

1 Adam C. McCall (SBN 302130)  
2 **LEVI & KORSINSKY, LLP**  
3 445 South Figueroa Street, 31st Floor  
4 Los Angeles, CA 90071  
5 Tel: (213) 985-7290  
6 Email: amccall@zlk.com

7  
8 *Attorneys for Plaintiff Jose Acosta and*  
9 *Proposed Lead Counsel for Class*

10 [Additional Counsel listed on signature block.]  
11  
12

13  
14 **UNITED STATES DISTRICT COURT**  
15  
16 **FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

17 JOSE ACOSTA, Individually and on Behalf  
18 of All Others Similarly Situated,

19 Plaintiff,

20 v.

21 DESARROLLADORA HOMEX, S.A.B.  
22 DE C.V. a/k/a HOMEX DEVELOPMENT  
23 CORP., GERARDO DE NICOLAS  
24 GUTIÉRREZ, CARLOS MOCTEZUMA  
25 VELASCO, AND RAMÓN LAFARGA  
26 BÁTIZ,

27 Defendants.  
28

Case No. '17CV2163 BEN WVG

**CLASS ACTION**

**COMPLAINT FOR VIOLATION OF  
THE FEDERAL SECURITIES LAWS**

**DEMAND FOR JURY TRIAL**

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1 Plaintiff Jose Acosta (“Plaintiff”), individually and on behalf of all other persons  
2 similarly situated, by their undersigned attorneys, alleges in this Amended Complaint for  
3 violations of the federal securities laws (the “Complaint”) the following based upon  
4 knowledge with respect to their own acts, and upon facts obtained through an  
5 investigation conducted by his counsel, which included, *inter alia*: (a) review and  
6 analysis of relevant filings made by Desarrolladora Homex, S.A.B. de C.V. a/k/a Homex  
7 Development Corporation (“Homex” or the “Company”) with the United States  
8 Securities and Exchange Commission (the “SEC”); (b) review and analysis of Homex’s  
9 public documents, conference calls, press releases, and stock chart; (c) review and  
10 analysis of securities analysts’ reports and advisories concerning the Company; (d) the  
11 complaints for violations of the federal securities laws filed by the SEC against the  
12 Defendants: (i) Complaint for Violations of the Federal Securities Laws, *Securities and*  
13 *Exchange Commission v. de Nicolas Gutierrez et al*, 3-17-cv-02086-JAH-JLB (S.D. Cal.  
14 Oct. 11, 2017), ECF No. 1 (the “*de Nicolás* Action”) ; and (ii) Complaint for Violations  
15 of the Federal Securities Laws, *Securities and Exchange Commission v. Desarrolladora*  
16 *Homex, S.A.B. de C.V.* (S.D. Cal. Mar. 3, 2017), ECF. No. 1 (the “*Homex* Action”); and  
17 (e) information readily obtainable on the internet.

18 Plaintiff believes that further substantial evidentiary support will exist for the  
19 allegations set forth herein after a reasonable opportunity for discovery. Most of the facts  
20 supporting the allegations contained herein are known only to the defendants or are  
21 exclusively within their control.

### 22 **NATURE OF THE ACTION**

23 1. This is a federal securities class action on behalf of a class consisting of all  
24 persons or entities, other than Defendants, who purchased or otherwise acquired the  
25 publicly traded securities of Homex between April 30, 2012, and May 5, 2016, inclusive  
26 (the “Class Period”), seeking to recover damages caused by Defendants’ violations of  
27 the federal securities laws (the “Class”).  
28

1 2. Plaintiff brings this action, on behalf of itself and other similarly situated  
2 investors, to recover losses sustained in connection with Defendants' fraud.

3 3. From 2010 through the third quarter of 2013, Defendants knowingly or  
4 recklessly engaged in a scheme to materially overstate Homex's revenues, homes sold,  
5 and other related items in the financial statements. When Homex subsequently filed for  
6 bankruptcy and pursued reorganization, these prior periods' financial statements were  
7 incorporated into Homex's post-bankruptcy business plan that was shared with investors.

8 4. Pursuant to an investigation by the SEC into suspected fraud by the  
9 Defendants, the SEC obtained relevant information that allowed them to conclude and  
10 allege in both of the SEC's complaints that Defendants, during fiscal year 2010 through  
11 2012 engaged in a scheme resulted in Homex overstating its revenue by at least USD  
12 \$3.3 billion (MXN \$44 billion) or 355%, and overstated its number of units sold by over  
13 100,000 units, or 317%. The following chart was included in the SEC's complaints  
14 alleging violations of the federal securities laws by Defendants:

OVERSTATED REVENUES AND UNITS SOLD FISCAL								
YEARS 2010-2012								
(Revenue Figures in Millions of MXN \$)								
	FY 2010		FY 2011		FY 2012		TOTAL 2010-2012	
	Revenue	Unit Sales	Revenue	Unit Sales	Revenue	Unit Sales	Revenue	Unit Sales
As Reported on Form 20-F	\$18,465	44,347	\$20,210	52,486	\$18,809	42,945	\$57,484	139,778
Actual Results	\$6,456	16,977	\$3,981	11,006	\$2,200	5,536	\$12,637	33,519
Revenue / Units Overstated	<b>\$12,009</b>	<b>27,370</b>	<b>\$16,229</b>	<b>41,480</b>	<b>\$16,609</b>	<b>37,409</b>	<b>\$44,847</b>	<b>106,259</b>
% Overstatement	<b>186%</b>	<b>161%</b>	<b>408%</b>	<b>377%</b>	<b>755%</b>	<b>676%</b>	<b>355%</b>	<b>317%</b>

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23 5. More specifically, the SEC uncovered facts through its investigation that  
24 Defendants engaged in a scheme whereby fictitious sales of homes were being manually  
25 entered into Homex's internal reporting system. The facts uncovered as a result of the  
26 SEC's investigation substantiates the Defendants acted with the specific intent of  
27 inflating Homex's home sales, revenues, and the corresponding financial metrics  
28 contained in the Company's financial statements.



1           6. To record the progress of Homex’s operations, the Company’s employees  
2 entered operational and financial data concerning the construction and sale of homes into  
3 an internal system called the “Sistema Integral de Administración” (the “SIA” system).  
4 The SIA system was composed of several modules, including: Operations; Sales;  
5 Construction; and Treasury Modules. Each of these modules were dedicated to the  
6 specific type of data respective to module. Homex employees in Mexico, through the  
7 normal course of business entered data into SIA’s Construction, Sales, and Operations  
8 Modules that accurately reflected the true progress of home construction, sales, and  
9 revenue collection, respectively. These modules tracked the information down to the  
10 specific house level.

11           7. In contrast, the Treasury Module tracked the revenue from home sales only  
12 at the project level. Access to the Treasury Module was specifically limited to certain  
13 individuals in the Company’s headquarters. Each of the named individual defendants  
14 had access to the SIA’s Treasury Module. Access beyond these individuals was  
15 extremely limited and monitored.

16           8. The information contained in the SIA system was accessed and viewed  
17 through a proprietary interface named the “Sistema de Infomacion Genrencial” (“SIG”).  
18 For Homex’s finance and accounting purposes, the information contained in the SIA was  
19 automatically exported to a commercial software system, the “Contpaq” system, that  
20 processed the accounting information and consolidated the financial statements.

21           9. At the end of Homex’s fiscal reporting period, the information contained in  
22 the SIA system concerning the relevant period, including any information on the  
23 Company’s home sales, was exported into Contpaq. This information was subsequently  
24 consolidated into Homex’s financial statements that it used for reporting purposes to the  
25 public and its filings with the SEC.

26           10. Through its investigation, the SEC uncovered that the individual defendants  
27 were entering or causing to be entered fictitious home sales that consequently inflated  
28 Homex’s reported home sales figures and revenue (including related financial metrics)

1 from 2010 through the third quarter of 2013. The SEC's allegations in the *Gutiérrez*  
2 Action, lays out in specific detail the name of the individuals involved in this fraud,  
3 including the Defendants, documentary evidence the SEC reviewed that substantiates  
4 Defendants' fraudulent scheme, and the satellite imagery the SEC procured that  
5 substantiates that Homex was recording revenues from the sales of fictitious homes.

6 11. As part of the fraud, Defendants also employed deceptive conduct to  
7 generate cash from these fictitious home sales while also concealing Homex's  
8 corresponding abnormal growth of its accounts receivables. To support the fraud,  
9 Homex's then chief executive officer ("CEO"), Gerardo de Nicolás Gutiérrez ("de  
10 Nicolás") and its then chief financial officer ("CFO") Carlos Javier Moctezuma Velasco  
11 ("Moctezuma") engaged in deceptive conduct by causing Homex to enter into purported  
12 non-recourse factoring agreements with at least 13 Mexican banks concerning at least  
13 USD \$7.5 billion (MXN \$97 billion) in Homex's purported accounts receivable. de  
14 Nicolás and Moctezuma both knew, but concealed this, and mislead Homex's investors  
15 from the fact that these agreements were short-term loans as Homex was able to repay  
16 them only by using the proceeds of new, similar agreements.

17 12. Throughout the Class Period, Defendants knowingly and/or recklessly  
18 provided the public with financial statements and homes sales that were materially  
19 flawed and inaccurate. These financial statements and statistics improperly included  
20 fictitious homes sales that had material and widespread impact on Homex's financial  
21 statements. Moreover, Defendants, either failed to maintain adequate internal controls  
22 that would have prevented the recording of fictitious home sales being recorded in  
23 Homex's financial statements or, alternatively, deliberately and/or recklessly disregarded  
24 the fact that that Defendants' statements included materially false and/or misleading  
25 financial statements, statistics, and statements concerning its home sales, revenues, costs  
26 of sales, inventory, accounts receivable, including any numbers derived therefrom.

27 13. As a result of Defendants' actions and statements, investors purchased  
28 Homex's securities at artificially inflated prices and were subsequently harmed as the

1 truth concerning Defendants’ materially false and /or misleading statements entered into  
2 the market.

3 **JURISDICTION AND VENUE**

4 14. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of  
5 the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated  
6 thereunder by the SEC (17 C.F.R. §240.10b-5).

7 15. This Court has jurisdiction over the subject matter of this action pursuant to  
8 28 U.S.C. §§1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. §78aa.

9 16. Venue is proper in this District pursuant to §27 of the Exchange Act and 28  
10 U.S.C. §1391(b), certain of Defendants’ acts, practices, and courses of business alleged  
11 in this Complaint occurred within this District.

12 17. In connection with the acts, conduct and other wrongs alleged in this  
13 Complaint, Defendants, directly or indirectly, used the means and instrumentalities of  
14 interstate commerce, including but not limited to, the United States mail, interstate  
15 telephone communications and the facilities of the national securities exchange,

16 **PARTIES**

17 18. Plaintiff purchased Homex securities at artificially inflated prices during the  
18 Class Period and was damaged upon the revelation of the Defendants’ fraud. Plaintiff’s  
19 certification evidencing his transactions is attached hereto.

20 19. Desarrolladora Homex, S.A.B. de C.V. a/k/a Homex Development  
21 Corporation is a Mexican corporation with its principal executive offices located at  
22 Boulevard Alfonso Zaragoza Maytorena #2204 Norte, Fraccionamiento Bonanza,  
23 Culiacán, Sinaloa, México, 80020. During the Class Period, the Company’s American  
24 Depositary Shares (“ADSs”) were traded on the New York Stock Exchange (the  
25 “NYSE”) under the symbol “HMX.” On May 2, 2014, NYSE commenced delisting of  
26 Homex’s ADSs. In June 2014, Homex’s ADSs were delisted from the NYSE.  
27 Thereafter, Homex’s ADSs continued to be quoted for trading in the United States on  
28 the over-the-counter markets under the symbols: “DHOXY”; “DHOXQ”; and

1 “DHHXF”. On December 9, 2016, the U.S.-based facility for Homex’s ADSs was  
2 terminated. As a result of the Company’s settlement with the SEC in March 2017  
3 stemming from similar factual allegations contained herein, Homex is restricted from  
4 participating in the U.S. stock market for a period of five years.

5 20. Defendant Gerardo de Nicolás Gutiérrez is a Mexican citizen residing in  
6 Mexica. de Nicolás was Homex’s CEO from 1997 through September 30, 2006, and  
7 again from July 2007 until May 2016, when he took a leave of absence from his  
8 position as CEO. On or about May 10, 2016, de Nicolás took a leave of absence and was  
9 subsequently terminated by the Company in 2016. As discussed below, de Nicolás  
10 possessed the power to direct or cause the direction of the management and policies of  
11 Homex. In addition, he controlled the day-to-day affairs of Homex and possessed and  
12 exercised, directly or indirectly, the power to direct or cause the direction of the  
13 management and policies of Homex.

14 21. Defendant Carlos Javier Moctezuma Velasco is a Mexican citizen residing  
15 in Mexico. Moctezuma served as Homex’s CFO from December 2009 until May 2016.  
16 On or about May 10, 2016, Moctezuma took a leave of absence and was subsequently  
17 terminated by the Company in 2016. As discussed below, Moctezuma possessed the  
18 power to direct or cause the direction of the management and policies of Homex. In  
19 addition, he controlled the day-to-day affairs of Homex and possessed and exercised,  
20 directly or indirectly, the power to direct or cause the direction of the management and  
21 policies of Homex.

22 22. Defendant Ramón Lafarga Bátiz (“Lafarga”) is a Mexican citizen residing  
23 in Mexico. Lafarga served as Homex’s Controller and Administrative and Accounting  
24 Officer from at least 2009 until he left the Company in April 2014. Since 1992, has been  
25 licensed as a public accountant in Mexico.

26 23. Defendants de Nicolás and Moctezuma are sometimes referred to herein as  
27 the “Individual Defendants.” Homex together with the Individual Defendants are  
28 referred to herein as the “Defendants.”



1 affordable entry-level, middle-income and tourism housing in Mexico and affordable  
2 entry-level housing in Brazil.”

3 29. As of December 31, 2012, Homex had 334,856,530 common shares issued  
4 and outstanding, with 203,777,568 shares held in the United States in the form of  
5 American Depositary Shares by six record holders.

6 30. Homex also offered and sold hundreds of millions of dollars in debt  
7 securities, including two \$250 million issuances, in 2005 and 2009 (maturing in 2015  
8 and 2019, respectively), and a \$400 million bond issuance in February 2012.

9 31. As of December 31, 2012, the de Nicolás family held 19.2% of Homex’s  
10 capital or 64,572,922 shares. This ownership is held by Ixe Banco, S.A. as trustee of  
11 Trust No. F/466 for the benefit of the de Nicolás family, including Eustaquio Tomás de  
12 Nicolás Gutiérrez, José Ignacio de Nicolás Gutiérrez, Gerardo de Nicolás Gutiérrez,  
13 Julián de Nicolás Gutiérrez and Ana Luz de Nicolás Gutiérrez. Voting and dispositive  
14 control over these shares is directed by a Technical Committee comprised of Eustaquio  
15 Tomás de Nicolás Gutiérrez, José Ignacio de Nicolás Gutiérrez, Gerardo de Nicolás  
16 Gutiérrez, Julián de Nicolás Gutiérrez and Juan Carlos Torres Cisneros.

17 32. Homex develops, among other projects, entry-level and middle-income  
18 developments.

19 33. The entry-level developments have a typical range of 500 to 20,000 homes.  
20 Homex represents that it typically develops the entry-level developments in phases of  
21 300 homes each. Homex further represents that its entry-level horizontal home can be  
22 completed and delivered in approximately 7-10 weeks and a vertical building in  
23 approximately 14 to 20 weeks after the homebuyer receives mortgage approval. In 2012,  
24 Homex’s largest entry-level housing developments were located in the states of México,  
25 Jalisco, Baja California Sur, Baja California, Quintana Roo, and Nuevo León.

26 34. Homex represents that its middle-income developments have a typical  
27 range of 400 to 20,000 homes. Homex further represents that its middle-income home  
28 can be completed and delivered in approximately 12 to 16 weeks after the homebuyer



1 receives mortgage approval. In 2012, Homex claimed that in 2011 and 2012, 14.95%  
2 and 19.1% of its revenues, respectively, were derived from sales of its middle-income  
3 housing.

4 35. Furthermore, in 2012, purportedly: 30.6% of Homex's housing revenues  
5 originated in the state of Jalisco; 12.6% in the Mexico City Metropolitan Area, the  
6 largest city in Mexico; and 9.3% in the state of Baja California Sur. The remaining  
7 revenues were originated throughout 26 cities

8 36. For each of its fiscal years 2010 through 2011, Homex prepared its financial  
9 statements in accordance with Mexican Financial Reporting Standards ("MFRS"), and,  
10 for its fiscal year 2012, Homex prepared its financial statements in accordance with  
11 International Financial Reporting Standards ("IFRS"). For purposes of its 2010 and 2011  
12 annual filings of Forms 20-F with the Commission, Defendants Homex reconciled its  
13 consolidated reports of net income, including revenues, and its consolidated  
14 stockholder's equity to U.S. Generally Accepted Accounting Principles ("U.S. GAAP").

15 37. Homex's internal accounting policies and procedures further provided that  
16 revenue could be recognized only for homes that attained "Operada" status. In order to  
17 attain this status, various conditions had to be fulfilled, including third-party certification  
18 that the home had become habitable (i.e., that the home had been built) and that transfer  
19 of title to the buyer had occurred.

20 38. Pursuant to U.S. GAAP, IFRS, and Homex's own disclosures, and internal  
21 policies and procedures, a home had to be substantially constructed before Homex could  
22 meet the criteria above and recognize revenue for its sale.

23 39. Homex employees entered operational and financial data concerning the  
24 construction and sale of homes into the SIA system. The SIA system was composed of  
25 several modules, including: Operations; Sales; Construction; and Treasury Modules.  
26 Each of these modules were dedicated to the specific type of data respective to module.  
27 Homex employees in Mexico, through the normal course of business entered data into  
28 SIA's Construction, Sales, and Operations Modules that accurately reflected the true

1 progress of home construction, sales, and revenue collection, respectively. These  
2 modules tracked the information down to the specific house level.

3 40. In contrast, the Treasury Module tracked the revenue from home sales only  
4 at the project level. Access to the Treasury Module was specifically limited to curtailed  
5 individuals in the Company's headquarters. Each of the Individual Defendants had  
6 access to the SIA's Treasury Module. Additionally, there were a tightly controlled  
7 number of the Individual Defendants' subordinates who were permitted access to the  
8 Treasury Module.

9 41. The information contained in the SIA system was accessed and viewed  
10 through SIG. For Homex's finance and accounting purposes, the information contained  
11 in the SIA was automatically exported to a commercial software system, the Contpaq  
12 system that processed the accounting information and consolidated the financial  
13 statements.

14 42. At the end of Homex's fiscal reporting period, the information contained in  
15 the SIA system concerning the relevant period, including any information on the  
16 Company's home sales, was exported into Contpaq. This information was subsequently  
17 consolidated into Homex's financial statements that it used for reporting purposes to the  
18 public and its filings with the SEC.

19 **II. DEFENDANTS MATERIALLY MISLED INVESTORS BY FRAUDENTLY**  
20 **RECORDING FICTITIOUS HOME SALES IN HOMEX'S FINANCIAL**  
21 **STATEMENTS**

22 **April 30, 2012 – Form 20-F: Fiscal Year 2011**

23 43. On April 30, 2012, the Company filed its Form 20-F for the fiscal year  
24 ended December 31, 2011 (the "2011 Form 20-F") with the SEC. The 2011 Form 20-F  
25 provided the Company's year-end financial results and position and stated that the  
26 Company's internal control over financial reporting and disclosure controls and  
27 procedures were effective as of December 31, 2011.  
28



1           44. The 2011 Form 20-F was signed by Defendant Moctezuma. The 2011 Form  
2 20-F also contained certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”)  
3 signed by Defendants de Nicolás and Moctezuma attesting to the accuracy of financial  
4 reporting, the disclosure of any material changes to the Company’s internal controls over  
5 financial reporting, and the disclosure of all fraud. Specifically, each certification stated:

6           1. I have reviewed this annual report on Form 20-F of Desarrolladora  
7 Homex, S.A.B. de C.V.;

8           2. Based on my knowledge, this report does not contain any untrue statement  
9 of a material fact or omit to state a material fact necessary to make the  
10 statements made, in light of the circumstances under which such statements  
11 were made, not misleading with respect to the period covered by this report;

12           3. Based on my knowledge, the financial statements, and other financial  
13 information included in this report, fairly present in all material respects the  
14 financial condition, results of operations and cash flows of the Company as  
15 of, and for, the periods presented in this report;

16           4. The Company’s other certifying officer and I are responsible for  
17 establishing and maintaining disclosure controls and procedures (as defined  
18 in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over  
19 financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-  
20 15(f)) for the Company and have:

21           a. Designed such disclosure controls and procedures, or caused such  
22 disclosure controls and procedures to be designed under our supervision,  
23 to ensure that material information relating to the Company, including  
24 its consolidated subsidiaries, is made known to us by others within those  
25 entities, particularly during the period in which this report is being  
26 prepared;

27           b. Designed such internal control over financial reporting, or caused  
28 such internal control over financial reporting to be designed under our  
supervision, to provide reasonable assurance regarding the reliability of  
financial reporting and the preparation of financial statements for  
external purposes in accordance with generally accepted accounting  
principles;

          c. Evaluated the effectiveness of the Company’s disclosure controls and  
procedures and presented in this report our conclusions about the  
effectiveness of the disclosure controls and procedures, as of the end of  
the period covered by this report based on such evaluation; and

          d. Disclosed in this report any change in the Company’s internal control  
over financial reporting that occurred during the period covered by the  
annual report that has materially affected, or is reasonably likely to  
materially affect, the Company’s internal control over financial  
reporting; and

          5. The Company’s other certifying officer and I have disclosed, based on our  
most recent evaluation of internal control over financial reporting, to the

1 Company's auditors and the audit committee of the Company's board of  
2 directors (or persons performing the equivalent functions):

3 a. All significant deficiencies and material weaknesses in the design or  
4 operation of internal control over financial reporting which are reasonably  
5 likely to adversely affect the Company's ability to record, process,  
6 summarize and report financial information; and

7 b. Any fraud, whether or not material, that involves management or other  
8 employees who have a significant role in the Company's internal control  
9 over financial reporting.

10 45. The 2011 Form 20-F reported key financial statements concerning Homex's  
11 revenues, costs of sales, inventory, and other key metric related to the Company's home  
12 sales, including, in part:  
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**Homex Selected Consolidated Financial Information**

Years Ended December 31,

	2011	2010	2009	2008	2007
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(In thousands of Mexican Ps., except as otherwise specified)

**Statement of Operations Data:**

**Mexican Financial Reporting Standards:**

Revenues (1)	21,853,279	19,652,309	17,476,489	14,725,828	*
Cost of sales (5)	16,165,752	13,727,484	12,285,836	10,356,329	*
Gross profit	5,687,527	5,924,825	5,190,653	4,369,499	*
Selling and administrative expenses	2,767,974	2,980,379	2,471,680	2,303,402	*
Income from operations	2,919,553	2,944,446	2,718,973	2,066,097	*
Other (expenses) income, net (4)	(344,867)	(142,765)	5,320	(140,238)	*
Net comprehensive financing cost (2) (5)	394,804	314,742	148,511	508,673	*
Income before income taxes	2,179,882	2,486,939	2,575,782	1,417,186	*
Income tax expense	865,940	906,997	994,389	456,256	*
Consolidated net income	1,313,942	1,579,942	1,581,393	960,930	*
Net income of controlling interest	1,304,414	1,511,763	1,565,869	926,635	*
Net income of non-controlling interest	9,528	68,179	15,524	34,295	*
Weighted average shares outstanding (in thousands)	334,700	334,748	334,830	334,870	*
Basic and diluted controlling interest earnings per share (in pesos)	3.90	4.52	4.68	2.77	*
Basic and diluted controlling interest earnings per ADS (3) (in pesos)	23.40	27.12	28.08	16.62	*

**US GAAP:**

Revenues (1)	21,760,926	19,628,540	17,615,888	14,884,701	13,849,728
Cost of sales	15,884,983	13,754,383	12,658,080	10,398,464	9,814,725
Gross profit	5,875,943	5,874,157	4,957,808	4,486,237	4,035,003
Income from operations (4)	3,070,596	2,955,455	2,527,445	2,108,793	2,116,650
Consolidated net income	942,116	2,045,616	1,500,006	605,913	1,604,144
Net income (loss) of non-controlling interests	9,528	68,179	(11,351)	38,131	128,612
Net income of controlling interests	932,588	1,977,437	1,511,357	567,782	1,475,532
Weighted average shares outstanding (in thousands)	334,700	334,748	334,830	334,870	335,688
Basic and diluted controlling interest earnings per share (in pesos)	2.79	5.91	4.51	1.70	4.40
Basic and diluted controlling interest earnings per ADS (3) (in pesos)	16.74	35.46	27.06	10.20	26.40

As of and for the Years Ended December 31,

	2011	2010	2009	2008	2007
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(In thousands of Mexican Ps., except as otherwise specified)

**Balance Sheet Data:**

**Mexican Financial Reporting Standards:**

Cash and cash equivalents	3,992,653	3,435,222	3,251,416	1,268,185	*
Trade accounts receivable, net	1,993,023	1,975,203	519,474	1,275,486	*

1	Total current assets	25,572,682	23,274,473	16,645,875	15,755,207	*
2	Land held for future development and construction-in-process	12,859,328	10,591,499	11,765,197	9,254,469	*
3	Property and equipment, net	786,137	1,002,572	1,110,582	1,402,928	*
4	Total assets	<u>41,372,301</u>	<u>36,641,484</u>	<u>31,221,548</u>	<u>27,941,432</u>	*
5	Current debt and current portion of long-term debt	3,662,357	1,728,513	270,595	1,417,404	
6	Current portion of long-term capital leases	188,937	169,604	108,437	89,255	*
7	Total current liabilities	11,584,101	8,280,762	6,349,619	8,742,417	*
8	Long-term debt	11,357,909	10,787,601	9,460,163	5,990,119	*
9	Financial derivative instruments	12,226	508,160	119,084	—	*
10	Long-term capital leases	154,933	235,430	254,679	314,639	*
11	Long-term land suppliers	—	41,441	74,569	405,426	*
12	Total long-term liabilities	16,100,722	16,040,211	13,966,117	9,750,374	*
13	Total liabilities	<u>27,684,823</u>	<u>24,320,973</u>	<u>20,315,736</u>	<u>18,492,791</u>	*
14	Common stock	528,011	528,011	528,011	528,011	*
15	Total equity	<u>13,687,478</u>	<u>12,320,511</u>	<u>10,905,812</u>	<u>9,448,641</u>	*
16	Total liabilities and equity	<u>41,372,301</u>	<u>36,641,484</u>	<u>31,221,548</u>	<u>27,941,432</u>	*

## As of and for the Years Ended December 31,

2011	2010	2009	2008	2007
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(In thousands of Mexican Ps., except as otherwise specified)

17	<b>US GAAP:</b>					
18	Cash and cash equivalents	3,860,350	3,307,692	3,122,074	1,140,140	2,206,834
19	Restricted cash	132,303	127,530	129,342	128,045	156,090
20	Trade accounts receivable, net	1,816,065	1,759,944	321,736	1,016,172	600,655
21	Total current assets	<u>25,148,134</u>	<u>23,496,997</u>	<u>17,751,648</u>	<u>17,414,199</u>	<u>13,850,381</u>
22	Land held for future development and construction-in-process	12,859,328	10,591,499	10,912,389	9,254,469	7,091,074
23	Property and equipment, net	1,160,215	1,376,650	1,110,582	1,402,928	1,155,729
24	Total assets	<u>41,716,603</u>	<u>37,428,778</u>	<u>30,975,025</u>	<u>30,136,052</u>	<u>23,941,142</u>
25	Total current liabilities	15,881,987	12,875,279	10,625,255	14,274,158	11,054,629
26	Long-term liabilities	12,528,210	12,249,288	9,925,107	6,827,855	4,510,319
27	Total equity	<u>13,306,406</u>	<u>12,304,211</u>	<u>10,424,663</u>	<u>9,034,039</u>	<u>8,376,194</u>
28	Other Financial Data:					
29	<b>Mexican Financial Reporting Standards:</b>					
30	Depreciation	352,666	362,351	371,402	323,727	*
31	Gross margin (6)	26.0%	30.1%	29.7%	29.7%	*
32	Operating margin (7)	13.4%	15.0%	15.6%	14.0%	*
33	Net margin (8)	6.0%	8.0%	9.0%	6.5%	*
34	Other Financial Data:					
35	Adjusted EBITDA (9)	4,721,623	4,104,084	3,768,335	3,103,800	*
36	Net debt (10)	11,259,861	9,375,623	6,755,935	6,468,708	*
37	Ratio of total debt to total equity	111.4%	104.0%	91.8%	81.9%	*
38	Ratio of total debt to total assets	36.9%	35.0%	32.1%	27.7%	*
39	<b>US GAAP:</b>					
40	Gross margin (6)	27.0%	29.9%	28.1%	30.1%	29.1%

1	Operating margin (7)	14.1%	15.1%	14.3%	14.2%	15.2%
	Net margin (8)	4.3%	10.4%	8.5%	4.1%	11.6%
2	Other Financial Data:					
3	Adjusted EBITDA (9)	2,300,744	3,649,371	3,196,530	1,357,188	2,855,834

4

5 \* \* \*

6 (1) The majority of sales are recognized using a completed contract method  
7 (or the “deposit accounting method”), which means when title passes to the  
8 homebuyer and the homebuyer has the legal right to occupy the home.

8 \* \* \*

9 ***Reconciliation of Consolidated Net Income to Adjusted EBITDA Computed from Our MFRS  
10 Financial Information***

	Years Ended December 31,					
	2011	2010	2009	2008	2007	
	(In thousands of Mexican Ps., except as otherwise specified)					
13	Consolidated net income	1,313,942	1,579,942	1,581,393	960,930	*
14	Depreciation and amortization	432,237	362,351	371,402	323,727	*
15	Net comprehensive financing cost	394,804	314,742	148,511	508,673	*
16	Other expenses	285,525	136,193	44,155	30,312	*
17	Amortization of Beta trademark	—	45,527	91,054	91,054	*
18	Employee statutory profit-sharing	65,880	—	—	70,768	*
19	Comprehensive financing cost capitalized and subsequently charged cost of sales	1,363,295	758,332	537,431	662,080	*
20	Income taxes	865,940	906,997	994,389	456,256	*
21	Adjusted EBITDA	<u>4,721,623</u>	<u>4,104,084</u>	<u>3,768,335</u>	<u>3,103,800</u>	<u>*</u>

22 ***Reconciliation of Consolidated Net Income to Adjusted EBITDA Computed from Our US GAAP Financial Information***

	Years Ended December 31,					
	2011	2010	2009	2008	2007	
	(In thousands of Mexican Ps., except as otherwise specified)					
23	Net income attributable to the controlling interest	932,588	1,977,437	1,511,357	567,782	1,475,532
24	Depreciation and amortization	432,237	362,351	371,402	323,727	196,307
25	Interest expense and inflation effect	216,512	176,996	188,173	85,926	439,971
26	Amortization of backlog (intangible)	—	—	—	—	16,747
27	Amortization of Beta trademark	—	45,527	91,054	91,054	92,958
28	Income taxes	719,407	1,087,060	1,034,544	288,699	634,319
	Adjusted EBITDA	<u>2,300,744</u>	<u>3,649,371</u>	<u>3,196,530</u>	<u>1,357,188</u>	<u>2,855,834</u>

(10) Net debt is not a financial measure computed under MFRS. We compute net debt as the sum of all debt and capital leases (not including

1 interest payable) less cash and cash equivalents, each of which is computed  
 2 in accordance with MFRS. We use net debt as a measure of our total amount  
 3 of leverage, as it gives effect to cash accumulated on our balance sheets. We  
 4 believe net debt provides useful information to investors because it reflects  
 5 our actual debt as well as our available cash and cash equivalents that could  
 be used to reduce this debt. Net debt has certain material limitations in that  
 it assumes the use of our cash and cash equivalents to repay debt that is  
 actually still outstanding and not to fund operating activities or for  
 investment.

6 46. The 2011 Form 20-F further discussed the number of units Homex closed in  
 7 2011 and 2010:

8 **Our Company**

9 We are a vertically integrated home development company engaged in the  
 10 development, construction and sale of affordable entry-level, middle-income  
 and tourism housing in Mexico and affordable entry-level housing in Brazil.  
 11 During 2011, units closed were 52,486 homes, an increase of 18.4%  
 compared to 2010. During 2010 units closed were 44,347 homes, a decrease  
 12 of 3.6% over 2009. 93.2% of our homes sold in 2011 and 89.2% of our  
 homes sold in 2010 were in the affordable entry-level segment (including  
 our operations in Brazil).

13 \* \* \*

14 Our revenues under MFRS for the year ended December 31, 2011 and 2010  
 15 were Ps. 21,853.3 million (US\$1,563.3 million) and Ps.19,652.3 million  
 (US\$1,405.9 million), respectively. Our Adjusted EBITDA from our MFRS  
 16 financial information for the year ended December 31, 2011 and 2010 were  
 Ps. 4,721.6 million (US\$337.8 million) and Ps.4,104.0 million (US\$293.6  
 17 million), respectively.

18 \* \* \*

19 **Total Homes Sold**

20 The following table sets forth information on our historical sales by country  
 and state. During 2009, 92.4% and 7.6% of the homes we closed were  
 21 affordable entry-level and middle-income, respectively, during 2010, 89.2%  
 and 10.8% of the homes closed were affordable entry-level and middle-  
 22 income, respectively, and during 2011, 93.2% and 6.8% of the homes closed  
 were affordable entry-level and middle-income, respectively.

23 In 2011 and 2010, we recognized revenues outside Mexico in connection  
 24 with 1,065 and 282 affordable entry-level homes, respectively, in the cities  
 of Sao Jose dos Campos, Marilia and Campo Grande, Brazil.

25 Presented below is a summary of homes closed:

26

27

28

State	Year Ended December 31,							
	2011		2010		2009		2008	
	Affordable entry-level	Middle-income	Affordable entry-level	Middle-income	Affordable entry-level	Middle-income	Affordable entry-level	Middle-income



1	México								
	Baja California	4,005	518	2,797	419	3,648	206	1,081	235
2	Baja California Sur	4,430	16	2,899	71	1,168	131	2,030	193
	Chiapas	—	—	974	104	1,427	232	2,305	249
3	Chihuahua	941	—	650	36	98	58	365	105
	Coahuila	720	—	2,295	—	1,490	30	8	—
4	Durango	752	—	746	—	1,318	—	—	—
	Guanajuato	80	257	235	287	1	134	535	97
5	Estado de México	14,798	1,060	7,926	722	13,919	898	10,237	978
6	Guerrero	—	—	23	413	333	72	1,364	210
	Hidalgo	366	55	48	252	—	1	—	99
7	Jalisco	6,905	292	5,680	323	4,608	526	5,797	440
8	Michoacán	994	42	768	136	811	15	854	272
	Morelos	982	—	839	312	936	164	—	—
9	Nuevo León	3,056	197	4,354	616	5,205	255	4,790	63
	Oaxaca	—	597	—	—	—	—	—	—
10	Puebla	494	—	1,427	—	1,945	—	1,104	7
	Querétaro	1,277	—	1,109	—	1,125	—	1,226	—
11	Quintana Roo	3,862	301	1	584	81	265	339	—
12	Sinaloa	298	135	913	135	1,114	62	1,621	130
	Sonora	328	74	1,057	116	97	227	718	64
13	Tamaulipas	99	—	330	147	61	56	763	50
	Veracruz	3,482	8	4,226	95	3,135	151	3,288	383
14	Subtotal	47,869	3,552	39,297	4,768	42,520	3,483	38,425	3,575
15	Brazil	1,065	—	282	—	13	—	—	—
16	Total	48,934	3,552	39,579	4,768	42,533	3,483	38,425	3,575

17 47. Moreover, the 2011 Form 20-F stated, in relevant part, concerning Homex's  
18 revenue and cost recognition practices:

19 Due to the application of this Interpretation, effective January 1, 2010,  
20 we stopped recognizing our revenues, costs and expenses based on the  
21 percentage-of-completion method. At that date, we began to  
22 recognize them based on methods mentioned in this Interpretation.  
23 Revenue and cost recognition more closely approximate what is often  
24 referred to as a “completed contract method” (or the “deposit  
25 accounting method”) in which revenues, costs and expenses should be  
26 recognized when all of the following conditions are fulfilled:

- 27 • we have transferred the control to the homebuyer, in other  
28 words, the significant risks and benefits due to the property or  
the assets ownership;
- we do not retain any continued participation of the actual  
management of the sold assets, in the usual grade associated  
with the property, nor do we retain the effective control of the  
sold assets;
- the revenues amount can be estimated reliably;

- it is probable that we will receive the economic benefits associated with the transaction; and
- the costs and expenses incurred or to be incurred related to the transaction can be estimated reliably.

Pursuant to US GAAP, we apply ASC No. 360.20 for the substantial majority of our revenues. Revenues under US GAAP's ASC 360.20 are recognized when all the following events occur: a) a sale is consummated; b) a significant initial down payment is received (when applicable); and c) the earnings process is complete and the collection of any remaining receivables is reasonably assured.

\* \* \*

In 2011, revenues under MFRS were Ps.21,853 million while revenues under US GAAP were Ps.21,761 million. In 2010, revenues under MFRS were Ps. 19,652 million while revenues under US GAAP were Ps. 19,629 million. For a further discussion of revenue recognition policies under US GAAP, refer to Notes 28 through 30 to our consolidated financial statements.

Total units closed and recognized as MFRS revenue in 2011 were 52,486 units (44,347 in 2010) compared to 52,592 units closed under US GAAP in 2011 (44,277 in 2010). Total units closed of 52,486 in 2011 represents an 18.4% increase compared to total units closed in 2010 of 44,347. The increase is attributable primarily due to our strategy of focusing on home prototypes in the affordable entry-level which produce higher revenue and profit margins.

48. The 2011 Form 20-F further represented the Company's revenues, costs of sales, and other line items derived from revenues under MFRS:

### OPERATING RESULTS

The following table sets forth selected data for the periods indicated, stated in nominal pesos. The table also sets forth the data as a percentage of our total revenues:

	Year Ended December 31,		
	2011	2010	2009
	(in thousands of Ps.)		
<b>MFRS:</b>			
Revenues	21,853,279	19,652,309	17,476,489
Costs of sales	16,165,752	13,727,484	12,285,836
Gross profit	5,687,527	5,924,825	5,190,653
Selling, general and administrative expenses	2,767,974	2,980,379	2,471,680
Income from operations	2,919,553	2,944,446	2,718,973
Other (expenses) income, net	(344,867)	(142,765)	5,320
Net comprehensive financing cost(1)	394,804	314,742	148,511
Income taxes	865,940	906,997	994,389



1 Consolidated Net income 1,313,942 1,579,942 1,581,393

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3 Year Ended December 31,

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	2011	2010	2009
(as a percentage of sales)			
<b>MFRS:</b>			
Revenues	100.0%	100.0%	100.0%
Costs of sales	74.0%	69.9%	70.3%
Gross profit	26.0%	30.1%	29.7%
Selling, general and administrative expenses	12.6%	15.2%	14.1%
Income from operations	13.4%	14.9%	15.6%
Other (expenses) income, net	1.6%	0.7%	0.0%
Net comprehensive financing cost	1.8%	1.6%	0.9%
Income taxes	4.0%	4.6%	5.7%
Consolidated Net income	6.0%	8.0%	9.0%

(as a percentage of sales)

**MFRS:**

Revenues 100.0% 100.0% 100.0%

Costs of sales 74.0% 69.9% 70.3%

Gross profit 26.0% 30.1% 29.7%

Selling, general and administrative expenses 12.6% 15.2% 14.1%

Income from operations 13.4% 14.9% 15.6%

Other (expenses) income, net 1.6% 0.7% 0.0%

Net comprehensive financing cost 1.8% 1.6% 0.9%

Income taxes 4.0% 4.6% 5.7%

Consolidated Net income 6.0% 8.0% 9.0%

49. Furthermore, in a section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* ("MD&A"), the 2011 Form 20-F compared fiscal 2011 to fiscal 2010 results of operations and fiscal 2010 to fiscal 2009 under MFRS. In relevant part, the 2011 Form 20-F stated:

***Results of Operations for the Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010 - MFRS***

***Revenues***

Total housing revenues in 2011 increased 9.4% to Ps. 20,210.0 million from Ps. 18,465.2 million in 2010, driven by volume growth within the affordable entry-level segment, confirming Homex' focus on organic growth in Mexico in attractive home markets that provide continued growth opportunities. The middle-income segment represented 14.9% of total revenues in 2011 compared to 26.3% in 2010 as a result of our proactive measures to reduce exposure to the segment. Revenues from Brazil represented 2.7% of our total revenues in 2011 compared to 0.9% during 2010, reflecting Homex's improved operations and increased experience in the country. Other revenues remained relatively stable at 7.5% of total revenues during 2011 from 6.0% during 2010.

Units closed in 2011 increased 18.4% to 52,486 homes, from 44,347 homes in 2010. Affordable entry-level sales volume in Mexico increased by 21.8% in 2011 representing 91.2% of total titled volume. Middle-income sales volume decreased 25.5% compared to 2010 levels reflecting our strategy to reduce our exposure to the high-middle-income segment and concentrate our product offering at a price where middle-income homes can be readily financed through co-financing mortgage programs and in view of continued mortgage financing constraints through commercial banks and sofoles. We have continued to concentrate on increasing our market share in our core business, the affordable entry-level segment, where mortgage financing

1 availability is strongly supported by Infonavit and Fovissste, as well as state  
2 housing funds. For the full year 2011, our homes titled in Brazil totaled  
3 1,065 units or 2.0% of total titled units, a 226.7% increase from the 326  
4 units, or 0.7% of total titled units, titled during 2010.

5 ***Gross Profit***

6 Gross profit decreased to 26.0% in 2011 from 30.1% in 2010 which includes  
7 the effects of MFRS D-6. Pursuant to the application of MFRS D-6, we are  
8 required to capitalize a portion of our CFC, which includes interest expense,  
9 exchange gains and losses and, monetary position gains and losses and to  
10 apply capitalized CFC to cost of sales as the related inventory is sold in  
11 future periods.

12 \* \* \*

13 ***Income from Operations***

14 In 2011, income from operations decreased by 0.8% to Ps. 2,919.6 million  
15 compared to Ps. 2,944.4 million in 2010. On a pro-forma basis (without  
16 considering the application of MFRS D-6), our operating margin in 2011  
17 increased 76 basis points (“bps”) to 19.6% compared to 18.8% in 2010. The  
18 higher margin is mainly driven by lower SG&A expenses during 2011 as  
19 previously explained in the SG&A discussion.

20 \* \* \*

21 ***Results of Operations for the Year Ended December 31, 2010 Compared to  
22 the Year Ended December 31, 2009 - MFRS***

23 ***Revenues***

24 Total housing revenues in 2010 increased 7.4% to Ps.18,465.2 million from  
25 Ps.17,198.7 million in 2009, driven by higher average prices in the  
26 affordable-entry-level segment and increased volume in the middle-income  
27 segment. Affordable entry-level homes (including our operations in Brazil)  
28 represented 67.6% of total revenues in 2010 compared to 78.9% in 2009.  
Middle-income homes represented 26.3% of total revenues in 2010  
compared to 19.5% in 2009. In 2010, other revenues increased to Ps.1,187.0  
million, compared to Ps.277.7 million in 2009. The increase is primarily a  
result of additional construction service contracts we entered into with the  
Mexican federal government.

Units closed in 2010 decreased 3.6% to 44,347 homes, from 46,016 homes  
in 2009 primarily due to our strategy of focusing on home prototypes in the  
affordable entry-level and middle-income segment, which produce higher  
revenue and profit margins. Thus, while the number of units closed has  
decreased, resulting revenues and profits have increased. Affordable entry-  
level sales volume decreased to 39,579 homes in 2010 or 89.2% of total  
sales volume compared to 92.4% in 2009. Middle-income sales volume  
increased 10.8% to 4,768 homes in 2010 compared to 3,483 homes in 2009,  
reflecting the our strategy of focusing on home prototypes that can be  
financed through co-financing mortgage programs with Infonavit and  
Fovissste in response to commercial banks providing mortgages that are co-  
financed by such agencies.

***Gross Profit***

Gross profit margins increased to 30.1% in 2010 from 29.7% in 2009 which  
includes the effects of MFRS D-6. Pursuant to the application of MFRS D-

1 6, if applicable, we are required to capitalize a portion of our CFC, which  
 2 includes interest expense, exchange gains and losses and monetary position  
 3 gains and losses and to apply capitalized CFC to cost of sales as the related  
 4 inventory is sold in future periods.

5 During 2010, our capitalized CFC that was applied to cost of sales increased  
 6 41.1% to Ps.758.3 million compared to Ps.537.4 million during 2009  
 7 primarily as a result of:

8 \* \* \*

9 ***Income from Operations***

10 In 2010, income from operations increased by 8.3% to Ps. 2,944.4 million  
 11 compared to Ps. 2,718.9 million in 2009. On a pro-forma basis (without  
 12 considering the application of MFRS D-6), our operating margin in 2010  
 13 would have increased 21 bps to 18.8% compared to 18.6% in 2009. The  
 14 higher margin reflected our increased profitability as a result of higher  
 15 average prices.

16 50. Additionally, in the MD&A section, the 2011 Form 20-F compared fiscal  
 17 2011 to fiscal 2010 results of operations and fiscal 2010 to fiscal 2009 under MFRS. In  
 18 relevant part, the 2011 Form 20-F stated:

19 ***Results of Operations —Years Ended December 31, 2010 and 2011 —US  
 20 GAAP***

21 As disclosed in Note 28 to our consolidated financial statements, until the  
 22 adoption of IMFRS 14, the primary differences between our financial  
 23 statements prepared under MFRS and US GAAP related to revenue and cost  
 24 recognition for construction projects, although certain smaller differences  
 25 existed for other accounts. However, pursuant to the adoption of IMFRS 14,  
 26 our revenue recognition policy under MFRS is more similar to US GAAP.

27 In 2011, revenues under MFRS were Ps. 21,853.2 million while revenues  
 28 under US GAAP were Ps. 21,760.9 million. In 2010, revenues under MFRS  
 were Ps. 19,652.3 million while revenues under US GAAP were  
 Ps. 19,628.5 million

\* \* \*

29 Total units closed and recognized as US GAAP revenue in 2011 were  
 30 52,592 units (44,277 in 2010) compared to 52,846 units closed under MFRS  
 31 in 2011 (44,347 in 2010). The higher volume in units closed in 2011 is  
 32 primarily attributable to our strategy of focusing on the affordable entry-  
 33 level segment. During 2011, we reduced our exposure to the middle income  
 34 segment by focusing on home prototypes that can be financed through co-  
 35 financing mortgage programs with INFONAVIT and FOVISSSTE in  
 36 response to commercial banks providing mortgages that are co-financed by  
 37 such agencies. Total units closed of 52,592 in 2011 represents a 18.8%  
 38 increase compared to total units closed in 2010 of 44,277. In 2010, units  
 closed decreased by 3.6% over 2009. The proportion of units sold and units  
 closed are generally consistent when evaluated by operating segment during  
 both 2011 and 2010.

1 Gross profit margins were 26.0% for MFRS in 2011, compared to 27.0% for  
2 US GAAP. Gross profit margins were 30.1% for MFRS in 2010, compared  
3 to 29.9% for US GAAP.

