIIE)	8.57%	7.37%	7.93%	8.69%	4.92%	4.88%	4.79%	4.80%
Unemployment rate	3.60%	3.60%	3.70%	4.00%	5.50%	5.40%	5.30%	5.20%
Inflation rate	3.99%	3.63%	3.97%	5.12%	5.30%	4.16%	3.83%	4.05%

*Million

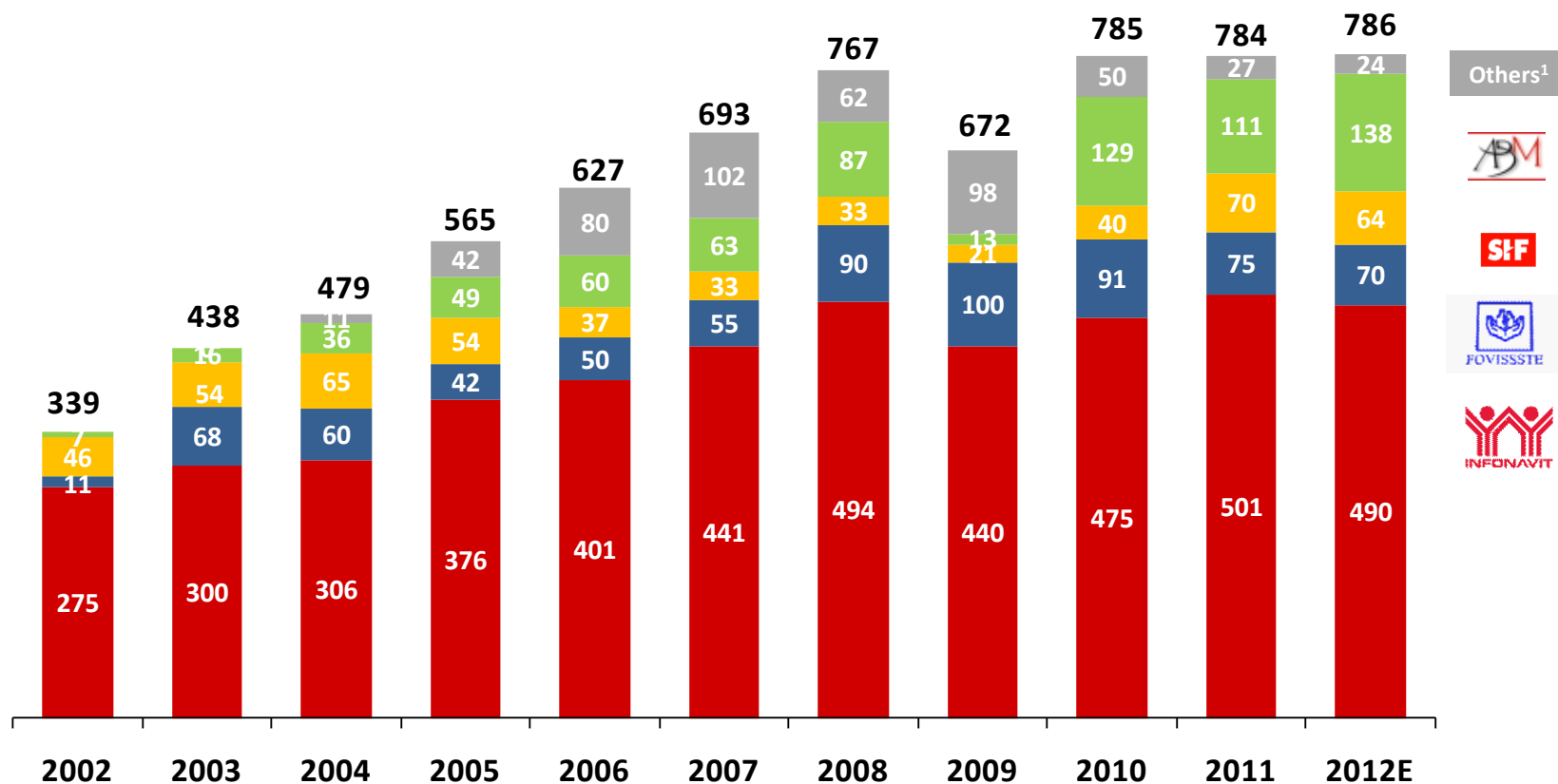
Inflation Rate



GDP Growth



Mortgage Institutions – Growth Overview (thousands of housing actions)



- Unique mortgage funding system with a proven operational background
- Minimum risk - mandatory payroll contributions & direct collections with INFONAVIT & FOVISSSTE

Source: Softec / CONAVI / SHF

¹ Banjercito, Habitat, ISSFAM, CFE, Orevis, Pemex, Fonacot

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Mexican Stock Exchange (GEOB)

Included in the Mexican **IPyC index**

ADR OTC (1: 4): CVGFY ; CUSIP: 21986V204

LATIBEX – Spain (XGEO)

Free Float: 85%; Single series of shares (One Share = One Vote).