3 \* \* \*

4 ***Results of Operations —Years Ended December 31, 2009 and 2010 —US***  
5 ***GAAP***

6 As disclosed in Note 28 to our consolidated financial statements, until the  
7 adoption of IMFRS 14, the primary differences between our financial  
8 statements prepared under MFRS and US GAAP related to revenue and cost  
9 recognition for construction projects, although certain smaller differences  
10 existed for other accounts. However, pursuant to the adoption of IMFRS 14,  
11 our revenue recognition policy under MFRS is more similar to US GAAP.

12 In 2010, revenues under MFRS were Ps.19,652 million while revenues  
13 under US GAAP were Ps.19,629 million. In 2009, revenues under MFRS  
14 were Ps.17,476 million while revenues under US GAAP were Ps.17,616  
15 million. Revenues under US GAAP's ASC 360.20 are recognized when all  
16 the following events occur: a) a sale is consummated; b) a significant initial  
17 down payment is received (when applicable); and c) the earnings process is  
18 complete and the collection of any remaining receivables is reasonably  
19 assured. Subsequent to our adoption of IMFRS 14, our revenue recognition  
20 policy under MFRS is more closely aligned to US GAAP, although certain  
21 differences still exist. The principal remaining differences between ASC  
22 360.20 and IMFRS 14 relate to: (1) revenues from FOVI and INVI financial  
23 institutions, that are typically recognized for MFRS purposes before they are  
24 recognized for US GAAP purposes, since for US GAAP purposes they do  
25 not yet comply with one of the ASC conditions above, specifically that a  
26 significant down payment is received, that is typically more than 10%, and  
27 (2) the deferral and thus recognition on a cash basis for US GAAP of  
28 unsecured home-buyer receivables. For a further discussion of revenue  
recognition policies under US GAAP, refer to Note 28 to our consolidated  
financial statements.

19 Total units closed and recognized as US GAAP revenue in 2010 were  
20 44,277 units (46,631 in 2009) compared to 44,347 units closed under MFRS  
21 in 2010 (46,016 in 2009). The lower volume in units closed in 2010 is  
22 primarily attributable to our strategy of focusing on more profitable  
23 segments within the affordable entry-level and low middle-income  
24 segments. We reduced our exposure to the economic segment by focusing  
25 on home prototypes that can be financed through co-financing mortgage  
26 programs with Infonavit and Fovissste in response to commercial banks  
27 providing mortgages that are co-financed by such agencies. Total units  
28 closed of 44,277 in 2010 represents a 5% decrease compared to total units  
closed in 2009 of 46,631. In 2009, units closed increased by 11.9% over  
2008. The proportion of units closed and units closed are generally  
consistent when evaluated by operating segment during both 2010 and 2009.

26 Gross profit margins were 30.1% for MFRS in 2010, compared to 29.9% for  
27 US GAAP. Gross profit margins were 29.7% for MFRS in 2009, compared  
28 to 28.1% for US GAAP. The remaining variations in our gross profit and  
gross profit margin between MFRS and US GAAP principally relate to  
differences in amounts included in cost of sales. Under MFRS certain  
financing costs are included in interest expense that are considered a

1 component of cost of sales for US GAAP. Furthermore, under both MFRS  
2 and US GAAP, certain other financing costs are capitalized and ultimately  
3 charged to cost of sales when inventory is sold. However, the method and  
4 amounts capitalized varies between MFRS and US GAAP and can result in  
5 varying gross profit margins and thus operating profits.

6 51. Additionally, the 2011 Form 20-F stated, in relevant part, concerning  
7 Homex's impairment of inventories:

8 ***Impairment evaluation of inventories***

9 We review the carrying amounts of our inventories annually or earlier when  
10 an impairment indicator suggests that such amounts might not be  
11 recoverable. If events or changes in circumstances indicate that the carrying  
12 value may not be recoverable an assessment is undertaken to determine  
13 whether carrying values are in excess of their net realizable value. Net  
14 realizable value is the estimated sales price in the ordinary course of  
15 business, less estimated costs for completion and effecting a sale.

16 Net realizable value for development properties is based on internal project  
17 evaluations where assumptions are made about the project's expected  
18 revenues and expenses. Valuation of these projects is performed according  
19 to lower cost of market principle. If the carrying amount of a project  
20 exceeds the net realizable value, a provision is recorded to reflect the  
21 inventory at the recoverable amount in the balance sheet. Impairment losses  
22 are recognized in the consolidated income statement.

23 During the year ended December 31, 2011, we adjusted the value of our  
24 inventory in-process at each our three Brazilian projects whereby total  
25 inventory balances were written down by approximately Ps. 131,079.

26 52. Additionally, the 2011 Form 20-F contained these additional financial  
27 statements:

28 **DESARROLLADORA HOMEX, S.A.B. DE C.V.  
AND SUBSIDIARIES**

**Consolidated Balance Sheets**

(Figures in thousands of Mexican pesos (Ps.))

2011 Convenience Translation	As of December 31,		
	(Note 2a)	2011	2010
<b>Assets</b>			
Current assets:			
Cash and cash equivalents (Note 5)	\$ 285,624	Ps. 3,992,653	Ps. 3,435,222
Trade accounts receivable, net (Note 6)	142,576	1,993,023	1,975,203



1	Due from related parties (Note 7)	12,453	174,073	—
	Inventories (Note 8)	1,317,189	18,412,586	17,121,857
2	Prepaid expenses and other current assets, net (Note 9)	71,562	1,000,347	742,191
3	Total current assets	<u>1,829,404</u>	<u>25,572,682</u>	<u>23,274,473</u>
4	Land held for future development and construction-in-process (Note 8)	919,923	12,859,328	10,591,499
5	Property and equipment, net (Note 10)	56,238	786,137	1,002,572
	Goodwill (Note 3k)	52,355	731,861	731,861
6	Other assets, net (Note 11)	39,691	554,822	261,811
7	Deferred income taxes (Note 24)	62,056	867,471	779,268
	Total assets	<u>\$ 2,959,667</u>	<u>Ps. 41,372,301</u>	<u>Ps. 36,641,484</u>
8	<b>Liabilities and equity</b>			
9	Current liabilities:			
10	Current debt and current portion of long-term debt (Note 12)	\$ 261,996	Ps. 3,662,357	Ps. 1,728,513
11	Current portion of long-term capital leases (Note 14)	13,516	188,937	169,604
12	Trade accounts payable (Note 16)	220,007	3,075,409	3,410,579
13	Land suppliers (Note 17)	83,863	1,172,293	778,141
	Advances from customers	47,919	669,851	624,644
	Taxes other than income taxes	75,587	1,056,606	754,264
14	Income taxes	6,551	91,586	37,531
	Employee statutory profit-sharing	4,823	67,420	1,540
15	Provision for uncertain tax positions (Note 24f)	114,434	1,599,642	775,946
16	Total current liabilities	<u>828,696</u>	<u>11,584,101</u>	<u>8,280,762</u>
17	Long-term debt (Note 12)	812,515	11,357,909	10,787,601
	Long-term capital leases (Note 14)	11,084	154,933	235,430
18	Financial derivative instruments (Note 13)	875	12,226	508,160
19	Long-term land suppliers (Note 17)	—	—	41,441
	Employee benefits obligations (Note 15)	5,302	74,115	90,478
20	Deferred income taxes (Note 24)	322,029	4,501,539	4,377,101
	Total liabilities	<u>1,980,501</u>	<u>27,684,823</u>	<u>24,320,973</u>
21	Equity (Note 18):			
22	Common stock	37,773	528,011	528,011
23	Additional paid-in capital	235,420	3,290,861	3,290,861
	Treasury stock, at cost	(7,301)	(102,053)	(98,412)
24	Retained earnings	712,674	9,962,265	8,657,851
25	Financial derivative instruments, net of deferred taxes (Note 13)	1,123	15,701	(330,709)
26	Other equity accounts	(14,791)	(206,760)	82,984
	Equity of controlling interest	<u>964,898</u>	<u>13,488,025</u>	<u>12,130,586</u>
27	Non-controlling interest in consolidated subsidiaries	14,268	199,453	189,925
28	Total equity	<u>979,166</u>	<u>13,687,478</u>	<u>12,320,511</u>

1 Total liabilities and equity \$ 2,959,667 Ps. 41,372,301 Ps. 36,641,484

2 **DESARROLLADORA HOMEX, S.A.B. DE C.V.**  
3 **AND SUBSIDIARIES**

4 **Consolidated Statements of Income**

5 (Figures in thousands of Mexican pesos (Ps.) except earnings per share)

	2011 Convenience Translation (Note 2a)	For the years ended December 31,		
		2011	2010	2009
8 Revenues	\$ 1,563,327	Ps. 21,853,279	Ps. 19,652,309	Ps. 17,476,489
9 Cost of sales	1,156,456	16,165,752	13,727,484	12,285,836
Gross profit	406,871	5,687,527	5,924,825	5,190,653
10 Operating expenses (Note 21)	198,014	2,767,974	2,980,379	2,471,680
11 Income from operations	208,857	2,919,553	2,944,446	2,718,973
12 Other (expenses) income, net (Note 22)	(24,671)	(344,867)	(142,765)	5,320
13 Net comprehensive financing cost (Note 8):				
14 Interest expense (Note 23)	27,944	390,618	340,115	325,710
15 Interest income	(13,879)	(194,009)	(162,887)	(184,140)
16 Exchange loss (gain), net	19,015	265,811	97,860	(59,510)
17 Valuation effects of financial derivative instruments, net (Note 13)	(4,837)	(67,616)	39,654	66,451
	28,243	394,804	314,742	148,511
18 Income before income taxes	155,943	2,179,882	2,486,939	2,575,782
19 Income taxes (Note 24)	61,947	865,940	906,997	994,389
20 Consolidated net income	\$ 93,996	Ps. 1,313,942	Ps. 1,579,942	Ps. 1,581,393
22 Net income of controlling interest	\$ 93,314	Ps. 1,304,414	Ps. 1,511,763	Ps. 1,565,869
23 Net income of non-controlling interest	682	9,528	68,179	15,524
24 Consolidated net income	\$ 93,996	Ps. 1,313,942	Ps. 1,579,942	Ps. 1,581,393
25 Weighted average shares outstanding (in thousands)	334,700	334,700	334,748	334,830
27 Basic and diluted earnings per share of controlling interest	\$ 0.28	Ps. 3.90	Ps. 4.52	Ps. 4.68

**DESARROLLADORA HOMEX, S.A.B. DE C.V.  
AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
(Figures in thousands of Mexican pesos (Ps.))

	2011			
	Convenience	For the years ended December 31,		
	Translation (Note 2a)	2011	2010	2009
<b>Operating activities</b>				
Income before income tax	\$ 155,943	Ps. 2,179,882	Ps. 2,486,939	Ps. 2,575,782
Items related to investing activities:				
Depreciation and amortization	30,921	432,237	465,614	483,409
Loss (gain) on sale of property and equipment	155	2,170	(4,246)	26,706
Interest income	(13,879)	(194,009)	(162,887)	(184,140)
Gain on sale of other investment	—	—	—	(11,676)
Equity earnings in associate	(1,358)	(18,979)	—	—
Items related to financing activities:				
Interest	124,163	1,735,639	1,290,903	886,149
Share-based payment transactions	—	—	—	10,638
Valuation effects of financial derivative instruments	(4,837)	(67,616)	39,654	66,451
Deferred profit-sharing	—	—	—	26,606
Exchange loss (gain)	55,735	779,108	(170,830)	(184,346)
	<u>346,843</u>	<u>4,848,432</u>	<u>3,945,147</u>	<u>3,695,579</u>
(Increase) decrease in trade accounts receivable	(1,274)	(17,820)	(1,455,729)	756,012
Increase in inventories and land held for future developments	(254,570)	(3,558,558)	(4,061,504)	(1,974,028)
(Increase) decrease in prepaid expenses and other assets	(35,790)	(500,304)	546,533	(318,835)
Interest income collected	13,879	194,009	162,887	184,140
(Decrease) increase in trade accounts payable	(23,977)	(335,170)	1,210,498	(1,665,751)
Increase (decrease) in accounts payable to land suppliers	25,232	352,711	(593,303)	(1,318,577)
Increase (decrease) in other liabilities	43,565	608,988	(813,374)	1,246,549
(Decrease) increase in employee benefits obligations	(1,171)	(16,363)	(7,709)	13,037
Termination payments for financial derivative contracts	(1,778)	(24,863)	—	(123,271)
Income tax (paid) recovered	(13,322)	(186,221)	(33,658)	43,272
Net cash flows from operating activities	<u>97,637</u>	<u>1,364,841</u>	<u>(1,100,212)</u>	<u>538,127</u>
<b>Investing activities</b>				
Increase in the investment in associate	(1,288)	(18,000)	—	—
Increase in notes receivable from related parties	(12,453)	(174,073)	—	—
Business acquisition	—	—	(290,478)	—



1	Acquisition of property and equipment	(2,757)	(38,547)	(279,644)	(89,352)
	Proceeds from sale of property and equipment	675	9,436	81,192	30,625
2	Net cash flows from investing activities	<u>(15,823)</u>	<u>(221,184)</u>	<u>(488,930)</u>	<u>(58,727)</u>
3	<b>Financing activities</b>				
4	Proceeds from new borrowings	3,128,520	43,732,641	20,969,560	15,749,151
	Payments of notes payable	(3,045,958)	(42,578,524)	(17,912,788)	(13,337,871)
5	Interest paid	(124,076)	(1,734,417)	(1,265,649)	(874,911)
	Shares repurchased	(460)	(6,437)	—	(4,586)
6	Share-based payments exercised	200	2,796	5,516	—
7	Net cash flows from financing activities	<u>(41,774)</u>	<u>(583,941)</u>	<u>1,796,639</u>	<u>1,531,783</u>
	Net increase of cash and cash equivalents	40,040	559,716	207,497	2,011,183
8	Adjustment to cash flows due to exchange rate				
9	fluctuation	(163)	(2,285)	(23,691)	(27,952)
	Cash and cash equivalents at the beginning of the				
10	year	245,747	3,435,222	3,251,416	1,268,185
	Cash and cash equivalents at the end of the year	<u>Ps. 285,624</u>	<u>Ps. 3,992,653</u>	<u>Ps. 3,435,222</u>	<u>Ps. 3,251,416</u>

12 53. In note 3.b. to Homex's financial statements, the 2011 Form 20-F stated, in  
13 relevant part:

14 **b) Revenue and cost recognition**

15 **Home sales**

16 Revenues, costs and expenses from the Company's homes sales are  
17 recognized when all of the following conditions are fulfilled:

- 18 a) the Company has transferred the control to the homebuyer, in  
19 other words, the significant risks and benefits due to the property or the  
20 assets ownership;
- 21 b) the Company does not retain any continued participation of the  
22 actual management of the sold assets, in the usual grade associated with the  
23 property, nor does retain the effective control of the sold assets;
- 24 c) the revenues amount can be estimated reliably;
- 25 d) it is probable that the Company will receive the economic benefits  
26 associated with the transaction; and
- 27 e) the costs and expenses incurred or to be incurred related to the  
28 transaction can be estimated reliably.

The above conditions are typically met upon the completion of construction,  
and signing by the Company, the customer and (if applicable) the lender, the  
legal contracts and deeds of ownership (escritura) over the property. At that  
time, the customer would have the legal right to take possession of the home.

1 The cost of sales represents the cost incurred in the development of housing  
 2 revenues by the Company during the year. These costs include land, direct  
 3 materials, labor and all the indirect costs related to the development of the  
 4 project such as indirect labor, equipment, repairs, depreciation and the  
 5 capitalization of the comprehensive financing costs.

6 54. In note 6 to Homex's financial statements, the 2011 Form 20-F stated in  
 7 relevant part:

### 8 **6. Trade accounts receivable**

	2011	2010
As promoter:		
Due from customers and financing institutions (1) (2) (3)	Ps. 1,585,956	Ps. 1,581,158
Construction services (4)	632,341	488,169
Services and other	41,796	46,894
	<u>2,260,093</u>	2,116,221
Allowance for doubtful accounts	(111,357)	(78,852)
	<u>2,148,736</u>	2,037,369
Trade accounts receivable, long-term (5) (6)	(155,713)	(62,166)
	<u>Ps. 1,993,023</u>	<u>Ps. 1,975,203</u>

14 The Company does not believe that it has a significant concentration of  
 15 credit risk. While some of its receivables are from homebuyers, the majority  
 16 are from entities in the home finance business, whose characteristics differ  
 17 from other receivables.

18 55. In note 8 to Homex's financial statements, the 2011 Form 20-F stated in  
 19 relevant part:

### 20 **8. Inventories**

	2011	2010
Titled land	Ps. 9,195,467	Ps. 9,701,296
Contracted land	2,181,989	2,467,273
Construction-in-process	19,453,786	14,968,289
Construction materials	440,672	576,498
	<u>31,271,914</u>	27,713,356
Land held for future development and construction-in-process	(12,859,328)	(10,591,499)
Total inventories	<u>Ps. 18,412,586</u>	<u>Ps. 17,121,857</u>

26 The Company's policy is to locate and acquire land each year, classifying  
 27 land currently being developed and land planned to be developed within the  
 28 next year as part of current assets, and classifying all remaining land as non-  
 current assets.

1  
2 56. In note 20 to Homex's financial statements, the 2011 Form 20-F stated in  
3 relevant part:

4 **20. Segment reporting**

5 The following segment reporting information is presented according to the  
6 information used by the Company's Chief Operating Decision Maker for  
7 decision-making purposes. The Company segregates the financial  
8 information by segments, (affordable entry-level housing construction,  
9 middle-income housing construction and other activities) considering the  
10 operational and organizational structure of the business despite its  
11 geographical localization (which was established by house models as  
12 explained in the next paragraph), according to the provisions of MFRS B-  
13 5 *Segment reporting*. Other activities consist primarily of the Company's  
14 operations through its construction services and infrastructure division  
15 discussed above.

16 **General description of the products or services**

17 Mexico's developer-built housing industry is divided into three segments  
18 according to cost: affordable entry-level, middle-income, and residential.  
19 The prices of affordable entry-level segment range between Ps. 195 and Ps.  
20 540; those of the middle-income segment are between Ps. 541 and Ps. 1,885  
21 and those of the residential segment are above Ps. 1,885. The Company's  
22 focus is to provide affordable entry-level and middle-income housing for its  
23 customers. Therefore, the operating segments that are presented in detail are  
24 the affordable entry-level and the middle-income segments, in conformity  
25 with guidelines of MFRS B-5.

26 Affordable entry-level developments range in size from 500 to 20,000  
27 homes and are developed in stages typically comprising 300 homes each.  
28 During 2011, 2010 and 2009, affordable entry-level homes had an average  
price of approximately Ps. 346, Ps. 338 and Ps. 326, respectively. A typical  
affordable entry-level home consists of a kitchen, living-dining area, one to  
three bedrooms, and one bathroom. The affordable entry-level segment  
includes the results of the Company's Brazilian operations.

Middle-income developments range in size from 400 to 2,000 homes and are  
developed in stages typically comprising 200 homes each. During 2011,  
2010 and 2009, middle income homes had an average price of  
approximately Ps. 918, Ps. 1,086 and Ps. 978, respectively. A typical  
middle-income home consists of a kitchen, dining room, living room, two or  
three bedrooms, and two bathrooms.

Other includes revenues from construction services to government, sales and  
services to third parties and the tourism housing division.

The following table shows the operating results by each segment identified  
as of December 31, 2011, 2010 and 2009:

Year ending December 31, 2011	Entry-level	Middle-income	Other	Consolidated
Revenues	Ps. 16,949,951	Ps. 3,260,016	Ps. 1,643,312	Ps. 21,853,279
Income from operations	2,264,479	435,531	219,543	2,919,553

1	Depreciation and amortization		335,254		64,480		32,503		432,237
2			Entry-level		Middle-income				
3	Year ending December 31, 2010		as restated		as restated		Other		Consolidated
4	Revenues	Ps.	13,288,656	Ps.	5,176,573	Ps.	1,187,080	Ps.	19,652,309
5	Income from operations		1,990,999		775,590		177,857		2,944,446
6	Depreciation and amortization		314,843		122,646		28,125		465,614
7			Entry-level		Middle-income				
8	Year ending December 31, 2009		as restated		as restated		Other		Consolidated
9	Revenues	Ps.	13,791,983	Ps.	3,406,806	Ps.	277,700	Ps.	17,476,489
10	Income from operations		2,145,742		530,027		43,204		2,718,973
11	Depreciation and amortization		381,494		94,234		7,681		483,409

12 57. In note 29 to Homex's financial statements, the Form 20-F stated in  
13 relevant part:

14 **29. Reconciliation of MFRS net income and equity to US GAAP net  
15 income and equity and the presentation of condensed consolidated  
16 financial statements in accordance with US GAAP.**

17 **a. Reconciliation of Consolidated Net Income for the Year**

	2011	2010	2009
18 Consolidated net income according to MFRS	Ps. 1,313,942	Ps. 1,579,942	Ps. 1,581,393
19 US GAAP adjustments:			
20 Revenues (Note 28a)	21,029	14,981	181,205
21 Costs (Note 28a)	(15,883)	(11,626)	(112,666)
22 Revenues from concession arrangements (Note 28k)	(129,672)	—	—
23 Costs from concession arrangements (Note 28k)	98,141	—	—
24 Equity method earnings from concession arrangements (Note 28k)	(18,979)	—	—
25 Labor obligations (Note 28g)	2,587	19,630	(6,692)
26 Capitalization of financing costs (Note 28i)	(493,096)	196,601	26,544
27 Deferral of unsecured homebuyers' receivables (Note 28a)	14,434	(31,372)	(37,712)
28 Deferral of future involvement	2,838	(1,129)	(365)
Prepaid sales commissions	(1,537)	33,529	(16,640)
Ineffective financial derivative instruments (Note 28h)	33,679	(30,354)	—
Fair value adjustment to financial derivative instruments (Note 28h)	(31,900)	81,401	(72,286)
Bargain gain (negative goodwill) on business acquisition (Note 28j and Note 4)	—	374,081	—
Total US GAAP adjustments before tax effects	(518,359)	645,742	(38,612)

1	Tax effects on US GAAP adjustments	146,533	(180,068)	(42,775)
2	Total US GAAP adjustments	<u>(371,826)</u>	<u>465,674</u>	<u>(81,387)</u>

3	Consolidated net income according to US GAAP	<u>Ps. 942,116</u>	<u>Ps. 2,045,616</u>	<u>Ps. 1,500,006</u>
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## 4 b. Reconciliation of Consolidated Equity

5		2011	2010	2009
6	Consolidated equity according to MFRS	<u>Ps. 13,687,478</u>	<u>Ps. 12,320,511</u>	<u>Ps. 10,905,812</u>
7	US GAAP adjustments:			
8	Revenues (Note 28a)	(50,056)	(71,085)	(86,066)
9	Costs (Note 28a)	38,934	54,817	66,443
10	Revenues from concession arrangements (Note 28k)	(129,672)	—	—
11	Costs from concession arrangements (Note 28k)	98,141	—	—
12	Equity method investment (Note 28k)	(18,979)	—	—
13	Backlog (goodwill) (Note 28f)	(237,001)	(237,001)	(237,001)
14	Labor obligations (Note 28g)	(995)	(4,646)	(23,442)
15	Prepaid sales commissions	821	2,358	(31,171)
16	Deferral of unsecured homebuyers' receivables of the year (Note 28a)	(126,266)	(140,700)	(109,328)
17	Deferral of future involvement	(582)	(3,420)	(2,291)
18	Acquisition of non controlling interest (Note 28c)	79,438	79,438	79,438
19	Bargain gain (negative goodwill) on business acquisition (Note 28j and Note 4)	374,081	374,081	—
20	Ineffective financial derivative instruments (Note 28h)	3,325	(30,354)	—
21	Fair value adjustment to financial derivative instruments (Note 28h)	(22,785)	9,115	(72,286)
22	Capitalization of financing costs (Note 28i)	(622,006)	(128,910)	(325,511)
23	Goodwill, net (Note 28f)	86,754	86,754	86,754
24	Total US GAAP adjustments before tax effects	<u>(526,848)</u>	<u>(9,553)</u>	<u>(654,461)</u>
25	Tax effects on US GAAP adjustments	145,776	(6,747)	173,312
26	Total US GAAP adjustments	<u>(381,072)</u>	<u>(16,300)</u>	<u>(481,149)</u>
27	Equity according to US GAAP	<u>Ps. 13,306,406</u>	<u>Ps. 12,304,211</u>	<u>Ps. 10,424,663</u>

## 28 c. Reconciliation of Consolidated Comprehensive Income

24		2011	2010	2009
25	Consolidated net income according to MFRS	<u>Ps. 1,313,942</u>	<u>Ps. 1,579,942</u>	<u>Ps. 1,581,393</u>
26	Foreign currency translation adjustment	(289,744)	72,078	(42,401)
27	Fair value of financial derivative instruments, net of deferred income tax	346,410	(242,837)	(87,872)
28	Comprehensive income according to MFRS	<u>1,370,608</u>	<u>1,409,183</u>	<u>1,451,120</u>

1	Labor obligations	617	(825)	14,839
2	Net US GAAP adjustments:			
3	Net income	(371,826)	465,674	(81,387)
4	Comprehensive income according to US GAAP	<u>Ps. 999,399</u>	<u>Ps. 1,874,032</u>	<u>Ps. 1,384,572</u>

#### d. Condensed Consolidated Balance Sheets according to US GAAP

	2011	2010
<b>Assets</b>		
Current assets	Ps. 25,148,134	Ps. 23,496,997
Land held for future development and construction-in-process	12,859,328	10,591,499
Property and equipment	1,160,215	1,376,650
Goodwill	650,344	650,344
Other non-current assets	1,898,582	1,313,288
Total assets	<u>Ps. 41,716,603</u>	<u>Ps. 37,428,778</u>
<b>Liabilities and equity</b>		
Current liabilities	Ps. 15,881,987	Ps. 12,875,279
Long-term liabilities	12,528,210	12,249,288
Equity	13,306,406	12,304,211
Total liabilities and equity	<u>Ps. 41,716,603</u>	<u>Ps. 37,428,778</u>

\* \* \*

#### e. Condensed Consolidated Statements of Operations according to US GAAP

	2011	2010	2009
Revenues	Ps. 21,760,926	Ps. 19,628,540	Ps. 17,615,888
Costs	15,884,983	13,754,383	12,658,080
Gross profit	5,875,943	5,874,157	4,957,808
Income from operations	3,070,596	2,955,455	2,527,445
Income before income taxes	1,661,523	3,132,676	2,534,550
Income taxes	719,407	1,087,060	1,034,544
Consolidated net income according to US GAAP	Ps. 942,116	Ps. 2,045,616	Ps. 1,500,006
Less: income attributable to the non-controlling interests	9,528	68,179	(11,351)
Net income attributable to the controlling interests	Ps. 932,588	Ps. 1,977,437	Ps. 1,511,357
Consolidated net income according to US GAAP	Ps. 942,116	Ps. 2,045,616	Ps. 1,500,006
Other comprehensive income (loss)	57,283	(171,584)	(115,434)
Consolidated comprehensive income	999,399	1,874,032	1,384,572
Less: comprehensive income attributable to the non-controlling interest	9,528	68,179	(11,350)
Comprehensive income attributable to the controlling interest	Ps. 989,871	Ps. 1,805,853	Ps. 1,395,922





1	year			
2	Cash and cash equivalents at the end of the year	<b>Ps. 3,860,350</b>	Ps. 3,307,692	Ps. 3,122,074
3	Supplemental cash flow information:			
4	Interest paid	<b>Ps. 1,734,417</b>	Ps. 1,265,649	Ps. 874,911
5	Income tax paid (recovered), net	<b>Ps. 186,221</b>	Ps. 33,658	Ps. (43,272)
6	Termination payments for derivative contracts	<b>Ps. 24,863</b>	Ps. —	Ps. 123,271
7	Non-cash financing activities:			
8	Capital lease obligation incurred	<b>Ps. 109,290</b>	Ps. 49,667	Ps. 47,035

### g. Consolidated Statements of Changes in Equity according to US GAAP

	Common Stock	Additional paid-in capital	Treasury stock (Note 16)	Retained earnings	Other comprehensive income	Equity of non- controlling interest	Equity	Comprehensive income of the year	
11	Balances as of								
12	December 31, 2008	Ps. 528,011	Ps. 3,280,222	Ps. (99,342)	Ps. 5,207,997	Ps. 7,094	Ps. 110,057	Ps. 9,034,039	Ps. 657,845
13	Shares repurchased for								
14	stock option plan			(4,586)				(4,586)	
15	Share-based								
16	compensation								
17	transactions	10,638						10,638	
18	Changes in fair value of								
19	financial derivative								
20	instruments				(87,872)			(87,872)	(87,872)
21	Labor obligations				14,838			14,838	14,838
22	Foreign currency								
23	translation adjustment				(42,401)			(42,401)	(42,401)
24	Net income			1,511,357		(11,350)	1,500,006	1,500,006	1,500,006
25	Balances as of								
26	December 31, 2009	528,011	3,290,860	(103,928)	6,719,354	(108,341)	98,707	10,424,663	1,384,572
27	Share based-payments								
28	exercised			5,516				5,516	
29	Changes in fair value of								
30	financial derivative								
31	instruments				(242,837)			(242,837)	(242,837)
32	Labor obligations				(825)			(825)	(825)
33	Foreign currency								
34	translation adjustment				72,078			72,078	72,078
35	Net income			1,977,437		68,179	2,045,616	2,045,616	2,045,616
36	Balances as of								
37	December 31, 2010	Ps. 528,011	Ps. 3,290,860	Ps. (98,412)	Ps. 8,696,791	Ps. (279,925)	Ps. 166,886	Ps.12,304,211	Ps. 1,874,032
38	Share based-payments								
39				2,796				2,796	



1	exercised								
2	Changes in fair value of								
3	financial derivative								
4	instruments								
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58. The 2011 Form 20-F also made statements concerning Homex's controls and procedures. In relevant part, the 2012 Form 20-F stated:

**ITEM 15. Controls and Procedures.**

(a) *Disclosure controls and procedures.*

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2011.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Management's annual report on internal controls over financial reporting.*

1 Our management is responsible for establishing and maintaining adequate  
2 internal controls over financial reporting, as such term is defined in  
3 Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as  
4 amended. Under the supervision and with the participation of our  
5 management, including our board of directors, Chief Executive Officer,  
6 Chief Financial Officer and other personnel, we conducted an evaluation of  
7 the effectiveness of our internal controls over financial reporting based on  
8 the framework governing Internal Control—Integrated Framework issued by  
9 the Committee of Sponsoring Organizations of the Treadway Commission.

10 Our internal control over financial reporting is a process designed to provide  
11 reasonable assurance regarding the reliability of financial reporting and the  
12 preparation of financial statements for external purposes in accordance with  
13 Mexican Financial Reporting Standards, including the reconciliation to U.S.  
14 GAAP in accordance with Item 18 of Form 20-F. Our internal control over  
15 financial reporting includes those policies and procedures that (i) pertain to  
16 the maintenance of records that, in reasonable detail, accurately and fairly  
17 reflect the transactions and dispositions of our assets; (ii) provide reasonable  
18 assurance that transactions are recorded as necessary to permit preparation  
19 of financial statements in accordance with Mexican FRS, including the  
20 reconciliation to US GAAP in accordance with Item 18 of Form 20-F, and  
21 that our receipts and expenditures are being made only in accordance with  
22 authorizations of our management and directors; and (iii) provide reasonable  
23 assurance regarding prevention or timely detection of unauthorized  
24 acquisition, use, or disposition of our assets that could have a material effect  
25 on our financial statements.

26 Because of its inherent limitations, internal control over financial reporting  
27 may not prevent or detect misstatements. Also, projections of any evaluation  
28 of effectiveness to future periods are subject to the risk that controls may  
become inadequate because of changes in conditions, or that the degree of  
compliance with the policies or procedures may deteriorate.

Based on our evaluation under the framework in Internal Control—  
Integrated Framework, our management concluded that our internal control  
over financial reporting was effective as of December 31, 2011.

Mancera, S.C., a member practice of Ernst & Young Global, an independent  
registered public accounting firm, our independent auditor, issued an  
attestation report on our internal control over financial reporting on April 29,  
2012.

1           59. The statements above, as well as additional statements contained in the  
2 2011 Form 20-F (incorporated herein in its entirety), related to Homex's revenues,  
3 accounts receivable, inventory, cost of sales, and home units sold between 2010 and  
4 2013 were materially false and/or misleading. Additionally, each and every financial  
5 metric that derives its calculation or is affected by these figures is also materially false  
6 and / or misleading. More specifically, these statements misrepresented and failed to  
7 disclose that: (i) between 2010 and 2013, Homex overstated its revenue by 355% or  
8 roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes; (2)  
9 between 2010 and 2013, Homex overstated the number of units it sold by over 100,000  
10 units or 317% of actual units sold; (3) the Individual Defendants and certain of their  
11 subordinates knowingly and intentionally engaged in a scheme to materially overstate  
12 Homex's revenues, homes sold, and other related financial items; (4) given the scheme  
13 and Defendants participation or reckless disregard concerning it, Homex's internal  
14 control over financial reporting was not effective; as a result, (5) Defendants' statements  
15 about the Company's business, operations and prospects were materially false and  
16 misleading and/or lacked a reasonable bases at all relevant times. As detailed herein, the  
17 Individual Defendants were involved in a scheme whereby fictitious home sales were  
18 inputted into Homex's SIA Treasury Module. This data was subsequently uploaded into  
19 the Homex's Contpaq system and was then used to generate the Company's financial  
20 statements. As a result of the fictitious home sales entered into the SIA Treasury  
21 Module, any of Defendants' statements related to the financial statements and /or  
22 statistical information derived from these fictitious home sales and their revenues were  
23 also materially false and / or misleading.

24           **October 23, 2012 – Press Release: Third Quarter 2012 Earnings**

25           60. On October 23, 2012, after the market closed, Homex issued a press release  
26 announcing its earnings results for the third fiscal quarter of 2012 for the period ended  
27  
28

1 September 30, 2012 (the “October 23, 2012 Press Release”). The October 23, 2012 Press  
2 Release stated, in pertinent part, that:

3 **Homex Reports Significant Sales and Earnings Increases in 3Q12**

4 Total Revenues Increased 31.4 % and Mexican Housing Revenues Increased  
5 17.6 % Q-O-Q: Adjusted EBITDA Gains 34.4 %; Quarterly Positive Free  
6 Cash Flow, Net of Penitentiary Project Payments and FX, Ps.361 million or  
US\$ 28 million

7 CULIACAN, Mexico, Oct. 23, 2012 /PRNewswire/ -- Desarrolladora  
8 Homex, S.A.B. de C.V. (“Homex” or “the Company”) [NYSE: HXM,  
BMV: HOMEX] today announced financial results for the Third Quarter  
9 ended September 30, 2012[1]

10 \* \* \*

11 **Financial Highlights**

- 12 • Total revenue for the third quarter of 2012 increased 31.4 percent to  
13 Ps.7.5 billion (US\$583 million) from Ps.5.7 billion (US\$443 million)  
14 for the same period in 2011. During the third quarter, the Company  
15 recognized Ps.2.0 billion (US\$159 million) of revenues from its  
penitentiary construction projects with the federal government.  
Mexico housing revenues were Ps.5.1 billion, up 17.6 percent when  
16 compared to Ps.4.4 billion registered during the second quarter of  
2012.
- 17 • Adjusted earnings before interest, taxes, depreciation and amortization  
18 (adjusted EBITDA) during the quarter was Ps.1,759 million (US\$137  
19 million), a 34.4 percent increase from the Ps.1,309 million (US\$102  
20 million) reported in the third quarter of 2011. Adjusted EBITDA  
21 margin increased 53 basis points to 23.5 percent in the third quarter of  
2012 from 23.0 percent in the third quarter of 2011.
- 22 • Net income (adjusted for non-cash, foreign exchange (FX) effects) for  
23 the third quarter of 2012 was Ps.577 million (US\$45 million)  
24 reflecting a 7.7 percent margin in the third quarter of 2012 compared  
25 to Ps.559 million (US\$44 million) and a margin of 9.8 percent  
26 reported in the same period in 2011. Earnings per Share adjusted for  
27 non-cash foreign exchange (FX) effects during the third quarter of  
2012 increased 3.1 percent to Ps.1.72 compared to Ps.1.67 during the  
28 third quarter of 2011.
- Average selling price for all homes in Mexico during the third quarter  
of 2012 increased by 3.7 percent to Ps.409 thousand when compared  
to Ps.394 thousand during the same period a year ago. Home prices in  
Brazil increased by 16.7 percent to Ps.646 thousand as of the third  
quarter of 2012 from Ps.553 thousand during the third quarter of  
2011.
- As of September 30, 2012, on a consolidated basis and including the  
penitentiary construction projects, Homex generated a negative free  
cash flow of Ps.5.3 billion (US\$409 million) primarily because

1 construction in progress at these projects is required by IFRS to be  
 2 recognized as accounts receivable. Homex' free cash flow (FCF)  
 3 generation without including the penitentiary projects and adjusted for  
 4 non-cash items and the recognition of the partnership acquisition from  
 5 one of the penitentiary projects was negative at Ps.522 million  
 (US\$41 million). On a quarterly basis, Homex generated positive FCF  
 of Ps. 361 million( US\$28 million), from a negative balance of Ps.883  
 million (US\$69 million) registered on June 30, 2012.

FINANCIAL AND OPERATING HIGHLIGHTS					NINE MONTHS			
Thousands of pesos	3Q'12 Thousands U.S dollars (Convenience Translation)	3Q'12 Thousands of pesos	3Q'11	Chg % and bps	2012 Thousands U.S Dollars (Convenience Translation)	2012	2011	Chg % and bps
Volume (Homes)	12,546	12,546	13,271	-5.5%	32,438	32,438	37,141	12.7%
Revenues	\$582,586	\$7,487,452	\$5,699,098	31.4%	\$1,598,778	\$20,547,652	\$15,287,133	34.4%
Housing revenues	\$399,628	\$5,136,056	\$5,269,621	-2.5%	\$1,026,241	\$13,189,353	\$14,248,430	-7.4%
Cost	\$436,420	\$5,608,910	\$4,064,707	38.0%	\$1,167,917	\$15,010,181	\$10,798,445	39.0%
Capitalization of Comprehensive Financing Costs (CFC)	\$27,940	\$359,092	\$247,300	45.2%	\$66,187	\$850,639	\$675,404	25.9%
Gross profit	\$146,166	\$1,878,542	\$1,634,391	14.9%	\$430,861	\$5,537,472	\$4,488,689	23.4%
Gross profit adjusted for capitalization of CFC	\$174,106	\$2,237,633	\$1,881,690	18.9%	\$497,048	\$6,388,110	\$5,164,093	23.7%
Operating income	\$100,977	\$1,297,770	\$947,227	37.0%	\$280,404	\$3,603,787	\$2,433,867	48.1%
Operating income adjusted for capitalization of CFC	\$128,918	\$1,656,862	\$1,194,527	38.7%	\$346,591	\$4,454,425	\$3,109,271	43.3%
Interest expense, net (a)	\$25,168	\$323,460	\$355,631	-9.0%	\$77,246	\$992,772	\$924,759	7.4%
Net income	\$38,480	\$494,555	\$180,382	174.2%	\$139,344	\$1,790,864	\$1,023,943	74.9%
Net Income adjusted for FX	\$44,890	\$576,927	\$559,409	3.1%	\$137,969	\$1,773,197	\$1,419,386	24.9%
Adjusted EBITDA (b)	\$136,877	\$1,759,162	\$1,308,764	34.4%	\$370,633	\$4,763,407	\$3,384,936	40.7%
Gross margin	25.1%	25.1%	28.7%	-	26.9%	26.9%	29.4%	-

1				359				241
2	Gross margin			-				-
3	adjusted for capitalization of CFC	29.9%	29.9%	33.0%	313	31.1%	31.1%	33.8%
4	Operating margin	17.3%	17.3%	16.6%	71	17.5%	17.5%	15.9%
5	Operating margin adjusted for capitalization of CFC	22.1%	22.1%	21.0%	117	21.7%	21.7%	20.3%
6	Adjusted EBITDA margin	23.5%	23.5%	23.0%	53	23.2%	23.2%	22.1%
7	Net Income margin adjusted for FX	7.7%	7.7%	9.8%	211	8.6%	8.6%	9.3%
8	Earnings per share in Ps.		1.48	0.54			5.35	3.06
9	Earnings per share in Ps. adjusted for FX		1.72	1.67			5.30	4.24
10	Earnings per ADR presented in US\$ (c)	0.69		0.25		2.50		1.43
11	Earnings per ADR presented in US\$ adjusted for FX	0.80		0.78		2.47		1.98
12	Weighted avg. shares outstanding (MM)	334.7	334.7	334.7		334.7	334.7	334.7
13	Accounts receivable days (d)						62	32
14	Housing Accounts receivable days						42	22
15	Inventory days						775	737
16	Accounts payable days (e)						126	113
17	Working Capital Cycle (WCC) days (f)						711	656



1 Commenting on third quarter results. Gerardo de Nicolas, Chief Executive  
2 Officer of Homex, said:

3 “During the third quarter of 2012, we saw an important improvement at our  
4 Mexican operations, as we started to witness a more accelerated rhythm of  
5 collections, leaving behind the administrative delays that we faced during  
6 the first half of the year in relation to the Registro Unico de Vivienda  
7 (RUV) and compliance with the new sustainability regulations among other  
8 requirements that were integrated into the mortgage approval process,  
9 principally with INFONAVIT. During the quarter, in México, we titled  
10 12,517 homes, an increase of 13.1 percent when compared to the 11,070  
11 units that we titled during the second quarter of 2012. This quarterly  
12 positive result gives us confidence in our ability to meet our 2012 adjusted  
13 guidance for Mexico.”

14 61. The statements above related to Homex’s revenues, accounts receivable,  
15 inventory, cost of sales, and home units sold between 2010 and 2013 were materially  
16 false and/or misleading. Additionally, each and every financial metric that derives its  
17 calculation or is affected by these figures is also materially false and / or misleading.  
18 More specifically, these statements misrepresented and failed to disclose that: (i)  
19 between 2010 and 2013, Homex overstated its revenue by 355% or roughly \$3.3 billion  
20 by reporting fictitious sales of more than 100,000 homes; (2) between 2010 and 2013,  
21 Homex overstated the number of units it sold by over 100,000 units or 317% of actual  
22 units sold; (3) the Individual Defendants and certain of their subordinates knowingly and  
23 intentionally engaged in a scheme to materially overstate Homex’s revenues, homes  
24 sold, and other related financial items; and (4) as a result, Defendants’ statements about  
25 the Company’s business, operations and prospects were materially false and misleading  
26 and/or lacked a reasonable bases at all relevant times. As detailed herein, the Individual  
27 Defendants were involved in a scheme whereby fictitious home sales were inputted into  
28 Homex’s SIA Treasury Module. This data was subsequently uploaded into the Homex’s  
Contpaq system and was then used to generate the Company’s financial statements. As  
a result of the fictitious home sales entered into the SIA Treasury Module, any of  
Defendants’ statements related to the financial statements and /or statistical information

1 derived from these fictitious home sales and their revenues were also materially false  
2 and / or misleading.

3 **October 24, 2012 – Form 6-K: Third Quarter 2012 Results**

4 62. On the next day, October 24, 2012, Homex filed a Form 6-K with the SEC  
5 (the “October 24, 2012 Form 6-K”) reporting the Company’s third quarter fiscal results  
6 for the period ended September 30, 2012. The October 24, 2012 Form 6-K was signed  
7 by Defendants Moctezuma and Lafarga.

8 63. The October 24, 2012 Form 6-K reported more complete financial  
9 statements for Homex’s third fiscal quarter 2012. In relevant part, it stated:

10  
11 **HOMEX REPORTS SIGNIFICANT SALES AND EARNINGS  
12 INCREASES IN 3Q12**

13 Total Revenues Increased 31.4 % and Mexican Housing Revenues Increased  
14 17.6 % Q-O-Q; Adjusted EBITDA Gains 34.4 %; Quarterly Positive Free  
Cash Flow, Net of Penitentiary Project Payments and FX, Ps.361 million or  
US\$ 28 million

15 Culiacan Mexico. October 23<sup>th</sup>. 2012—Desarrolladora Homex. S.A.B. de  
16 C.V. (“Homex” or “the Company”) [NYSE: HXM. BMV: HOMEX] today  
announced financial results for the Third Quarter ended September 30.  
2012<sup>1</sup>.

17 \* \* \*

18 **Financial Highlights**

- 19 • Total revenue for the third quarter of 2012 increased 31.4 percent to  
20 Ps.7.5 billion (US\$583 million) from Ps.5.7 billion (US\$443 million)  
for the same period in 2011. During the third quarter, the Company  
21 recognized Ps.2.0 billion (US\$159 million) of revenues from its  
penitentiary construction projects with the federal government.  
22 Mexico housing revenues were Ps.5.1 billion, up 17.6 percent when  
compared to Ps.4.4 billion registered during the second quarter of  
2012.
- 23 • Adjusted earnings before interest, taxes, depreciation and amortization  
24 (adjusted EBITDA) during the quarter was Ps.1.759 million  
(US\$137 million), a 34.4 percent increase from the Ps.1.309 million  
25 (US\$102 million) reported in the third quarter of 2011. Adjusted  
EBITDA margin increased 53 basis points to 23.5 percent in the third  
26 quarter of 2012 from 23.0 percent in the third quarter of 2011.
- 27 • Net income (adjusted for non-cash, foreign exchange (FX) effects) for  
28 the third quarter of 2012 was Ps.577 million (US\$45 million) reflecting  
a 7.7 percent margin in the third quarter of 2012 compared to Ps.559  
million (US\$44 million) and a margin of 9.8 percent reported in the  
same period in 2011. Earnings per Share adjusted for non-cash foreign  
exchange (FX) effects during the third quarter of 2012 increased 3.1

1 percent to Ps.1.72 compared to Ps.1.67 during the third quarter of 2011.

- 2 • Average selling price for all homes in Mexico during the third quarter  
3 of 2012 increased by 3.7 percent to Ps.409 thousand when compared to  
4 Ps.394 thousand during the same period a year ago. Home prices in  
Brazil increased by 16.7 percent to Ps.646 thousand as of the third  
quarter of 2012 from Ps.553 thousand during the third quarter of 2011.

5 As of September 30, 2012, on a consolidated basis and including the  
6 penitentiary construction projects. Homex generated a negative free cash flow  
of Ps.5.3 billion (US\$409 million) primarily because construction in progress  
7 at these projects is required by IFRS to be recognized as accounts receivable.  
Homex' free cash flow (FCF) generation without including the penitentiary  
8 projects and adjusted for non-cash items and the recognition of the partnership  
acquisition from one of the penitentiary projects was negative at Ps.522  
9 million (US\$41 million). On a quarterly basis, Homex generated positive FCF  
of Ps. 361 million( US\$28 million), from a negative balance of Ps.883 million  
10 (US\$69 million) registered on June 30, 2012.

FINANCIAL AND OPERATING HIGHLIGHTS					NINE			
Thousands of pesos	3Q'12 Thousands U.S dollars	3Q'12 Thousands of	3Q'11	Chg % and bps	2012 Thousands U.S Dollars	2012	2011	Chg % and bps
Volume (Homes)	12,546	12,546	13,271	-5.5%	32,438	32,438	37,141	-12.7%
Revenues	\$582,586	\$7,487,452	\$5,699,098	31.4%	\$1,598,778	\$20,547,652	\$15,287,133	34.4%
Housing revenues	\$399,628	\$5,136,056	\$5,269,621	-2.5%	\$1,026,241	\$13,189,353	\$14,248,430	-7.4%
Cost	\$436,420	\$5,608,910	\$4,064,707	38.0%	\$1,167,917	\$15,010,181	\$10,798,445	39.0%
Capitalization of Comprehensive	\$27,940	\$359,092	\$247,300	45.2%	\$66,187	\$850,639	\$675,404	25.9%
Gross profit	\$146,166	\$1,878,542	\$1,634,391	14.9%	\$430,861	\$5,537,472	\$4,488,689	23.4%
Gross profit adjusted for capitalization of CFC	\$174,106	\$2,237,633	\$1,881,690	18.9%	\$497,048	\$6,388,110	\$5,164,093	23.7%
Operating income	\$100,977	\$1,297,770	\$947,227	37.0%	\$280,404	\$3,603,787	\$2,433,867	48.1%
Operating income adjusted for capitalization	\$128,918	\$1,656,862	\$1,194,527	38.7%	\$346,591	\$4,454,425	\$3,109,271	43.3%
Interest expense, net (a)	\$25,168	\$323,460	\$355,631	-9.0%	\$77,246	\$992,772	\$924,759	7.4%
Net income	\$38,480	\$494,555	\$180,382	174.2%	\$139,344	\$1,790,864	\$1,023,943	74.9%
Net Income adjusted for FX	\$44,890	\$576,927	\$559,409	3.1%	\$137,969	\$1,773,197	\$1,419,386	24.9%
Adjusted EBITDA (b)	\$136,877	\$1,759,162	\$1,308,764	34.4%	\$370,633	\$4,763,407	\$3,384,936	40.7%
Gross margin	25.1%	25.1%	28.7%	359	26.9%	26.9%	29.4%	241
Gross margin adjusted for capitalization of	29.9%	29.9%	33.0%	313	31.1%	31.1%	33.8%	269
Operating margin	17.3%	17.3%	16.6%	71	17.5%	17.5%	15.9%	162
Operating margin adjusted for capitalization	22.1%	22.1%	21.0%	117	21.7%	21.7%	20.3%	134
Adjusted EBITDA margin	23.5%	23.5%	23.0%	53	23.2%	23.2%	22.1%	104
Net Income margin adjusted for FX	7.7%	7.7%	9.8%	211	8.6%	8.6%	9.3%	66
Earnings per share in Ps.		1.48	0.54			5.35	3.06	
Earnings per share in Ps. adjusted for FX		1.72	1.67			5.30	4.24	
Earnings per ADR presented in US\$ (c)	0.69		0.25		2.50		1.43	
Earnings per ADR presented in US\$ adjusted	0.80		0.78		2.47		1.98	
Weighted avg. shares outstanding (MM)	334.7	334.7	334.7		334.7	334.7	334.7	
Accounts receivable days (d)						62	32	
Housing Accounts receivable days						42	22	
Inventory days						775	737	
Accounts payable days ( e)						126	113	
Working Capital Cycle (WCC) days (f)						711	656	

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Commenting on third quarter results, Gerardo de Nicolás, Chief Executive Officer of Homex, said:

“During the third quarter of 2012, we saw an important improvement at our Mexican operations, as we started to witness a more accelerated rhythm of collections, leaving behind the administrative delays that we faced during the first half of the year in relation to the Registro Unico de Vivienda (RUV) and compliance with the new sustainability regulations among other requirements that were integrated into the mortgage approval process, principally with INFONAVIT. During the quarter, in México, we titled 12,517 homes, an increase of 13.1 percent when compared to the 11,070 units that we titled during the second quarter of 2012. This quarterly positive result gives us confidence in our ability to meet our 2012 adjusted guidance for Mexico.”

\* \* \*

“As a result of a recovery from the administrative delays that we faced during the first half of the year in Mexico, and based on our third quarter performance and continued cost containment efforts, we do expect a strong fourth quarter, and we remain confident that we have made the right strategic decisions to meet our revenue growth, EBITDA and Cash Flow Guidance,” he concluded.

**Operating Results**

**Titled volume.** During the third quarter of 2012, titled home volume totaled 12,546 homes, a decrease of 5.5 percent compared to the third quarter of 2011, mainly driven by a 9.3 percent decline in Affordable Entry-level (AEL) collected units in Mexico. This decline continues to reflect a lower level of collections as a result of the administrative delays related to the Housing Registry System (RUV), approval delays resulting from compliance with new sustainability requirements of CONAVI, and additional requirements that were integrated into the mortgage approval process, primarily with INFONAVIT. During the third quarter of 2012, homes sold in the AEL segment in Mexico accounted for 11,208 or 89.3 percent of total titled volume compared to 12,354 or 93.1 percent for the same period in the previous year. Middle-income volume in the third quarter of 2012 increased 98.3 percent to 1,309 homes from 660 homes during the third quarter of 2011, as a result of a low base comparison during the same period a year ago. Middle income volume represented 10.4 percent of total titled volume during the third quarter of 2012, an increase of 546 basis points when compared to 5.0 percent represented by this segment during the third quarter of 2011.

During the third quarter of 2012, the Company’s AEL homes titled in Brazil totaled 29 units compared to 257 units titled during the third quarter of 2011. During the third quarter of 2012, homes titled in Brazil represented 0.2 percent of Homex’ total volume titled.

VOLUME	Nine
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	3Q'12	% of Total	3Q'11	% of Total	Change 3Q12 / 3Q11	2012	% of Total	2011	% of Total	Change 12/11
Mexico										
Affordable-Entry (from 2 to 11 times MW*)	11,208	89.3%	12,354	93.1%	-9.3%	29,041	89.5%	34,264	92.3%	-15.2%
Middle income (above 11 times MW*)	1,309	10.4%	660	5.0%	98.3%	3,230	10.0%	2,110	5.7%	53.1%
<b>Total Mexico</b>	<b>12,517</b>	<b>99.8%</b>	<b>13,014</b>	<b>98.1%</b>	<b>-3.8%</b>	<b>32,271</b>	<b>99.5%</b>	<b>36,374</b>	<b>97.9%</b>	<b>-11.3%</b>
Brazil										
Affordable-Entry (from 3 to 6 times MW*)	29	0.2%	257	1.9%	-88.7%	167	0.5%	767	2.1%	-78.2%
<b>Total volume</b>	<b>12,546</b>	<b>100.0%</b>	<b>13,271</b>	<b>100.0%</b>	<b>-5.5%</b>	<b>32,438</b>	<b>100.0%</b>	<b>37,141</b>	<b>100.0%</b>	<b>-12.7%</b>

### \*Minimum Wage

Note: The Company categorized its products sold during the quarter according to the price ranges presented above

Note: Volume figures as of the third quarter of 2011 and nine-months accumulated as of 2011 re-stated according to 2011 audited figures

\* \* \*

### Financial Results

**Revenues** increased 31.4 percent in the third quarter of 2012 to Ps.7.487.5 million from Ps.5.699.1 million in the same period of 2011. Total housing revenues (including the Company's operations in Brazil) in the third quarter of 2012 decreased 2.5 percent compared to the same period of 2011, mainly driven by a decline in the Company's operations in Brazil.

During the third quarter of 2012, Homex revenues from Mexico's operations accounted for Ps.5.145.6 million, a 3.0 percent decline when compared to the same period of last year. AEL revenues declined by 1.9 percent to Ps. 3.930.4 million compared to Ps.4.008.6 million during same period a year ago. Middle-income level revenues increased 6.1 percent to Ps.1.186.8 million from Ps.1.118.9 million in the year ago period due to a volume increase of 98.3 percent during the third quarter of 2012 when compared to the third quarter of 2011 also reflecting a low comparison base during the year ago period.

In Mexico, Homex expects to benefit from continued and stable customer financing by INFONAVIT and FOVISSSTE as well as from CONAVI's subsidy program, for which the Company is strategically positioned, since the subsidy program prioritizes customers who acquire vertical units. As of September 30, 2012 Homex' vertical product offerings under construction represented 50 percent of total units compared to 45 percent at June 30, 2012.

\* \* \*

During the third quarter of 2012, as a percentage of total revenues, Homex' Mexico Division represented 68.7 percent compared to 93.1 percent during the third quarter of 2011. Brazil represented 0.3 percent of total revenues during the third quarter of 2012 compared to 2.5 percent during the third quarter of 2011. Homex' Infrastructure Division, excluding revenues from the federal penitentiaries projects, represented 3.7 percent of total third quarter 2012 revenues when compared to 4.4 percent during the same



1 period of 2011. Federal penitentiary construction project revenues  
2 represented 27.3 percent of total revenues during the third quarter of 2012.

REVENUE BREAKDOWN						Nine Months				
Thousands of pesos	3Q'12	% of Total	3Q'11	% of Total	Change 3Q12 / 3Q11	2012	% of Total	2011	% of Total	Change 12 / 11
Mexico Housing Revenues										
Affordable-Entry (from 2 to 11 times MW*)	\$ 3,930,470	52.5%	\$ 4,008,577	70.3%	-1.9%	\$ 10,182,354	49.6%	\$ 11,763,456	77.0%	-13.4%
Middle income (above 11 times MW*)	\$ 1,186,865	15.9%	\$ 1,118,923	19.6%	6.1%	\$ 2,917,922	14.2%	\$ 2,084,020	13.6%	40.0%
<b>Total Mexico Housing Revenues</b>	\$ 5,117,335	68.3%	\$ 5,127,500	90.0%	-0.2%	\$ 13,100,276	63.8%	\$ 13,847,476	90.6%	-5.4%
Other Revenues Mexico	\$ 28,323	0.4%	\$ 176,877	3.1%	-84.0%	\$ 47,106	0.2%	\$ 308,181	2.0%	-84.7%
<b>Total Mexico Revenues</b>	\$ 5,145,658	68.7%	\$ 5,304,376	93.1%	-3.0%	\$ 13,147,382	64.0%	\$ 14,155,657	92.6%	-7.1%
Brazil										
Affordable-Entry (from 3 to 6 times MW*)	\$ 18,721	0.3%	\$ 142,122	2.5%	-86.8%	\$ 89,076	0.4%	\$ 400,954	2.6%	-77.8%
<b>Total Housing Revenues</b>	\$ 5,136,056	68.6%	\$ 5,269,621	92.5%	-2.5%	\$ 13,189,353	64.2%	\$ 14,248,430	93.2%	-7.4%
Infrastructure revenue	\$ 278,099	3.7%	\$ 252,600	4.4%	10.1%	\$ 1,303,222	6.3%	\$ 730,522	4.8%	78.4%
Federal Penitentiaries Projects revenue	\$ 2,044,974	27.3%	\$ -			\$ 6,007,972	29.2%	\$ -	0.0%	-
<b>Total Revenues</b>	\$ 7,487,452	100.0%	\$ 5,699,098	100.0%	31.4%	\$ 20,547,652	100.0%	\$ 15,287,133	100.0%	34.4%

19 \*Minimum Wage

20 Note: Mexico's revenue breakdown by division as of the third quarter of  
21 2011 and nine-months accumulated as of 2011 re-stated according to 2011  
22 audited figures

23 **Gross profit margin** decreased to 25.1 percent in the third quarter of 2012  
24 compared to 28.7 percent in the same quarter of 2011. Beginning January 1,  
25 2012, as the Company has implemented IFRS, and pursuant to IAS 23,  
26 "Cost of Loans," only the foreign exchange differences relating to loans in  
27 foreign currency directly attributable to the acquisition, construction or  
28 production of eligible assets can be capitalized, as part of the cost of those  
assets, to the extent to which they are considered adjustments to interest  
expense. Under MFRS 14, these foreign-exchange differences were  
capitalized in full, regardless of their nature.

During the third quarter of 2012, capitalized interest expense was Ps.359.1  
million a 45.2 percent increase when compared to Ps.247.3 million during  
the third quarter of 2011.

On a pro-forma basis (without considering the application of IAS 23 in 2011



and 2012), Homex' gross profit margin for the quarter would have been 29.9 percent as compared to 33.0 percent during the same period in 2011. The margin decline reflects a lower gross profit from the Company's penitentiaries projects as works performed during the third quarter of 2012 continue to have a portion of civil work which has an implicit lower margin. The lower margin is also attributable to Company's operations at Brazil.

CAPITALIZATION OF COMPREHENSIVE FINANCING COST		
Thousand of Pesos		
INVENTORY	September 30, 2012	September 30, 2011
Exchange Loss (gain)	-\$6,466	-\$4,314
Interest Expense	1,925,823	1,307,286
Inflation accounting accumulated effect	20,982	12,942
Total	\$1,940,340	\$1,315,914
COST OF SALES	3Q12	3Q11
Exchange Loss (gain)	-\$857	\$6,735
Interest Expense	355,929	237,820
Inflation accounting accumulated effect	4,019	2,745
Total	\$359,092	\$247,300

\* \* \*

**Operating income.** During the third quarter of 2012, operating income increased 37.0 percent to Ps.1,297.7 million from Ps.947.2 million during the same period of 2011. Operating income as a percentage of revenues was 17.3 percent in the third quarter of 2012 compared to 16.6 percent during the third quarter of 2011. On a pro-forma basis (without considering the application of IAS 23 in 2011 and 2012) Homex' operating margin for the third quarter of 2012 was 22.1 percent compared to 21.0 percent during the same period of last year. The higher margin during the recent quarter mainly results from lower SG&A expenses during the quarter as explained above.

Net income for the third quarter of 2012 increased 174.2 percent to Ps.494.5 million or a 6.6 percent margin compared to Ps.180.4 million and a margin of 3.2 percent reported in the same period in 2011. The higher result during the third quarter of 2012 is driven by the recognition of a lower foreign exchange (FX) loss during the recent quarter. For the third quarter of 2012 and 2011, net income margin, adjusted for FX effects, was 7.7 percent and 9.8 percent, respectively.

Earnings per share (EPS) for the third quarter of 2012 increased to Ps.1.48 as compared to Ps. 0.54 reported in the third quarter of 2011 driven primarily by the recognition of a lower foreign exchange (FX) loss during the third quarter of 2012. EPS adjusted for non-cash foreign exchange (FX) effects during the third quarter of 2012 increased 3.1 percent to Ps.1.72 compared to Ps.1.67 during the third quarter of 2011.

\* \* \*

## DESARROLLADORA HOMEX CONSOLIDATED BALANCE SHEET

**COMPARISON OF SEPTEMBER 30, 2012 WITH SEPTEMBER 30, 2011**

(Figures in thousands of pesos)	Sep-12		Sep-11		% Chg
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$3,985,349	7.6%	\$3,314,837	8.4%	20.2%
Accounts receivable, net	\$10,776,533	20.7%	\$1,926,530	4.9%	459.4%
Due from customers	\$2,258,164	4.3%	\$1,218,269	3.1%	85.4%
Accounts receivable from penitentiaries	\$7,112,673	13.6%	-	0.0%	N/A
Accounts receivable from infrastructure	\$1,405,697	2.7%	\$708,261	1.8%	98.5%
Inventories	\$32,546,540	62.4%	\$30,526,861	77.6%	6.6%
Land inventory	\$10,764,272	20.7%	\$11,655,056	29.6%	-7.6%
Construction in progress	\$21,431,912	41.1%	\$18,287,735	46.5%	17.2%
Materials	\$350,356	0.7%	\$584,070	1.5%	-40.0%
Other current assets	\$2,301,595	4.4%	\$1,260,229	3.2%	82.6%
Total current assets	<b>\$49,610,018</b>	<b>95.2%</b>	<b>\$37,028,457</b>	<b>94.2%</b>	34.0%
Property and equipment, net	\$1,224,758	2.3%	\$1,443,487	3.7%	-15.2%
Goodwill	\$1,132,175	2.2%	\$650,344	1.7%	74.1%
Other assets	\$158,101	0.3%	\$192,496	0.5%	-17.9%
<b>TOTAL</b>	<b>\$52,125,052</b>	<b>100.0%</b>	<b>\$39,314,784</b>	<b>100.0%</b>	32.6%
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Notes payable to financial institutions	\$1,549,887	3.0%	\$3,278,344	8.3%	-52.7%
Accounts payable	\$6,656,235	12.8%	\$4,670,396	11.9%	42.5%
Land payable	\$723,316	1.4%	\$1,339,965	3.4%	-46.0%
Payable from Prison	\$271,803	0.5%	-	0.0%	
Payable Partner	\$1,106,000		-	0.0%	
Advances from customers	\$896,459	1.7%	\$862,273	2.2%	4.0%

1	Accrued expenses and taxes payable	\$3,323,965	6.4%	\$1,758,493	4.5%	89.0%
2	Total current liabilities	<b>\$12,426,547</b>	<b>23.8%</b>	<b>\$10,569,506</b>	<b>26.9%</b>	17.6%
4	Long-term notes payable to financial institutions	\$14,500,456	27.8%	\$10,869,373	27.6%	33.4%
6	Long-term project financing	\$4,803,914	9.2%	-	0.0%	N/A
7	Swap payable	\$615,779	1.2%	-	0.0%	N/A
8	Labor obligations	\$7,966	0.0%	\$6,861	0.0%	16.1%
9	Deferred income taxes	\$4,752,726	9.1%	\$4,233,211	10.8%	12.3%
10	<b>TOTAL LIABILITIES</b>	<b>\$37,107,388</b>	<b>71.2%</b>	<b>\$25,678,951</b>	<b>65.3%</b>	44.5%
12	<b>STOCKHOLDERS' EQUITY</b>					
13	Common stock	\$425,441	0.8%	\$425,444	1.1%	0.0%
14	Additional paid-in capital	\$2,731,202	5.2%	\$2,731,201	6.9%	0.0%
15	Retained earnings	\$12,293,993	23.6%	\$10,395,995	26.4%	18.3%
16	Other stockholders' equity accounts	\$(638,121)	-1.2%	\$(121,709)	-0.3%	424.3%
17	Majority stockholders' equity	\$14,812,515	28.4%	\$13,430,931	34.2%	10.3%
18	Minority interest	\$205,148	0.4%	\$204,903	0.5%	0.1%
19	<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$15,017,664</b>	<b>28.8%</b>	<b>\$13,635,834</b>	<b>34.7%</b>	10.1%
21	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$52,125,052</b>	<b>100.0%</b>	<b>\$39,314,784</b>	<b>100.0%</b>	32.6%

**DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT  
COMPARISON OF THREE MONTHS 2012 WITH THREE MONTHS  
2011**

(Figures in thousands of pesos)	3Q12	3Q11	% Chg
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1	REVENUES					
2	Affordable-entry level revenue	\$3,930,470	52.5%	\$4,008,577	70.3%	-1.9%
3	Middle income housing revenue	\$1,186,865	15.9%	\$1,118,923	19.6%	6.1%
4	Affordable-entry level revenue Brazil	\$18,721	0.3%	\$142,122	2.5%	-86.8%
5	Other revenues	\$28,323	0.4%	\$176,877	3.1%	-84.0%
6	Infrastructure revenue	\$278,099	3.7%	\$252,600	4.4%	10.1%
7	Federal Penitentiaries projects revenue	\$2,044,974	27.3%	-	0.0%	N/A
8	TOTAL REVENUES	<u>\$7,487,452</u>	100.0%	<u>\$5,699,098</u>	100.0%	31.4%
9	COSTS	\$5,249,818	70.1%	\$3,817,408	67.0%	37.5%
10	Capitalization of CFC Interest	\$359,092	4.8%	\$247,300	4.3%	45.2%
11	FX ( gain) loss and inflation accounting effect	\$355,929	4.8%	\$237,820	4.2%	49.7%
12		\$3,163	0.0%	\$9,480	0.2%	-66.6%
13	TOTAL COST	<u>\$5,608,910</u>	74.9%	<u>\$4,064,707</u>	71.3%	38.0%
14	GROSS PROFIT	<u>\$1,878,542</u>	25.1%	<u>\$1,634,391</u>	28.7%	14.9%
15	TOTAL SELLING AND ADMINISTRATIVE EXPENSES	\$580,772	7.8%	\$687,163	12.1%	-15.5%
16	OPERATING INCOME	<u>\$1,297,770</u>	17.3%	<u>\$947,227</u>	16.6%	37.0%
17	OTHER (EXPENSES) INCOME, NET	\$(233,969)	-3.1%	\$44,352	0.8%	-
18	NET COMPREHENSIVE FINANCING COST					627.5%
19	Interest expense and commissions	\$54,418	0.7%	\$96,360	1.7%	-43.5%
20	Interest expense penitentiaries	\$142,659	1.9%	-	0.0%	N/A
21	Interest income	\$(86,887)	-1.2%	\$21,451	0.4%	-
22	Foreign exchange (gain) loss	\$133,443	1.8%	\$588,964	10.3%	505.0%
23		<u>\$243,633</u>	3.3%	<u>\$706,775</u>	12.4%	-77.3%
24						-65.5%

1						
2	INCOME BEFORE INCOME TAX	\$820,168	11.0%	\$284,804	5.0%	188.0%
3						
4	INCOME TAX EXPENSE	\$325,613	4.3%	\$104,422	1.8%	211.8%
5	NET INCOME	\$494,555	6.6%	\$180,382	3.2%	174.2%
6	MAJORITY INTEREST	\$487,731	6.5%	\$178,803	3.1%	172.8%
7	MINORITY INTEREST	\$6,824	0.1%	\$1,579	0.0%	332.2%
8	NET INCOME	\$494,555	6.6%	\$180,382	3.2%	174.2%
9	NET INCOME Adjusted for FX	\$576,927	7.7%	\$559,409	9.8%	3.1%
10	Earnings per share	1.48		0.54		174.2%
11	Earnings per share Adjusted for FX	1.72		1.67		3.1%
12	Adjusted EBITDA	\$1,759,162	23.5%	\$1,308,764	23.0%	34.4%

**DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT  
COMPARISON OF THREE MONTHS 2012 WITH THREE MONTHS  
2011**

(Figures in thousands of pesos)	3Q12		3Q11		% Chg
REVENUES					
Affordable-entry level revenue	\$3,930,470	52.5%	\$4,008,577	70.3%	-1.9%
Middle income housing revenue	\$1,186,865	15.9%	\$1,118,923	19.6%	6.1%
Affordable-entry level revenue Brazil	\$18,721	0.3%	\$142,122	2.5%	-86.8%
Other revenues	\$28,323	0.4%	\$176,877	3.1%	-84.0%
Infrastructure revenue	\$278,099	3.7%	\$252,600	4.4%	10.1%
Federal Penitentiaries projects revenue	\$2,044,974	27.3%	-	0.0%	N/A
TOTAL REVENUES	\$7,487,452	100.0%	\$5,699,098	100.0%	31.4%
COSTS	\$5,249,818	70.1%	\$3,817,408	67.0%	37.5%
Capitalization of CFC	\$359,092	4.8%	\$247,300	4.3%	45.2%
Interest	\$355,929	4.8%	\$237,820	4.2%	49.7%
FX (gain) loss and inflation accounting effect	\$3,163	0.0%	\$9,480	0.2%	-66.6%
TOTAL COST	\$5,608,910	74.9%	\$4,064,707	71.3%	38.0%

1	GROSS PROFIT	\$1,878,542	25.1%	\$1,634,391	28.7%	14.9%
2	TOTAL SELLING AND					
3	ADMINISTRATIVE					
4	EXPENSES	\$580,772	7.8%	\$687,163	12.1%	-15.5%
5	OPERATING INCOME	\$1,297,770	17.3%	\$947,227	16.6%	37.0%
6	OTHER (EXPENSES)					
7	INCOME, NET	\$(233,969)	-3.1%	\$44,352	0.8%	627.5%
8	NET COMPREHENSIVE					
9	FINANCING COST					
10	Interest expense and					
11	commissions	\$54,418	0.7%	\$96,360	1.7%	-43.5%
12	Interest expense					
13	penitentiaries	\$142,659	1.9%	-	0.0%	N/A
14	Interest income					
15	Foreign exchange (gain)	\$(86,887)	-1.2%	\$21,451	0.4%	505.0%
16	loss	\$133,443	1.8%	\$588,964	10.3%	-77.3%
17		\$243,633	3.3%	\$706,775	12.4%	-65.5%
18	INCOME BEFORE INCOME					
19	TAX	\$820,168	11.0%	\$284,804	5.0%	188.0%
20	INCOME TAX EXPENSE	\$325,613	4.3%	\$104,422	1.8%	211.8%
21	NET INCOME	\$494,555	6.6%	\$180,382	3.2%	174.2%
22	MAJORITY INTEREST	\$487,731	6.5%	\$178,803	3.1%	172.8%
23	MINORITY INTEREST	\$6,824	0.1%	\$1,579	0.0%	332.2%
24	NET INCOME	\$494,555	6.6%	\$180,382	3.2%	174.2%
25	NET INCOME Adjusted for					
26	FX	\$576,927	7.7%	\$559,409	9.8%	3.1%
27	Earnings per share	1.48		0.54		174.2%
28	Earnings per share					
29	Adjusted for FX	1.72		1.67		3.1%
30	Adjusted EBITDA	\$1,759,162	23.5%	\$1,308,764	23.0%	34.4%

**DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT  
COMPARISON OF NINE MONTHS 2012 WITH NINE MONTHS 2011**

(Figures in thousands of pesos)	9M12	9M11	% Chg
---------------------------------	------	------	-------



1	REVENUES					
2	Affordable-entry level revenue	\$10,182,354	49.6%	\$11,763,456	77.0%	-13.4%
3	Middle income housing revenue	\$2,917,922	14.2%	\$2,084,020	13.6%	40.0%
4	Affordable-entry level revenue Brazil	\$89,076	0.4%	\$400,954	2.6%	-77.8%
5	Other revenues	\$47,106	0.2%	\$308,181	2.0%	-84.7%
6	Infrastructure revenue	\$1,303,222	6.3%	\$730,522	4.8%	78.4%
7	Federal Penitentiaries projects revenue	\$6,007,972	29.2%	-	0.0%	N/A
8	TOTAL REVENUES	\$20,547,652	100.0%	\$15,287,133	100.0%	34.4%
9						
10	COSTS	\$14,159,542	68.9%	\$10,123,041	66.2%	39.9%
11	Capitalization of CFC Interest	\$850,639	4.1%	\$675,404	4.4%	25.9%
12	FX ( gain) loss and inflation accounting effect	\$6,364	0.0%	\$4,428	0.0%	43.7%
13	TOTAL COST	\$15,010,181	73.1%	\$10,798,445	70.6%	39.0%
14						
15	GROSS PROFIT	\$5,537,472	26.9%	\$4,488,689	29.4%	23.4%
16						
17	TOTAL SELLING AND ADMINISTRATIVE EXPENSES	\$1,933,685	9.4%	\$2,054,822	13.4%	-5.9%
18						
19	OPERATING INCOME	\$3,603,787	17.5%	\$2,433,867	15.9%	48.1%
20						
21	OTHER (EXPENSES) INCOME, NET	\$(220,731)	-1.1%	\$53,342	0.3%	513.8%
22						
23	NET COMPREHENSIVE FINANCING COST					
24	Interest expense and commissions	\$369,829	1.8%	\$363,045	2.4%	1.9%
25	Interest expense penitentiaries	\$300,297	1.5%	-	0.0%	N/A
26	Interest income	\$(221,332)	-1.1%	\$(109,262)	-0.7%	102.6%
27	Foreign exchange (gain) loss	\$(35,663)	-0.2%	\$619,041	4.0%	105.8%
28		\$413,131	2.0%	\$872,824	5.7%	-52.7%

1					
2	INCOME BEFORE				
3	INCOME TAX	\$2,969,924	14.5%	\$1,614,385	10.6%
4	INCOME TAX EXPENSE	\$1,179,060	5.7%	\$590,442	3.9%
5	NET INCOME	\$1,790,864	8.7%	\$1,023,943	6.7%
6	MAJORITY INTEREST	\$1,785,169	8.7%	\$1,008,964	6.6%
7	MINORITY INTEREST	\$5,695	0.0%	\$14,979	0.1%
8	NET INCOME	\$1,790,864	8.7%	\$1,023,943	6.7%
9	NET INCOME Adjusted				
10	for FX	\$1,773,197	8.6%	\$1,419,386	9.3%
11	Earnings per share	5.35		3.06	74.9%
12	Earnings per share				
13	Adjusted for FX	5.30		4.24	24.9%
14	Adjusted EBITDA	\$4,763,407	23.2%	\$3,384,936	22.1%

DESARROLLADORA HOMEX, S.A.B. DE C.V.  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

14	(thousands of pesos)	FCF w/o Penitentiaries	Penitentiaries	Consolidated
15	<b>Total Net Income and Non Cash Items</b>	2,388,024	856,548	3,244,572
16	<b>(Increase) decrease in:</b>			
17	Trade accounts receivable	(2,798,012)	(7,112,673)	(9,910,685)
18	Inventories (w/land)	(1,942,123)	35,678	(1,906,444)
19	Trade accounts payable	2,096,396	244,717	2,341,113
20	Other A&L, net	1,098,797	-	1,098,797
21	<b>Changes in operating assets and liabilities</b>	(1,544,942)	(6,832,277)	(8,377,219)
22	<b>Operating cash flow</b>	843,083	(5,975,729)	(5,132,646)
23	Capex	(122,203)	(163)	(122,366)
24	<b>Free Cash Flow</b>	720,880	(5,975,892)	(5,255,012)
25	Non Cash Effects <sup>1</sup>	(618,817)		(618,817)
26	Adjustment from recognition of the partnership acquisition from one of the Federal Penitentiary Projects	(624,169)	624,169	-
27	<b>Free Cash Flow adjusted by FX and acquisition</b>	(522,106)	(5,351,724)	5,873,830

DESARROLLADORA HOMEX, S.A.B. DE C.V.  
 CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
 FOR THE PERIOD ENDED SEPTEMBER 30

(thousands of pesos)	<b>2012</b>	<b>2011</b>
Net Income	1,785,169	1,008,964
<b>Non-cash items:</b>		
Depreciation & Amortization	274,648	222,324
Minority interest	5,695	14,979
Deferred income taxes	1,179,060	514,318
<b>Total Net Income and Non Cash Items</b>	<u>3,244,572</u>	<u>1,760,584</u>
<b>(Increase) decrease in:</b>		
Trade accounts receivable	(9,910,685)	(463,398)
Inventories (w/land)	(1,906,444)	(3,069,173)
Trade accounts payable	2,341,113	438,694
Other A&L, net	1,098,797	(23,121)
<b>Changes in operating assets and liabilities</b>	<u>(8,377,219)</u>	<u>(3,116,998)</u>
<b>Operating cash flow</b>	(5,132,646)	(1,356,414)
Capex	(122,366)	(154,407)
<b>Free Cash Flow</b>	(5,255,012)	(1,510,821)
Non Cash Effects <sup>1</sup>	(618,817)	
<b>Free Cash Flow adjusted by FX</b>	<u>(5,873,830)</u>	
Net Financing Activities	5,247,710	1,390,436
Net increase (decrease) cash	- 7,303	120,385
Balance at beginning	3,992,653	3,435,222
Balance at end	3,985,350	3,314,837

64. The statements above, as well as additional statements contained in the October 24, 2012 Form 6-K (incorporated herein in its entirety), related to Homex's revenues, accounts receivable, inventory, cost of sales, and home units sold between

1 2010 and 2013 were materially false and/or misleading. Additionally, each and every  
2 financial metric that derives its calculation or is affected by these figures is also  
3 materially false and / or misleading. More specifically, these statements misrepresented  
4 and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by  
5 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes;  
6 (2) between 2010 and 2013, Homex overstated the number of units it sold by over  
7 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of  
8 their subordinates knowingly and intentionally engaged in a scheme to materially  
9 overstate Homex's revenues, homes sold, and other related financial items; and (4) as a  
10 result, Defendants' statements about the Company's business, operations and prospects  
11 were materially false and misleading and/or lacked a reasonable bases at all relevant  
12 times. As detailed herein, the Individual Defendants were involved in a scheme whereby  
13 fictitious home sales were inputted into Homex's SIA Treasury Module. This data was  
14 subsequently uploaded into the Homex's Contpaq system and was then used to generate  
15 the Company's financial statements. As a result of the fictitious home sales entered into  
16 the SIA Treasury Module, any of Defendants' statements related to the financial  
17 statements and /or statistical information derived from these fictitious home sales and  
18 their revenues were also materially false and / or misleading.

19 **October 24, 2012 – Conference Call: Third Quarter 2012 Earnings Result**

20 65. Also that same day, Homex held a conference call to discuss the third  
21 quarter 2012 fiscal results ("October 24, 2012 Conference Call"). During the call, both  
22 Defendant de Nicolás and Moctezuma reiterated certain of the statements made in the  
23 October 24, 2012 Form 6-K, including statements concerning the growth of Homex's  
24 operations in Mexico.

25 66. More specifically, de Nicolás stated, in relevant part, concerning Homex's  
26 financial statements and operations in Mexico:

27 Empezaré con nuestra **División México**,

28 Durante el tercer trimestre, continuamos incrementando nuestra

1 participación en el modelo de negocio vertical que al día de hoy representa  
2 el 50 por ciento del total de las viviendas bajo construcción en Homex, en  
3 línea con nuestro objetivo para el año, y por arriba del 45 por ciento al final  
del segundo trimestre del 2012. No anticipamos que este nivel se  
incremente para el resto del Año.

4 Durante el Trimestre, los ingresos en nuestra División México  
5 disminuyeron 3 por ciento respecto al año anterior, pero de manera  
6 importante sobre una base secuencial crecieron 18 por ciento sobre el  
7 2T12, lo que refleja un ritmo acelerado de titulación en comparación con el  
8 primer semestre del año, y pese al hecho de que durante el trimestre  
9 seguimos enfrentando retrasos en la asignación de recursos del programa  
de subsidios, retrasos que a la fecha de hoy continúan afectando nuestra  
velocidad en cobranza y ritmo de re-inversión para la construcción de  
nuevas viviendas, esperamos que estas demoras de asignación queden  
resueltas en Noviembre.

10 Nos gustaría aprovechar la oportunidad para agradecer al Señor Victor  
11 Borras y a su equipo de trabajo ya que han estado trabajando fuertemente  
12 para resolver los cuellos de botella en el proceso de cobranza  
principalmente relacionada con los retrasos que existen en relación con el  
programa "Saber para Decidir "y los retrasos relacionados con el proceso  
de cotización de la vivienda.

13 De igual manera, queremos agradecer al Señor Manuel Pérez Cárdenas de  
14 Fovissste, por el extraordinario sorteo que se llevará a cabo en Octubre y  
15 Noviembre ya que este sorteo le proporcionará mayor seguridad a nuestras  
operaciones del 2013.

16 Por otro lado, la mejora trimestral en el número de viviendas escrituradas  
17 refleja que las demoras a las que nos hemos enfrentado durante la primera  
18 parte del año en relación con el Sistema de Registro de Vivienda (RUV) y  
19 el sistema de puntuación de CONAVI han quedado atrás en su mayoría. Y  
como dijimos en nuestra última conferencia, hemos concentrado nuestros  
esfuerzos en terminar las viviendas bajo construcción, beneficiando las  
inversiones realizadas durante los primeros seis meses del año, y  
posteriormente acelerando nuestro proceso de titulación.

20 Como ya lo hemos dicho antes, a pesar de que estas iniciativas tuvieron un  
21 impacto inicial negativo en nuestras finanzas, creemos que esos cambios  
22 fueron necesarios para lograr un  
crecimiento sostenible a largo plazo en la empresa.

23 67. Defendant Moctezuma noted that during the quarter, that Homed had titled  
24 12,517 homes and commented on Homex's Mexico operations revenues accounting for  
25 over 68.7% of Homex's overall revenues for the year. Additionally, Moctezuma  
26 discussed Homex's financial statements and metrics.

27 68. More specifically, Moctezuma stated, in relevant part:

28 En México,

1 Durante el tercer trimestre del 2012, nuestro volumen de viviendas tituladas  
2 fue de 12,517 casas, una disminución de 3.8 por ciento comparado con el  
3 tercer trimestre del 2011, debido principalmente a una disminución del 9.3  
4 por ciento en las unidades cobradas del segment de interés social. El  
5 volumen de vivienda media en el tercer trimestre del 2012 incrementó 98.3  
6 por ciento a 1,309 viviendas de 660 viviendas durante el tercer trimestre del  
7 2011, como resultado de una base de comparación menor debido a un ajuste  
8 contable en relación a nuestros números auditados 2011.

9 Los ingresos para México representaron el 68.7 por ciento de los ingresos  
10 totales durante el tercer trimestre del 2012, por arriba del 60.8 por ciento del  
11 total de los ingresos durante el segundo trimestre del 2012.

12 En términos de rentabilidad de nuestra división México, hemos seguido  
13 generando  
14 eficiencias en los niveles de construcción y gastos de administración y  
15 ventas , evidenciado por un margen UAFIDA implícito de aproximadamente  
16 26.6 por ciento al 30 de septiembre del 2012, el cual se puede calcular desde  
17 el estado de cambios que proveemos para nuestra reconciliación del Flujo  
18 Libre de Efectivo.

19 Queremos ser muy claros de que los bajos resultados en términos de  
20 unidades tituladas durante los 9 meses del año no reflejan la verdadera  
21 dinámica de nuestro negocio, ya que la demanda de vivienda continua  
22 siendo fuerte, mientras al mismo tiempo nosotros continuamos viendo  
23 oportunidades de ganar mayor participación en el mercado en donde estamos  
24 presentes.

25 69. Moctezuma went on to discuss Homex's financial statements during the  
26 quarter and it relation to previous financial figures. More specifically, Moctezuma  
27 stated:

28 Aquí, me gustaría señalar que el margen UAFIDA sigue siendo más bajo  
29 que el margen previsto para estos proyectos, donde a partir del 30 de  
30 septiembre de 2012 tuvimos un margen de aproximadamente 19.3 por  
31 ciento. Se espera que el margen mejore de forma gradual, ya que los trabajos  
32 finales mencionados por Gerardo se completarán durante el último trimestre  
33 del año.

34 En total, para el tercer trimestre del 2012, los ingresos se incrementaron un  
35 31.4 por ciento a 7,487 millones de pesos de 5,699 millones de pesos en el  
36 mismo periodo del 2011.

37 Durante el tercer trimestre del 2012 incrementamos nuestra UAFIDA por  
38 34.4 por ciento a 1,759 millones de pesos de 1,308 millones de pesos  
39 reportados en el mismo periodo en el 2011. Como porcentaje de las ventas,  
40 la UAFIDA durante el tercer trimestre del 2012 mejoró 53 puntos base a  
41 23.5 por ciento, comparado con el 23 por ciento en el mismo periodo del año  
42 pasado.

43 El Costo integral de financiamiento neto, en el cual excluye el interes  
44 capitalizado reconocido en nuestro costo de ventas de conformidad con el  
45 Boletín NIC 23, fue de Ps.234 millones comparado con 706 millones de  
46 pesos durante el tercer trimestre del 2011, la disminución en el costo de  
47 financiamiento durante el tercer trimestre del 2012 refleja un reconocimiento  
48 de perdida cambiara menor durante el actual trimestre comparado con el



1       tercer trimestre del 2011. El costo integral de financiamiento neto para el  
2       tercer trimestre del 2012 incluye el reconocimiento del interes del  
3       financiamiento sin recurso a largo plazo de Homex en relación con la  
4       construcción de los proyectos penitenciarios de Homex. La utilidad neta,  
5       ajustada por efectos cambiarios, para el tercer trimestre del 2012 fue de 577  
6       millones de pesos o un margen del 7.7 por ciento comparado con 559  
7       millones y un margen del 9.8 por ciento reportado en el mismo periodo del  
8       2011. Sobre una base acumulada al 30 de  
9       septiembre del 2012, el margen neto fue de 8.6 por ciento.

10       Pasando ahora al balance General.

11       Durante el trimestre hemos estabilizado nuestro inventario en el balance el  
12       cual era de 32,545 millones de pesos comparado con 32,480 millones de  
13       pesos al 30 de junio del 2012, como resultado de nuestras políticas de  
14       inversión conservadoras en ambas construcciones, tanto en el inventario de  
15       construcción en proceso como en la inversión en tierra, donde sobre una  
16       base acumulada hemos adquirido 397 millones de tierra de un presupuesto  
17       potencial en el año de 1,000 millones de pesos.

18       Nuestro balance de tierra fue de 10,764 millones de pesos, una reducción de  
19       329 millones de pesos comparado con un nivel de inventario de tierra de  
20       11,093 millones de pesos al 30 de junio del 2012.

21       El inventario total en días fue de 775 días al 30 de Septiembre del 2012  
22       comparado con 766 días al 30 de junio del 2012. Aquí me gustaría señalar  
23       que a pesar de la estabilidad de nuestro balance de inventario, la rotación del  
24       inventario se ve afectada por una base de costo menor de los UDM (sin  
25       considerar el costo de ventas de los centros penitenciarios), debido a la  
26       disminución en los ingresos.

27       70. The statements above, as well as additional statements contained in the  
28       October 24, 2012 Conference Call (incorporated herein in their entirety), related to  
29       Homex's revenues, accounts receivable, inventory, cost of sales, and home units sold  
30       between 2010 and 2013 were materially false and/or misleading. Additionally, each and  
31       every financial metric that derives its calculation or is affected by these figures is also  
32       materially false and / or misleading. More specifically, these statements misrepresented  
33       and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by  
34       355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes;  
35       (2) between 2010 and 2013, Homex overstated the number of units it sold by over  
36       100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of  
37       their subordinates knowingly and intentionally engaged in a scheme to materially  
38       overstate Homex's revenues, homes sold, and other related financial items; and (4) as a

1 result, Defendants’ statements about the Company’s business, operations and prospects  
 2 were materially false and misleading and/or lacked a reasonable bases at all relevant  
 3 times. As detailed herein, the Individual Defendants were involved in a scheme whereby  
 4 fictitious home sales were inputted into Homex’s SIA Treasury Module. This data was  
 5 subsequently uploaded into the Homex’s Contpaq system and was then used to generate  
 6 the Company’s financial statements. As a result of the fictitious home sales entered into  
 7 the SIA Treasury Module, any of Defendants’ statements related to the financial  
 8 statements and /or statistical information derived from these fictitious home sales and  
 9 their revenues were also materially false and / or misleading.

10 **October 2012 – Investor Presentation: Homex’s Strategic Nature**

11 71. In October 2012, Homex issued an investor presentation entitled De  
 12 Naturaleza Estratégica (“October 2012 Presentation”).

13 72. In the October 2012 Presentation, Homex stated the following relevant  
 14 information:

15  
 16 **1. Homex Resumen**

17  
 18

Datos Financieros y Operativos			
Miles de Pesos	2011	2010	±Chg.
Volumen (viviendas)	52,486	44,347	18.4%
Ingresos	\$ 21,853,279	\$ 19,652,309	11.2%
Utilidad bruta	\$ 7,050,822	\$ 6,683,157	5.5%
Utilidad operativa	\$ 4,282,848	\$ 3,702,778	15.7%
Utilidad Neta (1)	\$ 1,618,211	\$ 1,649,534	-1.9%
UAFIDA (2)	\$ 4,721,623	\$ 4,104,084	15.0%
Margen bruto	32.3%	34.0%	
Margen operativo	19.6%	18.8%	
Margen neto	7.4%	8.4%	
Margen UAFIDA	21.6%	20.9%	
Utilidad por acción	\$ 3.90	\$ 4.52	
UAFIDA / Intereses netos	3.0x	3.2x	
Deuda Neta / UAFIDA	2.4x	2.3x	
Cuentas por cobrar (días) periodo terminado	36	36	
Rotación de inventario (días) periodo terminado	696	727	
Rotación de inventario (sin tierra) en días, periodo terminado	443	408	
Rotación de cuentas por pagar (días)	95	110	



23  
 24  
 25  
 26

Los márgenes de utilidad bruta y utilidad operativa se presentan ajustados por la aplicación de IFRS 14 "Capitalización del Costo Integral de Financiamiento".  
 (1) Utilidad neta y margen neto ajustado por efectos cambiarios.  
 (2) UAFIDA se refiere a los días de cobro de los depósitos y amortización, en caso integral de financiamiento, más los gastos de frecuencia sobre la red, participados de los trabajadores en los beneficios de pago y capitalización de terreno.

De Naturaleza Estratégica

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**a) México: Siguiendo la Demanda y Tendencias del Mercado**

Más de 20 años de experiencia, enfocados en segmentos y productos con una demanda creciente y disponibilidad de financiamiento hipotecario.

**• Interés Social:**

- Rango de Precio: Ps.204,000 – Ps. 560,000
- 90% unidades vendidas en 3T12
- 76% Ingresos en 3T12\*



**Tamaño Promedio**

Construcción: 58 m<sup>2</sup>  
Terreno: 64 m<sup>2</sup>

**• Vivienda Media:**

- Rango de Precio: 561,000 – Ps. 1,500,000
- 10% unidades vendidas en 3T12
- 23% ingresos en 3T12\*



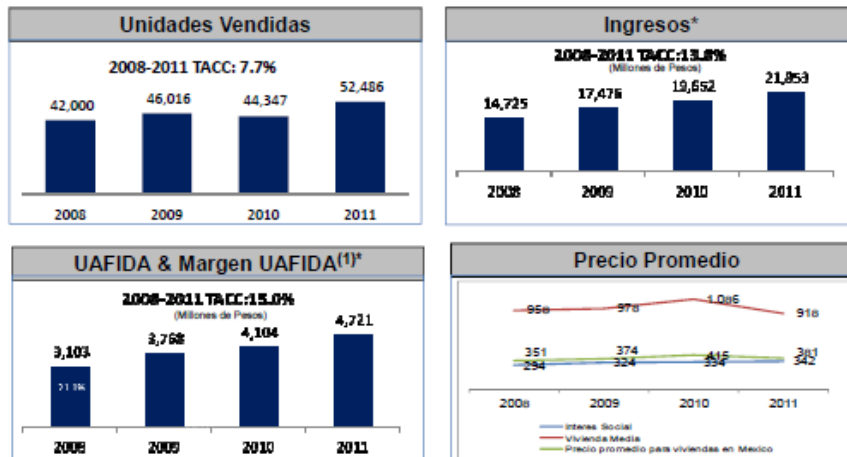
**Tamaño Promedio**

Construcción: 85 m<sup>2</sup>  
Terreno: 96 m<sup>2</sup>

\* Unidades e Ingresos de División México

De Naturaleza Estratégica

**Resultados: Crecimiento continuo y sustentable**



**Homex ha logrado un crecimiento continuo y ha mejorado su eficiencia durante los últimos 4 años.**

\* Cifras presentadas bajo NIF 14

(1) UAFIDA Ajustada

## Resultados 2012

	PRINCIPALES RESULTADOS FINANCIEROS Y DE OPERACIÓN				NUEVE MESES			
	3T'12 Miles de dólares	3T'12 Miles de Pesos	3T'11	Var % y bps	2012 Miles de Dólares	2012 Miles de Pesos	2011	Var % y bps
<i>Miles de pesos</i>								
Volumen (viviendas)	12,546	12,546	13,271	-5.5%	32,438	32,438	37,141	-12.7%
Ingresos	\$582,586	\$7,487,452	\$5,699,098	31.4%	\$1,598,728	\$20,547,652	\$15,287,133	34.4%
Ingresos por vivienda	\$399,628	\$5,136,056	\$5,269,621	-2.5%	\$1,026,241	\$13,189,353	\$14,248,430	-7.4%
Costos	\$436,420	\$5,608,910	\$4,064,707	38.0%	\$1,167,917	\$15,010,181	\$10,798,445	39.0%
Capitalización del Costo Integral de Financiamiento (CIF)	\$27,940	\$359,092	\$247,300	45.2%	\$66,187	\$850,639	\$675,404	25.9%
Utilidad bruta	\$146,166	\$1,878,542	\$1,634,391	14.9%	\$430,861	\$5,537,472	\$4,488,689	23.4%
Utilidad bruta ajustada por la capitalización del CIF	\$174,108	\$2,237,633	\$1,881,690	18.9%	\$497,048	\$6,388,110	\$5,164,093	23.7%
Utilidad de operación	\$100,977	\$1,297,770	\$947,227	37.0%	\$280,404	\$3,603,787	\$2,433,867	48.1%
Utilidad de operación ajustada por la capitalización del CIF	\$128,918	\$1,656,862	\$1,194,527	38.7%	\$346,591	\$4,454,425	\$3,109,271	43.3%
Gastos por intereses, neto (a)	\$25,168	\$323,460	\$355,631	-9.0%	\$77,246	\$992,772	\$924,759	-7.4%
Utilidad neta	\$38,480	\$494,555	\$180,382	174.2%	\$139,344	\$1,790,864	\$1,023,943	74.9%
Utilidad neta ajustada por TC	\$44,890	\$576,927	\$559,409	3.1%	\$137,969	\$1,773,197	\$1,419,386	24.9%
UAFIDA ajustada (b)	\$136,877	\$1,759,162	\$1,308,764	34.4%	\$370,633	\$4,763,407	\$3,384,936	40.7%
Margen bruto	25.1%	25.1%	28.7%	- 359	26.9%	26.9%	29.4%	- 241
Margen bruto ajustado por la capitalización del CIF	29.9%	29.9%	33.0%	- 313	31.1%	31.1%	33.8%	- 269
Margen de operación	17.3%	17.3%	16.6%	- 71	17.5%	17.5%	15.9%	- 162
Margen de operación ajustado por la capitalización del CIF	22.1%	22.1%	21.0%	- 117	21.7%	21.7%	20.3%	- 134
Margen UAFIDA ajustado	23.5%	23.5%	23.0%	- 53	23.2%	23.2%	22.1%	- 104
Margen neto ajustado por TC	7.7%	7.7%	9.8%	- 211	8.6%	8.6%	9.3%	- 66
Utilidad por acción		1.48	0.54			5.35	3.06	
Utilidad por acción ajustada por TC		1.72	1.67			5.30	4.24	
Utilidad por ADR presentada en US\$ (c)	0.69		0.25		2.50		1.43	
Utilidad por ADR presentada en US\$ ajustada por TC	0.80		0.78		2.47		1.98	
Promedio ponderado de acciones (millones)	334.7	334.7	334.7		334.7	334.7	334.7	
Cuentas por cobrar, días (d)						62	32	
Cuentas por cobrar de vivienda, días						42	22	
Rotación de inventario, días						775	737	
Cuentas por pagar, días (e)						126	113	
Ciclo de Capital de Trabajo, días (f)						711	658	

De Naturaleza Estratégica



24

73. The above slides made statements concerning the number of homes Homex sold during the years of 2008 – 2012 as well as statements concerning Homex's revenues and related financial statements.

74. The statements above in the October 2012 Presentation (incorporated herein in its entirety), related to Homex's revenues, accounts receivable, inventory, cost of sales, and home units sold between 2010 and 2013 were materially false and/or misleading. Additionally, each and every financial metric that derives its calculation or is affected by these figures is also materially false and / or misleading. More specifically, these statements misrepresented and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes; (2) between 2010 and 2013, Homex overstated the number of units it sold by over 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of their subordinates knowingly and intentionally engaged in a scheme to materially overstate Homex's revenues, homes

1 sold, and other related financial items; and (4) as a result, Defendants’ statements about  
2 the Company’s business, operations and prospects were materially false and misleading  
3 and/or lacked a reasonable bases at all relevant times. As detailed herein, the Individual  
4 Defendants were involved in a scheme whereby fictitious home sales were inputted into  
5 Homex’s SIA Treasury Module. This data was subsequently uploaded into the Homex’s  
6 Contpaq system and was then used to generate the Company’s financial statements. As  
7 a result of the fictitious home sales entered into the SIA Treasury Module, any of  
8 Defendants’ statements related to the financial statements and /or statistical information  
9 derived from these fictitious home sales and their revenues were also materially false  
10 and / or misleading.

11 **December 4, 2012 – Form 6-K and Press Release: Homex Announces 2013**

12 **Guidance**

13 75. On December 3, 2012, Homex issued a press release and on the subsequent  
14 day filed a Form 6-K with the SEC (collectively, the “December 5, 2012 Form 6-K”).  
15 The December 5, 2012 Form 6-K stated in relevant part:  
16

17 At its **Mexico<sup>1</sup> Division**, the Company is intentionally not planning to grow  
18 its revenues, preferring instead to concentrate on generating and sustaining  
19 Positive Free Cash Flow, while at the same time continuing to align its  
20 operations to regulatory changes. Homex continues to be positive about  
21 future performance of the Mexican homebuilding industry, recognizing the  
22 sustained home demand and supportive mortgage programs, which are in  
23 line with Homex’ business model of creating successful communities  
24 through the increased density provided by vertical construction. Today,  
25 vertical construction, represents 50 percent of total housing production at  
26 Homex. The Company is strategically well positioned to benefit from the  
27 Federal Subsidy program for vertical homes, as Homex’ customers have  
28 access to larger subsidies at the same time that the Company has less  
competition, and therefore higher opportunities to have a market share of the  
budget, while benefiting from a more expeditious collection process as all  
the Company’s homes collected with a subsidy are vertical.

25 \* \* \*  
26 For 2013, and without considering the Federal Penitentiary Projects, Homex  
27 expects flat revenue growth.  
28 \* \* \*

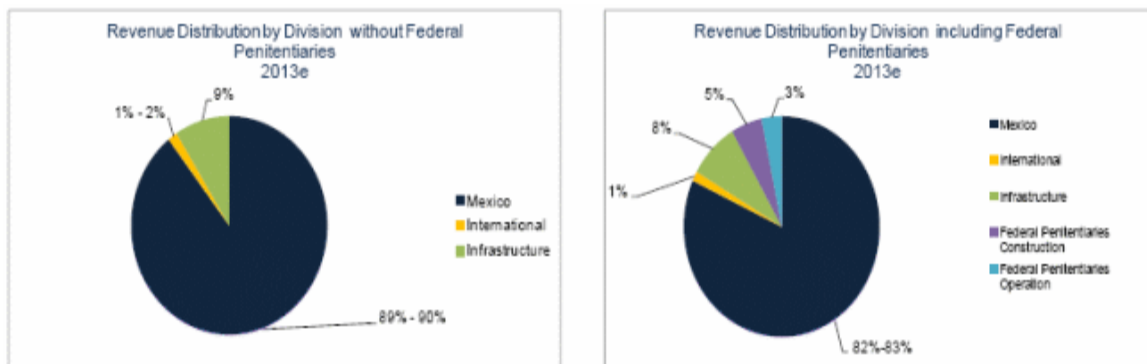
29 Commenting on 2013 guidance, Gerardo de Nicolás, Chief Executive  
30 Officer of Homex, said:

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“Our 2013 strategy emphasizes our strong and serious commitment to sustained, positive free cash flow generation and our continuing goal to reduce our working capital cycle and de-leverage our balance sheet, so that we can revamp our growth more in line with our historical track record in 2014. We continue to be very positive about our growth opportunities in the housing markets of Mexico and Brazil; but, we want to achieve this growth profitably and with a flexible and healthier balance sheet position.

“Today, as we see the conditions in the market, we will continue to face a reduced competition; therefore even though we will intentionally slow our growth in 2013, we will still be one of the major players in the housing industry, and we are certain that through this strategy, we will be better prepared for opportunities in the coming years. As well, we feel positive as we have made the required changes in our housing developments to improve our product offerings, while at the same time complying with the sustainability requirements proposed and supported by both the Federal Government and INFONAVIT. Thus, we have improved our housing communities, while maintaining a very competitive product for prospective customers and providing them the benefit from access to larger subsidies.

### 2013 e Revenue Distribution by Division



76. The statements above in the December 5, 2012 Form 6-K (incorporated herein in its entirety), related to Homex’s revenues, accounts receivable, inventory, cost of sales, and home units sold between 2010 and 2013 were materially false and/or misleading. Additionally, each and every financial metric that derives its calculation or is affected by these figures is also materially false and / or misleading. More specifically, these statements misrepresented and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes; (2) between 2010 and 2013,



1 Homex overstated the number of units it sold by over 100,000 units or 317% of actual  
2 units sold; (3) the Individual Defendants and certain of their subordinates knowingly and  
3 intentionally engaged in a scheme to materially overstate Homex’s revenues, homes  
4 sold, and other related financial items; and (4) as a result, Defendants’ statements about  
5 the Company’s business, operations and prospects were materially false and misleading  
6 and/or lacked a reasonable bases at all relevant times. As detailed herein, the Individual  
7 Defendants were involved in a scheme whereby fictitious home sales were inputted into  
8 Homex’s SIA Treasury Module. This data was subsequently uploaded into the Homex’s  
9 Contpaq system and was then used to generate the Company’s financial statements. As  
10 a result of the fictitious home sales entered into the SIA Treasury Module, any of  
11 Defendants’ statements related to the financial statements and /or statistical information  
12 derived from these fictitious home sales and their revenues were also materially false  
13 and / or misleading.

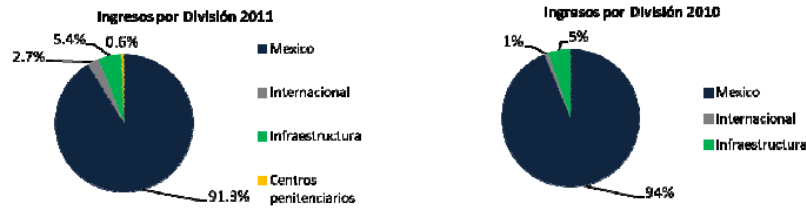
14 **January 2013– Investor Presentation: Homex’s Strategic Nature**

15 77. In January 2013, Homex issued an investor presentation entitled De  
16 Naturaleza Estratégica (“January 2013 Presentation”).  
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78. In the January 2013 Presentation, Homex stated the following relevant information:

**1. Homex Resumen**


Datos Financieros y Operativos			
Miles de Pesos	2011	2010	&Chg.
Volumen (viviendas)	52,486	44,347	18.4%
Ingresos	\$ 21,853,279	\$ 19,662,309	11.2%
Utilidad bruta	\$ 7,050,822	\$ 6,683,167	5.5%
Utilidad operativa	\$ 4,282,848	\$ 3,702,778	15.7%
Utilidad Neta (1)	\$ 1,618,211	\$ 1,649,534	-1.9%
UAFIDA (2)	\$ 4,721,623	\$ 4,104,084	15.0%
Margen bruto	32.3%	34.0%	
Margen operativo	19.6%	18.8%	
Margen neto	7.4%	8.4%	
Margen UAFIDA	21.6%	20.9%	
Utilidad por acción	\$ 3.90	\$ 4.62	
UAFIDA / Intereses netos	3.0x	3.2x	
Deuda Neta / UAFIDA	2.4x	2.3x	
Cuentas por cobrar (días) periodo terminado	36	36	
Rotación de Inventario (días) periodo terminado	696	727	
Rotación de Inventario (sin tierra) en días, periodo terminado	443	408	
Rotación de cuentas por pagar (días)	95	110	



Los márgenes de utilidad bruta y utilidad operativa se presentan ajustados por la aplicación de INIF D-6 "Capitalización del Costo Integral de Financiamiento".

(1) Utilidad neta y margen neto ajustado por efectos cambiarios.

(2) UAFIDA se define como Utilidad neta más depreciación y amortización, el costo integral de financiamiento neto, los gastos de impuestos sobre la renta, participación de los trabajadores en los beneficios de gasto y capitalización de intereses.

De Naturaleza Estratégica 

6

**a) México: Siguiendo la Demanda y Tendencias del Mercado**

Más de 20 años de experiencia, enfocados en segmentos y productos con una demanda creciente y disponibilidad de financiamiento hipotecario.

▪ **Interés Social:**

- Rango de Precio: Ps.204,000 – Ps. 560,000
- 90% unidades vendidas en 3T12
- 76% Ingresos en 3T12\*



Tamaño Promedio

Construcción: 58 m2  
Terreno: 64 m2

▪ **Vivienda Media:**

- Rango de Precio: 561,000 – Ps. 1,500,000
- 10% unidades vendidas en 3T12
- 23% ingresos en 3T12\*



Tamaño Promedio

Construcción: 85 m2  
Terreno: 96 m2

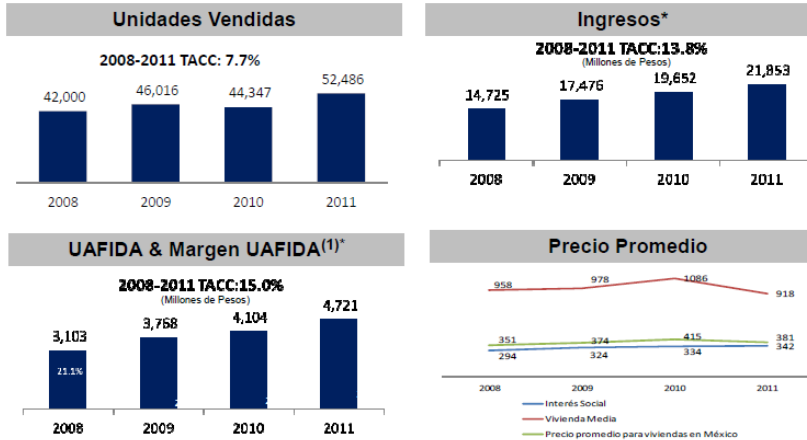
\* Unidades e ingresos de División México

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14

**Resultados: Crecimiento continuo y sustentable**



**Homex ha logrado un crecimiento continuo y ha mejorado su eficiencia durante los últimos 4 años.**

\* Cifras presentadas bajo NIIF 14  
(1) UAFIDA Ajustada

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## Resultados 2012

Miles de pesos	PRINCIPALES RESULTADOS FINANCIEROS Y DE OPERACIÓN				NUEVE MESES			
	3T'12 Miles de dólares	3T'12 Miles de Pesos	3T'11	Var % y bps	2012 Miles de Dólares	2012 Miles de Pesos	2011	Var % y bps
Miles de pesos								
Volumen (viviendas)	12,546	12,546	13,271	-5.5%	32,438	32,438	37,141	-12.7%
Ingresos	\$582,586	\$7,487,452	\$5,699,098	31.4%	\$1,596,778	\$20,547,652	\$15,287,133	34.4%
Ingresos por vivienda	\$399,628	\$5,136,056	\$5,269,621	-2.5%	\$1,026,241	\$13,189,351	\$14,248,420	-7.4%
Costos	\$436,420	\$5,608,910	\$4,064,707	38.0%	\$1,187,917	\$15,010,181	\$10,798,443	39.0%
Capitalización del Costo Integral de Financiamiento (CIF)	\$27,940	\$359,092	\$247,300	45.2%	\$65,187	\$850,639	\$675,404	25.9%
Utilidad bruta	\$146,166	\$1,878,542	\$1,634,391	14.9%	\$430,861	\$5,537,472	\$4,488,689	23.4%
Utilidad bruta ajustada por la capitalización del CIF	\$174,106	\$2,237,633	\$1,881,690	18.9%	\$497,048	\$6,388,110	\$5,164,093	23.7%
Utilidad de operación	\$100,977	\$1,297,770	\$947,227	37.0%	\$280,404	\$3,603,787	\$2,433,867	48.1%
Utilidad de operación ajustada por la capitalización del CIF	\$128,918	\$1,656,862	\$1,194,527	38.7%	\$346,591	\$4,454,425	\$3,109,271	43.3%
Gastos por intereses, neto (a)	\$25,168	\$323,460	\$355,631	-9.0%	\$77,246	\$992,772	\$924,759	7.4%
Utilidad neta	\$38,480	\$494,555	\$180,382	174.2%	\$139,344	\$1,790,864	\$1,023,943	74.9%
Utilidad neta ajustada por TC	\$44,890	\$576,927	\$559,409	3.1%	\$137,969	\$1,773,197	\$1,419,386	24.9%
UAFIDA ajustada (b)	\$136,877	\$1,759,162	\$1,308,764	34.4%	\$370,633	\$4,763,407	\$3,384,936	40.7%
Margen bruto	25.1%	25.1%	28.7%	-350	26.9%	26.9%	29.4%	-241
Margen bruto ajustado por la capitalización del CIF	29.9%	29.9%	33.0%	-313	31.1%	31.1%	33.8%	-269
Margen de operación	17.3%	17.3%	16.6%	71	17.5%	17.5%	15.9%	162
Margen de operación ajustado por la capitalización del CIF	22.1%	22.1%	21.0%	117	21.7%	21.7%	20.3%	134
Margen UAFIDA ajustado	23.5%	23.5%	23.0%	53	23.2%	23.2%	22.1%	104
Margen neto ajustado por TC	7.7%	7.7%	9.8%	-211	8.6%	8.6%	9.3%	-66
Utilidad por acción		1.48	0.94			5.35	3.08	
Utilidad por acción ajustada por TC		1.72	1.67			5.30	4.24	
Utilidad por ADR presentada en US\$ (c)	0.69		0.25		2.50		1.43	
Utilidad por ADR presentada en US\$ ajustada por TC	0.80		0.78		2.47		1.98	
Promedio ponderado de acciones (millones)	334.7	334.7	334.7		334.7	334.7	334.7	
Cuentas por cobrar, días (d)						62	32	
Cuentas por cobrar de vivienda, días						42	22	
Rotación de inventario, días						775	737	
Cuentas por pagar, días (e)						126	113	
Ciclo de Capital de Trabajo, días (f)						711	656	

De Naturaleza Estratégica



26

79. The above slides made statements concerning the number of homes Homex sold during the years of 2008 – 2012 as well as statements concerning Homex's revenues and related financial statements.

80. The statements above in the January 2013 Presentation (incorporated herein in its entirety), related to Homex's revenues, accounts receivable, inventory, cost of sales, and home units sold between 2010 and 2013 were materially false and/or misleading. Additionally, each and every financial metric that derives its calculation or is affected by these figures is also materially false and / or misleading. More specifically, these statements misrepresented and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes; (2) between 2010 and 2013, Homex overstated the number of units it sold by over 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of their subordinates knowingly and intentionally engaged in a scheme to materially overstate Homex's revenues, homes

1 sold, and other related financial items; and (4) as a result, Defendants' statements about  
 2 the Company's business, operations and prospects were materially false and misleading  
 3 and/or lacked a reasonable bases at all relevant times. As detailed herein, the Individual  
 4 Defendants were involved in a scheme whereby fictitious home sales were inputted into  
 5 Homex's SIA Treasury Module. This data was subsequently uploaded into the Homex's  
 6 Contpaq system and was then used to generate the Company's financial statements. As  
 7 a result of the fictitious home sales entered into the SIA Treasury Module, any of  
 8 Defendants' statements related to the financial statements and /or statistical information  
 9 derived from these fictitious home sales and their revenues were also materially false  
 10 and / or misleading.

11 **February 26, 2013 – Press Release: Homex Reports 4Q12 and Full Year 2012**

12 **Earnings Results**

13 81. On February 26, 2013, after the market closed, Homex issued a press  
 14 release announcing its earnings results for the fourth fiscal quarter and full year 2012 for  
 15 the period ended December 31, 2012 (the "February 26, 2013 Press Release"). The  
 16 February 26, 2013 Press Release stated, in pertinent part, that:

17  
 18 CULIACAN. Mexico. Feb. 26. 2013 /PRNewswire/ -- Desarrolladora  
 19 Homex. S.A.B. de C.V. ("Homex" or "the Company") [NYSE: HXM. BMV:  
 20 HOMEX] today announced financial results for the Fourth Quarter and Full  
 21 Year ended December 31, 2012[1].

22 \* \* \*

23 **Financial Highlights**

- 24 • Total revenue for the fourth quarter of 2012 increased 21.5 percent to  
 25 Ps.7.9 billion (US\$614 million) from Ps.6.6 billion (US\$505 million)  
 for the same period in 2011. Housing revenues were Ps.5.7 billion  
 (US\$439 million). a decline of 4.4 percent compared to Ps. 5.9 billion  
 (US\$459 million) during the fourth quarter of 2011.
- 26 • For the full year 2012. total revenues rose 30.5 percent to Ps.28.5  
 27 billion (US\$2.2 billion) from Ps.21.8 billion (US\$1.7 billion) in 2011.  
 Total housing revenue for the full year 2012 decreased 6.5 percent to  
 28 Ps.18.9 billion (US\$1.4 billion) from Ps.20.2 billion (US\$1.5 billion)  
 during the same period of 2011. The Company's operations during the  
 quarter and year were affected by 1) the uneven allocation of  
 subsidies between vertical and horizontal home construction, 2)

changes in the subsidy program affecting pricing dynamics. 3) additional requirements for mortgage originations with INFONAVIT and FOVISSSTE. 4) inherent effect from the government transition during the last quarter.

\* \* \*

- Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) during the quarter was Ps.491.9 million (US\$37.9 million), a 63.3 percent decrease from the Ps.1,339.1 million (US\$103.1 million) during the same period in 2011. Adjusted EBITDA margin for the recent quarter was 6.2 percent compared to 20.4 percent during the same period of 2011. The decline in the quarter mainly reflects the accounting effect resulting from the Company's decision not to consolidate the Chiapas project.
- As of December 31, 2012 and on a consolidated basis, Homex generated negative FCF of Ps.6.4 billion which was driven by the increase in accounts receivable from Mexico's housing division as well as from the recognition of the construction in progress (as AR) from the penitentiary project of Morelos. Homex FCF without the Federal Penitentiary and adjusted for FX was negative at Ps.3.0 billion. On a quarterly basis, Homex FCF without the Federal Penitentiaries was negative at Ps.2.4 billion for the fourth quarter from negative Ps.522 million for the third quarter.

FINANCIAL AND OPERATING HIGHLIGHTS					Twelve-Months			
Thousands of pesos	4Q'12 Thousands U.S. dollars (Convenience Translation)	4Q'12 Thousands of pesos	4Q'11	Chg % and bps	2012 Thousands U.S. Dollars (Convenience Translation)	2012	2011	Chg % and bps
Volume (Homes)	13,919	13,919	15,345	-9.3%	46,357	46,357	52,486	-11.7%
Revenues	\$614,255	\$7,977,950	\$6,566,146	21.5%	\$2,196,304	\$28,525,602	\$21,853,279	30.5%
Housing revenues	\$438,830	\$5,699,530	\$5,961,536	-4.4%	\$1,454,333	\$18,888,883	\$20,209,967	-6.5%
Cost	\$575,401	\$7,473,302	\$5,016,465	49.0%	\$1,731,097	\$22,483,483	\$15,814,910	42.2%
Capitalization of Comprehensive Financing Costs (CFC)	\$31,211	\$405,364	\$373,514	8.5%	\$96,705	\$1,256,003	\$1,048,918	19.7%
Gross profit	\$38,855	\$504,647	\$1,549,680	-67.4%	\$465,208	\$6,042,119	\$6,038,369	0.1%
Gross profit adjusted for capitalization of CFC	\$70,066	\$910,011	\$1,923,195	-52.7%	\$561,913	\$7,298,122	\$7,087,287	3.0%
Operating income	-\$2,322	-\$30,157	\$829,573	-103.6%	\$275,149	\$3,573,629	\$3,263,440	9.5%
Operating income adjusted for capitalization of CFC	\$28,889	\$375,207	\$1,203,087	-68.8%	\$371,853	\$4,829,632	\$4,312,358	12.0%
Interest expense, net (a)	\$34,346	\$446,092	\$319,785	39.5%	\$112,342	\$1,459,101	\$1,244,543	17.2%
Net income	-\$16,005	-\$207,874	\$55,592	-473.9%	\$121,881	\$1,582,991	\$1,079,535	46.6%
Net Income adjusted for FX	-\$4,646	-\$60,337	\$153,255	-139.4%	\$131,880	\$1,712,860	\$1,644,881	4.1%
Adjusted EBITDA (b)	\$37,872	\$491,885	\$1,339,092	-63.3%	\$404,627	\$5,255,292	\$4,724,029	11.2%
Gross margin	6.3%	6.3%	23.6%	1,728	21.2%	21.2%	27.6%	-645
Gross margin adjusted for capitalization of CFC	11.4%	11.4%	29.3%	1,788	25.6%	25.6%	32.4%	-685
Operating margin	-0.4%	-0.4%	12.6%	1,301	12.5%	12.5%	14.9%	-241
Operating margin	4.7%	4.7%	18.3%	-	16.9%	16.9%	19.7%	-280



1	adjusted for capitalization of CFC				1,362				
2	Adjusted EBITDA margin	6.2%	6.2%	20.4%	1,423	18.4%	18.4%	21.6%	-319
3	Net Income margin adjusted for FX	-0.8%	-0.8%	2.3%	-309	6.0%	6.0%	7.5%	-152
4	Earnings per share in Ps.		-0.62	0.17			4.73	3.22	
5	Earnings per share in Ps. adjusted for FX		-0.18	0.46			5.12	4.91	
6	Earnings per ADR presented in US\$ (c)	-0.29		0.08		2.18		1.49	
7	Earnings per ADR presented in US\$ adjusted for FX	-0.08		0.21		2.36		2.27	
8	Weighted avg. shares outstanding (MM)	334.7	334.7	334.7		334.7	334.7	334.7	
9	Accounts receivable days (d)						85	36	
10	Inventory days						621	696	
11	Inventory (w/o land) days						428	440	
12	Accounts payable days (e)						88	98	
13	Working Capital Cycle (WCC) days (f)						619	634	

\* \* \*

Commenting on fourth quarter and full year results, Gerardo de Nicolas, Chief Executive Officer of Homex, said:

“The year 2012 was challenging and the last quarter was no exception. Throughout the year, we faced a number of challenges which are a reflection of the continuing evolution of the housing industry in Mexico into one that is more supportive of better planned communities that provide for a better quality of life for Mexican families. We are happy to be an integral part of this positive transition, despite its initial negative financial effect, as we are convinced that this is the right path for long term positive performance of the housing industry in Mexico and we are confident that, at Homex, we have made the right decisions to ensure a profitable long-term future focused on positive Free Cash Flow generation.

We are also confident that the new Federal Government administration will continue to be supportive of the housing industry as demonstrated by the National Housing Policy recently announced, which we anticipate will provide greater support to higher density projects, which is a competitive strength for Homex and accordingly, an area in which we will continue to be a key player.

In regard to our Infrastructure Division and Prison Projects, we remain confident that both will be a key long-term asset for Homex that will provide significant added value to our business strategy. Today, we already have new contracts to execute construction works in addition to the Federal Penitentiaries. This also adds strategic value and business line diversification for Homex, and contributes to the Company's positive long-term outlook.

1 Overall. despite the lower than anticipated results. I am confident about  
2 Homex and our future. and that we will continue working to deliver positive  
3 results in each of our Four Divisions.”

3 82. The statements above, as well as additional statements contained in the  
4 February 26, 2013 Press Release (incorporated herein in its entirety), related to Homex’s  
5 revenues, accounts receivable, inventory, cost of sales, and home units sold between  
6 2010 and 2013 were materially false and/or misleading. Additionally, each and every  
7 financial metric that derives its calculation or is affected by these figures is also  
8 materially false and / or misleading. More specifically, these statements misrepresented  
9 and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by  
10 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes;  
11 (2) between 2010 and 2013, Homex overstated the number of units it sold by over  
12 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of  
13 their subordinates knowingly and intentionally engaged in a scheme to materially  
14 overstate Homex’s revenues, homes sold, and other related financial items; and (4) as a  
15 result, Defendants’ statements about the Company’s business, operations and prospects  
16 were materially false and misleading and/or lacked a reasonable bases at all relevant  
17 times. As detailed herein, the Individual Defendants were involved in a scheme whereby  
18 fictitious home sales were inputted into Homex’s SIA Treasury Module. This data was  
19 subsequently uploaded into the Homex’s Contpaq system and was then used to generate  
20 the Company’s financial statements. As a result of the fictitious home sales entered into  
21 the SIA Treasury Module, any of Defendants’ statements related to the financial  
22 statements and /or statistical information derived from these fictitious home sales and  
23 their revenues were also materially false and / or misleading.

1 **February 27, 2013 – Form 6-K: Fourth Quarter 2012 and Full Year 2012 Earnings**

2 **Results**

3 83. Thereafter, on February 27, 2013, Homex filed a Form 6-K with the SEC  
4 (the “February 27, 2013 Form 6-K”). The February 27, 2013 Form 6-K was signed by  
5 Defendants Moctzuma and Lafarga.

6 84. The February 27, 2013 Form 6-K reported Homex’s financial statements for  
7 its fourth fiscal quarter 2012 and the full fiscal year. In relevant part, it stated:

8 Culiacan Mexico. February 26th, 2013—Desarrolladora Homex. S.A.B. de  
9 C.V. (“Homex” or “the Company”) [NYSE: HXM. BMV: HOMEX] today  
10 announced financial results for the Fourth Quarter and Full Year ended  
December 31, 2012 (1).

11 \* \* \*

12 **Financial Highlights**

- 13 • Total revenue for the fourth quarter of 2012 increased 21.5 percent to  
14 Ps.7.9 billion (US\$614 million) from Ps.6.6 billion (US\$505 million) for  
15 the same period in 2011. Housing revenues were Ps.5.7 billion (US\$439  
16 million), a decline of 4.4 percent compared to Ps. 5.9 billion (US\$459  
17 million) during the fourth quarter of 2011.
- 18 • For the full year 2012, total revenues rose 30.5 percent to Ps.28.5  
19 billion (US\$2.2 billion) from Ps.21.8 billion (US\$1.7 billion) in 2011.  
20 Total housing revenue for the full year 2012 decreased 6.5 percent to  
21 Ps.18.9 billion (US\$1.4 billion) from Ps.20.2 billion (US\$1.5 billion)  
22 during the same period of 2011. The Company’s operations during the  
23 quarter and year were affected by 1) the uneven allocation of subsidies  
24 between vertical and horizontal home construction, 2) changes in the  
25 subsidy program affecting pricing dynamics, 3) additional requirements  
26 for mortgage originations with INFONAVIT and FOVISSSTE, 4) inherent  
27 effect from the government transition during the last quarter.
- 28 • During the quarter, in accordance with IFRS, the Company decided not  
to consolidate results of its penitentiary project located in Chiapas. As a  
result of this decision, during the quarter Homex had a negative  
contribution from penitentiary revenues. In contrast, revenues from  
infrastructure increased significantly to Ps.3.9 billion, as the construction  
services related to the Chiapas Project were recognized in this line.
- For the year, revenues from Penitentiary Projects were Ps.3.8 billion,  
reflecting the contribution from the Morelos project. During the quarter,  
due to the effects of the government transition, the issuance of Certificates  
of Construction Completion (CAAPS) was delayed affecting the  
Company’s ability to draw down on the Banobras loan.

- 1 • Adjusted earnings before interest, taxes, depreciation and amortization  
2 (adjusted EBITDA) during the quarter was Ps.491.9 million  
3 (US\$37.9 million), a 63.3 percent decrease from the Ps.1,339.1 million  
4 (US\$103.1 million) during the same period in 2011. Adjusted EBITDA  
5 margin for the recent quarter was 6.2 percent compared to 20.4 percent  
6 during the same period of 2011. The decline in the quarter mainly reflects  
7 the accounting effect resulting from the Company's decision not to  
8 consolidate the Chiapas project. □
- 9 • As of December 31, 2012 and on a consolidated basis, Homex  
10 generated negative FCF of Ps.6.4 billion which was driven by the increase  
11 in accounts receivable from Mexico's housing division as well as from the  
12 recognition of the construction in progress (as AR) from the penitentiary  
13 project of Morelos. Homex FCF without the Federal Penitentiary and  
14 adjusted for FX was negative at Ps.3.0 billion. On a quarterly basis,  
15 Homex FCF without the Federal Penitentiaries was negative at Ps.2.4  
16 billion for the fourth quarter from negative Ps.522 million for the third  
17 quarter.

\* \* \*

FINANCIAL AND OPERATING HIGHLIGHTS					Twelve-Months			
	4Q'12 Thousands U.S dollars (Convenience Translation)	4Q'12 Thousands of pesos	4Q'11	Chg % and bps	2012 Thousands U.S Dollars (Convenience Translation)	2012	2011	Chg % and bps
Thousands of pesos								
Volume (Homes)	13,919	13,919	15,345	-9.3%	46,357	46,357	52,486	11.7%
Revenues	\$614,255	\$7,977,950	\$6,566,146	21.5%	\$2,196,304	\$28,525,602	\$21,853,279	30.5%
Housing revenues	\$438,830	\$5,699,530	\$5,961,536	-4.4%	\$1,454,333	\$18,888,883	\$20,209,967	-6.5%
Cost	\$575,401	\$7,473,302	\$5,016,465	49.0%	\$1,731,097	\$22,483,483	\$15,814,910	42.2%
Capitalization of Comprehensive Financing Costs (CFC)	\$31,211	\$405,364	\$373,514	8.5%	\$96,705	\$1,256,003	\$1,048,918	19.7%
Gross profit	\$38,855	\$504,647	\$1,549,680	-67.4%	\$465,208	\$6,042,119	\$6,038,369	0.1%
Gross profit adjusted for capitalization of CFC	\$70,066	\$910,011	\$1,923,195	-52.7%	\$561,913	\$7,298,122	\$7,087,287	3.0%
Operating income	-\$2,322	-\$30,157	\$829,573	103.6%	\$275,149	\$3,573,629	\$3,263,440	9.5%
Operating income adjusted for capitalization of CFC	\$28,889	\$375,207	\$1,203,087	-68.8%	\$371,853	\$4,829,632	\$4,312,358	12.0%
Interest expense, net (a)	\$34,346	\$446,092	\$319,785	39.5%	\$112,342	\$1,459,101	\$1,244,543	17.2%
Net income	-\$16,005	-\$207,874	\$55,592	473.9%	\$121,881	\$1,582,991	\$1,079,535	46.6%
Net Income adjusted for FX	-\$4,646	-\$60,337	\$153,255	139.4%	\$131,880	\$1,712,860	\$1,644,881	4.1%
Adjusted EBITDA (b)	\$37,872	\$491,885	\$1,339,092	-63.3%	\$404,627	\$5,255,292	\$4,724,029	11.2%
Gross margin	6.3%	6.3%	23.6%	1,728	21.2%	21.2%	27.6%	645
Gross margin adjusted for capitalization	11.4%	11.4%	29.3%	1,788	25.6%	25.6%	32.4%	685

1	of CFC								
2	Operating margin	-0.4%	-0.4%	12.6%	1,301	12.5%	12.5%	14.9%	241
3	Operating margin adjusted for capitalization of CFC	4.7%	4.7%	18.3%	1,362	16.9%	16.9%	19.7%	280
4	Adjusted EBITDA margin	6.2%	6.2%	20.4%	1,423	18.4%	18.4%	21.6%	319
5	Net Income margin adjusted for FX	-0.8%	-0.8%	2.3%	309	6.0%	6.0%	7.5%	152
6	Earnings per share in Ps.		-0.62	0.17			4.73	3.22	
7	Earnings per share in Ps. adjusted for FX		-0.18	0.46			5.12	4.91	
8	Earnings per ADR presented in US\$ (c)	-0.29		0.08		2.18		1.49	
9	Earnings per ADR presented in US\$ adjusted for FX	-0.08		0.21		2.36		2.27	
10	Weighted avg. shares outstanding (MM)	334.7	334.7	334.7		334.7	334.7	334.7	
11	Accounts receivable days (d)						85	36	
12	Inventory days						621	696	
13	Inventory (w/o land) days						428	440	
14	Accounts payable days (e)						88	98	
15	Working Capital Cycle (WCC) days (f)						619	634	

\* \* \*

Commenting on fourth quarter and full year results, Gerardo de Nicolás, Chief Executive Officer of Homex, said:

“The year 2012 was challenging and the last quarter was no exception. Throughout the year, we faced a number of challenges which are a reflection of the continuing evolution of the housing industry in Mexico into one that is more supportive of better planned communities that provide for a better quality of life for Mexican families. We are happy to be an integral part of this positive transition, despite its initial negative financial effect, as we are convinced that this is the right path for long term positive performance of the housing industry in Mexico and we are confident that, at Homex, we have made the right decisions to ensure a profitable long-term future focused on positive Free Cash Flow generation.

We are also confident that the new Federal Government administration will continue to be supportive of the housing industry as demonstrated by the National Housing Policy recently announced, which we anticipate will provide greater support to higher density projects, which is a competitive strength for Homex and accordingly, an area in which we will continue to be a key player.

In regard to our Infrastructure Division and Prison Projects, we remain confident that both will be a key long-term asset for Homex that will provide significant added value to our business strategy. Today, we already have new contracts to execute construction works in addition to the Federal Penitentiaries. This also adds strategic value and business line diversification for Homex, and contributes to the Company’s positive long-term outlook.

Overall, despite the lower than anticipated results, I am confident about Homex and our future, and that we will continue working to deliver positive results in each of our Four Divisions.”

## Operating Results

**Titled volume.** During the fourth quarter of 2012, titled home volume totaled 13,919 homes, a decrease of 9.3 percent compared to the fourth quarter of 2011, mainly driven by an 11.2 percent decline in Middle income homes and a 7.7 percent decline in Affordable Entry-level (AEL) collected units in Mexico; reflecting the industry's challenges in relation to collection procedures faced through the quarter.

During the fourth quarter of 2012, homes sold in the AEL segment in Mexico accounted for 12,557 or 90.2 percent of total titled volume compared to 13,605 or 88.7 percent for the same period in the previous year. Middle-income volume in the fourth quarter of 2012 decreased 11.2 percent to 1,280 homes from 1,442 homes during the fourth quarter of 2011. Middle income volume represented 9.2 percent of total titled volume during the fourth quarter of 2012 compared to 9.4 percent represented by this segment during the fourth quarter of 2011.

During the fourth quarter of 2012, the Company's AEL homes titled in Brazil totaled 82 units compared to 298 units titled during the fourth quarter of 2011. During the fourth quarter of 2012, homes titled in Brazil represented 0.6 percent of Homex' total number of homes titled.

VOLUME										
	4Q'12	% of Total	4Q'11	% of Total	Change 4Q12 / 4Q11	2012	% of Total	2011	% of Total	Change 12/11
Mexico										
Affordable-Entry (from 2 to 11 times MW*)	12,557	90.2%	13,605	88.7%	-7.7%	41,598	89.7%	47,869	91.2%	-13.1%
Middle income (above 11 times MW*)	1,280	9.2%	1,442	9.4%	-11.2%	4,510	9.7%	3,552	6.8%	27.0%
<b>Total Mexico</b>	<b>13,837</b>	<b>99.4%</b>	<b>15,047</b>	<b>98.1%</b>	<b>-8.0%</b>	<b>46,108</b>	<b>99.5%</b>	<b>51,421</b>	<b>98.0%</b>	<b>-10.3%</b>
Brazil										
Affordable-Entry (from 3 to 6 times MW*)	82	0.6%	298	1.9%	-72.5%	249	0.5%	1,065	2.0%	-76.6%
<b>Total volume</b>	<b>13,919</b>	<b>100.0%</b>	<b>15,345</b>	<b>100.0%</b>	<b>-9.3%</b>	<b>46,357</b>	<b>100.0%</b>	<b>52,486</b>	<b>100.0%</b>	<b>-11.7%</b>

□  
 For the full year 2012, titled volume totaled 46,357 homes, an 11.7 percent decrease from the 52,486 units titled during 2011. Affordable entry-level volume in Mexico decreased by 13.1 percent in 2012 representing 89.7 percent of total titled volume. Middle-income titled volume increased 27.0 percent compared to the 2011 level reflecting mortgage availability through FOVISSSTE and commercial banks. For the full year 2012, the Company's homes titled in Brazil totaled 249 units or 0.5 percent of total titled units during the year, a 76.6 percent decrease from the 1,065 units titled during 2011.

\* \* \*



## Financial Results

Revenues increased 21.5 percent in the fourth quarter of 2012 to Ps.7.977.9 million from Ps.6.566.1 million in the same period of 2011. Total housing revenues (including the Company's operations in Brazil) in the fourth quarter of 2012 decreased 4.4 percent compared to the same period of 2011, driven by volume declines in the Company's operations in Mexico and Brazil.

During the fourth quarter of 2012, Homex revenues from its Mexico operations accounted for Ps.6.282.6 million, a 2.8 percent increase when compared to the same period of last year. AEL revenues declined by 2.0 percent to Ps.4.496.1 million compared to Ps.4.587.8 million during the same period a year ago. Middle-income level revenues decreased 1.3 percent to Ps.1.161.2 million from Ps.1.175.9 million during the same period in the previous year. Other revenues increased by 79.2 percent to Ps.625.2 million from Ps. 348.9 million during the fourth quarter of 2011, mainly due to the sale of land and commercial spaces at Homex housing developments.

As of December 31, 2012 Homex' vertical product offering under construction represented 55 percent of total units under construction, compared to 50 percent at September 30, 2012.

### FOURTH QUARTER AND FULL YEAR 2012 RESULTS

\* \* \*

REVENUE BREAKDOWN										
Thousands of pesos	4Q'12	% of Total	4Q'11	% of Total	Change 4Q12 / 4Q11	2012	% of Total	2011	% of Total	Change 12 / 11
<b>Mexico Housing Revenues</b>										
Affordable-Entry (from 2 to 11 times MW*)	\$ 4,496,095	56.4%	\$ 4,587,817	69.9%	-2.0%	\$ 14,678,449	51.5%	\$ 16,351,273	74.8%	-10.2%
Middle income (above 11 times MW*)	\$ 1,161,253	14.6%	\$ 1,175,996	17.9%	-1.3%	\$ 4,079,175	14.3%	\$ 3,260,016	14.9%	25.1%
<b>Total Mexico Housing Revenues</b>	\$ 5,657,348	70.9%	\$ 5,763,813	87.8%	-1.8%	\$ 18,757,624	65.8%	\$ 19,611,289	89.7%	-4.4%
Other Revenues Mexico	\$ 625,243	7.8%	\$ 348,924	5.3%	79.2%	\$ 672,349	2.4%	\$ 657,105	3.0%	2.3%
<b>Total Mexico Revenues</b>	\$ 6,282,591	78.7%	\$ 6,112,737	93.1%	2.8%	\$ 19,429,973	68.1%	\$ 20,268,394	92.7%	-4.1%
<b>Brazil</b>										
Affordable-Entry (from 3 to 6 times MW*)	\$ 42,182	0.5%	\$ 197,724	3.0%	-78.7%	\$ 131,259	0.5%	\$ 598,678	2.7%	-78.1%
<b>Total Housing Revenues</b>	\$ 5,699,530	71.4%	\$ 5,961,536	90.8%	-4.4%	\$ 18,888,883	66.2%	\$ 20,209,967	92.5%	-6.5%
Infrastructure revenue	\$ 3,860,613	48.4%	\$ 126,013	1.9%	2963.7%	\$ 5,163,835	18.1%	\$ 856,535	3.9%	502.9%
Infrastructure construction projects	\$ 219,575	2.8%	\$ 126,013	1.9%	74.2%	\$ 516,335	5.3%	\$ 856,535	3.9%	77.8%

						1,522,797				
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	\$ 3,641,038	45.6%	\$ -	0.0%	N/A	\$ 3,641,038	12.8%	\$ -	0.0%	N/A
Federal Penitentiaries Projects revenue	\$ 2,207,437	-27.7%	\$ 129,672	2.0%	-1802.3%	\$ 3,800,535	13.3%	\$ 129,672	0.6%	2830.9%
<b>Total Revenues</b>	<b>\$ 7,977,950</b>	<b>100.0%</b>	<b>\$ 6,566,146</b>	<b>100.0%</b>	<b>21.5%</b>	<b>\$ 28,525,602</b>	<b>100.0%</b>	<b>\$ 21,853,279</b>	<b>100.0%</b>	<b>30.5%</b>

□

**For the full year 2012, revenues increased 30.5 percent to Ps.28.526 million from Ps.21.853 million in 2011.** (please see “Guidance ” section below in this report for comparison clarifications). The result is mainly driven by a slower progress in construction at the Morelos Penitentiary project, as well as lower housing revenues from Mexico and Brazil. Total housing revenues (including the Company’s operations in Brazil) in 2012 decreased 6.5 percent, mainly driven by a 10.2 percent decline within the Affordable Entry- Level segment from the Company’s Mexico Division. The Middle-income segment represented 21.6 percent of total housing revenues in 2012 compared to 16.1 percent in 2011 mainly as a result of volume growth of 25.1 percent within the segment. The Company’s operations during the quarter and year were affected by 1) the uneven allocation of subsidies between vertical and horizontal housing construction, 2) changes in the subsidy program affecting pricing dynamics, 3) additional requirements for mortgage origination with INFONAVIT and FOVISSSTE, 4) inherent effects from the government transition during the last quarter

Revenues from Brazil represented 0.5 percent of total revenues during 2012 compared to 2.7 percent during 2011, as the Company continued to face critical bottlenecks in the titling process at the same time that, to protect cash generation, Homex continued to curtail investments in construction, thereby reducing the pipeline of homes under construction.

#### **FOURTH QUARTER AND FULL YEAR 2012 RESULTS**

For the year, revenues from Penitentiaries were Ps.3.8 billion only reflecting the contribution from the Morelos project.

**Gross profit margin** decreased to 6.3 percent in the fourth quarter of 2012 compared to 23.6 percent in the same quarter of 2011. Beginning January 1, 2012, as the Company implemented IFRS, and pursuant to IAS 23, “Cost of Loans,” only the foreign-exchange differences relating to loans in foreign currency directly attributable to the acquisition, construction or production of eligible assets can be capitalized, as part of the cost of those assets, to the extent to which they are considered adjustments to interest expense. Under MFRS 14, these foreign-exchange differences were capitalized in full, regardless of their nature.

During the fourth quarter of 2012, capitalized interest expense was Ps.402.3 million a 7.1 percent increase when compared to Ps.375.4 million during the fourth quarter of 2011.

On a pro-forma basis (without considering the application of IAS 23 in 2011 and 2012), Homex’ gross profit margin for the quarter would have been 11.4 percent as compared to 29.3 percent during the same period in 2011. The margin decline was mainly as a result of lower margins from the Infrastructure division and Penitentiary projects, since from the Chiapas

1 project Homex is only recognizing the services of construction where  
 2 Homex as the subcontracted construction company has an 8 percent interest.  
 At the same time, the lower margin was also affected by the Company's  
 operations at Brazil.

3 For the twelve months ended December 31, 2012, gross profit was  
 4 Ps.6.042.1 million from Ps.6.038.3 million in 2011. As a percentage of total  
 5 revenues, gross profit decreased 645 bps to 21.2 percent during 2012  
 compared to 27.6 percent in 2011. On a pro forma basis (without  
 6 considering the application of IAS 23 in 2011 and 2012) Homex' gross  
 margin for the year was 25.6 percent, compared to 32.4 percent in the same  
 period of last year.

7 \* \* \*

8 In 2012, operating income increased 9.5 percent to Ps.3.573.6 million  
 compared to Ps.3.263.4 million in 2011. On a pro forma basis (without  
 9 considering the application of IAS 23 in 2011 and 2012), operating income  
 increased 12.0 percent to Ps.4.829.6 million during 2012 from Ps.4.312.4  
 10 million during the same period a year ago. Homex' operating margin in 2012  
 declined 280 bps to 16.9 percent from 19.7 percent in 2011. The year-over-  
 11 year decline was mainly driven by the Company's decision not to consolidate  
 Penitentiary revenues from the Chiapas Project as explained below.

12 \* \* \*

13 **Earnings per share (EPS)** for the fourth quarter of 2012 decreased to  
 negative Ps.0.62 as compared to Ps.0.17 reported in the fourth quarter of  
 14 2011, driven primarily by the recognition of a net loss during the fourth  
 quarter of 2012. EPS adjusted for non-cash foreign exchange (FX) effects  
 during the fourth quarter of 2012 was negative Ps.0.18 compared to Ps.0.46  
 15 during the fourth quarter of 2011.

16 For the full year, EPS were Ps.4.73, as compared to Ps.3.22 in 2011; the  
 17 higher result during 2012 was mainly due to the non-cash foreign exchange  
 (FX) effects. For the full year 2012, EPS adjusted by non-cash (FX) effects  
 were Ps.5.12 for 2012 compared to Ps.4.91 for 2011.

19 **Adjusted EBITDA** during the fourth quarter of 2012 decreased 63.3 percent  
 to Ps.491.9 million from Ps.1.339.1 million reported for the same period in  
 20 2011. As a percentage of sales, adjusted EBITDA during the fourth quarter  
 of 2012 was 6.2 percent compared to 20.4 percent in the same period last  
 21 year. The decline derives from lower margins in the infrastructure and  
 Penitentiary projects, negative contribution from the Company's operations  
 in Brazil and lower margins in Mexico due to land and real state sales, at the  
 22 Company's projects.

23 Adjusted EBITDA margin for the full year 2012 was 18.4 percent compared  
 24 to 21.6 percent during 2011. This result was also affected by the effects  
 explained above.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA DERIVED FROM OUR IFRS FINANCIAL INFORMATION				
Thousands of pesos	4Q'12	4Q'11	2012	2011
Net Income	-\$206,428	\$61,043	\$1,578,741	\$1,070,007
Depreciation and amortization	\$92,206	\$171,641	\$366,854	\$393,965
Capitalization of CFC	\$405,364	\$373,514	\$1,256,003	\$1,048,918

Other expense and amortization	\$174,759	\$351,405	\$429,823	\$351,405
Net comprehensive financing cost	\$164,289	\$262,517	\$577,420	\$1,135,341
Income tax	-\$136,859	\$124,423	\$1,042,201	\$714,865
Minority interest	-\$1,445	-\$5,451	\$4,250	\$9,528
<b>Adjusted EBITDA</b>	<b>\$491,885</b>	<b>\$1,339,092</b>	<b>\$5,255,292</b>	<b>\$4,724,029</b>

\* \* \*

## Working Capital Cycle

The following tables present a breakdown of the Company's inventory and capitalization of Comprehensive Financing Cost (CFC) to show total inventory adjusted by this effect.

Ps.Million	December 2011	March 2012	June 2012	September 2012	December 2012
Total Inventory	30,586	30,705	32,487	32,547	33,321
Capitalization of CFC	1,430	1,628	1,820	1,940	2,057
Total Inventory adjusted by capitalization of CFC	29,156	29,077	30,667	30,606	31,264

## Days of Housing Working Capital Cycle (WCC)<sup>1</sup>

Days	December 2011	March 2012	June 2012	September 2012	December 2012
Total Accounts Receivable (a)	36	34	59	62	85
Housing Receivables	29	31	38	42	86
Inventory days	696	711	763	772	621
Accounts Payable (b)	98	110	126	125	88
<b>Total WCC</b>	<b>634</b>	<b>635</b>	<b>696</b>	<b>709</b>	<b>619</b>

### *FOURTH QUARTER AND FULL YEAR 2012 RESULTS*

Compared to accounts receivable (AR) days as of September 30, 2012. AR days excluding receivables from the penitentiary construction projects, as of December 31, 2012, increased to 85 days from 62 days in the recent quarter. The increase is mainly driven by the collection delays faced in the Company's housing operations from Mexico. In addition, the increase also reflects the recognition of AR from the infrastructure division related to the construction projects that the Company is executing in addition to the federal penitentiaries. Housing AR days increased by 44 days to 86 days as of December 31, 2012 compared to 42 days as of September 30, 2012.

Accounts Payable (AP), excluding payables from the penitentiary construction projects, decreased to Ps.4,735.9 million from Ps.4,315.1 million as of December 31, 2011 and Ps.5,278.4 million as of September 30, 2012. AP days, decreased to 88 days as of December 31, 2012, with AP from material suppliers stable at 71 days compared to 72 days as of December 31, 2011.

On a quarterly basis, AP days decreased by 37 days from 125 days as of September 30, 2012 to 88 days as of December 31, 2012 mainly as AP from material suppliers decreased from Ps.4,555.1 million or 108 days as of September 30, 2012 to Ps.3,830.2 million or 71 days as of December 31, 2012.

\* \* \*

**DESARROLLADORA HOMEX CONSOLIDATED BALANCE SHEET**  
**COMPARISON OF DECEMBER 31, 2012 WITH DECEMBER 31, 2011**

(Figures in thousands of pesos)	Dec-12		Dec-11		% Chg
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$2,321,780	4.6%	\$3,992,653	9.9%	-41.8%
Accounts receivable, net	\$9,796,770	19.5%	\$2,167,096	5.4%	352.1%
Due from customers	\$4,537,626	9.0%	\$1,648,943	4.1%	175.2%
Accounts receivable from penitentiaries	\$3,930,207	7.8%	\$15,484	0.0%	25282.4%
Accounts receivable from infrastructure	\$1,328,937	2.6%	\$502,669	1.3%	164.4%
Inventories	\$33,321,371	66.4%	\$30,585,726	76.1%	8.9%
Land inventory	\$10,372,105	20.7%	\$11,241,446	28.0%	-7.7%
Construction in progress	\$22,377,947	44.6%	\$18,903,608	47.0%	18.4%
Materials	\$571,319	1.1%	\$440,672	1.1%	29.6%
Other current assets	\$2,807,388	5.6%	\$1,000,347	2.5%	180.6%
<b>Total current assets</b>	<b>\$48,247,309</b>	<b>96.1%</b>	<b>\$37,745,822</b>	<b>93.9%</b>	<b>27.8%</b>
Property and equipment, net	\$1,139,155	2.3%	\$1,375,128	3.4%	-17.2%
Goodwill	\$731,861	1.5%	\$731,861	1.8%	0.0%
Other assets	\$71,042	0.1%	\$343,979	0.9%	-79.3%
<b>TOTAL</b>	<b>\$50,189,367</b>	<b>100.0%</b>	<b>\$40,196,790</b>	<b>100.0%</b>	<b>24.9%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Notes payable to financial institutions	\$2,327,288	4.6%	\$3,798,057	9.4%	-38.7%
Accounts payable	\$4,761,650	9.5%	\$4,315,125	10.7%	10.3%
Land payable	\$905,697	1.8%	\$1,172,293	2.9%	-22.7%
Accounts payable from Penitentiaries Project	\$25,760	0.1%	-	0.0%	
Accounts payable from Partner Penitentiaries Project	-		-	0.0%	
Advances from customers	\$972,098	1.9%	\$669,851	1.7%	45.1%
Accrued expenses and taxes payable	\$4,566,623	9.1%	\$2,747,834	6.8%	66.2%
<b>Total current liabilities</b>	<b>\$12,627,659</b>	<b>25.2%</b>	<b>\$11,530,866</b>	<b>28.7%</b>	<b>9.5%</b>
Long-term notes payable to financial institutions	\$14,860,063	29.6%	\$11,389,549	28.3%	30.5%
Long-term project financing	\$2,928,281	5.8%	-	0.0%	N/A
Swap payable	\$462,584	0.9%	\$7,457	0.0%	6103.3%
Labor obligations	\$5,840	0.0%	\$4,675	0.0%	24.9%
Deferred income taxes	\$4,513,086	9.0%	\$3,590,108	8.9%	25.7%
<b>TOTAL LIABILITIES</b>	<b>\$35,397,512</b>	<b>70.5%</b>	<b>\$26,522,656</b>	<b>66.0%</b>	<b>33.5%</b>

1	STOCKHOLDERS' EQUITY					
	Common stock	\$425,441	0.8%	\$425,441	1.1%	0.0%
2	Additional paid-in capital	\$2,731,202	5.4%	\$2,731,202	6.8%	0.0%
3	Retained earnings	\$12,116,235	24.1%	\$10,537,217	26.2%	15.0%
	Other stockholders' equity accounts	\$(664,912)	-1.3%	\$(219,179)	-0.5%	203.4%
4	Majority stockholders' equity	\$14,607,966	29.1%	\$13,474,681	33.5%	8.4%
5	Minority interest	\$183,889	0.4%	\$199,453	0.5%	-7.8%
	<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$14,791,854</b>	<b>29.5%</b>	<b>\$13,674,134</b>	<b>34.0%</b>	<b>8.2%</b>
6						
7	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<b>\$50,189,367</b>	<b>100.0%</b>	<b>\$40,196,790</b>	<b>100.0%</b>	<b>24.9%</b>
8						
9		*	*	*		

**DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT**  
**COMPARISON OF THREE MONTHS 2012 WITH THREE MONTHS 2011**

(Figures in thousands of pesos)	4Q12		4Q11		% Chg	
12	<b>REVENUES</b>					
13	Affordable-entry level revenue	\$4,496,095	56.4%	\$4,587,817	69.9%	-2.0%
	Middle income housing revenue	\$1,161,253	14.6%	\$1,175,996	17.9%	-1.3%
14	Affordable-entry level revenue Brazil	\$42,182	0.5%	\$197,724	3.0%	-78.7%
15	Other revenues	\$625,243	7.8%	\$348,924	5.3%	79.2%
16	Infrastructure revenue	\$3,860,613	48.4%	\$126,013	1.9%	2963.7%
	Infrastructure construction projects	\$219,575	2.8%	\$126,013		74.2%
17	Federal Penitentiary (Chiapas) recognition <sup>1</sup>	\$3,641,038	45.6%	-		N/A
	Federal Penitentiaries projects revenue	\$(2,207,437)	-27.7%	\$129,672	2.0%	-1802.3%
18	<b>TOTAL REVENUES</b>	<b>\$7,977,950</b>	<b>100.0%</b>	<b>\$6,566,146</b>	<b>100.0%</b>	<b>21.5%</b>
19	<b>COSTS</b>	<b>\$7,067,938</b>	<b>88.6%</b>	<b>\$4,642,951</b>	<b>70.7%</b>	<b>52.2%</b>
20	Capitalization of CFC	\$405,364	5.1%	\$373,514	5.7%	8.5%
21	Interest	\$402,267	5.0%	\$375,452	5.7%	7.1%
22	FX ( gain) loss and inflation accounting effect	\$3,098	0.0%	\$(1,937)	0.0%	-259.9%
	<b>TOTAL COST</b>	<b>\$7,473,302</b>	<b>93.7%</b>	<b>\$5,016,465</b>	<b>76.4%</b>	<b>49.0%</b>
23	<b>GROSS PROFIT</b>	<b>\$504,647</b>	<b>6.3%</b>	<b>\$1,549,680</b>	<b>23.6%</b>	<b>-67.4%</b>
24	<b>TOTAL SELLING AND ADMINISTRATIVE EXPENSES</b>	<b>\$534,805</b>	<b>6.7%</b>	<b>\$720,107</b>	<b>11.0%</b>	<b>-25.7%</b>
25	<b>OPERATING INCOME</b>	<b>\$(30,157)</b>	<b>-0.4%</b>	<b>\$829,573</b>	<b>12.6%</b>	<b>-103.6%</b>
26	<b>OTHER (EXPENSES) INCOME, NET</b>	<b>\$(150,287)</b>	<b>-1.9%</b>	<b>\$(387,041)</b>	<b>-5.9%</b>	<b>-61.2%</b>
27						
28						



1	NET COMPREHENSIVE FINANCING COST					
2	Interest expense and commissions	\$53,944	0.7%	\$29,080	0.4%	85.5%
3	Interest expense penitentiaries	\$(141,346)	-1.8%	-	0.0%	N/A
4	Interest income	\$10,118	0.1%	\$(84,747)	-1.3%	-111.9%
5	Foreign exchange (gain) loss	\$241,573	3.0%	\$318,184	4.8%	-24.1%
6		\$164,289	2.1%	\$262,517	4.0%	-37.4%
7	INCOME BEFORE INCOME TAX	\$(344,733)	-4.3%	\$180,014	2.7%	-291.5%
8	INCOME TAX EXPENSE	\$(136,859)	-1.7%	\$124,423	1.9%	-210.0%
9	NET INCOME	\$(207,874)	-2.6%	\$55,592	0.8%	-473.9%
10	MAJORITY INTEREST	\$(206,428)	-2.6%	\$61,043	0.9%	-438.2%
11	MINORITY INTEREST	\$(1,445)	0.0%	\$(5,451)	-0.1%	-73.5%
12	NET INCOME	\$(207,874)	-2.6%	\$55,592	0.8%	-473.9%
13	NET INCOME Adjusted for FX	\$(60,337)	-0.8%	\$153,255	2.3%	-139.4%
14	Earnings per share	-0.62		0.17		-473.9%
15	Earnings per share Adjusted for FX	-0.18		0.46		-139.4%
16	Adjusted EBITDA	\$491,885	6.2%	\$1,339,092	20.4%	-63.3%

\* \* \*

DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT					
COMPARISON OF TWELVE MONTHS 2012 WITH TWELVE MONTHS 2011					
(Figures in thousands of pesos)	2012		2011		% Chg
REVENUES					
Affordable-entry level revenue	\$14,678,449	51.5%	\$16,351,273	74.8%	-10.2%
Middle income housing revenue	\$4,079,175	14.3%	\$3,260,016	14.9%	25.1%
Affordable-entry level revenue Brazil	\$131,259	0.5%	\$598,678	2.7%	-78.1%
Other revenues	\$672,349	2.4%	\$657,105	3.0%	2.3%
Infrastructure revenue	\$5,163,835	18.1%	\$856,535	3.9%	502.9%
Infrastructure construction projects	\$1,522,797	5.3%	\$856,535		77.8%
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	\$3,641,038	12.8%	-		N/A
Federal Penitentiaries projects revenue	\$3,800,535	13.3%	\$129,672	0.6%	2830.9%
TOTAL REVENUES	\$28,525,602	100.0%	\$21,853,279	100.0%	30.5%
COSTS	\$21,227,480	74.4%	\$14,765,992	67.6%	43.8%
Capitalization of CFC	\$1,256,003	4.4%	\$1,048,918	4.8%	19.7%
Interest	\$1,246,541	4.4%	\$1,046,427	4.8%	19.1%
FX ( gain) loss and inflation accounting effect	\$9,461	0.0%	\$2,491	0.0%	279.8%
TOTAL COST	\$22,483,483	78.8%	\$15,814,910	72.4%	42.2%

1	GROSS PROFIT	\$6,042,119	21.2%	\$6,038,369	27.6%	0.1%
2	TOTAL SELLING AND ADMINISTRATIVE EXPENSES	\$2,468,490	8.7%	\$2,774,929	12.7%	-11.0%
3	OPERATING INCOME	\$3,573,629	12.5%	\$3,263,440	14.9%	9.5%
5	OTHER (EXPENSES) INCOME, NET	\$(371,018)	-1.3%	\$(333,699)	-1.5%	11.2%
6	NET COMPREHENSIVE FINANCING COST					
7	Interest expense and commissions	\$423,773	1.5%	\$392,125	1.8%	8.1%
8	Interest expense penitentiaries	\$158,951	0.6%	-	0.0%	N/A
9	Interest income	\$(211,214)	-0.7%	\$(194,009)	-0.9%	8.9%
10	Foreign exchange (gain) loss	\$205,910	0.7%	\$937,225	4.3%	-78.0%
		\$577,420	2.0%	\$1,135,341	5.2%	-49.1%
11	INCOME BEFORE INCOME TAX	\$2,625,191	9.2%	\$1,794,399	8.2%	46.3%
12	INCOME TAX EXPENSE	\$1,042,201	3.7%	\$714,865	3.3%	45.8%
13	NET INCOME	\$1,582,991	5.5%	\$1,079,535	4.9%	46.6%
14	MAJORITY INTEREST	\$1,578,741	5.5%	\$1,070,007	4.9%	47.5%
15	MINORITY INTEREST	\$4,250	0.0%	\$9,528	0.0%	-55.4%
16	NET INCOME	\$1,582,991	5.5%	\$1,079,535	4.9%	46.6%
17	NET INCOME Adjusted for FX	\$1,712,860	6.0%	\$1,644,881	7.5%	4.1%
18	Earnings per share	4.73		3.22		46.6%
19	Earnings per share Adjusted for FX	5.12		4.91		4.1%
20	Adjusted EBITDA	\$5,255,292	18.4%	\$4,724,029	21.6%	11.2%
		*	*	*		

DESARROLLADORA HOMEX, S.A.B. DE C.V.  
 CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
 FOR THE PERIOD ENDED DECEMBER 31 2012

(thousands of pesos)	FCF w/o		
	Penitentiaries	Penitentiaries	Consolidated
<b>Total Net Income and Non Cash Items</b>	2,460,243	452,077	2,912,320
<b>(Increase) decrease in:</b>			
Trade accounts receivable	(5,506,508)	(3,930,207)	(9,436,715)
Inventories (w/land)	(2,837,849)	102,204	(2,735,645)
Trade accounts payable	447,853	(1,325)	446,528
Other A&L, net	2,711,503	-	2,711,503
<b>Changes in operating assets and liabilities</b>	(5,185,000)	(3,829,328)	(9,014,329)

1	<b>Operating cash flow</b>	(2,724,758)	(3,377,251)	(6,102,009)
2	Capex	(50,993)	(163)	(51,156)
3	<b>Free Cash Flow</b>	(2,775,750)	(3,377,415)	(6,153,165)
4				
5	Non Cash Effects <sup>1</sup>	(239,756)		(239,756)
6	<b>Free Cash Flow adjusted by FX</b>	(3,015,506)	(3,377,415)	(6,392,921)

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DESARROLLADORA HOMEX, S.A.B. DE C.V.  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE PERIOD ENDED DECEMBER 31

12	(thousands of pesos)		<b>2012</b>	<b>2011</b>
13	Net Income		1,578,741	1,070,007
14	<b>Non-cash items:</b>			
15	Depreciation & Amortization		287,128	300,742
16	Minority interest		4,250	9,528
17	Deferred income taxes		1,042,201	(128,211)
18	<b>Total Net Income and Non Cash Items</b>		<u>2,912,320</u>	<u>1,252,065</u>
19	<b>(Increase) decrease in:</b>			
20	Trade accounts receivable		(9,436,715)	(444,082)
21	Inventories (w/land)		(2,735,645)	(3,128,038)
22	Trade accounts payable		446,528	83,422
23	Other A&L, net		2,711,503	530,118
24	<b>Changes in operating assets and liabilities</b>		<u>(9,014,329)</u>	<u>(2,958,581)</u>
25	<b>Operating cash flow</b>		(6,102,009)	(1,706,516)
26	Capex		(51,156)	(166,379)
27	<b>Free Cash Flow</b>		(6,153,165)	(1,872,894)
28	Non Cash Effects <sup>1</sup>		(239,756)	(1,440,419)
	<b>Free Cash Flow adjusted by FX</b>		<u>(6,392,921)</u>	<u>(3,313,313)</u>
	Net financing activities		4,482,293	2,430,325

1	Net (decrease) increase in cash and cash equivalents	1,670,872	557,431
2			
3	Balance at beginning of period	3,992,653	3,435,222
4	Balance at end of period	2,321,781	3,992,653

5

6           85. The statements above, as well as additional statements contained in the

7 February 27, 2013 Form 6-K (incorporated herein in its entirety), related to Homex's

8 revenues, accounts receivable, inventory, cost of sales, and home units sold between

9 2010 and 2013 were materially false and/or misleading. Additionally, each and every

10 financial metric that derives its calculation or is affected by these figures is also

11 materially false and / or misleading. More specifically, these statements misrepresented

12 and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by

13 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes;

14 (2) between 2010 and 2013, Homex overstated the number of units it sold by over

15 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of

16 their subordinates knowingly and intentionally engaged in a scheme to materially

17 overstate Homex's revenues, homes sold, and other related financial items; and (4) as a

18 result, Defendants' statements about the Company's business, operations and prospects

19 were materially false and misleading and/or lacked a reasonable bases at all relevant

20 times. As detailed herein, the Individual Defendants were involved in a scheme whereby

21 fictitious home sales were inputted into Homex's SIA Treasury Module. This data was

22 subsequently uploaded into the Homex's Contpaq system and was then used to generate

23 the Company's financial statements. As a result of the fictitious home sales entered into

24 the SIA Treasury Module, any of Defendants' statements related to the financial

25 statements and /or statistical information derived from these fictitious home sales and

26 their revenues were also materially false and / or misleading.

27

28

1 **February 27, 2013 – Conference Call: Fourth Quarter and Full Year 2012**

2 **Earnings**

3 86. Also that same day, Homex held a conference call to discuss the fourth  
4 quarter and full year 2012 fiscal results (“February 27, 2013 Conference Call”). During  
5 the call, both Defendant de Nicolás and Moctezuma reiterated certain of the statements  
6 made in the February 27, 2013 Form 6-K.

7 87. More specifically, de Nicolás stated, in relevant part, concerning Homex’s  
8 financial statements and operations in Mexico:

9 Gerardo de Nicolás Gutiérrez:

10 Gracias Vania, Buenos días a todos y gracias por acompañarnos en nuestra  
11 llamada el día de hoy. Como lo he venido haciendo en trimestres previos, me  
12 gustaría enfocar mis comentarios sobre los eventos más relevantes y  
13 tendencias de Homex. Y, como además hemos empezado un nuevo año,  
14 esencialmente con una nueva administración en México, me imagino que  
muchos de ustedes tienen preguntas de cómo están progrediendo las cosas, así  
como sus expectativas para el año completo, así que concentraré mis  
comentarios en esto.

15 Primero, me gustaría empezar con nuestra División México.

16 El año 2012 estuvo lleno de retos y el último trimestre no fue la excepción.  
17 A lo largo del año, enfrentamos un número de retos los cuales son un reflejo  
18 de la continua evolución de la industria de la vivienda en México, uno de los  
19 cuales es dar más apoyo a comunidades mejor planeadas que provean una  
mejor calidad de vida para las familias mexicanas. Estamos contentos en ser  
una parte integral de esta positiva transición, a pesar de su efecto financiero  
negativo inicial, estamos seguros de que este es el camino correcto para el  
desempeño positivo a largo plazo de la vivienda en México.

20 Como recordarán, durante la primera mitad del año fuimos afectados por  
21 algunos retrasos administrativos por parte del Registro Único de Vivienda  
22 (RUV) y por el sistema de puntuación de CONAVI, así como por la  
23 asignación desigual de los subsidios entre viviendas verticales y  
24 horizontales. Donde el compromiso inicial de la pasada administración era  
25 asignar más del 70 por ciento de los recursos totales para viviendas  
26 verticales sin embargo solo aproximadamente 14 por ciento fueron  
asignados para viviendas verticales nuevas. Adicionalmente, y como  
recordarán, durante el último trimestre del año se realizó el compromiso de  
adelantar recursos del presupuesto 2013 para pagar viviendas verticales de  
2012; ya que los recursos no se distribuyeron, esto afectó nuestro ciclo de  
cobranza durante el último trimestre del año. Durante el año, como una  
consecuencia estratégica de esto, decidimos bajar nuestra producción de  
viviendas intencionalmente. Durante la última mitad del año, incluyendo el  
cuarto trimestre, concentramos nuestros esfuerzos en terminar viviendas bajo  
27 construcción para materializar nuestras inversiones en la construcción en  
28 proceso, lo cual incluye inversiones en los servicios de nuestras

1 comunidades mejor planeadas, construcción de viviendas así como la  
2 construcción de las entradas en varios de nuestros desarrollos.

3 A pesar de nuestra insistencia en mejorar la cobranza, el ritmo de nuestra  
4 cobranza fue más bajo de lo esperado durante el último trimestre del año,  
5 como resultado de retrasos administrativos continuos en el programa de  
6 subsidio y además debido a interrupciones en el programa inherentes al  
7 efecto de transición durante el último trimestre del año.

8 Durante el trimestre, los ingresos de la división México aumentaron un 2.8  
9 por ciento año a año, impulsado por ingresos de venta de lotes comerciales y  
10 de tierra en nuestros desarrollos de vivienda, mientras que los ingresos por  
11 vivienda disminuyeron 1.8 por ciento con disminución en los volúmenes de  
12 8.0 por ciento. De manera importante, sobre una base secuencial nuestro  
13 volumen incremento 10.5 por ciento, reflejando una mejora en las ventas a  
14 pesar de que durante el trimestre seguimos enfrentando retrasos en la  
15 colocación de recursos por parte del programa de subsidios, retrasos que al  
16 día de hoy, continúan todavía afectando nuestra velocidad de cobranza y de  
17 manera más importante el ritmo de reinversion en la construcción de nuevas  
18 viviendas.

19 88. Defendant Moctezuma then commented on Homex’s home sales volume  
20 and financial statements. In relevant part, Moctezuma stated:

21 En México,

22 Durante el cuarto trimestre de 2012, nuestro volumen de viviendas tituladas  
23 totalizó 13,887 viviendas, un decremento de 8.0 por ciento comparado con el  
24 cuarto trimestre de 2011, derivado principalmente por un decremento del 7.7  
25 por ciento en las unidades cobradas en el segmento de interés social. El  
26 volume para vivienda media en el cuarto trimestre de 2012 disminuyó 11.2  
27 por ciento a 1,280 viviendas de 1,442 viviendas durante el cuarto trimestre  
28 de 2011.

29 \* \* \*

30 Además, me gustaría hacer notar que en nuestra division México, durante el  
31 cuarto trimestre tuvimos un margen bajo, derivado de la venta de tierra y  
32 terrenos comerciales, lo cual tiene un menor margen. Durante el trimestre  
33 registramos \$625 millones de pesos relacionados a estas ventas. Sin embargo  
34 la rentabilidad por la venta de viviendas ha sido estable con  
35 aproximadamente el 30 por ciento en margen bruto.

36 Como parte de nuestros esfuerzos continuos por mejorar la rentabilidad,  
37 hemos continuado generando eficiencias en los Gastos de Administración y  
38 Ventas. Durante el trimestre los Gastos de Administración y Ventas  
39 disminuyeron a 6.7 por ciento como porcentaje de los ingresos totales,  
40 comparado con 11.0 por ciento durante el año anterior. Para el año, los  
41 Gastos de Administración y Ventas fueron del 8.7 por ciento comparados  
42 con 12.7 por ciento durante 2011.

43 Durante el cuarto trimestre de 2012, resultado también de los efectos  
44 contables de los proyectos penitenciarios, nuestro margen UAFIDA  
45 consolidado disminuyó a 6.2 por ciento comparado con un margen UAFIDA



1 de 20.4 por ciento durante el 4T11. En una base acumulada a 12 meses,  
2 nuestro margen UAFIDA fue del 18.4 por ciento comparado con 21.6 por  
ciento durante el año anterior.

3 Como lo explicamos el trimestre pasado, del estado de cambios que  
4 proporcionamos para la reconciliación de nuestro Flujo Libre de Efectivo,  
5 pueden obtener el margen implícito de nuestras operaciones sin los  
6 proyectos penitenciarios el cual durante el trimestre fue de aproximadamente  
7 18.5 por ciento. Una vez más quiero destacar que este margen es reflejo del  
reconocimiento del servicio de construcción del proyecto en Chiapas con un  
margen menor y no es un reflejo de nuestro margen en la División México.  
En México, incluyendo venta de tierra y espacios comerciales, nuestro  
margen UAFIDA por el año fue de aproximadamente 23.4 por ciento.

8 El costo integral de financiamiento, el cual excluye la capitalización de  
9 intereses en nuestro costo de ventas en relación al boletín IAS 23, fue de  
10 \$164 millones de pesos comparado con \$262 millones de pesos durante el  
cuarto trimestre de 2011. El bajo costo de financiamiento durante el cuarto  
11 trimestre de 2012 refleja el efecto inverso del interés del financiamiento a  
largo plazo en relación con el proyecto de Chiapas, así como también el  
reconocimiento de una menor pérdida cambiaria durante el reciente trimestre  
comparado con el cuarto trimestre de 2011.

12 Durante el año, el costo integral de financiamiento neto fue de \$577 millones  
13 de pesos comparado con \$1,135 millones de pesos durante el año anterior.

14 La utilidad neta, ajustada por efectos cambiarios, para el cuarto trimestre de  
15 2012 fue negativa en \$60 millones de pesos o un margen negativo de 0.8 por  
ciento comparado con \$153 millones de pesos y un margen de 2.3 por ciento  
16 reportado en el mismo periodo de 2011. Sobre una base acumulada al 31 de  
Diciembre de 2012, el margen neto fue de 6.0 por ciento, comparado con 7.5  
17 por ciento durante 2011. El desempeño negativo durante el reciente periodo  
fue derivado principalmente por los efectos mencionados por la decisión de  
no consolidar el proyecto penitenciario de Chiapas.

18 Pasando ahora al balance...

19 Durante el trimestre, nuestro balance en el inventario incrementó a \$33,321  
20 millones de pesos de \$32,547 millones de pesos al 30 de Septiembre de  
2012. En una base anual, nuestro inventario incrementó \$2,735 millones de  
21 pesos de \$30,586 millones de pesos durante 2011. Esto refleja un incremento  
de \$3,500 millones de pesos en nuestro inventario de construcción en  
22 proceso como resultado de un incremento en las inversiones ejecutadas  
durante el año en relación a la alineación hacia comunidades mejor  
23 planeadas así como también por la decisión de disminuir nuestro ritmo de  
construcción debido a un ciclo de cobranza más largo. Durante el año  
24 continuamos siguiendo una estrategia de inversión de tierra conservadora y  
para nuestro presupuesto de \$1,000 millones de pesos, adquirimos el  
25 equivalente en tierra de \$642 millones de pesos.

26 Nuestro balance de tierra fue de \$10,372 millones de pesos, una reducción  
27 de \$869 millones comparado un nivel de inventario de tierra de \$11,241  
millones de pesos al 31 de Diciembre de 2011. Quiero compartir con ustedes  
que estamos trabajando en diferentes alternativas para continuar reduciendo  
28 nuestro inventario en México, Brasil y en nuestra división Turismo.

1 Nuestro balance de cuentas por cobrar de vivienda fue de \$4,538 millones de  
2 pesos u 86 días, de \$2,258 millones de pesos al 30 de Septiembre de 2012 o  
3 42 días. El incremento es derivado principalmente por un proceso de  
4 cobranza más largo con las diferentes fuentes de financiamiento para  
5 nuestros clientes, retrasos con la distribución de subsidios, así como también  
6 el efecto anticipado de la transición de gobierno, donde el procedimiento de  
7 cobranza fue más lento al esperado. Las cuentas por cobrar de la división  
8 infraestructura, y sin considerar los proyectos penitenciarios, fue de \$1,329  
9 millones de pesos, una reducción de \$100 millones de pesos comparados con  
10 el nivel del 30 de Septiembre de 2012.

11 Los días de cuentas por pagar sin considerar las cuentas por cobrar de los  
12 proyectos penitenciarios, disminuyeron a 88 días de 125 días al 30 de  
13 Septiembre de 2012, y también tomando en cuenta que el pago de \$1,100  
14 millones de pesos en relación a la adquisición de la propiedad en el proyecto  
15 de Chiapas no es reconocido en nuestros estados financieros. Las cuentas  
16 por pagar sin tierra o cuentas por pagar por materiales de construcción  
17 disminuyeron a 71 días comparado con 108 días al 30 de Septiembre de  
18 2012, pero estable comparado con 72 días al 31 de Diciembre de 2011.

19 Trimestre a trimestre nuestra deuda total por vivienda, considerando el  
20 mismo tipo de cambio para ambos periodos, incrementó a \$17,187  
21 millones de pesos de \$16,050 millones de pesos al 30 de Septiembre de  
22 2012. El incremento de \$1,137 millones se debió principalmente a cuentas  
23 por cobrar más altas e inversiones reflejadas en nuestro inventario de  
24 construcción en proceso.

25 Durante el cuarto trimestre la Compañía cumplió con todos sus  
26 compromisos de deuda. Recuerden que el cálculo de la deuda no incluye la  
27 contribución de nuestros proyectos penitenciarios, ni el proyecto de  
28 financiamiento a largo plazo en relación a la ejecución de la construcción  
para estos proyectos. El proyecto de financiamiento a largo plazo para un  
periodo acumulado de 12 meses totalizó \$2,928 millones de pesos, menor  
a los \$4,804 millones al 30 de Septiembre de 2012 como un resultado de la  
decisión de no consolidar el proyecto penitenciario de Chiapas como se  
explicó previamente. Tomando en cuenta que este financiamiento está en  
una línea diferente en nuestro balance.

Me gustaría comentar y destacar que no nos sentimos conformes con  
nuestros niveles actuales de deuda y estamos trabajando para disminuir  
nuestro endeudamiento. Durante 2012, nuestro enfoque principal, como  
Gerardo lo mencionó, es mejorar nuestra rentabilidad, mientras al mismo  
tiempo reducimos nuestro endeudamiento y producimos Flujo Libre de  
Efectivo positivo a través de la monetización de nuestras cuentas por cobrar,  
inventario en proceso, activos no estratégicos, así como también por nuestro  
compromiso de seguir reduciendo nuestros Gastos de Administración y  
Ventas.

Además, quiero compartir con ustedes, que al día de hoy tenemos buena  
relación con nuestros bancos y estamos trabajando estrechamente para  
fortalecer y perdurar. Gracias a todos ellos por su apoyo continuo.

Moviéndonos ahora al Flujo Libre de Efectivo, como saben desde el primer  
trimestre del año, hemos separado nuestra reconciliación del flujo libre de  
efectivo para facilitar el análisis del desempeño del Homex separado de los  
proyectos penitenciarios.

1 Al 31 de Diciembre de 2012, y como resultado de una ganancia cambiaria  
2 acumulativa del peso contra el dólar, el estado de cambios en la posición  
3 financiera de la Compañía (el cual hemos presentado históricamente como  
4 Flujo Libre de Efectivo) reflejo el registro de partidas no monetarias. Al 31  
5 de Diciembre de 2012, tuvimos un impacto no monetario positivo total de  
6 \$239 millones de pesos, incluyendo efectos registrados en el estado de  
7 resultados y en el balance.

8 Considerando los efectos cambiarios no monetarios sobre una base  
9 consolidada, generamos un FLE negativo de \$6,393 millones de pesos, los  
10 cuales fueron derivados por el reconocimiento de avances de construcción  
11 de los proyectos Penitenciarios. De acuerdo con el tratamiento contable  
12 requerido para estos proyectos, tal avance debe ser registrado como un  
13 cuenta por cobrar.

14 Fuera de los proyectos penitenciarios, Homex generó un FLE negativo de  
15 \$2,776 millones de pesos y ajustada por una ganancia cambiaria no  
16 monetaria acumulada a 12 meses, nuestro FLE fue de \$3,016 millones de  
17 pesos negativos. Durante el trimestre, la Compañía generó un FLE negativo  
18 de \$2,493 millones de pesos de un balance negativo de \$522 millones de  
19 pesos registrados al 30 de Septiembre de 2012, un nivel que además incluye  
20 los efectos cambiarios no monetarios y el reconocimiento de las cuentas por  
21 pagar por la adquisición del proyecto penitenciario en Chiapas.

22 La generación de efectivo negativa, como he mencionado previamente, fue  
23 derivada por un incremento en nuestras cuentas por cobrar e inversiones  
24 en construcción en procesos, así como también por un menor nivel en las  
25 cuentas por pagar.

26 89. The statements above, as well as additional statements contained in the  
27 February 27, 2013 Conference Call (incorporated herein in its entirety), related to  
28 Homex's revenues, accounts receivable, inventory, cost of sales, and home units sold  
between 2010 and 2013 were materially false and/or misleading. Additionally, each and  
every financial metric that derives its calculation or is affected by these figures is also  
materially false and / or misleading. More specifically, these statements misrepresented  
and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by  
355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes;  
(2) between 2010 and 2013, Homex overstated the number of units it sold by over  
100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of  
their subordinates knowingly and intentionally engaged in a scheme to materially  
overstate Homex's revenues, homes sold, and other related financial items; and (4) as a

1 result, Defendants’ statements about the Company’s business, operations and prospects  
2 were materially false and misleading and/or lacked a reasonable bases at all relevant  
3 times. As detailed herein, the Individual Defendants were involved in a scheme whereby  
4 fictitious home sales were inputted into Homex’s SIA Treasury Module. This data was  
5 subsequently uploaded into the Homex’s Contpaq system and was then used to generate  
6 the Company’s financial statements. As a result of the fictitious home sales entered into  
7 the SIA Treasury Module, any of Defendants’ statements related to the financial  
8 statements and /or statistical information derived from these fictitious home sales and  
9 their revenues were also materially false and / or misleading.

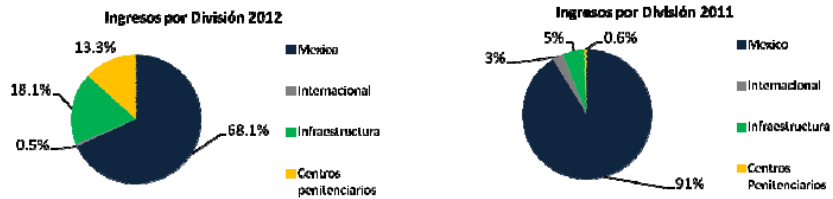
10 **March 2013– Investor Presentation: Homex’s Strategic Nature**

11 90. In March 2013, Homex issued an investor presentation entitled De  
12 Naturaleza Estratégica (“March 2013 Presentation”).

13 91. In the March 2013 Presentation, Homex stated the following relevant  
14 information:  
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# 1. Homex Resumen

Datos Financieros y Operativos			
Miles de Pesos	2012	2011	%Var.
Volumen (viviendas)	46,357	52,486	-11.7%
Ingresos	\$ 28,625,602	\$ 21,853,279	30.6%
Utilidad Bruta	\$ 7,298,122	\$ 7,087,287	3.0%
Utilidad Operativa	\$ 4,829,632	\$ 4,312,358	12.0%
Utilidad Neta <sup>(1)</sup>	\$ 1,712,860	\$ 1,644,881	4.1%
UAFIDA <sup>(2)</sup>	\$ 5,255,292	\$ 4,724,029	11.2%
Margen Bruto	25.6%	32.4%	
Margen Operativo	16.9%	19.7%	
Margen Neto	6.0%	7.5%	
Margen UAFIDA	18.4%	21.6%	
Utilidad por Acción	\$ 4.73	\$ 3.22	
UAFIDA/ Interés neto	3.2x	3.8x	
Deuda Neta / UAFIDA	3.4x	2.4x	
Cuentas por Cobrar (días) periodo terminado	85	36	
Rotación de Inventario (días) periodo terminado	621	696	
Rotación de Inventario (sin tierra) en días, periodo terminado	428	440	
Rotación de cuentas por pagar (días)	88	98	



Los márgenes de utilidad bruta y utilidad operativa se presentan ajustados por la aplicación de INIF D-6 "Capitalización del Costo Integral de Financiamiento".  
 (1) Utilidad neta y margen neto ajustado por efectos cambiarios.  
 (2) UAFIDA se define como la utilidad neta más depreciación y amortización, el costo integral de financiamiento neto, los gastos de impuestos sobre la renta, participación de los trabajadores en los beneficios de gasto y capitalización de intereses.

De Naturaleza Estratégica 6

## a) México: Siguiendo la Demanda y Tendencias del Mercado

Más de 20 años de experiencia, enfocados en segmentos y productos con una demanda creciente y disponibilidad de financiamiento hipotecario.

### Interés Social:

- Rango de Precio: Ps.204,000 – Ps. 560,000
- 90% unidades vendidas en 2012
- 76% Ingresos en 2012



#### Tamaño Promedio

Construcción: 58 m2  
Terreno: 64 m2

### Vivienda Media:

- Rango de Precio: 561,000 – Ps. 1,500,000
- 10% unidades vendidas en 2012
- 24% ingresos en 2012



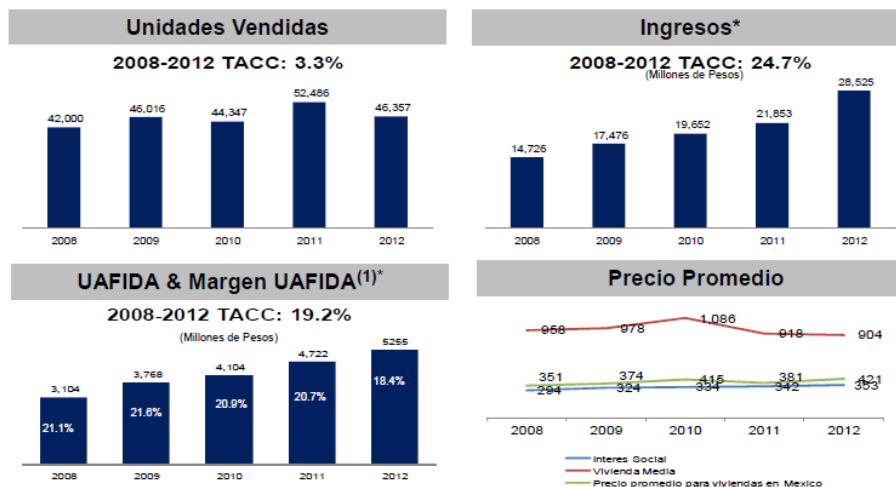
#### Tamaño Promedio

Construcción: 85 m2  
Terreno: 96 m2

\* Unidades e ingresos de División México

De Naturaleza Estratégica 14

### Resultados: Crecimiento continuo y sustentable



Homex ha logrado un crecimiento continuo y ha mejorado su eficiencia durante los últimos 4 años.

\* Cifras presentadas bajo NIIF 14  
(1) UAFIDA Ajustada

De Naturaleza Estratégica



### Resultados 2012

PRINCIPALES RESULTADOS FINANCIEROS Y DE OPERACIÓN	4T'12				DOCE MESES			
	Miles de dólares	Miles de Pesos	4T'11	Var % y bps	Miles de dólares	Miles de Pesos	2011	Var % y bps
Miles de pesos								
Volumen (viviendas)	13,919	13,919	15,345	-9.3%	46,357	46,357	52,486	-11.7%
Ingresos	\$654,255	\$7,977,950	\$6,566,146	21.5%	\$2,196,304	\$28,525,602	\$21,853,279	30.5%
Ingresos por vivienda	\$438,830	\$5,699,530	\$5,961,536	-4.4%	\$1,454,333	\$18,888,883	\$20,209,967	-6.5%
Costos	\$575,401	\$7,473,302	\$5,016,465	49.0%	\$1,731,097	\$22,483,483	\$15,814,910	42.2%
Capitalización del Costo Integral de Financiamiento (CIF)	\$31,211	\$405,364	\$373,514	8.5%	\$96,705	\$1,256,003	\$1,048,918	19.7%
Utilidad bruta	\$38,855	\$504,647	\$1,549,680	-67.4%	\$465,208	\$6,042,119	\$6,038,368	0.1%
Utilidad bruta ajustada por la capitalización del CIF	\$70,066	\$910,011	\$1,923,195	-52.7%	\$351,913	\$7,299,122	\$7,087,287	3.0%
Utilidad de operación	-\$2,322	-\$30,157	\$829,573	-103.6%	\$275,149	\$3,573,629	\$3,263,440	9.5%
Utilidad de operación ajustada por la capitalización del CIF	\$28,889	\$375,207	\$1,203,087	-68.8%	\$371,853	\$4,829,632	\$4,312,358	12.0%
Gastos por intereses, neto (a)	\$35,905	\$466,328	\$319,785	45.8%	\$112,342	\$1,459,101	\$1,244,543	17.2%
Utilidad neta	-\$16,005	-\$207,874	\$55,592	-473.9%	\$121,881	\$1,582,991	\$1,079,535	46.6%
Utilidad neta ajustada por TC	-\$18,646	-\$80,337	\$153,255	-139.4%	\$131,880	\$1,712,860	\$1,644,881	4.1%
UAFIDA ajustada (b)	\$37,872	\$491,885	\$1,339,092	-63.3%	\$404,627	\$5,255,290	\$4,724,029	11.2%
Margen bruto	6.3%	6.3%	23.6%	-1,728	21.2%	27.6%	645	-685
Margen bruto ajustado por la capitalización del CIF	11.4%	11.4%	29.3%	-1,788	25.6%	25.6%	32.4%	-241
Margen de operación	-0.4%	-0.4%	12.6%	-1,301	12.5%	14.9%	14.9%	-280
Margen de operación ajustado por la capitalización del CIF	4.7%	4.7%	18.3%	-1,362	16.9%	16.9%	19.7%	-319
Margen UAFIDA ajustado	6.2%	6.2%	20.4%	-1,423	18.4%	18.4%	21.6%	-319
Margen neto ajustado por TC	-0.8%	-0.8%	2.3%	-309	6.0%	6.0%	7.5%	-152
Utilidad por acción		-0.62	0.17			4.73	3.22	
Utilidad por acción ajustada por TC		-0.18	0.46			5.12	4.91	
Utilidad por ADR presentada en US\$ (c)	-0.29		0.08		2.18		1.49	
Utilidad por ADR presentada en US\$ ajustada por TC	-0.88		0.21		2.36		2.27	
Promedio ponderado de acciones (millones)	334.7	334.7	334.7		334.7	334.7	334.7	
Cuentas por cobrar, días (d)						85	36	
Rotación de inventario, días						621	695	
Rotación (sin tierra) de inventario, días						428	440	
Cuentas por pagar, días (e)						88	98	
Ciclo de Capital de Trabajo, días (f)						619	634	

De Naturaleza Estratégica





1           92. The above slides made statements concerning the number of homes Homex  
2 sold during the years of 2008 – 2012 as well as statements concerning Homex’s  
3 revenues and related financial statements.

4           93. The statements above in the March 2013 Presentation (incorporated herein  
5 in its entirety), related to Homex’s revenues, accounts receivable, inventory, cost of  
6 sales, and home units sold between 2010 and 2013 were materially false and/or  
7 misleading. Additionally, each and every financial metric that derives its calculation or  
8 is affected by these figures is also materially false and / or misleading. More  
9 specifically, these statements misrepresented and failed to disclose that: (i) between  
10 2010 and 2013, Homex overstated its revenue by 355% or roughly \$3.3 billion by  
11 reporting fictitious sales of more than 100,000 homes; (2) between 2010 and 2013,  
12 Homex overstated the number of units it sold by over 100,000 units or 317% of actual  
13 units sold; (3) the Individual Defendants and certain of their subordinates knowingly and  
14 intentionally engaged in a scheme to materially overstate Homex’s revenues, homes  
15 sold, and other related financial items; and (4) as a result, Defendants’ statements about  
16 the Company’s business, operations and prospects were materially false and misleading  
17 and/or lacked a reasonable bases at all relevant times. As detailed herein, the Individual  
18 Defendants were involved in a scheme whereby fictitious home sales were inputted into  
19 Homex’s SIA Treasury Module. This data was subsequently uploaded into the Homex’s  
20 Contpaq system and was then used to generate the Company’s financial statements. As  
21 a result of the fictitious home sales entered into the SIA Treasury Module, any of  
22 Defendants’ statements related to the financial statements and /or statistical information  
23 derived from these fictitious home sales and their revenues were also materially false  
24 and / or misleading.

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1        **April 11, 2013 – Form 6-K and Press Release: Homex Formalizes its First Bridge**  
 2        **Loan**

3            94. On April 11, 2013, Homex issued a press release and filed a Form 6-K with  
 4 the SEC announcing that it has formalized its first bridge loan (the “April 11, 2013 Form  
 5 6-K”). The April 11, 2013 Form 6-K was signed by Defendants Moctezuma and  
 6 Lafarga.

7            95. The April 11, 2013 Form 6-K stated, in pertinent part, that:

8  
 9            **HOMEX FORMALIZES THE FIRST BRIDGE LOAN UNDER THE**  
 10            **SHF GUARANTEE PROGRAM FOR HOMEBUILDING**  
 11            **CONSTRUCTION.**

12            Culiacán, April 11th, 2013– Desarrolladora Homex, S.A.B. de C.V.  
 13 (Homex or the Company) [NYSE:HXM, BMV: Homex], has  
 14 formalized the first bridge loan with ABC Capital under the Sociedad  
 15 Hipotecaria Federal (SHF) guarantee program. Resources from this  
 16 loan will be used for working capital purposes in the construction of  
 17 vertical homes. It will facilitate the Company’s ability to leverage on  
 18 the Federal Subsidy program from CONAVI for vertical homes in  
 19 Mexico. As of December 31, 2012, 55 percent of Homex home  
 20 production was vertical, and the Company estimates that this  
 21 percentage will increase to 60 percent as of the end of 2013.

22            On March 6, 2013, Sociedad Hipotecaria Federal (SHF) presented the  
 23 SHF Guarantee Program for Home Construction, as the first measure  
 24 of an integral strategy of public policies from the Federal Government  
 25 for the housing industry, under the institutional coordination of the  
 26 Secretaría de Desarrollo Agrario, Territorial y Urbano (SEDATU).  
 27 Under this program, the SHF provides coverage of up to 30 percent  
 28 of first losses from home construction portfolios. This program was  
 launched in support of the homebuilding industry to facilitate and  
 increase financing to the sector.

“We are very pleased to be the first company in our industry to  
 formalize a bridge loan under the SHF guarantee program in  
 conjunction with ABC Capital. These federal government programs  
 are very supportive of those of us in the housing industry; while at the  
 same time enabling more Mexican families to enjoy their dreams of  
 acquiring a quality home”. said Gerardo de Nicolás, Chief Executive  
 Officer of Homex.

25        **April 15, 2013 – Form 6-K and Press Release: Mexico’s Liquidity Squeeze**

26            96. On April 15, 2013, Homex issued a press release and filed a Form 6-K with  
 27 the SEC discussing a liquidity squeeze in the Mexican housing sector (the “April 15,  
 28

1 2013 Form 6-K”). The April 11, 2013 Form 6-K was signed by Defendants Moctezuma  
2 and Lafarga.

3 97. The April 15, 2013 Form 6-K stated, in pertinent part, that:

4 **Culiacan, April 15<sup>th</sup>, 2013**– Desarrolladora Homex, S.A.B. de C.V.  
5 (Homex or the Company) [NYSE:HXM, BMV: Homex], in respect of  
6 current media and analysts’ reports of a liquidity squeeze in the Mexican  
7 Housing sector, Homex believes that is important to maintain fluent lines of  
8 communications with investors and all its stakeholders regarding the  
9 Company’s position and actions in this environment. Accordingly, Homex is  
10 today communicating alternative scenarios that the Company is working on  
11 to improve its short-term liquidity. Should these actions materialize, they  
12 will result in strengthening the Company’s financial position, while at the  
13 same time positioning Homex to realize important and meaningful business  
14 opportunities in the future.

The Company is currently analyzing short-term approaches to  
maximize the value of its current infrastructure contracts:

1. Monetizing the value of the division’s future cash flows through  
the issuance of mezzanine debt financing.
2. Private placement equity sale, at the penitentiaries trusts or the  
“Homex Infraestructura” level.

15 These short-term alternatives are complementary to the securitization of the  
16 future cash flows of the penitentiaries projects. a strategy at which the  
17 Company has been working  
18 since last year.

At the same time. the Company is pursuing the sale of some non-strategic  
assets, principally, at its Tourism division.

19 The Company believes that these alternatives could create additional value  
20 to shareholders. while bringing new resources to the Holding company.  
21 Homex will inform investors on a timely basis. of going-forward decisions  
22 to be made on the above-mentioned alternatives.

23 “These had been challenging times. and we are working in conjunction with  
24 housing authorities. financial institutions and most importantly inside the  
25 Company to successfully navigate during this period. We continue to be  
26 confident in the prospects for the housing industry in Mexico. as the  
27 National Housing Plan. which is a six-year plan. emphasizes the importance  
28 of housing as a leading economic driver in the country. and recognizes the  
large number of Mexican families that continue to be under-served. In the  
short-term. the environment will continue to be challenging. nonetheless we  
trust in our quality product offering and in our experienced management  
team to accelerate our operations throughout the year in our Mexico  
division. At the same time. we trust in the strategies that we are pursuing  
through our key strategic asset. “Homex Infraestructura”. to strengthen our  
liquidity.” Commented Gerardo de Nicolás Chief Executive Officer of  
Homex.

**April 25, 2013 – Form 6-K and Press Release: First Quarter 2013 Results**

98. On April 25, 2013, Homex issued a press release reporting the Company’s first quarter fiscal results for the period ended March 31, 2013 and on the next day, April 26, 2013, filed it as a Form 6-K with the SEC (the “April 26, 2013 Form 6-K”). The April 26, 2013 Form 6-K was signed by Defendants Moctezuma and Lafarga.

99. The April 26, 2013 Form 6-K reported the Homex’s financial statements for its first fiscal quarter 2013. In relevant part, it stated:

Culiacan Mexico. April 25<sup>th</sup>. 2013—Desarrolladora Homex. S.A.B. de C.V. (“Homex” or “the Company”) [NYSE: HXM. BMV: HOMEX] today announced financial results for the First Quarter ended March 31, 2013<sup>(1)</sup>.

**Financial Highlights**

- Total revenue for the first quarter of 2013 decreased 46.2 percent to Ps.3.3 billion (US\$142.6 million) from Ps.6.2 billion (US\$216.2 million) for the same period in 2012. Housing revenues were Ps.2.2 billion (US\$179 million), a decline of 39.4 percent compared to Ps.3.6 billion (US\$294 million) during the first quarter of 2012 mainly driven by the continued slow collection experienced during the recent quarter in the Company’s Mexico Division. Due to the low level of collections during the quarter, Homex’s ability to complete homes under construction was also affected, impacting its capacity to restore its pipeline of new homes to be collected.

\* \* \*

- Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) during the quarter were Ps.599.7 million (US\$48.5 million), a 51.7 percent decrease from the Ps.1.2 billion (US\$100.4 million) during the same period in 2012. Adjusted EBITDA margin for the recent quarter was 18.0 percent compared to 20.1 percent during the same period of 2012. Adjusted EBITDA margin for housing was 20.2 percent during the first quarter of 2013 compared to 24.2 percent during the same period of 2012.
- As of March 31, 2013, and as a result of the accumulative FX gain of the Peso against the US dollar, the Company’s changes in financial position (which the Company has historically presented as Free Cash Flow), reflect the booking of non-cash items. As of March 31, 2013 and on a consolidated basis, Homex generated

FINANCIAL AND OPERATING HIGHLIGHTS				
Thousands of pesos	1 Q'13 Thousands U.S	1 Q'13 Thousands of	1 Q'12	Chg % and bps

	dollars (Convenience Translation)	pesos		
Volume (Homes)	5,420	5,420	8,738	-38.0%
Revenues	\$269,578	\$3,330,525	\$6,187,293	-46.2%
Housing revenues	\$179,390	\$2,216,287	\$3,657,337	-39.4%
Cost	\$213,634	\$2,639,363	\$4,657,664	-43.3%
Capitalization of Comprehensive Financing Costs (CFC)	\$25,192	\$311,241	\$221,570	40.5%
Gross profit	\$55,944	\$691,162	\$1,529,629	-54.8%
Gross profit adjusted for capitalization of CFC	\$81,136	\$1,002,403	\$1,751,199	-42.8%
Operating income	\$17,393	\$214,888	\$876,962	-75.5%
Operating income adjusted for capitalization of CFC	\$42,586	\$526,129	\$1,098,532	-52.1%
Interest expense, net (a)	\$26,858	\$331,821	\$337,385	-1.6%
Net income	\$7,681	\$94,890	\$836,908	-88.7%
Net Income adjusted for FX	\$5,882	\$72,669	\$477,017	-84.8%
Adjusted EBITDA (b)	\$48,544	\$599,742	\$1,241,053	-51.7%
Gross margin	20.8%	20.8%	24.7%	397
Gross margin adjusted for capitalization of CFC	30.1%	30.1%	28.3%	179
Operating margin	6.5%	6.5%	14.2%	772
Operating margin adjusted for capitalization of CFC	15.8%	15.8%	17.8%	196
Adjusted EBITDA margin	18.0%	18.0%	20.1%	205
Adjusted EBITDA margin Homebuilding (c)	20.2%	20.2%	24.2%	405
Net Income margin adjusted for FX	2.2%	2.2%	7.7%	553
Earnings per share in Ps.		0.28	2.50	-88.7%
Earnings per share in Ps. adjusted for FX		0.22	1.43	-84.8%
Earnings per ADR presented in US\$ (d)	0.14		1.21	-88.7%
Earnings per ADR presented in US\$ adjusted for FX	0.11		0.69	-84.8%
Weighted avg. shares outstanding (MM)	334.7	334.7	334.7	
Accounts receivable days (e)		92	33	
Inventory days		730	668	
Inventory (w/o land) days		528	428	
Accounts payable days ( f)		94	80	
Working Capital Cycle (WCC) days (g)		727	621	

\* \* \*

*FIRST QUARTER 2013 RESULTS*

Commenting on first quarter results. Gerardo de Nicolás, Chief Executive Officer of Homex, said:

“As we anticipated and shared with you in February during our fourth quarter and full year 2012 earnings call, the first quarter of the year was

1 expected to be very challenging, and of course, this has been reflected in our  
 2 reported first quarter results and liquidity position. Nonetheless, we feel  
 3 positive in relation to our performance during 2013, as we believe our  
 4 financial position will show improvement through the resources that we will  
 5 obtain during the following months as a result of the sale of the  
 6 penitentiaries that we just announced last Friday. From a total of Ps.4.0  
 7 billion, Ps.2.0 billion are intended to be invested in working capital to  
 8 complete homes under construction, thus enabling us to generate operating  
 9 cash flow. We will also use Ps.2.0 billion to reduce our indebtedness level.

6 \* \* \*

## 7 Operating Results

8 **Titled volume.** During the first quarter of 2013, title home volume totaled  
 9 5,420 homes, a decrease of 38.0 percent compared to the first quarter of  
 10 2012, reflecting the continued slow collection experienced during the  
 11 quarter. Affordable Entry-level (AEL) collected units in Mexico dropped by  
 12 35.4 percent, while Middle income segment units declined 53.0 percent.

13 During the first quarter of 2013, homes sold in the AEL segment in Mexico  
 14 accounted for 4,919, or 90.8 percent of totaled titled volume compared to  
 15 7,618 or 87.2 percent for the same period in the previous year. Middle-  
 16 income volume in the first quarter of 2013 accounted for 501 units or 9.2  
 17 percent of total titled volume compared to 1,066 units or 12.2 percent during  
 18 the first quarter of 2012.

19 During the first quarter of 2013, the Company did not title homes in Brazil  
 20 mainly due to the Company's cash restriction during the period, which  
 21 limited operations in that country.

VOLUME					
	1Q'13	% of Total	1Q'12	% of Total	Change 1Q13 / 1Q12
Mexico					
Affordable-Entry (from 2 to 11 times MW*)	4,919	90.8%	7,618	87.2%	-35.4%
Middle income (above 11 times MW*)	501	9.2%	1,066	12.2%	-53.0%
<b>Total Mexico</b>	<b>5,420</b>	<b>100.0%</b>	<b>8,684</b>	<b>99.4%</b>	<b>-37.6%</b>
Brazil					
Affordable-Entry (from 3 to 6 times MW*)	0	0.0%	54	0.6%	N/A
<b>Total volume</b>	<b>5,420</b>	<b>100.0%</b>	<b>8,738</b>	<b>100.0%</b>	<b>-38.0%</b>

### 24 \*Minimum Wage

25 Note: The Company categorized its products sold during the quarter according to the  
 26 price ranges presented above

27 **The average price** for all titled homes during the first quarter of 2013  
 28 remained relatively stable at Ps.409 thousand compared to Ps.419 thousand  
 for the same period in the previous year. The average price for AEL units in  
 Mexico was Ps.358 thousand from Ps.351 thousand during the same period



of 2012. The average price for the middle-income segment was Ps.908 thousand compared to Ps.901 thousand during 1Q12. When compared to the fourth quarter of 2012, Homex's average price in the AEL segment and Middle income segment remained unchanged. Homex's average price in both segments reflects the Company's strategy to actively respond to demand trends, mortgage availability and market opportunities in Mexico.

AVERAGE PRICE					
	1Q'13	1Q'12	Change 1Q13 / 1Q12	Low	High
Thousands					
Mexico					
Affordable-Entry (from 2 to 11 times MW*)	\$358	\$351	2.1%	\$204	\$560
Middle income (above 11 times MW*)	\$908	\$901	0.8%	\$561	\$1,500
<b>Average price for all homes in Mexico</b>	<b>\$409</b>	<b>\$418</b>	<b>-2.2%</b>		
Brazil					
Affordable-Entry Brazil (from 3 to 6 times MW*)	N/A	\$481	N/A	\$450	\$978
<b>Average price for all homes</b>	<b>\$409</b>	<b>\$419</b>	<b>-2.3%</b>		

\*Minimum Wage

## Financial Results

**Revenues** decreased 46.2 percent in the first quarter of 2013 to Ps.3.330.5 million from Ps.6.187.3 million in the same period of 2012. Total housing revenues in the first quarter of 2013 decreased 39.4 percent compared to the same period of 2012, driven by volume declines in the Company's operations in Mexico and Brazil. During the quarter, collections at the Company's Mexico Division continued to be slow. Due to the low level of collections experienced during the quarter, the Company's ability to complete homes under construction was also affected, also impacting Homex's capacity to restore its pipeline of new homes to be collected.

During the first quarter of 2013, Homex revenues from its Mexico operations accounted for Ps.2.294.8 million, a 37.0 percent decrease when compared to the same period of last year. AEL revenues declined by 34.1 percent to Ps.1.761.4 million compared to Ps.2.670.8 million during the same period a year ago. Middle-income level revenues decreased 52.6 percent to Ps.454.9 million from Ps.960.5 million during the same period in the previous year. During the first quarter of 2013, other revenues increased by 692.9 percent to Ps.78.5 million from Ps.9.9 million during the first quarter of 2012 mainly due to the sale of land and commercial spaces at Homex housing developments.

As of March 31, 2013 Homex maintained stability in its vertical product offering under construction compared to December 31, 2012, representing 55 percent of total units under construction at both dates.

\* \* \*

During the first quarter of 2013, as a percentage of total revenues, revenues from Homex's Mexico Division represented 68.9 percent compared to 58.9 percent during the first quarter of 2012. Homex's Infrastructure Division,

represented 21.0 percent of total first quarter 2013 revenues compared to 21.4 percent during the same period of 2012, mainly driven by the recognition of revenues from construction services related to the Chiapas project during the year ago period. Brazil did not have a contribution during the first quarter of 2013 compared to 0.4 percent during the first quarter of 2012.

REVENUE BREAKDOWN					
Thousands of pesos	1Q'13	% of Total	1Q'12	% of Total	Change 1Q13 / 1Q12
Mexico Housing Revenues					
Affordable-Entry (from 2 to 11 times MW*)	\$1,761,372	52.9%	\$2,670,831	43.2%	-34.1%
Middle income (above 11 times MW*)	\$454,915	13.7%	\$960,526	15.5%	-52.6%
<b>Total Mexico Housing Revenues</b>	<b>\$2,216,287</b>	<b>66.5%</b>	<b>\$3,631,357</b>	<b>58.7%</b>	<b>-39.0%</b>
Other Revenues Mexico	\$78,491	2.4%	\$9,899	0.2%	692.9%
<b>Total Mexico Revenues</b>	<b>\$2,294,778</b>	<b>68.9%</b>	<b>\$3,641,256</b>	<b>58.9%</b>	<b>-37.0%</b>
Brazil					
Affordable-Entry (from 3 to 6 times MW*)	\$-	0.0%	\$25,980	0.4%	-100.0%
<b>Total Housing Revenues</b>	<b>\$2,216,287</b>	<b>66.5%</b>	<b>\$3,657,337</b>	<b>59.1%</b>	<b>-39.4%</b>
Infrastructure revenue	\$699,341	21.0%	\$1,321,008	21.4%	-47.1%
Infrastructure construction projects	\$699,341	21.0%	\$61,154	1.0%	1043.6%
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	\$-	0.0%	\$1,259,854	20.4%	N/A
Federal Penitentiaries Projects revenue	\$336,406	10.1%	\$1,199,049	19.4%	-71.9%
<b>Total Revenues</b>	<b>\$3,330,525</b>	<b>100.0%</b>	<b>\$6,187,293</b>	<b>100.0%</b>	<b>-46.2%</b>

**Gross profit margin** decreased to 20.8 percent in the first quarter of 2013 compared to 24.7 percent in the same quarter of 2012. Beginning January 1, 2012, as the Company implemented IFRS, and pursuant to IAS 23, “Cost of Loans,” only the foreign-exchange differences relating to loans in foreign currency directly attributable to the acquisition, construction or production of eligible assets can be capitalized, as part of the cost of those assets, to the extent to which they are considered adjustments to interest expense.

During the first quarter of 2013, capitalized interest expense was Ps.308.7 million, a 41.5 percent increase when compared to Ps.218.1 million during the first quarter of 2012.

On a pro-forma basis (without considering the application of IAS 23 in 2013 and 2012), Homex’s gross profit margin for the quarter would have been 30.1 percent as compared to 28.3 percent during the same period in 2012.

1 **FIRST QUARTER 2013 RESULTS**

2 **CAPITALIZATION OF COMPREHENSIVE FINANCING COST**

3 Thousand of Pesos

4 <b>INVENTORY</b>	March 31,	March 31,
	2013	2012
5 Exchange Loss (gain)	-\$6,468	-\$8,186
6 Interest Expense	2,881,512	1,602,973
7 Inflation accounting accumulated effect	29,871	33,550
8 Total	\$2,904,915	\$1,628,337
9 <b>COST OF SALES</b>	1Q13	1Q12
Exchange Loss (gain)	-\$693	-\$1,114
Interest Expense	308,733	218,119
Inflation accounting accumulated effect	3,200	4,565
Total	\$311,241	\$221,570

12 \* \* \*

13  
14 **Net income** for the first quarter of 2013 was Ps.94.9 million or a 2.8 percent  
15 margin compared to Ps.836.9 million and a margin of 13.5 percent reported  
16 in the same period in 2012. For the first quarter of 2013 and 2012, net  
17 income margin, adjusted for FX effects, was 2.2 percent and 7.7 percent,  
18 respectively.

19 **Earnings per share (EPS)** for the first quarter of 2013 decreased to Ps.0.28  
20 as compared to Ps.2.50 reported in the first quarter of 2012, driven by the  
21 revenue decline registered during the quarter, a higher SG&A for the recent  
22 quarter and a lower recognition of a foreign exchange (FX) gain compared  
23 to the first quarter of 2012. EPS adjusted for non-cash foreign exchange  
24 (FX) effects during the first quarter of 2013 was Ps.0.22 compared to  
25 Ps.1.43 during the first quarter of 2012.

26 **Adjusted EBITDA** during the first quarter of 2013 decreased 51.7 percent  
27 to Ps.599.7 million from Ps.1.241.0 million reported for the same period in  
28 2012. As a percentage of sales, adjusted EBITDA during the first quarter of  
2013 was 18.0 percent compared to 20.1 percent in the same period last  
year. The lower margin during the recent quarter derives from lower margin  
from the Infrastructure Division and the negative contribution from the  
Company's operations in Brazil. Adjusted EBITDA margin for housing was  
20.2 percent during the first quarter of 2013 compared to 24.2 percent during  
the same period of 2012.

26 **RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA DERIVED FROM**

27 **OUR IFRS FINANCIAL INFORMATION**

28 Thousands of pesos	1Q'13	1Q'12
Net Income	\$95,265	\$834,060

1	Depreciation and amortization	\$52,718	\$99,961
2	Capitalization of CFC	\$311,241	\$221,570
3	Other expense and amortization	\$31,867	\$0
4	Net comprehensive financing cost	\$47,750	-\$475,327
5	Income tax	\$61,275	\$557,940
6	Minority interest	-\$375	\$2,849
7	<b>Adjusted EBITDA</b>	<b>\$599,742</b>	<b>\$1,241,053</b>

\* \* \*

### Working Capital Cycle

The following tables present a breakdown of the Company's inventory and capitalization of Comprehensive Financing Cost (CFC) to show total inventory adjusted by this effect.

Ps. M illion	March 2012	December 2012	March 2013
Total Inventory	30,705	33,321	36,489
Capitalization of CFC	1,628	2,057	2,905
Total Inventory adjusted by capitalization of CFC	29,077	31,264	33,584

### Days of Housing Working Capital Cycle (WCC)<sup>1</sup>

Days	March 2012	December 2012	March 2013
Total Accounts Receivable (a)	33	85	92
Housing Receivables	27	86	96
Inventory days	668	621	730
Accounts Payable (b)	80	88	94
Total WCC	621	618	727

<sup>1</sup> Computation of WCC does not include COGS and Revenues from the penitentiary construction projects.

The Company's Working Capital Cycle (WCC) was 727 days as of March 31, 2013, compared to 618 days as of December 31, 2012:

- On a quarterly basis inventory (adjusted by the capitalization of CFC) increased by Ps.2,320.3 million as a result of investments in construction in progress inventory.
- Compared to inventory as of March 31, 2012, inventory balance (adjusted for the capitalization of CFC) increased by Ps.4,507.3 million, mainly derived from the increased migration into vertical construction, where the initial invested capital is higher compared to horizontal construction, and to a longer construction cycle that these buildings require. It is worth noting that on a yearly basis, land inventory decreased by Ps.941.2 million, in line with the Company's policy to follow a conservative land replacement strategy.



1	Goodwill	\$731,861	1.4%	\$650,344	1.5%	12.5%
	Other assets	\$102,709	0.2%	\$169,962	0.4%	-39.6%
2	<b>TOTAL</b>	<b>\$52,193,175</b>	<b>100.0%</b>	<b>\$43,138,832</b>	<b>100.0%</b>	21.0%
3	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
4	<b>CURRENT LIABILITIES</b>					
	Notes payable to financial institutions	\$4,683,030	9.0%	\$3,632,273	8.4%	28.9%
5	Accounts payable	\$4,723,884	9.1%	\$3,678,642	8.5%	28.4%
	Land payable	\$899,407	1.7%	\$1,061,334	2.5%	-15.3%
6	Advances from customers	\$1,154,001	2.2%	\$632,137	1.5%	82.6%
7	Accrued expenses and taxes payable	\$4,491,341	8.6%	\$2,384,864	5.5%	88.3%
	<b>Total current liabilities</b>	<b>\$15,052,256</b>	<b>28.8%</b>	<b>\$10,327,916</b>	<b>23.9%</b>	45.7%
8	Long-term notes payable to financial institutions	\$13,546,814	26.0%	\$12,099,909	28.0%	12.0%
9	Long-term project financing	\$3,238,150	6.2%	\$1,048,695	2.4%	208.8%
	Swap payable	\$947,362	1.8%	\$583,520	1.4%	62.4%
10	Labor obligations	\$6,358	0.0%	\$7,313	0.0%	-13.1%
11	Deferred income taxes	\$4,631,423	8.9%	\$4,897,050	11.4%	-5.4%
12	<b>TOTAL LIABILITIES</b>	<b>\$37,422,362</b>	<b>71.7%</b>	<b>\$28,964,401</b>	<b>67.1%</b>	29.2%
13	<b>STOCKHOLDERS' EQUITY</b>					
	Common stock	\$425,441	0.8%	\$425,441	1.0%	0.0%
14	Additional paid-in capital	\$2,731,202	5.2%	\$2,731,202	6.3%	0.0%
	Retained earnings	\$12,215,226	23.4%	\$11,137,998	25.8%	9.7%
15	Other stockholders' equity accounts	\$(784,665)	-1.5%	\$(483,755)	-1.1%	62.2%
	Majority stockholders' equity	\$14,587,204	27.9%	\$13,810,886	32.0%	5.6%
16	Minority interest	\$183,609	0.4%	\$363,545	0.8%	-49.5%
17	<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$14,770,813</b>	<b>28.3%</b>	<b>\$14,174,431</b>	<b>32.9%</b>	4.2%
18	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$52,193,175</b>	<b>100.0%</b>	<b>\$43,138,832</b>	<b>100.0%</b>	21.0%

**DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT  
COMPARISON OF THREE MONTHS 2013 WITH THREE MONTHS 2012**

(Figures in thousands of pesos)	1Q13		1Q12		% Chg
<b>REVENUES</b>					
Affordable-entry level revenue	\$1,761,372	52.9%	\$2,670,831	43.2%	-34.1%
Middle income housing revenue	\$454,915	13.7%	\$960,526	15.5%	-52.6%
Affordable-entry level revenue Brazil	-	0.0%	\$25,980	0.4%	-100.0%
Other revenues	\$78,491	2.4%	\$9,899	0.2%	692.9%
Infrastructure revenue	\$699,341	21.0%	\$1,321,008	21.4%	-47.1%
Infrastructure construction projects	\$699,341	21.0%	\$61,154	1.0%	1043.6%
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	-	0.0%	\$1,259,854	20.4%	-100.0%
Federal Penitentiaries projects revenue	\$336,406	10.1%	\$1,199,049	19.4%	-71.9%
<b>TOTAL REVENUES</b>	<b>\$3,330,525</b>	<b>100.0%</b>	<b>\$6,187,293</b>	<b>100.0%</b>	<b>-46.2%</b>
<b>COSTS</b>	<b>\$2,328,122</b>	<b>69.9%</b>	<b>\$4,436,094</b>	<b>71.7%</b>	<b>-47.5%</b>



1	Capitalization of CFC	\$311,241	9.3%	\$221,570	3.6%	40.5%
	Interest	\$308,733	9.3%	\$218,119	3.5%	41.5%
2	FX ( gain) loss and inflation accounting effect	\$2,507	0.1%	\$3,451	0.1%	-27.3%
3	TOTAL COST	\$2,639,363	79.2%	\$4,657,664	75.3%	-43.3%
4	GROSS PROFIT	\$691,162	20.8%	\$1,529,629	24.7%	-54.8%
	TOTAL SELLING AND ADMINISTRATIVE EXPENSES	\$476,274	14.3%	\$652,668	10.5%	-27.0%
5	OPERATING INCOME	\$214,888	6.5%	\$876,962	14.2%	-75.5%
6	OTHER (EXPENSES) INCOME, NET	\$(10,973)	-0.3%	\$42,560	0.7%	-125.8%
7	NET COMPREHENSIVE FINANCING COST					
	Interest expense and commissions	\$74,500	2.2%	\$175,637	2.8%	-57.6%
8	Interest expense penitentiaries	\$63,740	1.9%	\$8,677	0.1%	634.6%
9	Interest income	\$(51,412)	-1.5%	\$(56,371)	-0.9%	-8.8%
	Foreign exchange (gain) loss	\$(39,077)	-1.2%	\$(603,270)	-9.8%	-93.5%
10		\$47,750	1.4%	\$(475,327)	-7.7%	-110.0%
11	INCOME BEFORE INCOME TAX	\$156,165	4.7%	\$1,394,848	22.5%	-88.8%
12	INCOME TAX EXPENSE	\$61,275	1.8%	\$557,940	9.0%	-89.0%
	NET INCOME	\$94,890	2.8%	\$836,908	13.5%	-88.7%
13	MAJORITY INTEREST	\$95,265	2.9%	\$834,060	13.5%	-88.6%
14	MINORITY INTEREST	\$(375)	0.0%	\$2,849	0.0%	-113.2%
	NET INCOME	\$94,890	2.8%	\$836,908	13.5%	-88.7%
15	NET INCOME Adjusted for FX	\$72,669	2.2%	\$477,017	7.7%	-84.8%
16	Earnings per share	0.28		2.50		-88.7%
	Earnings per share Adjusted for FX	0.22		1.43		-84.8%
17	Adjusted EBITDA	\$599,742	18.0%	\$1,241,053	20.1%	-51.7%
18	Adjusted EBITDA Homebuilding	\$462,978	20.2%	\$888,246	24.2%	-47.9%

DESARROLLADORA HOMEX, S.A.B. DE C.V.  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE PERIOD ENDED MARCH 31, 2013

(thousands of pesos)	FCF w/o		
	Penitentiaries	Penitentiaries	Consolidated
<b>Total Net Income and Non Cash Items</b>	193,707	(1,153)	192,555
<b>(Increase) decrease in:</b>			
Trade accounts receivable	(179,666)	(658,729)	(838,395)
Inventories (w/land)	(3,167,887)	-	(3,167,887)
Trade accounts payable	(44,055)	6,287	(37,768)
Other A&L, net	621,134	-	621,134
<b>Changes in operating assets and liabilities</b>	<b>(2,770,474)</b>	<b>(652,442)</b>	<b>(3,422,916)</b>

1	<b>Operating cash flow</b>	(2,576,766)	(653,595)	(3,230,361)
2	Capex	(1,525)	163	(1,362)
3				
4	<b>Free Cash Flow</b>	(2,578,291)	(653,431)	(3,231,723)
5	Non Cash Effects <sup>1</sup>	(484,814)		(484,814)
6	<b>Free Cash Flow adjusted by FX</b>	(3,063,106)	(653,431)	(3,716,537)

DESARROLLADORA HOMEX, S.A.B. DE C.V.  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE PERIOD ENDED MARCH 31

10	(thousands of pesos)	2013	2012
11	Net Income	95,265	836,908
12	<b>Non-cash items:</b>		
13	Depreciation & Amortization	36,390	99,961
14	Minority interest	(375)	2,849
15	Deferred income taxes	61,275	557,940
16	<b>Total Net Income and Non Cash Items</b>	192,555	1,497,658
17	<b>(Increase) decrease in:</b>		
18	Trade accounts receivable	(838,395)	(2,730,516)
19	Inventories (w/land)	(3,167,887)	33,246
20	Trade accounts payable	(37,768)	880,222
21	Other A&L, net	621,134	750,035
22	<b>Changes in operating assets and liabilities</b>	(3,422,916)	(1,067,013)
23	<b>Operating cash flow</b>	(3,230,361)	430,645
24	Capex	(1,362)	(8,093)
25	<b>Free Cash Flow</b>	(3,231,723)	422,552
26	Non Cash Effects <sup>1</sup>	(484,814)	(249,217)
27	<b>Free Cash Flow adjusted by FX</b>	(3,716,537)	173,335
28	Net financing activities	1,232,610	1,280,258
29	Net (decrease) increase in cash and cash equivalents	1,999,113	1,702,810

1	Balance at beginning of period	2,321,780	3,917,055
2			
3	Balance at end of period	322,667	5,619,865

4

5 100. The statements above, as well as additional statements contained in the

6 April 26, 2013 Form 6-K (incorporated herein in its entirety), related to Homex's

7 revenues, accounts receivable, inventory, cost of sales, and home units sold between

8 2010 and 2013 were materially false and/or misleading. Additionally, each and every

9 financial metric that derives its calculation or is affected by these figures is also

10 materially false and / or misleading. More specifically, these statements misrepresented

11 and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by

12 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes;

13 (2) between 2010 and 2013, Homex overstated the number of units it sold by over

14 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of

15 their subordinates knowingly and intentionally engaged in a scheme to materially

16 overstate Homex's revenues, homes sold, and other related financial items; and (4) as a

17 result, Defendants' statements about the Company's business, operations and prospects

18 were materially false and misleading and/or lacked a reasonable bases at all relevant

19 times. As detailed herein, the Individual Defendants were involved in a scheme whereby

20 fictitious home sales were inputted into Homex's SIA Treasury Module. This data was

21 subsequently uploaded into the Homex's Contpaq system and was then used to generate

22 the Company's financial statements. As a result of the fictitious home sales entered into

23 the SIA Treasury Module, any of Defendants' statements related to the financial

24 statements and /or statistical information derived from these fictitious home sales and

25 their revenues were also materially false and / or misleading.

26 **April 26, 2013 – Conference Call: First Quarter 2013 Earnings Result**

27 101. Also that same day, Homex held a conference call to discuss the first

28 quarter 2013 fiscal results ("April 26, 2013 Conference Call"). During the call, both

1 Defendant de Nicolás and Moctezuma reiterated certain of the statements made in the  
2 April 26, 2013 Conference Call Form 6-K, including statements concerning Homex's  
3 operations in Mexico. Defendant Moctezuma noted that during the quarter, Homex's  
4 inventory balance increased to \$36,489 million, that the land inventory reduced in \$941  
5 million, and the balance of accounts receivable was \$4,551 million.

6 102. Moctezuma specifically stated the following concerning Homex's financial  
7 statements:

8 En términos de rentabilidad, el margen de utilidad bruta del trimestre  
9 ajustado por la capitalización del costo integral de financiamiento fue de  
10 30.1 por ciento en comparación con 28.3 por ciento durante el mismo  
periodo de 2012, lo que refleja nuestra capacidad de mantener nuestros  
márgenes a pesar de estos tiempos difíciles.

11 Como parte de nuestros esfuerzos por aumentar la rentabilidad, hemos  
12 continuado generando eficiencias en los niveles de gastos y administración  
de ventas. Durante el trimestre, los gastos de administración y ventas  
13 disminuyeron 2.7 por ciento a 476 mil millones de pesos de 653 mil  
millones de pesos durante el año del periodo anterior.

14 El margen UAFIDA consolidado disminuyó 18.0 por ciento en comparación  
de un margen UAFIDA de  
15 20.1 por ciento durante el primer trimestre de 2012. La disminución del  
margen durante el reciente trimestre se deriva de 1) un margen inferior al de  
16 la División Infraestructura, los márgenes de este tipo de servicios de  
construcción de obra son más bajos, pero están en línea con nuestras  
17 expectativas, combinado con una mayor proporción de estos ingresos dentro  
de la línea de ingresos totales, y 2) la contribución negativa de nuestras  
18 operaciones en Brasil.

19 El margen UAFIDA de Homex Vivienda se mantuvo estable a 20.2 por  
20 ciento durante el primer trimestre de 2013.

21 Pasando ahora al balance...

22 Durante el trimestre, el saldo del inventario aumentó a \$36,489 millones de  
\$33,321 millones que había al 31 de Diciembre de 2012. El aumento de  
23 trimestre a trimestre refleja un ciclo de construcción más largo como  
resultado de una menor disponibilidad de recursos para acelerar el ritmo de  
24 construcción. Es importante destacar, que nuestro inventario de tierra  
continúa disminuyendo, y que anualmente se redujo en \$941 millones.

25 El saldo de las cuentas por cobrar era de \$4,651 millones o de 96 días,  
ligeramente por encima de  
26 \$4,537 millones que había al 31 de diciembre de 2012 o de 86 días. El  
incremento se debe principalmente al lento proceso de cobro que  
27 continuamos experimentando durante los primeros meses del año, que  
esperamos se revierta a lo largo de los próximos trimestres del año.  
28

1 Las cuentas por cobrar de nuestra División Infraestructura, y no  
2 considerando los proyectos de los centros penitenciarios, fueron de \$1,183  
3 millones, una reducción de \$145 millones, en comparación con  
4 el nivel al 31 de Diciembre de 2012.

5 Los días de cuentas por pagar, sin considerar las cuentas por pagar de los  
6 proyectos penitenciarios, aumentaron a 94 días de 88 días que había al 31 de  
7 Diciembre de 2012. Las cuentas por pagar sin tierra o cuentas por pagar de  
8 materiales de construcción se mostraron relativamente estables en 76 días  
9 comparado con 71 días al 31 de Diciembre de 2012.

10 En relación a nuestras limitaciones financieras...

11 Durante el primer trimestre se obtuvo una exención de Inbursa y Banamex,  
12 ya que no se cumplió con las limitaciones financieras relacionadas con sus  
13 créditos. Recuerden que el cálculo de la deuda no incluye la línea principal  
14 de contribución para nuestros proyectos penitenciarios, ni el financiamiento  
15 a largo plazo de los proyectos en conexión a la ejecución de la construcción  
16 de estos proyectos.

17 En relación con la limitación operativa de la Compañía que se incumplió en  
18 nuestras operaciones en Brasil, continuamos con las negociaciones con los  
19 prestamistas, y estamos confiados en que llegaremos a un acuerdo con ellos  
20 durante las próximas semanas.

21 Pasando ahora a la discusión del Flujo Libre de Efectivo, al 31 de Marzo de  
22 2013, y como resultado de una ganancia cambiaria acumulativa del peso  
23 contra el dólar, el estado de cambios en la posición financiera de la  
24 compañía (el cual hemos presentado históricamente como Flujo Libre de  
25 Efectivo), reflejó el registro de partidas no monetarias. Al 31 de Marzo de  
26 2013, tenemos un impacto total positivo no monetario de \$485 millones,  
27 incluyendo los efectos registrados en los estados de resultados y en el  
28 balance.

Considerando los efectos cambiarios no monetarios y sobre una base  
consolidada, generamos un FLE negativo de \$3,716 millones, los cuales  
fueron derivados por el reconocimiento de avances de construcción de  
nuestra División de Vivienda.

El FLE sin considerar los proyectos penitenciarios y ajustados a los efectos  
cambiaros no monetarios, fue de \$3,063 millones negativo. Como ya  
mencioné anteriormente, estamos trabajando en renovar nuestras  
operaciones y en materializar las inversiones que hemos hecho y al día de  
hoy se ve reflejado en nuestros niveles de inventario así como en nuestras  
cuentas por cobrar.

103. Moreover, during the question-and-answer portion of the call, Defendant  
Moctezuma responded to a question concerning the valuation of Homex's inventory  
valuation and accounts receivable. In response, Defendant Moctezuma reiterated the  
current valuation of these assets. Additionally, one analyst questioned whether it was  
possible that account receivables could be negatively impacted by the cancellation of

1 sales. Moctezuma responded it was a possibility. Furthermore, de Nicolás represented  
2 that historically this rate has been less than 5% and was currently in the same range.  
3 Specifically, de Nicolás stated:

4 **Jason Mollin:** Una segunda pregunta, pudieran darnos su visión de la  
5 valuación de sus inventarios contra cual sería el valor de mercado  
6 específicamente si pudieran referirse a los \$2,500 millones de construcción  
7 en proceso y de los 10 mil millones de pesos en tierra. Teniendo en cuenta lo  
8 que está pasando en el mercado hoy en día ¿deberíamos estar buscando una  
9 reducción en estos valores contables?

10 Y supongo que podríamos preguntar lo mismo para las cuentas por cobrar.  
11 ¿Hay alguna razón para ver alguna reducción en las cuentas por cobrar?  
12 ¿Esto es simplemente por los retrasos en los pagos? O  
13 ¿hay algo más que debemos considerar de estos valores?

14 **Carlos Moctezuma:** Hasta el momento, en términos de inventarios hemos  
15 realizado un análisis de nuestra posición de tierra de los \$10 mil millones  
16 que se tienen, de acuerdo a la información que se encuentra disponible hoy  
17 de las autoridades, creemos que la gran mayoría de nuestra tierra aplica a la  
18 vivienda y para la asignación de subsidios o la aplicación. Así que no  
19 estamos anticipando hacer cualquier tipo de reducción.

20 Recuerden que nuestra tierra está registrada a valor de adquisición en el  
21 Balance y no refleja las condiciones del mercado. Es por eso que no  
22 anticipamos tener ningún impacto en la posición de inventario.

23 En términos de la construcción en proceso, es lo mismo que tenemos  
24 actualmente operando en las ciudades principales del país. Una buena  
25 porción de la construcción en proceso está relacionada con infraestructura.  
26 La mayoría de nuestros proyectos están en nuevas etapas o etapas en proceso  
27 de los actuales desarrollos vendidos, habitados y entregados. Por lo tanto la  
28 condición de estar en zonas urbanas se logra relativamente en la línea de  
29 inventario.

30 En términos de nuestras cuentas por cobrar, no estamos anticipando ningún  
31 tipo de reajuste. Creemos que el nivel actual en nuestra cuenta por cobrar  
32 será disminuido durante el año. Estamos anticipando tener algo similar pero  
33 no necesariamente igual al nivel de cuentas por cobrar que se vio en la  
34 última parte del 2012. Teniendo en cuenta que el ciclo del capital de trabajo  
35 para el sector ha cambiado y estamos adaptándonos a él y aprovechando los  
36 mensajes que hemos estado recibiendo por las autoridades respecto a la  
37 construcción vertical y al enfoque hacia interés social. Entonces, ahora, no  
38 estamos anticipando tener ningún tipo de reducción en nuestros activos.

39 **Jason Mollin:** Y en las cuentas por cobrar, ¿es posible que existan  
40 cancelaciones de las ventas y que pudieran impactar negativamente?

41 **Carlos Moctezuma:** Si, esa es una posibilidad. La cancelación de ventas es  
42 una posibilidad. También lo que nosotros llamamos en español, “desperfilar”  
43 es que el cliente no pueda cumplir con el perfil requerido para adquirir la  
44 parte del subsidio que está solicitando, esa es también otra posibilidad. Y  
45 puede pasar, no es una posibilidad exclusiva de este trimestre.



1 **Jason Mollin:** Y ahora, disculpen, solamente quiero preguntar ¿cuánto ha  
2 crecido esa tasa de digamos cancelaciones o retracciones debido a que no se  
3 cumple con las condiciones, con el subsidio, cómo evoluciona esta tasa con  
4 el tiempo? ¿Ha estado aumentando?

5 **Carlos Moctezuma:** Históricamente esta tasa ha sido menos del 5%, hoy  
6 está en el mismo rango. Nuevamente, no estamos anticipando que se  
7 incremente. Creemos que es cobrable en el resto del año y tenemos  
8 suficiente número de clientes para continuar trabajando hacia el fin de año.

9  
10 104. Further during the April 26, 2013 Conference Call, a question was asked  
11 about the homes that were currently in construction. Specifically, an analyst inquired  
12 how many houses were ready to be delivered out of the 65% of the buildings in  
13 construction. In response, Moctezuma stated that homes that were 100% finished are  
14 transferred to accounts receivable because they already have a customer, whereas the  
15 construction in progress is what remains in the inventory. More specifically, Moctezuma  
16 stated:

17 **Marimar Torreblanca:** Ok, De acuerdo. Mi segunda pregunta, ¿pudieran  
18 aclararnos más sobre su línea de construcción en proceso? Específicamente  
19 pueden decirnos ¿cuánto de esa construcción son viviendas terminadas o  
20 cuanto de ese proyecto sigue en el proceso de infraestructura solo para tener  
21 una idea de cuánto valdría? No estoy diciendo que lo venderán, pero si  
22 eventualmente tuvieran que vender parte de esto.

23 **Carlos Moctezuma:** Si Marimar, el trabajo en curso o la construcción en  
24 proceso es una cuenta muy dinámica. Todo los d se añade algo de  
25 infraestructura, movimiento de tierra, edificación, etc. en ella, por lo que la  
26 forma más práctica de verlo sería pensarlo como un reflejo de la estructura  
27 de costos en el que alrededor del 35% de la misma está relacionada con la  
28 infraestructura y el resto de la urbanización y el resto es edificación,  
podemos adentrar en detalles sobre la estructura de costos en una llamada  
independiente si lo consideras necesario.

**Marimar Torreblanca:** Ok, rápidamente, fuera del 65% de la edificación,  
¿cuántas viviendas pudieran decir que están listas para ser entregadas?

**Carlos Moctezuma:** Las viviendas que están al 100% terminadas no están  
en la línea de la construcción en proceso, quiero decir el porcentaje es  
mínimo. Las viviendas que están 100% terminadas están transferidas a la  
línea de cuentas por cobrar debido a que ya cuentan con cliente y después la  
construcción en progreso es lo que queda en la línea del inventario como  
construcción en proceso.

**Marimar Torreblanca:** Ok, ahora rápidamente. Mencionaron US\$16  
millones o US\$60 millones de respecto a la tierra de Turismo?

**Carlos Moctezuma:** US\$60 millones.

1           **Marimar Torreblanca:** 60, ok. Gracias.

2  
3           105. Additionally, an analyst raised a question concerning the amount of cash that  
4 Homex needs to invest in working capital to receive an amount equal to what Homex  
5 receives in return. Moctezuma stated:

6           **Aaron Holsberg:** Hola, tengo dos preguntas y ambas son respecto al tamaño  
7 de la ecuación. Cuándo lograrán equilibrio en su flujo, para que el monto de  
8 efectivo que invierten en capital de trabajo sea igual al monto que obtienen  
9 de regreso. ¿Y cuál será el tamaño de la empresa cuando esto suceda? Así  
10 que la primera parte de mi pregunta es, es bueno que hayan hecho la venta  
11 de las prisiones y que estén obteniendo más capital de trabajo, más efectivo  
12 para capital de trabajo, pero en algún momento se acabará, a menos que  
13 regrese este efectivo de alguna forma . Entonces ¿en qué punto esperan  
14 recuperar la velocidad en la cobranza hasta este punto? Es el nivel de  
15 actividad que vimos en el primer trimestre alrededor de 5,000 viviendas  
16 sobre el cual mantendrán sus operaciones. Realmente no veo que tengan un  
17 porcentaje de las operaciones que están en proceso y que no se han detenido.  
18 Ustedes cuentan con alrededor de 140 proyectos en todo México y me  
19 preguntaba cuántos de estos proyectos están operándose. Si son solo  
20 algunos, una docena, un par de docenas, 50,100. Necesitamos tener una  
21 mejor idea de esto, pero básicamente es acerca del tiempo en el que ustedes  
22 piensan que llegarán al equilibrio de flujo y ¿cuál será el tamaño de la  
23 empresa en ese momento?

24           **Carlos Moctezuma:** Gracias, Aron. En cuanto a cuando nuestro punto de  
25 equilibrio en flujo será alcanzado o cual será el tamaño del negocio hasta ese  
26 entonces, es de esto exactamente a lo que se referirá la guía y con la  
27 información que actualmente contamos, preferimos terminar de  
28 concentrarnos en las acciones que estamos obteniendo de nuestro día a día y  
después de esto, estaremos informándoles sobre las nuevas expectativas de  
la Compañía. Definitivamente, el nivel de actividad en el primer trimestre no  
es el nivel que estamos esperando para el resto del año. Es por esto que  
seguimos trabajando a través de obtener el financiamiento necesario para  
nuestros proyectos y con confianza en los programas de subsidios y en todos  
nuestros programas que harán que elevemos nuestras cobranzas a los niveles  
que deseamos. No tengo un número de esto que pueda compartirme aun.

Y del lado de la operación, ya que el porcentaje de operaciones pararon,  
hemos disminuido el nivel de las actividades en todo el país. Tengo que  
decir que las proporciones de los proyectos que prevalecen son los mismos  
que antes. Me refiero a las principales áreas metropolitanas que siguen  
siendo los más activos, pero que siempre han sido, por lo que en todo el país  
ha habido una reducción del nivel de actividad.

29           106. Moreover, during the conference call, questions were raised concerning  
30 Homex's financial liquidity. Defendant Moctezuma responded to question concerning  
31 the Company's recent use of bridge loans. Moctezuma explained that the Company was  
32 taking on this debt in order to increase production so that Homex could cover its debt

1 obligations. Moctezuma explained that the bridge loans that Homex was acquiring are  
2 directly equal to the increasing levels of our production that is also equal to the  
3 Company's ability to meet its commitments.

4 107. The statements above, as well as additional statements contained in the  
5 April 26, 2013 Conference Call (incorporated herein in its entirety), related to Homex's  
6 revenues, accounts receivable, inventory, cost of sales, and home units sold between  
7 2010 and 2013 were materially false and/or misleading. Additionally, each and every  
8 financial metric that derives its calculation or is affected by these figures is also  
9 materially false and / or misleading. More specifically, these statements misrepresented  
10 and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by  
11 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes;  
12 (2) between 2010 and 2013, Homex overstated the number of units it sold by over  
13 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of  
14 their subordinates knowingly and intentionally engaged in a scheme to materially  
15 overstate Homex's revenues, homes sold, and other related financial items; and (4) as a  
16 result, Defendants' statements about the Company's business, operations and prospects  
17 were materially false and misleading and/or lacked a reasonable bases at all relevant  
18 times. As detailed herein, the Individual Defendants were involved in a scheme whereby  
19 fictitious home sales were inputted into Homex's SIA Treasury Module. This data was  
20 subsequently uploaded into the Homex's Contpaq system and was then used to generate  
21 the Company's financial statements. As a result of the fictitious home sales entered into  
22 the SIA Treasury Module, any of Defendants' statements related to the financial  
23 statements and /or statistical information derived from these fictitious home sales and  
24 their revenues were also materially false and / or misleading.

25  
26  
27  
28

1        **April 30, 2013 – Form 12b-25**

2            108. On April 30, 2013, Homex filed a Form 12b-25 with the SEC stating that it  
3 would be unable to timely file its Form 20-F for the fiscal year ended December 31,  
4 2012. The Form 12b-25 stated, in relevant part:

5  
6            Desarrolladora Homex, S.A.B. de C.V. (the “Company”) is unable to file its  
7 Form 20-F for the fiscal year ended December 31, 2012 (the “Form 20-F”)   
8 prior to its April 30, 2013 due date. The Company is in the process of  
9 completing its preparation of its IFRS consolidated financial statements as of  
10 December 31, 2012 and 2011, and for the two years then ended. It is also  
11 still in the process of preparing other sections of its Form 20-F. The  
12 Company intends to file its Form 20-F with the U.S. Securities and  
13 Exchange Commission as promptly as practicable.

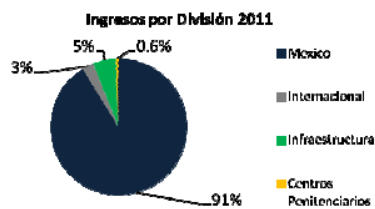
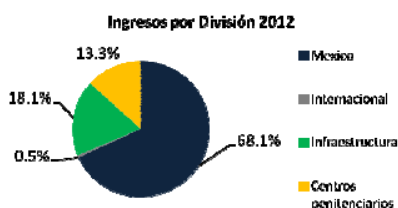
14        **May 2013– Investor Presentation: Homex’s Strategic Nature**

15            109. In May 2013, Homex issued an investor presentation entitled De Naturaleza  
16 Estratéfica (“May 2013 Presentation”).

17            110. In the May 2013 Presentation, Homex stated the following relevant  
18 information:  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

# 1. Homex Resumen

Datos Financieros y Operativos			
Miles de Pesos	2012	2011	%Var.
Volumen (viviendas)	46,357	52,486	-11.7%
Ingresos	\$ 28,625,602	\$ 21,853,279	30.5%
Utilidad Bruta	\$ 7,298,122	\$ 7,087,287	3.0%
Utilidad Operativa	\$ 4,829,632	\$ 4,312,358	12.0%
Utilidad Neta <sup>(1)</sup>	\$ 1,712,860	\$ 1,644,881	4.1%
UAFIDA <sup>(2)</sup>	\$ 5,255,292	\$ 4,724,029	11.2%
Margen Bruto	25.6%	32.4%	
Margen Operativo	16.9%	19.7%	
Margen Neto	6.0%	7.5%	
Margen UAFIDA	18.4%	21.6%	
Utilidad por Acción	\$ 4.73	\$ 3.22	
UAFIDA/ Interés neto	3.2x	3.8x	
Deuda Neta / UAFIDA	3.4x	2.4x	
Cuentas por Cobrar (días) periodo terminado	65	36	
Rotación de inventario (días) periodo terminado	621	696	
Rotación de inventario (sin tierra) en días, periodo terminado	428	440	
Rotación de cuentas por pagar (días)	88	98	



Los márgenes de utilidad bruta y utilidad operativa se presentan ajustados por la aplicación de NIF D-6 "Capitalización del Costo Integral de Financiamiento"

(1) Utilidad neta y margen neto ajustado por efectos cambiarios.

(2) UAFIDA se define como la utilidad neta más depreciación y amortización, el costo integral de financiamiento neto, los gastos de impuestos sobre la renta, participación de los trabajadores en los beneficios del gasto y capitalización de intereses.

De Naturaleza Estratégica



## a) México: Siguiendo la Demanda y Tendencias del Mercado

Más de 20 años de experiencia, enfocados en segmentos y productos con una demanda creciente y disponibilidad de financiamiento hipotecario.

### Interés Social:

- Rango de Precio: Ps.204,000 – Ps. 560,000
- 91% unidades vendidas en 2012
- 77% Ingresos en 2012



#### Tamaño Promedio

Construcción: 58 m2  
Terreno: 64 m2

### Vivienda Media:

- Rango de Precio: 561,000 – Ps. 1,500,000
- 9% unidades vendidas en 2012
- 23% ingresos en 2012



#### Tamaño Promedio

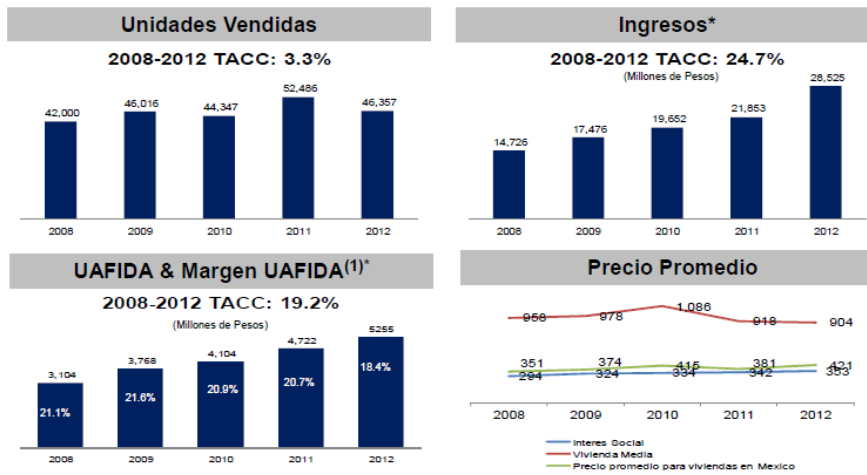
Construcción: 85 m2  
Terreno: 96 m2

\* Unidades e ingresos de División México

De Naturaleza Estratégica



### Resultados: Crecimiento continuo y sustentable



**Homex ha logrado un crecimiento continuo y ha mejorado su eficiencia durante los últimos 4 años.**

\* Cifras presentadas bajo NIIF 14  
(1) UAFIDA Ajustada

De Naturaleza Estratégica



### Resultados 1T13

PRINCIPALES RESULTADOS FINANCIEROS Y DE OPERACION				
	1T'13 Miles de dólares	1T'13 Miles de Pesos	1T'12	Var % y bps
Miles de pesos				
Volumen (viviendas)	5,420	5,420	8,738	-38.0%
Ingresos	\$269,578	\$3,330,528	\$5,187,993	-46.2%
Ingresos por vivienda	\$179,390	\$2,216,207	\$3,657,337	-39.4%
Costos	\$213,634	\$2,639,363	\$4,657,664	-43.3%
Capitalización del Costo Integral de Financiamiento (CIF)	\$25,192	\$311,241	\$221,670	40.5%
Utilidad bruta	\$55,944	\$691,162	\$1,529,629	-54.0%
Utilidad bruta ajustada por la capitalización del CIF	\$31,136	\$1,000,403	\$1,751,199	-42.0%
Utilidad de operación	\$17,393	\$214,020	\$276,862	-75.5%
Utilidad de operación ajustada por la capitalización del CIF	\$42,586	\$526,129	\$1,090,832	-52.1%
Gastos por intereses, neto (a)	\$26,050	\$331,021	\$337,308	-1.6%
Utilidad neta	\$7,651	\$84,690	\$38,500	58.7%
Utilidad neta ajustada por TC	\$5,062	\$72,669	\$47,012	54.6%
UAFIDA ajustada (b)	\$40,544	\$599,742	\$1,241,053	-51.7%
Margen bruto	20.6%	20.6%	24.7%	-39.7
Margen bruto ajustado por la capitalización del CIF	30.1%	30.1%	26.3%	17.9
Margen de operación	6.5%	6.5%	14.2%	-77.2
Margen de operación ajustado por la capitalización del CIF	15.0%	15.0%	17.0%	-19.6
Margen UAFIDA ajustado	18.0%	18.0%	20.1%	-20.8
Margen UAFIDA ajustado vivienda (c)	20.2%	20.2%	24.2%	-40.8
Margen neta ajustado por TC	2.2%	2.2%	7.7%	-55.9
Utilidad por acción	0.26	0.26	3.50	-92.7%
Utilidad por acción ajustada por TC	0.14	0.22	1.43	-84.6%
Utilidad por ADR presentada en US\$ (d)	0.14	0.22	1.21	-85.7%
Utilidad por ADR presentada en US\$ ajustada por TC	0.11	0.11	0.69	-84.6%
Promedio ponderado de acciones (millones)	334.7	334.7	334.7	
Cuentas por cobrar, días (e)	92	93	93	
Rotación de inventario, días		730	665	
Rotación (sin tierra) de inventario, días		528	428	
Cuentas por pagar, días (f)		94	80	
Ciclo de Capital de Trabajo, días (g)		727	621	

De Naturaleza Estratégica





1           111. The above slides made statements concerning the number of homes Homex  
2 sold during the years of 2008 – 2012 as well as statements concerning Homex’s  
3 revenues and related financial statements.

4           112. The statements above in the May 2013 Presentation (incorporated herein in  
5 its entirety), related to Homex’s revenues, accounts receivable, inventory, cost of sales,  
6 and home units sold between 2010 and 2013 were materially false and/or misleading.  
7 Additionally, each and every financial metric that derives its calculation or is affected by  
8 these figures is also materially false and / or misleading. More specifically, these  
9 statements misrepresented and failed to disclose that: (i) between 2010 and 2013,  
10 Homex overstated its revenue by 355% or roughly \$3.3 billion by reporting fictitious  
11 sales of more than 100,000 homes; (2) between 2010 and 2013, Homex overstated the  
12 number of units it sold by over 100,000 units or 317% of actual units sold; (3) the  
13 Individual Defendants and certain of their subordinates knowingly and intentionally  
14 engaged in a scheme to materially overstate Homex’s revenues, homes sold, and other  
15 related financial items; and (4) as a result, Defendants’ statements about the Company’s  
16 business, operations and prospects were materially false and misleading and/or lacked a  
17 reasonable bases at all relevant times. As detailed herein, the Individual Defendants were  
18 involved in a scheme whereby fictitious home sales were inputted into Homex’s SIA  
19 Treasury Module. This data was subsequently uploaded into the Homex’s Contpaq  
20 system and was then used to generate the Company’s financial statements. As a result of  
21 the fictitious home sales entered into the SIA Treasury Module, any of Defendants’  
22 statements related to the financial statements and /or statistical information derived from  
23 these fictitious home sales and their revenues were also materially false and / or  
24 misleading.

25           **May 22, 2013 – Form 20-F: Fiscal Year 2012**

26           113. On May 22, 2013, the Company filed its Form 20-F for the fiscal year  
27 ended December 31, 2012 (the “2012 Form 20-F”) with the SEC. The 2012 Form 20-F  
28

1 provided the Company's year-end financial results and position and stated that the  
2 Company's internal control over financial reporting and disclosure controls and  
3 procedures were effective as of December 31, 2012.

4 114. The 2012 Form 20-F was signed by Defendant Moctezuma. The 2012 Form  
5 20-F IRFS consolidated financial statements were approved by Defendants Moctezuma  
6 and Lafarga on May 17, 2013.

7 115. The 2012 Form 20-F also contained signed certifications pursuant to SOX  
8 by Defendants de Nicolás and Moctezuma attesting to the accuracy of financial  
9 reporting, the disclosure of any material changes to the Company's internal controls over  
10 financial reporting, and the disclosure of all fraud. Specifically, each certification stated:

11  
12 1. I have reviewed this annual report on Form 20-F of Desarrolladora  
13 Homex, S.A.B. de C.V;

14 2. Based on my knowledge, this report does not contain any untrue statement  
15 of a material fact or omit to state a material fact necessary to make the  
16 statements made, in light of the circumstances under which such statements  
were made, not misleading with respect to the period covered by this report;

17 3. Based on my knowledge, the financial statements, and other financial  
18 information included in this report, fairly present in all material respects the  
19 financial condition, results of operations and cash flows of the Company as  
of, and for, the periods presented in this report;

20 4. The Company's other certifying officer(s) and I are responsible for  
21 establishing and maintaining disclosure controls and procedures (as defined  
22 in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over  
23 financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-  
15(f)) for the Company and have:

24  
25 a. Designed such disclosure controls and procedures, or caused such  
26 disclosure controls and procedures to be designed under our supervision, to  
27 ensure that material information relating to the Company, including its  
28 consolidated subsidiaries, is made known to us by others within those  
entities, particularly during the period in which this report is being  
prepared;

1 b. Designed such internal control over financial reporting, or caused such  
 2 internal control over financial reporting to be designed under our  
 3 supervision, to provide reasonable assurance regarding the reliability of  
 4 financial reporting and the preparation of financial statements for external  
 purposes in accordance with generally accepted accounting principles;

5 c. Evaluated the effectiveness of the Company’s disclosure controls and  
 6 procedures and presented in this report our conclusions about the  
 7 effectiveness of the disclosure controls and procedures, as of the end of the  
 period covered by this report based on such evaluation; and

8 d. Disclosed in this report any change in the Company’s internal control  
 9 over financial reporting that occurred during the period covered by the  
 10 annual report that has materially affected, or is reasonably likely to  
 11 materially affect, the Company’s internal control over financial reporting;  
 and

12 5. The Company’s other certifying officer(s) and I have disclosed, based on  
 13 our most recent evaluation of internal control over financial reporting, to the  
 14 Company’s auditors and the audit committee of the Company’s board of  
 15 directors (or persons performing the equivalent functions):

16 a. All significant deficiencies and material weaknesses in the design or  
 17 operation of internal control over financial reporting which are reasonably  
 18 likely to adversely affect the Company’s ability to record, process,  
 summarize and report financial information; and

19 b. Any fraud, whether or not material, that involves management or other  
 20 employees who have a significant role in the Company’s internal control  
 over financial reporting.

21 116. The 2012 Form 20-F reported key financial statements concerning  
 22 Homex’s revenues, costs of sales, inventory, and other key metric related to the  
 23 Company’s home sales, including, in part:

24 **Homex Selected Consolidated Financial Information**

	Years Ended December 31,	
	2012	2011
(In thousands of Mexican Ps., except as otherwise specified)		
Statement of income Data:		
Revenues (1)	28,749,403	21,823,053

1	Cost of sales (3)	22,481,449	15,880,790
	Gross profit	6,267,954	5,942,263
2	Operating expenses	2,475,160	2,774,929
	Other operating expenses, net	498,554	352,465
3	Interest expense	549,018	307,479
	Interest income	(278,220)	(194,009)
4	Exchange loss, net	241,588	1,006,620
	Valuation effects of financial derivative instruments, net	116,504	(69,395)
5	Equity earnings in associate	(42,485)	(18,979)
6	Income before income taxes	2,707,835	1,783,153
	Income taxes	1,108,404	758,574
7	Consolidated net income	1,599,431	1,024,579
	Net income of equity holders of the parent	1,595,181	1,015,051
8	Net income of non-controlling interest	4,250	9,528
	Weighted average shares outstanding (in thousands)	334,568	334,700
9	Basic and diluted controlling interest earnings per share (in pesos)	4.77	3.03
10	Basic and diluted controlling interest earnings per ADS (2) (in pesos)	28.62	18.18

\* \* \*

### Homex Selected Consolidated Financial Information

	Years Ended December 31,	
	2012	2011
	(In thousands of Mexican Ps., except as otherwise specified)	
Statement of Financial Position Data:		
Cash and cash equivalents	2,129,433	3,860,350
Trade accounts receivable, net	6,197,409	1,962,797
Total current assets	22,982,685	24,960,458
Land held for future development and construction-in-process	20,209,099	12,755,138
Property and equipment, net	1,141,068	1,375,128
Total assets	51,345,979	41,055,903
Current debt and current portion of long-term debt	3,001,701	3,609,120
Current portion of long-term capital leases	110,473	188,937
Total current liabilities	14,093,781	11,530,864
Long-term debt	16,949,398	11,234,616
Financial derivative instruments	676,550	7,551
Long-term capital leases	54,060	154,933
Long-term land suppliers	12,413	—
Total long-term liabilities	22,505,570	15,894,266
Total liabilities	36,599,351	27,425,130
Common stock	425,444	425,444
Total equity	14,746,628	13,630,773
Total liabilities and equity	51,345,979	41,055,903

Years Ended December 31,

	2012	2011
(In thousands of Mexican Ps., except as otherwise specified)		
<b>Other Financial Data:</b>		
Depreciation	260,899	259,744
Gross margin (4)	21.8%	27.2%
Operating margin (5)	13.2%	14.5%
Net margin (6)	5.6%	4.7%
<b>Other Financial Data:</b>		
Adjusted EBITDA (7)	5,431,906	4,643,136
Net debt (8)	17,986,199	11,327,256
Ratio of total debt to total equity	136%	111%
Ratio of total debt to total assets	39%	37%

\* \* \*

***Reconciliation of Consolidated Net Income to Adjusted EBITDA Computed from Our IFRS Financial Information***

	2012	2011
Consolidated net income	1,599,431	1,024,579
Depreciation	260,899	259,744
Amortization	79,725	82,281
Net borrowing costs	628,890	1,050,695
Other operating expenses, related to assistance provided to customers in obtaining financings and tax surcharges	498,554	352,465
Employee statutory profit-sharing	—	65,880
Borrowing costs capitalized and subsequently charged to cost of sales	1,256,003	1,048,918
Income taxes	1,108,404	758,574
Adjusted EBITDA	5,431,906	4,643,136

117. The 2011 Form 20-F further discussed the number of units Homex closed in 2012, 2011, and 2010:

During 2012, units closed were 42,945 homes, a decrease of 18.2% compared to 2011. 85.4% of our homes sold in 2012 and 93.2% of our homes sold in 2011 were in the affordable entry-level segment (including our operations in Brazil). During 2011, units closed were 52,486, an increase of 18.4% compared to 2010. In 2010, we also signed one contract to build and then subsequently operate a prison for the Mexican Government. In addition, we signed contracts with the Mexican Government to provide construction services for the Mexican Government on an exclusive basis.

\* \* \*

***Total Homes Sold***

The following table sets forth information on our historical sales by country and state. During 2010, 89.2% and 10.8% of the homes closed were affordable entry-level and middle-income, respectively during 2011, 93.2%

1 and 6.8% of the homes closed were affordable entry-level and middle-  
2 income, respectively and during 2012, 85.4% and 14.6% of the homes  
3 closed were affordable entry-level and middle-income, respectively.

4 In 2012 and 2011, we recognized revenues outside Mexico in connection  
5 with 249 and 1,065 affordable entry-level homes, respectively, in the cities  
6 of Sao Jose dos Campos, Marilia and Campo Grande, Brazil.

7 Presented below is a summary of homes closed:

State	Year Ended December 31,							
	2012		2011		2010		2009	
	Affordable entry-level	Middle-income	Affordable entry-level	Middle-income	Affordable entry-level	Middle-income	Affordable entry-level	Middle-income
México								
Baja California	2,842	123	4,005	518	2,797	419	3,648	206
Baja California Sur	3,727	220	4,430	16	2,899	71	1,168	131
Chiapas	698	—	—	—	974	104	1,427	232
Chihuahua	1,740	31	941	—	650	36	98	58
Coahuila	148	—	720	—	2,295	—	1,490	30
Durango	1,210	—	752	—	746	—	1,318	—
Guanajuato	336	—	80	257	235	287	1	134
Estado de México	3,109	1,393	14,798	1,060	7,926	722	13,919	898
Guerrero	436	1,446	—	—	23	413	333	72
Hidalgo	—	—	366	55	48	252	—	1
Jalisco	12,765	1,090	6,905	292	5,680	323	4,608	526
Michoacán	530	—	994	42	768	136	811	15
Morelos	433	—	982	—	839	312	936	164
Nuevo León	1,229	1,039	3,056	197	4,354	616	5,205	255
Oaxaca	—	130	—	597	—	—	—	—
Puebla	1,246	—	494	—	1,427	—	1,945	—
Querétaro	271	—	1,277	—	1,109	—	1,125	—
Quintana Roo	520	276	3,862	301	1	584	81	265
Sinaloa	1,599	189	298	135	913	135	1,114	62
Sonora	1,192	316	328	74	1,057	116	97	227
Tamaulipas	596	—	99	—	330	147	61	56
Veracruz	1,791	25	3,482	8	4,226	95	3,135	151
Subtotal	36,418	6,278	47,869	3,552	39,297	4,768	42,520	3,483
Brazil	249	—	1,065	—	282	—	13	—
Total	36,667	6,278	48,934	3,552	39,579	4,768	42,533	3,483

18  
19 118. Moreover, the 2012 Form 20-F stated, in relevant part, concerning Homex's  
20 revenue and cost recognition practices:

21 ***Revenue and Cost Recognition***

22 Revenue is recognized to the extent that it is probable that the economic  
23 benefits will flow to us and the revenue can be reliably measured, regardless  
24 of when the payment is being made. Revenue is measured at the fair value of  
25 the consideration received or receivable, taking into account contractually  
26 defined terms of payment and excluding taxes or duty. We assess our  
27 revenue arrangements against specific criteria in order to determine if it is  
28 acting as principal or agent. We have concluded that we are acting as a  
principal in all of our revenue arrangements. The following specific  
recognition criteria must also be met before revenue is recognized:

(1) Home sales



1 Revenues, costs and expenses from our homes sales are recognized when all  
2 of the following conditions are fulfilled:

- 3 a) we have transferred the control to the homebuyer, in other words, the  
4 significant risks and benefits due to the property or the assets ownership.  
5 b) we do not retain any continued participation of the actual management of the  
6 sold assets, in the usual grade associated with the property, nor do retain the  
7 effective control of the sold assets;  
8 c) the revenues amount can be estimated reliably;  
9 d) it is probable that the we will receive the economic benefits associated with  
the transaction; and  
e) the costs and expenses incurred or to be incurred related to the transaction can  
be estimated reliably.

10 The above conditions are typically met upon the completion of construction,  
11 and signing by us, the customer and (if applicable) the lender, the legal  
12 contracts and deeds of ownership (*escritura*) over the property. At that time,  
the customer would have the legal right to take possession of the home.

13 The cost of sales represents the cost incurred in the development of housing  
14 revenues by us during the year. These costs include land, direct materials,  
15 labor and all the indirect costs related to the development of the project such  
as indirect labor, equipment, repairs, depreciation and the capitalization of  
the comprehensive financing costs.

16 119. Additionally, the 2012 Form 20-F stated, in relevant part, concerning  
17 Homex's impairment of inventories:

18 ***Impairment evaluation of inventories***

19 We review the carrying amounts of our inventories when an impairment  
20 indicator suggests that such amounts might not be recoverable. If events or  
21 changes in circumstances indicate that the carrying value may not be  
22 recoverable an assessment is undertaken to determine whether carrying  
values are in excess of their net realizable value. Net realizable value is the  
23 estimated sales price in the ordinary course of business, less estimated costs  
for completion and effecting a sale.

24 Net realizable value for development properties is based on internal project  
25 evaluations where assumptions are made about the project's expected  
26 revenues and expenses. Valuation of these projects is performed according  
to lower cost of market principle. If the carrying amount of a project exceeds  
the net realizable value, a provision is recorded to reflect the inventory at the  
recoverable amount in the consolidated statement of financial position.

120. The 2012 Form 20-F, additionally provided Homex's financial statements in accordance with IFRS. In relevant part, the 2012 Form 20-F stated:

### OPERATING RESULTS

The following table sets forth selected data on an IFRS basis for the years ended December 31, 2011 and 2012, stated in nominal pesos. All financial information has been prepared in accordance with IFRS. For a description of the method, see "Presentation of Financial Information" and "Item 5. Operating and Financial Review and Prospects—Overview of Accounting Presentation." The table also sets forth the data as a percentage of our total revenues:

	Year Ended December 31,	
	2012	2011
(in thousands of Ps.)		
<b>IFRS:</b>		
Revenues	28,749,403	21,823,053
Costs of sales	22,481,449	15,880,790
Gross profit	6,267,954	5,942,263
Operating expenses	2,475,160	2,774,929
Other operating expenses, net	498,554	352,465
Interest expense	549,018	307,479
Interest income	(278,220)	(194,009)
Exchange loss	241,588	1,006,620
Valuation of financial derivative instruments, net	116,504	(69,395)
Equity earnings in associate	(42,485)	(18,979)
Income before income taxes	2,707,835	1,783,153
Income taxes	1,108,404	758,574
Consolidated net income	1,599,431	1,024,579

	Year Ended December 31,	
	2012	2011
(as a percentage of sales)		
<b>IFRS:</b>		
Revenues	100.0%	100.0%
Costs of sales	78.2%	72.8%
Gross profit	21.8%	27.2%
Operating expenses	8.6%	12.7%
Other operating expenses, net	1.7%	1.6%
Interest expense	1.9%	1.4%
Interest income	(1.0)%	(0.9)%
Exchange loss	0.9%	4.6%
Valuation effects of financial derivative instruments, net	0.4%	(0.3)%
Equity earnings in associate	(0.2)%	(0.1)%
Income taxes	3.9%	3.5%
Consolidated net income	5.6%	4.7%

***Results of Operations for the Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011 - IFRS***

1 **Revenue**

2 Total revenues increased 31.7% to Ps.28,749.4 million from Ps.21,823.1  
3 million in 2011.[. . .]

4 Total housing revenues in 2012 decreased 6.8% to Ps. 18,809.9 million from  
5 Ps. 20,179.7 million in 2011, driven by a 23.9% volume decline within the  
6 affordable entry-level segment from our Mexico division. The middle-  
7 income segment represented 19.1% of total revenues in 2012 compared  
8 to 14.9% in 2011 as a result of mortgage availability through co financing  
9 products with INFONAVIT as well as mortgage availability through  
FOVISSSTE. Revenues from Brazil represented 0.5% of our total revenues  
in 2012 compared to 2.7% during 2011, reflecting the continued  
administrative delays and challenges encountered mainly in the titling  
processes. Simultaneously, we have reduced the speed of our investments in  
construction in progress to reduce capital investments, thus also reducing our  
level of homes under construction and potential growth.

10 Other revenues remained relatively stable at 2.8% of total revenues during  
11 2012 from 3.0% during 2011.

12 Units closed in 2012 decreased 18.2% to 42,945 homes, from 52,486 homes  
13 in 2011. Affordable entry-level sales volume in Mexico decreased by 23.9%  
14 in 2012 representing 85.4% of total titled volume. Middle-income sales  
15 volume increased 76.7% in 2012 compared to 2011 levels reflecting a higher  
16 mortgage availability through FOVISSSTE and commercial banks for the  
17 middle-income segment as well as a low base of comparison from our 2011  
18 results. We have continued to concentrate on increasing our market share in  
19 our core business, the affordable entry-level segment, where mortgage  
20 financing availability is strongly supported by Infonavit and Fovissste, as  
21 well as state housing funds. For the full year 2012, our homes titled in Brazil  
22 totaled 249 units or 0.6% of total titled units, a 76.6% decrease from  
23 the 1,065 units, or 2.0% of total titled units, titled during 2011.

18 **Gross Profit**

19 Gross profit decreased to 21.8% in 2012 from 27.2% in 2011.

20 During the year ended December 31, 2012, our capitalized borrowing  
21 costs that were applied to cost of sales increased 19.7% to  
22 Ps. 1,256.0 million compared to Ps. 1,048.9 million during the same period  
23 in 2011, primarily as a result of:

- 24 · a 19.1% increase in capitalized interest expense to Ps. 1,246.5 million  
25 during the year ended December 31, 2012 from Ps. 1,046.4 million as  
26 of December 31, 2011, reflecting the 10.6% increase in total debt in  
27 connection with an increased investment in construction-in-process  
inventory; and the increase in the level of trade accounts receivable.
- capitalized foreign exchange loss applied to cost of sales of  
Ps. 9.5 million, compared to a loss of Ps. 2.5 million during the same  
period in 2011, reflecting the appreciation of the Mexican peso  
relative to the US dollar.

28 Costs of sales increased by 41.6% for the year ended December 31, 2012 to  
Ps. 22,481.4 million from Ps. 15,880.8 million for the same period in 2011,

1 as a result of lower margins from the Infrastructure division and Penitentiary  
2 project, as a result of the recognition of the Penitentiary project from the  
3 Makobil associate (Chiapas) where Homex performed construction services  
4 as the subcontracted construction company with a 84% of completion as of  
5 December 31, 2012. At the same time, the higher costs of sales were also  
6 affected by our operations in Brazil. On a pro-forma basis our gross margin  
7 in 2012 was 26.1%, compared to 32.4% in 2011. The decrease in gross  
8 margin was mainly due to the effects aforementioned.

### 9 ***Operating Expenses***

10 Operating expenses decreased by 10.8% to Ps. 2,475.1 million in 2012  
11 compared to Ps. 2,774.9 million in 2011. As a percentage of total revenues,  
12 operating expenses decreased to 8.6% in 2012 compared to 12.7% in 2011.  
13 The decrease in operating expenses for the full year 2012 was mainly  
14 derived from efficiencies generated during the year in Homex's Mexico and  
15 International Divisions.

16 121. The 2012 Form 20-F also made statements concerning Homex's controls  
17 and procedures. In relevant part, the 2012 Form 20-F stated:

### 18 **ITEM 15. Controls and Procedures.**

#### 19 (a) *Disclosure controls and procedures.*

20 We carried out an evaluation under the supervision and with the  
21 participation of our management, including our Chief Executive Officer and  
22 Chief Financial Officer, of the effectiveness of the design and operation of  
23 our disclosure controls and procedures as of December 31, 2012.

24 There are inherent limitations to the effectiveness of any system of  
25 disclosure controls and procedures, including the possibility of human error  
26 and the circumvention or overriding of the controls and procedures.  
27 Accordingly, even effective disclosure controls and procedures can only  
28 provide reasonable assurance of achieving their control objectives. Based  
upon our evaluation, our Chief Executive Officer and Chief Financial  
Officer concluded that our disclosure controls and procedures were effective  
to provide reasonable assurance that information required to be disclosed by  
us in the reports that we file or submit under the Exchange Act is recorded,  
processed, summarized and reported within the time periods specified in the  
applicable rules and forms, and that such information is accumulated and  
communicated to our management, including our Chief Executive Officer  
and Chief Financial Officer, as appropriate to allow timely decisions  
regarding required disclosure.

#### 29 (b) *Management's annual report on internal controls over financial reporting.*

30 Our management is responsible for establishing and maintaining adequate  
31 internal controls over financial reporting, as such term is defined in  
32 Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as  
33 amended. Under the supervision and with the participation of our  
34 management, including our board of directors, Chief Executive Officer,

1 Chief Financial Officer and other personnel, we conducted an evaluation of  
2 the effectiveness of our internal controls over financial reporting based on  
3 the framework governing Internal Control—Integrated Framework issued by  
4 the Committee of Sponsoring Organizations of the Treadway Commission.

5 Our internal control over financial reporting is a process designed to provide  
6 reasonable assurance regarding the reliability of financial reporting and the  
7 preparation of financial statements for external purposes in accordance with  
8 International Financial Reporting Standards, as issued by the International  
9 Accounting Standards Board. Our internal control over financial reporting  
10 includes those policies and procedures that (i) pertain to the maintenance of  
11 records that, in reasonable detail, accurately and fairly reflect the  
12 transactions and dispositions of our assets; (ii) provide reasonable assurance  
13 that transactions are recorded as necessary to permit preparation of financial  
14 statements in accordance with IFRS, and that our receipts and expenditures  
15 are being made only in accordance with authorizations of our management  
16 and directors; and (iii) provide reasonable assurance regarding prevention or  
17 timely detection of unauthorized acquisition, use, or disposition of our assets  
18 that could have a material effect on our financial statements.

19 Because of its inherent limitations, internal control over financial reporting  
20 may not prevent or detect misstatements. Also, projections of any evaluation  
21 of effectiveness to future periods are subject to the risk that controls may  
22 become inadequate because of changes in conditions, or that the degree of  
23 compliance with the policies or procedures may deteriorate.

24 Based on our evaluation under the framework in Internal Control—  
25 Integrated Framework, our management concluded that our internal control  
26 over financial reporting was effective as of December 31, 2012.

27 Mancera, S.C., a member practice of Ernst & Young Global, an independent  
28 registered public accounting firm, our independent auditor, issued an  
attestation report on our internal control over financial reporting on May 17,  
2013.

122. The Form 20-F contained, in relevant part, the following financial  
statements:

**DESARROLLADORA HOMEX, S.A.B. DE C.V.  
AND SUBSIDIARIES**  
**Consolidated statements of financial position**  
(Figures in thousands of Mexican pesos (Ps.))

	As of December 31,				As of January 1, 2011	
	2012	2011	2011		2011	
	2012 Convenience Translation (Note 2a)					
<b>Assets</b>						
Current assets:						
Cash and cash equivalents (Note 7)	\$ 163,954	Ps. 2,129,433	Ps. 3,860,350	Ps	3,307,692	
Restricted cash (Note 19)	10,602	137,696	132,303		127,530	
Trade accounts receivable, net (Note 8)	477,164	6,197,409	1,962,797		1,975,203	
Due from related parties (Note 9)	4,327	56,208	174,073		—	



1	Inventories (Note 10)	990,324	12,862,331	17,830,588	17,069,393
	Prepaid expenses (Note 11)	17,112	222,247	469,846	469,361
2	Other current financial assets (Note 12)	106,049	1,377,361	530,501	272,830
	Total current assets	1,769,532	22,982,685	24,960,458	23,222,009
3	Non-current assets:				
4	Land held for future development and construction-in-process (Note 10)	1,555,983	20,209,099	12,755,138	10,388,294
5	Property and equipment, net (Note 13)	87,856	1,141,068	1,375,128	1,509,491
	Goodwill (Note 3h)	56,349	731,861	731,861	731,861
6	Investment in associate (Note 14)	43,108	559,884	36,979	—
	Other non-current assets (Note 15)	10,638	138,172	100,346	31,675
7	Long-term trade account receivables (Note 8)	298,082	3,871,495	155,713	62,166
8	Financial derivative instruments (Note 17.1)	673	8,738	70,014	13,123
	Deferred income taxes (Note 27)	131,119	1,702,977	870,266	857,713
9	Total non-current assets	2,183,808	28,363,294	16,095,445	13,594,323
10	Total assets	\$ 3,953,340	Ps. 51,345,979	Ps. 41,055,903	Ps. 36,816,332
11	<b>Liabilities and equity</b>				
	Current liabilities:				
12	Current debt and current portion of long-term debt (Note 17.2)	\$ 199,133	Ps. 2,586,343	Ps. 3,609,120	Ps. 1,693,048
13	Current portion of prison related long-term debt (Note 17.3)	31,980	415,358	—	—
14	Current portion of long-term capital leases (Note 17.4)	8,506	110,473	188,937	169,604
	Trade accounts payable (Note 19)	286,476	3,720,745	3,142,829	3,412,119
15	Land suppliers (Note 20)	72,047	935,749	1,172,293	778,141
	Advances from customers	90,251	1,172,183	669,851	624,644
16	Taxes other than income taxes	138,886	1,803,852	1,056,606	754,264
	Income taxes payable (Note 27)	80,075	1,040,019	91,586	37,531
17	Provision for uncertain tax positions (Note 27f)	177,785	2,309,059	1,599,642	775,946
18	Total current liabilities	1,085,139	14,093,781	11,530,864	8,245,297
	Non-current liabilities:				
19	Long-term debt (Note 17.2)	1,079,544	14,021,116	10,834,287	10,659,199
	Prison related long-term debt (Note 17.3)	225,461	2,928,282	400,329	—
20	Long-term capital leases (Note 17.4)	4,162	54,060	154,933	235,430
	Financial derivative instruments (Note 17.1)	52,090	676,550	7,551	492,364
21	Long-term land suppliers (Note 20)	956	12,413	—	41,441
	Other long term liabilities	450	5,840	4,675	4,684
22	Deferred income taxes (Note 27)	370,134	4,807,309	4,492,491	4,564,440
23	Total non-current liabilities	1,732,797	22,505,570	15,894,266	15,997,558
	Total liabilities	2,817,936	36,599,351	27,425,130	24,242,855
24	Equity (Note 21):				
25	Common stock	32,757	425,444	425,444	425,444
	Additional paid-in capital	218,144	2,833,255	2,833,255	2,833,255
26	Treasury stock, at cost	(7,858)	(102,053)	(102,053)	(98,412)
	Retained earnings	930,784	12,089,034	10,493,853	9,478,802
27	Unrealized (loss) gain on financial derivative instruments, net of deferred taxes (Note 3v)	(32,623)	(423,712)	17,248	(308,854)
28	Other equity accounts (Note 3v)	(19,966)	(259,324)	(236,427)	53,317
	Equity attributable to equity holders of the	1,121,238	14,562,644	13,431,320	12,383,552



1	parent				
2	Non-controlling interest in consolidated subsidiaries	14,166	183,984	199,453	189,925
	Total equity	1,135,404	14,746,628	13,630,773	12,573,477
3	Total liabilities and equity	\$ 3,953,340	Ps. 51,345,979	Ps. 41,055,903	Ps. 36,816,332

\* \* \*

**DESARROLLADORA HOMEX, S.A.B. DE C.V.  
AND SUBSIDIARIES**

**Consolidated Statements of Income**

(Figures in thousands of Mexican pesos (Ps.) except earnings per share)

	2012 Convenience Translation (Note 2a)	For the years ended December 31,		
		2012	2011	
10	Revenues:			
	Sale of completed housing units	\$ 1,448,251	Ps. 18,809,885	Ps. 20,179,741
11	Construction services	702,400	9,122,770	986,207
	Other revenue	62,884	816,748	657,105
		2,213,535	28,749,403	21,823,053
12	Cost of sales	1,730,940	22,481,449	15,880,790
	Gross profit	482,595	6,267,954	5,942,263
13	Operating expenses (Note 24)	190,573	2,475,160	2,774,929
14	Other operating expenses, net (Note 25)	38,386	498,554	352,465
	Operating income	253,636	3,294,240	2,814,869
15	Interest expense (Note 26)	42,270	549,018	307,479
	Interest income	(21,421)	(278,220)	(194,009)
16	Exchange loss, net	18,601	241,588	1,006,620
	Valuation effects of financial derivative instruments, net (Note 17.1)	8,970	116,504	(69,395)
17	Equity earnings in associate (Note 14)	(3,271)	(42,485)	(18,979)
	Income before income taxes	208,487	2,707,835	1,783,153
18	Income taxes (Note 27)	85,340	1,108,404	758,574
	Consolidated net income	\$ 123,147	Ps. 1,599,431	Ps. 1,024,579
20	Attributable to:			
	Net income of equity holders of the parent	\$ 122,820	Ps. 1,595,181	Ps. 1,015,051
21	Net income of non-controlling interest	327	4,250	9,528
	Consolidated net income	\$ 123,147	Ps. 1,599,431	Ps. 1,024,579
23	Weighted average shares outstanding (in thousands)	334,568	334,568	334,700
24	Basic and diluted earnings per share of equity holders of the parent	\$ 0.37	Ps. 4.77	Ps. 3.03

\* \* \*

**DESARROLLADORA HOMEX, S.A.B. DE C.V.  
AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

(Figures in thousands of Mexican pesos (Ps.))

	<u>For the years ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
Consolidated net income	Ps. 1,599,431	Ps. 1,024,579
Other comprehensive income (loss):		
Exchange gain (loss) differences of the Senior Guaranteed notes being hedged by derivative instruments	137,275	(399,250)
Deferred income tax related to exchange gain (loss) differences of the Senior Guaranteed notes being hedged by derivative instruments	(36,797)	111,791
Exchange differences on translation of foreign operations	(123,375)	(2,285)
Valuation effects of effective derivative instruments, net of taxes	(612,813)	452,333
Deferred income tax related to valuation effects of effective derivative instruments	171,853	(126,231)
<b>Total comprehensive income</b>	<b>Ps. 1,135,574</b>	<b>Ps. 1,060,937</b>
Attributable to equity holders of the parent	Ps. 1,131,324	Ps. 1,051,409
Attributable to non-controlling interest	4,250	9,528
<b>Total comprehensive income</b>	<b>Ps. 1,135,574</b>	<b>Ps. 1,060,937</b>

\* \* \*

**ESARROLLADORA HOMEX, S.A.B. DE C.V.  
AND SUBSIDIARIES****Consolidated Statements of Changes in Equity**

For the years ended December 31, 2012 and 2011

(Figures in thousands of Mexican pesos (Ps.))

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Treasury stock, at cost (Note 21)</u>	<u>Retained earnings</u>	<u>Financial derivative instruments</u>	<u>Other equity accounts</u>	<u>Equity attributable to equity holders of the parent</u>	<u>Equity of non- controlling interest</u>	<u>Total equity (Note 21)</u>
Balances as of January 1, 2011	Ps. 425,444	Ps. 2,833,255	Ps. (98,412)	Ps. 9,478,802	Ps. (308,854)	Ps. 53,317	Ps. 12,383,552	Ps. 189,925	Ps. 12,573,477
Share-based options exercised (Note 21)			2,796				2,796		2,796
Shares repurchased (Note 21)			(6,437)				(6,437)		(6,437)
Comprehensive income				1,015,051	326,102	(289,744)	1,051,409	9,528	1,060,937
Balances as of December 31, 2011	425,444	2,833,255	(102,053)	10,493,853	17,248	(236,427)	13,431,320	199,453	13,630,773
Dividends paid by consolidated subsidiary								(19,719)	(19,719)
Comprehensive income				1,595,181	(440,960)	(22,897)	1,131,324	4,250	1,135,574
<b>Balances as of December 31, 2012</b>	<b>Ps. 425,444</b>	<b>Ps. 2,833,255</b>	<b>Ps. (102,053)</b>	<b>Ps. 12,089,034</b>	<b>Ps. (423,712)</b>	<b>Ps. (259,324)</b>	<b>Ps. 14,562,644</b>	<b>Ps. 183,984</b>	<b>Ps. 14,746,628</b>
2012 Convenience translation Note 2a)	Ps. 32,757	Ps. 218,144	Ps. (7,858)	Ps. 930,784	Ps. (32,623)	Ps. (19,966)	Ps. 1,121,238	Ps. 14,166	Ps. 1,135,404

\* \* \*

**DESARROLLADORA HOMEX, S.A.B. DE C.V.  
AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
(Figures in thousands of Mexican pesos (Ps.))

	2012 Convenience translation (Note 2a)	For the years ended December 31,	
		2012	2011
<b>Operating activities</b>			
Income before income taxes	\$ 208,487	Ps. 2,707,835	Ps. 1,783,153
Non-cash adjustments to reconcile income before income taxes to net cash flows			
Depreciation (Note 13)	20,088	260,899	259,744
Loss on sale of property and equipment (Note 25)	368	4,784	2,170
Interest income	(21,421)	(278,220)	(194,009)
Equity earnings in associate (Note 14)	(3,271)	(42,485)	(18,979)
Interest expense (Note 10 and Note 26)	171,961	2,233,423	1,770,149
Valuation effects of financial derivative instruments	8,970	116,504	(69,395)
Exchange (gain) loss	(45,298)	(588,333)	779,109
	<u>339,884</u>	<u>4,414,407</u>	<u>4,311,942</u>
Changes in working capital:			
Increase in trade accounts receivable	(605,495)	(7,864,171)	12,406
Increase in inventories and land held for future developments	(191,011)	(2,480,858)	(3,121,551)
Decrease (increase) in other assets	(69,427)	(901,714)	(416,767)
Decrease (increase) in prepaid expenses	19,064	247,599	(485)
Interest income collected	14,783	191,997	194,009
Increase (decrease) in trade accounts payable	44,524	578,276	(269,290)
Increase (decrease) in accounts payable to land suppliers	(17,257)	(224,131)	352,711
Increase in other liabilities	91,444	1,187,681	543,098
Increase in restricted cash	(415)	(5,393)	(4,773)
Termination payments for financial derivative contracts	—	—	(24,863)
Income tax paid	(2,287)	(29,698)	(186,221)
Net cash flows used in/ from operating activities	<u>(376,193)</u>	<u>(4,886,005)</u>	<u>1,390,216</u>
<b>Investing activities</b>			
Investment in associate (Note 14)	(36,990)	(480,420)	(18,000)
Decrease (increase) in notes receivable from related parties (Note 9)	9,075	117,865	(174,073)
Acquisition of property and equipment (Note 13)	(6,142)	(79,767)	(68,695)
Proceeds from sale of property and equipment	1,688	21,914	9,436
Net cash flows used in investing activities	<u>(32,369)</u>	<u>(420,408)</u>	<u>(251,332)</u>
<b>Financing activities</b>			
Proceeds from new borrowings	1,524,788	19,803,945	11,765,080
Payments of notes payable	(1,080,037)	(14,027,526)	(10,610,963)
Interest paid	(158,442)	(2,057,829)	(1,734,417)
Dividend paid by consolidated subsidiary	(1,518)	(19,719)	
Shares repurchased (Note 21)	—	—	(6,437)
Share-based payments exercised	—	—	2,796
Net cash flows from financing activities	<u>284,791</u>	<u>3,698,871</u>	<u>(583,941)</u>
Net increase of cash and cash equivalents	(123,771)	(1,607,542)	554,943
Adjustment to cash flows due to exchange rate fluctuation on cash	(9,499)	(123,375)	(2,285)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>297,224</b>	<b>3,860,350</b>	<b>3,307,692</b>
Cash and cash equivalents at the end of the year	<u>\$ 163,954</u>	<u>Ps. 2,129,433</u>	<u>Ps. 3,860,350</u>

1 123. In note 3 to Homex financial statements, the 2012 Form 20-F stated, in  
2 relevant part:

3 **3. Summary of significant accounting policies**

4 The following are the significant accounting policies applied by the  
5 Company in preparing its consolidated IFRS financial statements:

6 **a) Revenue and cost recognition**

7 Revenue is recognized to the extent that it is probable that the economic  
8 benefits will flow to the Company and the revenue can be reliably measured,  
9 regardless of when the payment is being made. Revenue is measured at the  
10 fair value of the consideration received or receivable, taking into account  
11 contractually defined terms of payment and excluding taxes or duty. The  
12 Company assesses its revenue arrangements against specific criteria in order  
13 to determine if it is acting as principal or agent. The Company has concluded  
14 that it is acting as a principal in all of its revenue arrangements. The  
15 following specific recognition criteria must also be met before revenue is  
16 recognized:

17 Home sales

18 Revenues, costs and expenses from the Company's homes sales are  
19 recognized when all of the following conditions are fulfilled:

- 20 a) the Company has transferred the control to the homebuyer, in  
21 other words, the significant risks and benefits due to the property or the  
22 assets ownership;  
23 b) the Company does not retain any continued participation of the  
24 actual management of the sold assets, in the usual grade associated with  
25 the property, nor does retain the effective control of the sold assets;  
26 c) the revenues amount can be estimated reliably;  
27 d) it is probable that the Company will receive the economic benefits  
28 associated with the transaction; and;  
e) the costs and expenses incurred or to be incurred related to the  
transaction can be estimated reliably.

The above conditions are typically met upon the completion of construction,  
and signing by the Company, the customer and (if applicable) the lender, the  
legal contracts and deeds of ownership (*escritura*) over the property. At that  
time, the customer would have the legal right to take possession of the home.

The cost of sales represents the cost incurred in the development of housing  
revenues by the Company during the year. These costs include land, direct  
materials, labor and all the indirect costs related to the development of the  
project such as indirect labor, equipment, repairs, depreciation and the  
capitalization of the borrowing costs.

124. In noted 3.d to Homex's financial statements, the Form 20-F stated in  
relevant part:

**d) Inventories and costs of sales**

Inventories is composed by construction-in-process, construction materials  
and land for development and future development are valued at the lower of

1 cost and net realizable value. Net realizable value is the estimated selling  
2 price in the ordinary course of business, less estimated costs of completion  
and the estimated costs necessary to make the sale.

3 Land for future developments refers to land reserves to be developed by the  
4 Company beyond 2013. The Company's policy is to locate and acquire land  
5 each year, classifying land currently being developed and land planned to be  
developed within the next year as part of current assets, and classifying all  
remaining land as non-current assets.

6 In accordance to IAS 23 *borrowing costs*, borrowing costs directly  
7 attributable to the acquisition, construction or production of an asset that  
8 necessarily takes a substantial period of time to get ready for its intended use  
9 or sale are capitalized as part of the cost of the respective assets. All other  
10 borrowing costs are expensed in the period they occur. Borrowing costs  
11 consist of interest and other costs that an entity incurs in connection with the  
12 borrowing of funds. The land under development inventories and  
13 construction-in-process include the capitalized borrowing costs. The  
14 Company capitalizes the borrowing costs that results from the application of  
the weighted average rate of the debt to the weighted average of the  
15 construction-in-process investment and the land under development during  
16 the acquisition period. In regards to debt in foreign currency, the capitalized  
17 borrowing costs include the corresponding exchange losses such that the  
18 total borrowing costs capitalized do not exceed the amount of borrowing  
costs that would be incurred on functional currency equivalent borrowing  
(see Note 10).

15 The Company reviews the carrying amounts of its inventories when an  
16 impairment indicator suggests that such amounts might not be recoverable.  
17 If events or changes in circumstances indicate that the carrying value may  
18 not be recoverable an assessment is undertaken to determine whether  
19 carrying values are in excess of their net realizable value. Net realizable  
20 value is the estimated sales price in the ordinary course of business, less  
21 estimated costs for completion and effecting a sale.

19 During the years ended December 31, 2012 and 2011, the Company adjusted  
20 the value of its inventory in-process at each of its three Brazilian projects  
21 whereby total inventory balances were written down by approximately Ps.  
152,111 and Ps. 131,079, respectively. The carrying value of the Brazilian  
inventories as of December 31, 2012 and 2011 were Ps. 1,158,567 and Ps.  
994,539, respectively, after such write-downs.

22 Net realizable value for development properties is based on internal project  
23 evaluations on internal project evaluations where assumptions are made  
24 about the project's expected revenues and expenses. Valuation of these  
25 projects is performed according to lower cost of market principle. If the  
26 carrying amount of a project exceeds the net realizable value, a provision is  
27 recorded to reflect the inventory at the recoverable amount in the  
28 consolidated statement of financial position.

26 125. In Note 8 to Homex's financial statements, the Form 20-F stated in relevant  
27 part:

28 **8. Trade accounts receivable**

	December 31, 2012	December 31, 2011	January 1, 2011
As promoter:			
Due from homebuyers and financing institutions (1) (2)	Ps. 4,429,503	Ps. 1,555,730	Ps. 1,581,158
Construction services (3)	5,658,356	632,341	488,169
Services and other	75,193	41,796	46,894
	<u>10,163,052</u>	<u>2,229,867</u>	<u>2,116,221</u>
Allowance for uncollectible accounts	(94,148)	(111,357)	(78,852)
	<u>10,068,904</u>	<u>2,118,510</u>	<u>2,037,369</u>
Trade accounts receivable, long-term (4) (5)	(3,871,495)	(155,713)	(62,166)
	<u>Ps. 6,197,409</u>	<u>Ps. 1,962,797</u>	<u>Ps. 1,975,203</u>

Amounts due from homebuyers and financing institutions include Ps. 18,411, Ps. 38,870 and Ps. 2,537 related to the Company's Brazilian operations as of December 31, 2012, 2011 and January 1, 2011, respectively.

Trade receivables are non-interest bearing and are generally on 30-90 day terms, except as explained below. While some of the Company's receivables are from homebuyers, the majority are from entities in the home finance business, whose characteristics differ from other receivables.

A roll-forward of the Company's allowance for uncollectible accounts receivable is as follows:

<b>As of January 1, 2011</b>	Ps.	78,852
Charge of the year		34,406
Write-off		(1,901)
<b>As of December 31, 2011</b>	Ps.	111,357
Charge of the year		38,025
Write-off		(55,234)
<b>As of December 31, 2012</b>	Ps.	<u>94,148</u>

- (1) These amounts include balances due from INFONAVIT, FOVISSSTE, SOFOLES (*Sociedades Financieras de Objeto Limitado*), CAIXA, commercial banks and homebuyers. With the exception of commercial banks and CAIXA, all such categories exceed 10% of accounts receivable balances as of December 31, 2012, 2011 and January 1, 2011. The aging of receivables Due from financial institutions is as follows:

	Total	<30 days	30-60 days	61-90 days	91-120 days	>120 days
<b>December 31, 2012</b>	Ps. 4,195,673	Ps. 2,658,865	Ps. 1,156,588	Ps. 380,220	Ps. —	Ps. —
<b>December 31, 2011</b>	1,237,897	976,551	61,477	140,384	3,766	55,719
<b>At January 1, 2011</b>	1,285,095	1,098,056	110,724	44,294	32,021	—

The aging of receivables due from customers is as follows:

Total	Not yet due	<30 days	30-60 days	61-90 days	91-120 days	>120 days



1	<b>December 31,</b>								
2	<b>2012</b>	Ps. 233,830	Ps. 115,965	Ps. 18,890	Ps. 6,264	Ps. 3,997	Ps. 4,040	Ps. 84,674	
3	<b>December 31,</b>								
4	<b>2011</b>	317,833	167,299	8,217	6,896	13,343	3,329	118,749	
5	<b>At January 1,</b>								
6	<b>2011</b>	296,063	171,040	5,010	2,316	3,282	5,658	108,757	

7 A combined aging table for both receivables due from customers and financial  
8 institutions is below:

	Total	Not yet due	<30 days	30-60 days	61-90 days	91-120 days	>120 days
9 <b>December 31,</b>							
10 <b>2012</b>	Ps. 4,429,503	Ps. 115,965	Ps. 2,677,755	Ps. 1,162,852	Ps. 384,217	Ps. 4,040	Ps. 84,674
11 <b>December 31,</b>							
12 <b>2011</b>	1,555,730	167,299	984,768	68,373	153,727	7,095	174,468
13 <b>At January 1,</b>							
14 <b>2011</b>	1,581,158	171,040	1,103,066	113,040	47,576	37,679	108,757

15 126. In note 10 to Homex's financial statements, the Form 20-F stated in  
16 relevant part:

### 17 10. Inventories

	December 31, 2012	December 31, 2011	January 1, 2011
18 Titled land	Ps. 7,488,546	Ps. 9,059,457	Ps. 9,283,765
19 Contracted land	2,793,629	2,181,989	2,467,273
20 Construction-in-process	22,193,640	18,903,608	15,130,151
21 Construction materials	595,615	440,672	576,498
	<u>33,071,430</u>	<u>30,585,726</u>	<u>27,457,687</u>
22 Land held for future development and construction-in-process	(20,209,099)	(12,755,138)	(10,388,294)
23 Total inventories at the lower cost of net realizable value	<u>Ps. 12,862,331</u>	<u>Ps. 17,830,588</u>	<u>Ps. 17,069,393</u>

24 127. In note 23 to Homex's financial statements, the Form 20-F stated in relevant  
25 part:

26 The following table shows the operating results by each segment identified  
27 as of December 31, 2012 and 2011:

Year ending December 31, 2012	Entry-level	Middle- income	Concession arrangements	Construction services	Other	Total
28 Revenues	Ps. 13,332,907	Ps. 5,476,978	Ps. 4,122,858	Ps. 4,999,912	Ps. 816,748	Ps. 28,749,403
Depreciation	175,023	72,067	—	3,058	10,751	260,899

1	Operating income	1,542,127	622,480	468,579	568,259	92,795	3,294,240
2	Interest expense	213,618	87,951	158,951	75,387	13,111	549,018

128.

3	Year ending December 31, 2011	Entry-level	Middle-income	Concession arrangements	Construction services	Other	Total
4	Revenues	Ps. 16,919,725	Ps. 3,260,016	Ps. 129,672	Ps. 856,535	Ps. 657,105	Ps. 21,823,053
5	Depreciation	210,931	40,561	—	73	8,179	259,744
6	Operating income	2,176,501	424,424	16,882	111,513	85,549	2,814,869
7	Interest expense	249,712	48,028	—	329	9,410	307,479

129. The statements above, as well as additional statements contained in the 2012 Form 20-F (incorporated herein in its entirety), related to Homex's revenues, accounts receivable, inventory, cost of sales, and home units sold between 2010 and 2013 were materially false and/or misleading. Additionally, each and every financial metric that derives its calculation or is affected by these figures is also materially false and / or misleading. More specifically, these statements misrepresented and failed to disclose that: (i) between 2010 and 2013, Homex overstated its revenue by 355% or roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes; (2) between 2010 and 2013, Homex overstated the number of units it sold by over 100,000 units or 317% of actual units sold; (3) the Individual Defendants and certain of their subordinates knowingly and intentionally engaged in a scheme to materially overstate Homex's revenues, homes sold, and other related financial items; (4) given the scheme and Defendants participation or reckless disregard concerning it, Homex's internal control over financial reporting was not effective; as a result, (5) Defendants' statements about the Company's business, operations and prospects were materially false and misleading and/or lacked a reasonable bases at all relevant times. As detailed herein, the Individual Defendants were involved in a scheme whereby fictitious home sales were inputted into Homex's SIA Treasury Module. This data was subsequently uploaded into the Homex's Contpaq system and was then used to generate the Company's financial statements. As a result of the fictitious home sales entered into the SIA Treasury Module, any of Defendants' statements related to the financial statements and /or

1 statistical information derived from these fictitious home sales and their revenues were  
2 also materially false and / or misleading.

3 **May 30, 2013 – Form 6-K and Press Release: Homex Hires J.P Morgan Securities**  
4 **LLC**

5 130. On May 30, 2013, Homex issued a press release, and filed it the next day  
6 with SEC on a Form 6-K, announcing that it hired J.P Morgan Securities LLC. (the  
7 “April 15, 2013 Form 6-K”). The April 11, 2013 Form 6-K was signed by Defendants  
8 Moctezuma and Lafarga.

9 131. The April 15, 2013 Form 6-K stated, in pertinent part, that it “has hired J.P.  
10 Morgan Securities LLC (“J.P. Morgan”) as financial advisor to evaluate the Company’s  
11 current situation as well as different alternatives that could help Homex to strengthen its  
12 actual financial position.”

13 **June 11, 2013 – Form 6-K and Press Release: Homex Utilizes 30-Day Grace Period**  
14 **on the 9.500% Senior Guaranteed Notes due December 11, 2019**

15 132. On June 11, 2013, Homex issued a press release, and filed it the same day  
16 with SEC on a Form 6-K (“June 11, 2013 Form 6-K”). The June 11, 2013 Form 6-K was  
17 signed by Defendants Moctezuma and Lafarga.

18 133. The June 11, 2013 Form 6-K stated, in pertinent part, that “the Company  
19 did not make the payment of interest due today on its 9.500% Senior Guaranteed Notes  
20 due December 11, 2019, and is taking advantage of the 30-day grace period under the  
21 indenture pursuant to which such notes were issued.”

22 **July 11, 2013 – Form 6-K and Press Release: Homex Fails to Pay the Interest Due**  
23 **on the 9.500% Senior Guaranteed Notes due December 11, 2019**

24 134. On July 11, 2013, Homex issued a press release, and filed it the next day  
25 with SEC on a Form 6-K (“July 12, 2013 Form 6-K”). The July 12, 2013 Form 6-K was  
26 signed by Defendants Moctezuma and Lafarga.  
27  
28

1 135. The July 12, 2013 Form 6-K stated, in pertinent part, that “the 30 day grace  
2 period to make the interest payment in relation to the Company’s 9.500% Senior  
3 Guaranteed Notes due December 11, 2019 has expired. The Company does not plan to  
4 make such payment of interest at this time.”

5 **July 25, 2013 – Form 6-K and Press Release: Second Quarter 2013 Earnings**

6 **Results**

7  
8 136. On July 25, 2013, Homex issued a press release reporting the Company’s  
9 second quarter fiscal results for the period ended June 30, 2013, and on July 26, 2013,  
10 filed it as a Form 6-K with the SEC (the “July 26, 2013 Form 6-K”). The July 26, 2013  
11 Form 6-K was signed by Defendants Moctzuma and Lafarga.

12 137. The February 26, 2013 Form 6-K reported Homex’s the period ended June  
13 30, 2013. In relevant part, it stated:

14 Culiacan Mexico. July 25<sup>th</sup>. 2013—Desarrolladora Homex. S.A.B. de C.V.  
15 (“Homex” or “the Company”) [NYSE: HXM. BMV: HOMEX] today  
announced financial results for the Second Quarter ended June 30. 2013 <sup>1</sup>.

16 **Financial and Operating Highlights**

17 . Total revenue for the second quarter of 2013 decreased 84.4 percent  
18 to Ps.1.1 billion (US\$85.6 million) from Ps.7.1 billion (US\$548.6 million)  
19 for the same period in 2012. Housing revenues were Ps.290.4 million  
(US\$22.3 million). a decline of 93.4 percent compared to Ps.4.4 billion  
(US\$337.5 million) during the second quarter of 2012.

20 . During the quarter the Company recognized revenues of Ps.800.9  
21 million (US\$61.5 million) in relation to building service contracts with state  
22 and the federal government compared to Ps.1.6 billion (US\$127.5 million)  
during the year ago period.

23 [...]

24 . The Company recognized a charge of Ps.5.3 billion in Costs of Good  
25 Sold (COGS) for land and construction-in-progress inventory as per the  
26 initial viability analysis performed on the Company’s housing projects and  
land inventory according to the recently published rules for subsidy  
application from SEDATU.

27 . For the quarter, the Company created a Ps.2.1 billion provision  
28 registered in Selling General and Administrative Expenses (SG&A) for  
uncollectable accounts receivable outstanding for more than 160 days from  
clients that lost their eligibility for subsidies or deteriorated their credit status,  
making collection of those receivables uncertain.

\* \* \*

FINANCIAL AND OPERATING HIGHLIGHTS	2Q'13 Thousands U.S. dollars (Convenience Translation)	2Q'13 Thousands of pesos	2Q'12	Chg % and bps	2013 Thousands U.S. Dollars (Convenience Translation)	Six-months		Chg % and bps
						2013	2012	
Thousands of pesos								
Volume (Homes)	710	710	11,154	-93.6%	6,130	6,130	19,892	-69.2%
Revenues	\$85,564	\$1,114,341	\$7,144,214	-84.4%	\$341,296	\$4,444,866	\$13,331,507	-66.7%
Housing revenues	\$22,297	\$290,380	\$4,395,960	-93.4%	\$192,473	\$2,506,666	\$8,053,297	-68.9%
Cost	\$825,758	\$10,754,255	\$5,065,424	112.3%	\$1,028,419	\$13,393,618	\$9,723,088	37.8%
Capitalization of Comprehensive Financing Costs (CFC)	\$64,153	\$835,498	\$269,977	209.5%	\$88,052	\$1,146,739	\$491,547	133.3%
Gross profit	-\$740,194	-\$9,639,914	\$2,078,790	-563.7%	-\$687,123	-\$8,948,752	\$3,608,419	348.0%
Gross profit adjusted for capitalization of CFC	-\$676,041	-\$8,804,416	\$2,348,767	-474.9%	-\$599,072	-\$7,802,013	\$4,099,966	290.3%
Operating income	-\$927,058	\$12,073,539	\$1,384,683	-971.9%	-\$910,558	\$11,858,651	\$2,261,645	624.3%
Operating income adjusted for capitalization of CFC	-\$862,905	\$11,238,041	\$1,654,660	-779.2%	-\$822,506	\$10,711,912	\$2,753,192	489.1%
Interest expense, net (a)	\$76,695	\$998,844	\$331,928	200.9%	\$102,174	\$1,330,665	\$669,313	98.8%
Net income	-\$779,395	\$10,150,452	\$567,957	1887.2%	-\$772,109	\$10,055,562	\$1,404,865	815.8%
Adjusted EBITDA (b)	-\$773,280	\$10,070,811	\$1,733,990	-680.8%	-\$727,229	-\$9,471,069	\$2,975,043	418.4%
Gross margin	-865.1%	-865.1%	29.1%	89,418	-201.3%	-201.3%	27.1%	22,839
Gross margin adjusted for capitalization of CFC	-790.1%	-790.1%	32.9%	82,298	-175.5%	-175.5%	30.8%	20,628
Operating margin	-1083.5%	-1083.5%	19.4%	110,285	-266.8%	-266.8%	17.0%	28,376
Operating margin adjusted for capitalization of CFC	-1008.5%	-1008.5%	23.2%	103,165	-241.0%	-241.0%	20.7%	26,165
Adjusted EBITDA margin	-903.7%	-903.7%	24.3%	92,802	-213.1%	-213.1%	22.3%	23,539
Earnings per share in Ps.		-30.32	1.70	1887.2%		-30.04	4.20	
Earnings per ADR presented in US\$ (c)	-13.97		0.78	1887.2%	-13.84		1.93	
Weighted avg. shares outstanding (MM)	334.7	334.7	334.7		334.7	334.7	334.7	
Accounts receivable days (d)		102	54			102	54	
Inventory days		454	691			454	691	

Inventory (w/o land) days		323	455			323	455	
Accounts payable days		93	155			93	155	
Working Capital Cycle (WCC) days (e)		463	590			463	590	

\* \* \*

Commenting on second quarter results, Gerardo de Nicolás, Chief Executive Officer of Homex, said:

“The second quarter of 2013 reflects the industry’s structural and policies changes which have affected Homex’ operations since year end 2012. Despite the complexity of the challenges that we had been facing which have translated in legal and liquidity implications affecting our operations, we continue to feel positive about our future prospects and more importantly we continue to work diligently to solve Homex’ current situation. The housing industry in Mexico continues to be very attractive and we trust in the Federal government’s commitment and support for a solid and active future for the industry and for our company.

During the quarter, we have dedicated a lot of time and effort to evaluate Homex’ financial alternatives as well as to restructure and resize our operations to reflect current conditions with the objective of reactivating our operations to improve our financial position.

\* \* \*

### Operating Results

**Titled volume.** During the second quarter of 2013, sales volume of titled homes totaled 710 homes, a decrease of 93.6 percent compared to the second quarter of 2012, reflecting a lower level of operations at the Company’s housing projects due to its liquidity and legal constraints.

During the second quarter of 2013, homes sold in the affordable entry level, or AEL, segment in Mexico accounted for 645 units, or 90.8 percent of total titled home sales volume for the period, compared to 91.6 percent for the same period in the previous year. Middle-income volume in the second quarter of 2013 accounted for 65 units or 9.2 percent of total titled home sales volume compared to 7.7 percent during the second quarter of 2012.

During the second quarter of 2013, the Company did not title homes in Brazil due to the Company’s cash restriction during the period, which limited operations in that country.

VOLUME						Six-months				
	2Q'13	% of Total	2Q'12	% of Total	Change 2Q13 /2Q12	2013	% of Total	2012	% of Total	Change 13/12
Mexico										
Affordable-Entry (from 2 to 11 times MW*)	645	90.8%	10,215	91.6%	-93.7%	5,564	90.8%	17,833	89.6%	-68.8%
Middle income (above 11 times MW*)	65	9.2%	855	7.7%	-92.4%	566	9.2%	1,921	9.7%	-70.5%



<b>Total Mexico</b>	710	100.0%	11,070	99.2%	-93.6%	6,130	100.0%	19,754	99.3%	-69.0%
Brazil										
Affordable-Entry (from 3 to 6 times MW*)	0	0.0%	84	0.8%	-100.0%	0	0.0%	138	0.7%	-100.0%
<b>Total volume</b>	<b>710</b>	<b>100.0%</b>	<b>11,154</b>	<b>100.0%</b>	<b>-93.6%</b>	<b>6,130</b>	<b>100.0%</b>	<b>19,892</b>	<b>100.0%</b>	<b>-69.2%</b>

\* \* \*

### Financial Results

Revenues decreased 84.4 percent in the second quarter of 2013 to Ps.1.114.3 million from Ps.7.144.2 million in the same period of 2012. Total housing revenues in the second quarter of 2013 decreased 93.4 percent compared to the same period of 2012, driven by the low level of operations at the Company's housing projects due to its liquidity and legal constraints.

During the second quarter of 2013, Homex revenues from its Mexico operations accounted for Ps.297.8 million, a 93.2 percent decrease from the same period in 2012. AEL revenues declined by 93.5 percent to Ps.231.4 million compared to Ps.3.581.0 million during the same period in 2012. Middle-income home sales decreased 92.3 percent in 2013 to Ps.59.0 million from Ps.770.5 million during the same period in 2012. During the second quarter of 2013, other revenues decreased by 16.8 percent to Ps.7.4 million from Ps.8.9 million during the second quarter of 2012 mainly due to lower land and commercial space sales at Homex housing developments.

[ . . . ]

During the second quarter of 2013, as a percentage of total revenues, revenues from Homex's Mexico Division represented 26.7 percent compared to 61.0 percent during the second quarter of 2012. Homex's Infrastructure Division, represented 71.9 percent of total second quarter 2013 revenues compared to 23.2 percent during the same period of 2012. Brazil did not contribute to total revenues in 2013 compared to 0.6 percent during the second quarter of 2012.

\* \* \*

REVENUE BREAKDOWN						Six-months				
	2Q'13	% of Total	2Q'12	% of Total	Change 2Q13 / 2Q12	2013	% of Total	2012	% of Total	Change 13 / 12
Thousands of pesos										
Mexico Housing Revenues										
Affordable-Entry (from 2 to 11 times MW*)	\$ 231,359	20.8%	\$ 3,581,053	50.1%	-93.5%	\$ 1,992,730	44.8%	\$ 6,251,884	46.9%	-68.1%
Middle income (above 11 times MW*)	\$ 59,021	5.3%	\$ 770,531	10.8%	-92.3%	\$ 513,936	11.6%	\$ 1,731,057	13.0%	-70.3%
<b>Total Mexico Housing Revenues</b>	<b>\$ 290,380</b>	<b>26.1%</b>	<b>\$ 4,351,584</b>	<b>60.9%</b>	<b>-93.3%</b>	<b>\$ 2,506,666</b>	<b>56.4%</b>	<b>\$ 7,982,941</b>	<b>59.9%</b>	<b>-68.6%</b>
Other Revenues Mexico	\$ 7,390	0.7%	\$ 8,884	0.1%	-16.8%	\$ 85,881	1.9%	\$ 18,783	0.1%	357.2%
<b>Total Mexico Revenues</b>	<b>\$ 297,770</b>	<b>26.7%</b>	<b>\$ 4,360,468</b>	<b>61.0%</b>	<b>-93.2%</b>	<b>\$ 2,592,547</b>	<b>58.3%</b>	<b>\$ 8,001,724</b>	<b>60.0%</b>	<b>-67.6%</b>

			4,360,468			2,592,548		8,001,724		
Brazil										
Affordable-Entry (from 3 to 6 times MW*)	\$ -	0.0%	\$ 44,376	0.6%	-100.0%	\$ -	0.0%	\$ 70,356	0.5%	-100.0%
			\$			\$		\$		
<b>Total Housing Revenues</b>	\$ 290,380	26.1%	4,395,960	61.5%	-93.4%	2,506,666	56.4%	8,053,297	60.4%	-68.9%
			\$			\$		\$		
Infrastructure revenue	\$ 800,991	71.9%	1,660,797	23.2%	-51.8%	1,500,332	33.8%	2,981,805	22.4%	-49.7%
			\$			\$		\$		
Infrastructure construction projects	\$ 800,991	71.9%	\$ 61,154	0.9%	1209.8%	1,500,332	33.8%	2,981,805	22.4%	-49.7%
			\$			\$		\$		
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	\$ -	0.0%	1,599,643	22.4%	N/A	\$ -	0.0%	-	N/A	N/A
			\$			\$		\$		
Federal Penitentiaries Projects revenue	\$ 15,580	1.4%	1,078,573	15.1%	-98.6%	\$ 351,986	7.9%	2,277,622	17.1%	-84.5%
			\$			\$		\$		
<b>Total Revenues</b>	<b>\$1,114,341</b>	<b>100.0%</b>	<b>7,144,214</b>	<b>100.0%</b>	<b>-84.4%</b>	<b>4,444,866</b>	<b>100.0%</b>	<b>13,331,507</b>	<b>100.0%</b>	<b>-66.7%</b>

**Gross profit (loss)** decreased in the second quarter of 2013 to a negative Ps.9.639.9 million compared to Ps.2.078.8 in the same quarter of 2012. During the quarter, the Company's COGS without capitalization were Ps.9.9 billion, which include Ps.5.3 billion in relation to adjustments to the Company's land and construction-in-progress inventory as per the initial viability analysis that the Company performed of its housing projects according to the recently published rules from SEDATU, and the performed assessment to evaluate the commercial viability of projects, in addition to the incurred costs in relation to the re-activation and maintenance of its housing projects.

Beginning January 1, 2012, as the Company implemented IFRS, and pursuant to IAS 23, "Cost of Loans," only the foreign-exchange differences relating to loans in foreign currency directly attributable to the acquisition, construction or production of eligible assets can be capitalized, as part of the cost of those assets, to the extent to which they are considered adjustments to interest expense.

During the second quarter of 2013, capitalized interest expense was Ps.828.1 million, a 206.5 percent increase when compared to Ps.270.2 million during the second quarter of 2012. The increase reflects the adjustments to the Company's land and construction-in-progress inventory as described above.

On a pro-forma basis (without considering the application of IAS 23 in 2013 and 2012), Homex's gross profit for the quarter would have been negative Ps.8.8 billion compared to Ps.2.3 billion during the same period in 2012.

\* \* \*

**Operating income.** During the second quarter of 2013, the Company had negative operating income of Ps.12.073.5 million compared to operating income of Ps.1.384.7 million during the same period of 2012. On a pro-forma basis (without considering the application of IAS 23 in 2013 and 2012) Homex's operating income for the second quarter of 2013 was

negative Ps.11,238.0 compared to Ps.1,654.7 million during the same period of last year. Operating income during the quarter was negatively affected by the adjustments on the Company's land and construction-in-progress inventory recognized in Homex' COGS as well as by the increase in the Company's SG&A as explained above.

CAPITALIZATION OF COMPREHENSIVE FINANCING COST		
Thousand of Pesos		
INVENTORY	June 30, 2013	June 30, 2012
Exchange Loss (gain)	-\$3,609	-\$7,323
Interest Expense	1,894,797	1,807,941
Inflation accounting accumulated effect	20,044	19,174
Total	\$1,911,232	\$1,819,792
COST OF SALES	2Q13	2Q12
Exchange Loss (gain)	-\$1,473	-\$864
Interest Expense	828,145	270,227
Inflation accounting accumulated effect	8,826	614
Total	\$835,498	\$269,977

\* \* \*

**Earnings per share (EPS)** for the second quarter of 2013 decreased to negative Ps.30.3 as compared to Ps.1.7 reported for the second quarter of 2012, driven by the revenue decline registered during the quarter, adjustments in construction-in-progress and land inventory registered in the Company's COGS, a higher SG&A for the second quarter of 2013 and a higher recognition of a foreign exchange (FX) loss including the cancellation of the Company's currency hedge derivative positions.

**Adjusted EBITDA** for the second quarter of 2013 was negative in Ps.10.1 billion from a positive Ps.1.7 billion reported for the same period in 2012.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA DERIVED FROM THE COMPANY'S IFRS FINANCIAL INFORMATION				
Thousands of pesos	2Q'13	2Q'12	Six-months	
			2013	2012
Net Income	-\$10,150,827	\$571,934	-\$10,055,562	\$1,405,994
Depreciation and amortization	\$22,146	\$93,481	\$74,864	\$193,443
Capitalization of CFC	\$835,498	\$269,977	\$1,146,739	\$491,547
Other expense and amortization	\$150,522	\$0	\$182,390	\$0
Net comprehensive financing cost	\$1,766,757	\$539,373	\$1,814,507	\$64,046
Income tax	-\$2,700,419	\$263,202	-\$2,639,143	\$821,142
Minority interest	\$5,512	-\$3,978	\$5,137	-\$1,129
Adjusted EBITDA	-\$10,070,811	\$1,733,990	-\$9,471,069	\$2,975,043

## Working Capital Cycle

The following tables present a breakdown of the Company's inventory and capitalization of Comprehensive Financing Cost (CFC) to show total inventory adjusted by this effect.

Ps. Million	June 2012	December 2012	March 2013	June 2013
Total Inventory	32,487	33,071	36,489	31,089
Capitalization of CFC	1,820	2,057	2,905	1,911
Total Inventory adjusted by capitalization of CFC	30,667	31,014	33,584	29,178

### Days of Housing Working Capital Cycle (WCC)<sup>1</sup>

Days	June 2012	December 2012	March 2013	June 2013
Total Accounts Receivable (a)	54	85	93	102
Housing Receivables	38	83	96	79
Inventory days	691	617	730	454
Accounts Payable (b)	155	87	94	93
Total WCC	590	615	729	463

<sup>1</sup> Computation of WCC does not include COGS and Revenues from the penitentiary construction projects.

a) Excluding receivables from the penitentiary construction projects

b) Due to the Company's decision not to consolidate the Chiapas Penitentiary Project the Company is also not including the previously recognized Account Payable of Ps. 1.1 billion in relation to the acquisition of the equity stake of the Chiapas penitentiary project. Previous periods are comparable as this payment is excluded from the WCC calculations for such previous periods.

The Company's Working Capital Cycle (WCC) was 463 days as of June 30, 2013, compared to 729 days as of March 31, 2013:

- On a quarterly basis inventory (adjusted by the capitalization of CFC) decreased by Ps.4.4 billion in 2013 compared to 1013 mainly due to adjustments to land and construction-in-progress inventory in relation to the Company's initial assessment of the value of its land and work-in-progress in accordance with the recently announced SEDATU rules.

- Inventory balance (adjusted by the capitalization of CFC) as of June 30, 2013, compared to inventory as of June 30, 2012, decreased by Ps.1.5 billion mainly driven by the above mentioned adjustments to inventory.

- On a quarterly basis, housing accounts receivable (AR), decreased Ps.1.7 billion to Ps.2.9 billion or 79 days as of June 30, 2013 from Ps.4.6 billion or 96 days as of March 31, 2013. The decrease is mainly driven by a provision that the Company made for uncollectable receivables outstanding for more than 160 days related to clients that lost their eligibility for subsidies or credit status making collection on those receivables uncertain.

- Accounts Payable increased to Ps.6.4 billion as of June 30, 2013 from Ps.4.7 billion as of March 31, 2013. AP days were stable at 93 days.

\* \* \*

Attached is the unaudited consolidated financial information of Desarrolladora Homex, S.A.B. de C.V. for the three and six-months month periods ended June 30, 2013 and 2012, which includes the consolidated balance sheets as of June 30, 2013 and 2012, and the consolidated statements of income for the three and six-month periods ended June 30, 2013 and 2012 and the consolidated statement of changes in financial position for the six-month period ended June 30, 2013 and 2012.

<b>DESARROLLADORA HOMEX CONSOLIDATED BALANCE SHEET</b>					
<b>COMPARISON OF JUNE 30, 2013 WITH JUNE 30, 2012</b>					
(Figures in thousands of pesos)	Jun-13		Jun-12		% Chg
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$147,128	0.4%	\$3,957,588	8.1%	-96.3%
Accounts receivable, net	\$5,000,957	12.1%	\$7,837,162	16.1%	-36.2%
Due from customers	\$2,893,503	7.0%	\$2,040,060	4.2%	41.8%
Accounts receivable from penitentiaries	-	0.0%	\$4,363,976	9.0%	-100.0%
Accounts receivable from infrastructure	\$2,107,454	5.1%	\$1,433,126	2.9%	47.1%
Inventories	\$31,088,904	75.0%	\$32,487,091	66.8%	-4.3%
Land inventory	\$8,995,280	21.7%	\$11,093,752	22.8%	-18.9%
Construction in progress	\$21,566,472	52.0%	\$20,998,828	43.2%	2.7%
Materials	\$527,152	1.3%	\$394,511	0.8%	33.6%
Other current assets	\$3,377,847	8.1%	\$1,818,003	3.7%	85.8%
Total current assets	<b>\$39,614,835</b>	<b>95.5%</b>	<b>\$46,099,844</b>	<b>94.8%</b>	-14.1%
Property and equipment, net	\$1,068,479	2.6%	\$1,228,673	2.5%	-13.0%
Goodwill	\$731,861	1.8%	\$650,344	1.3%	12.5%
Other assets	\$61,272	0.1%	\$624,257	1.3%	-90.2%
<b>TOTAL</b>	<b>\$41,476,447</b>	<b>100.0%</b>	<b>\$48,603,118</b>	<b>100.0%</b>	-14.7%
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Notes payable to financial institutions	\$20,598,592	49.7%	\$1,914,631	3.9%	975.9%
Accounts payable	\$6,370,527	15.4%	\$7,301,672	15.0%	-12.8%
Land payable	\$832,399	2.0%	\$730,793	1.5%	13.9%
Accounts payable from Penitentiaries Project	-	0.0%	-	0.0%	
Accounts payable from Partner Penitentiaries Project	-		-	0.0%	
Advances from customers	\$1,171,450	2.8%	\$937,983	1.9%	24.9%
Accrued expenses and taxes payable	\$7,466,994	18.0%	\$2,969,868	6.1%	151.4%
Total current liabilities	<b>\$35,607,563</b>	<b>85.9%</b>	<b>\$13,124,154</b>	<b>27.0%</b>	171.3%
Long-term notes payable to financial institutions	-	0.0%	\$14,772,680	30.4%	-100.0%
Long-term project financing	-	0.0%	\$1,571,377	3.2%	-100.0%

1	Swap payable	-	0.0%	\$248,058	0.5%	-100.0%
	Labor obligations	\$7,157	0.0%	\$7,563	0.0%	-5.4%
2	Deferred income taxes	\$530,371	1.3%	\$4,161,390	8.6%	-87.3%
3	<b>TOTAL LIABILITIES</b>	<b>\$36,145,092</b>	<b>87.1%</b>	<b>\$33,885,222</b>	<b>69.7%</b>	<b>6.7%</b>
4	<b>STOCKHOLDERS' EQUITY</b>					
5	Common stock	\$425,441	1.0%	\$425,441	0.9%	0.0%
	Additional paid-in capital	\$2,731,202	6.6%	\$2,731,202	5.6%	0.0%
6	Retained earnings	\$2,028,335	4.9%	\$11,860,644	24.4%	-82.9%
7	Other stockholders' equity accounts	\$(38,575)	-0.1%	\$(495,744)	-1.0%	-92.2%
	Majority stockholders' equity	\$5,146,403	12.4%	\$14,521,543	29.9%	-64.6%
8	Minority interest	\$184,952	0.4%	\$196,353	0.4%	-5.8%
9	<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$5,331,355</b>	<b>12.9%</b>	<b>\$14,717,896</b>	<b>30.3%</b>	<b>-63.8%</b>
10	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$41,476,447</b>	<b>100.0%</b>	<b>\$48,603,118</b>	<b>100.0%</b>	<b>-14.7%</b>

**DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT**  
**COMPARISON OF THREE MONTHS 2013 WITH THREE MONTHS 2012**

(Figures in thousands of pesos)	2Q13		2Q12		% Chg	
14	<b>REVENUES</b>					
15	Affordable-entry level revenue	\$231,359	20.8%	\$3,581,053	50.1%	-93.5%
	Middle income housing revenue	\$59,021	5.3%	\$770,531	10.8%	-92.3%
16	Affordable-entry level revenue Brazil	-	0.0%	\$44,376	0.6%	-100.0%
17	Other revenues	\$7,390	0.7%	\$8,884	0.1%	-16.8%
	Infrastructure revenue	\$800,991	71.9%	\$1,660,797	23.2%	-51.8%
18	Infrastructure construction projects	\$800,991	71.9%	\$61,154	0.9%	1209.8%
19	Federal Penitentiary (Chiapas) recognition <sup>1</sup>	-	0.0%	\$1,599,643	22.4%	-100.0%
	Federal Penitentiaries projects revenue	\$15,580	1.4%	\$1,078,573	15.1%	-98.6%
20	<b>TOTAL REVENUES</b>	<b>\$1,114,341</b>	<b>100.0%</b>	<b>\$7,144,214</b>	<b>100.0%</b>	<b>-84.4%</b>
21	<b>COSTS</b>					
22	Capitalization of CFC	\$9,918,757	890.1%	\$4,795,447	67.1%	106.8%
	Interest	\$835,498	75.0%	\$269,977	3.8%	209.5%
23	Interest	\$828,145	74.3%	\$270,227	3.8%	206.5%
	FX ( gain) loss and inflation accounting effect	\$7,353	0.7%	\$(250)	0.0%	-3037.8%
24	<b>TOTAL COST</b>	<b>\$10,754,255</b>	<b>965.1%</b>	<b>\$5,065,424</b>	<b>70.9%</b>	<b>112.3%</b>
25	<b>GROSS PROFIT</b>	<b>\$(9,639,914)</b>	<b>-865.1%</b>	<b>\$2,078,790</b>	<b>29.1%</b>	<b>-563.7%</b>
26	<b>TOTAL SELLING AND ADMINISTRATIVE EXPENSES</b>					
27		\$2,433,625	218.4%	\$694,106	9.7%	250.6%
28	<b>OPERATING INCOME</b>	<b>\$(12,073,539)</b>	<b>-1083.5%</b>	<b>\$1,384,683</b>	<b>19.4%</b>	<b>-971.9%</b>



1	OTHER (EXPENSES) INCOME, NET	\$989,426	88.8%	\$(14,152)	-0.2%	-7091.6%
2						
3	NET COMPREHENSIVE FINANCING COST					
4	Interest expense and commissions	\$171,489	15.4%	\$139,775	2.0%	22.7%
5	Interest expense penitentiaries	\$(63,740)	-5.7%	\$43,380	0.6%	-246.9%
6	Interest income	\$(790)	-0.1%	\$(78,074)	-1.1%	-99.0%
7	Derivative position (gain) loss	\$1,184,659		-		N/A
8	Foreign exchange (gain) loss	\$475,139	42.6%	\$434,292	6.1%	9.4%
9		\$1,766,757	158.5%	\$539,373	7.5%	227.6%
10	INCOME BEFORE INCOME TAX	\$(12,850,870)	-1153.2%	\$831,159	11.6%	-1646.1%
11	INCOME TAX EXPENSE	\$(2,700,419)	-242.3%	\$263,202	3.7%	-1126.0%
12	NET INCOME	\$(10,150,452)	-910.9%	\$567,957	7.9%	-1887.2%
13	MAJORITY INTEREST	\$(10,155,964)	-911.4%	\$571,934	8.0%	-1875.7%
14	MINORITY INTEREST	\$5,512	0.5%	\$(3,978)	-0.1%	-238.6%
15	NET INCOME	\$(10,150,452)	-910.9%	\$567,957	7.9%	-1887.2%
16	Earnings per share	-30.32		1.70		-1887.2%
17	Adjusted EBITDA	\$(10,070,811)	-903.7%	\$1,733,990	24.3%	-680.8%

**DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT  
COMPARISON OF SIX MONTHS 2013 WITH SIX MONTHS 2012**

(Figures in thousands of pesos)	2013		2012		% Chg
<b>REVENUES</b>					
Affordable-entry level revenue	\$1,992,730	44.8%	\$6,251,884	46.9%	-68.1%
Middle income housing revenue	\$513,936	11.6%	\$1,731,057	13.0%	-70.3%
Affordable-entry level revenue Brazil	-	0.0%	\$70,356	0.5%	-100.0%
Other revenues	\$85,881	1.9%	\$18,783	0.1%	357.2%
Infrastructure revenue	\$1,500,332	33.8%	\$2,981,805	22.4%	-49.7%
Infrastructure construction projects	\$1,500,332	33.8%	-	0.0%	N/A
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	-	0.0%	-	0.0%	N/A
Federal Penitentiaries projects revenue	\$351,986	7.9%	\$2,277,622	17.1%	-84.5%
<b>TOTAL REVENUES</b>	<b>\$4,444,866</b>	<b>100.0%</b>	<b>\$13,331,507</b>	<b>100.0%</b>	<b>-66.7%</b>
<b>COSTS</b>					
Capitalization of CFC	\$1,146,739	25.8%	\$491,547	3.7%	133.3%
Interest	\$1,136,878	25.6%	\$488,346	3.7%	132.8%
FX ( gain) loss and inflation accounting effect	\$9,861	0.2%	\$3,201	0.0%	208.1%
<b>TOTAL COST</b>	<b>\$13,393,618</b>	<b>301.3%</b>	<b>\$9,723,088</b>	<b>72.9%</b>	<b>37.8%</b>

1	GROSS PROFIT	\$(8,948,752)	-201.3%	\$3,608,419	27.1%	-348.0%
2	TOTAL SELLING AND ADMINISTRATIVE EXPENSES	\$2,909,899	65.5%	\$1,346,774	10.1%	116.1%
3	OPERATING INCOME	\$(11,858,651)	-266.8%	\$2,261,645	17.0%	-624.3%
4	OTHER (EXPENSES) INCOME, NET	\$978,453	22.0%	\$28,408	0.2%	3344.3%
5	NET COMPREHENSIVE FINANCING COST					
6	Interest expense and commissions	\$245,989	5.5%	\$315,412	2.4%	-22.0%
7	Interest expense penitentiaries	-	0.0%	\$52,057	0.4%	-100.0%
8	Interest income	\$(52,202)	-1.2%	\$(134,445)	-1.0%	-61.2%
9	Derivative position (gain) loss	\$1,184,659		-		N/A
10	Foreign exchange (gain) loss	\$436,062	9.8%	\$(168,978)	-1.3%	-358.1%
11		\$1,814,507	40.8%	\$64,046	0.5%	2733.1%
12	INCOME BEFORE INCOME TAX	\$(12,694,705)	-285.6%	\$2,226,007	16.7%	-670.3%
13	INCOME TAX EXPENSE	\$(2,639,143)	-59.4%	\$821,142	6.2%	-421.4%
14	NET INCOME	\$(10,055,562)	-226.2%	\$1,404,865	10.5%	-815.8%
15	MAJORITY INTEREST	\$(10,060,699)	-226.3%	\$1,405,994	10.5%	-815.6%
16	MINORITY INTEREST	\$5,137	0.1%	\$(1,129)	0.0%	-555.0%
17	NET INCOME	\$(10,055,562)	-226.2%	\$1,404,865	10.5%	-815.8%
18	Earnings per share	-30.04		4.20		-815.8%
19	Adjusted EBITDA	\$(9,471,069)	-213.1%	\$2,975,043	22.3%	-418.4%

DESARROLLADORA HOMEX, S.A.B. DE C.V.  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30, 2013

(thousands of pesos)	FCF w/o		
	Penitentiaries	Penitentiaries	Consolidated
<b>Total Net Income and Non Cash Items</b>	(12,627,966)	-	(12,627,966)
<b>(Increase) decrease in:</b>			
Trade accounts receivable	(906,614)	4,252,530	3,345,916
Inventories (w/land)	1,982,526	-	1,982,526
Trade accounts payable	1,727,380	(25,760)	1,701,620
Other A&L, net	2,289,980	-	2,289,980
<b>Changes in operating assets and liabilities</b>	<b>5,093,272</b>	<b>4,226,770</b>	<b>9,320,042</b>

1	<b>Operating cash flow</b>	(7,534,694)	4,226,770	(3,307,924)
2				
3	Capex	5,687	163	5,850
4	<b>Free Cash Flow</b>	(7,529,007)	4,226,933	(3,302,074)

DESARROLLADORA HOMEX, S.A.B. DE C.V.  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE PERIOD ENDED JUNE 30

8	(thousands of pesos)	<b>2013</b>	<b>2012</b>
9	Net Income	(10,060,699)	1,405,994
10	<b>Non-cash items:</b>		
11	Depreciation & Amortization	66,739	193,443
12	Minority interest	5,137	(1,129)
13	Deferred income taxes	(2,639,143)	821,142
14	<b>Total Net Income and Non Cash Items</b>	(12,627,966)	2,419,450
15	<b>(Increase) decrease in:</b>		
16	Trade accounts receivable	3,345,916	(6,487,722)
17	Inventories (w/land)	1,982,526	(1,846,995)
18	Trade accounts payable	1,701,620	2,986,549
19	Other A&L, net	2,289,980	157,612
20	<b>Changes in operating assets and liabilities</b>	9,320,042	(5,190,556)
21	<b>Operating cash flow</b>	(3,307,924)	(2,771,106)
22	Capex	5,850	(13,099)
23	<b>Free Cash Flow</b>	(3,302,074)	(2,784,205)
24	Net financing activities	1,127,421	2,749,140
25	Net (decrease) increase in cash and cash equivalents	2,174,653	- 35,065
26	Balance at beginning of period	2,321,780	3,992,653
27	Balance at end of period	147,127	3,957,588

1           138. The statements above, as well as additional statements contained in the July  
2 26, 2013 Form 6-K (incorporated herein in its entirety), related to Homex's revenues,  
3 accounts receivable, inventory, cost of sales, and home units sold between 2010 and  
4 2013 were materially false and/or misleading. Additionally, each and every financial  
5 metric that derives its calculation or is affected by these figures is also materially false  
6 and / or misleading. More specifically, these statements misrepresented and failed to  
7 disclose that: (i) between 2010 and 2013, Homex overstated its revenue by 355% or  
8 roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes; (2)  
9 between 2010 and 2013, Homex overstated the number of units it sold by over 100,000  
10 units or 317% of actual units sold; (3) the Individual Defendants and certain of their  
11 subordinates knowingly and intentionally engaged in a scheme to materially overstate  
12 Homex's revenues, homes sold, and other related financial items; (4) given the scheme  
13 and Defendants participation or reckless disregard concerning it, Homex's internal  
14 control over financial reporting was not effective; as a result, (5) Defendants' statements  
15 about the Company's business, operations and prospects were materially false and  
16 misleading and/or lacked a reasonable bases at all relevant times. As detailed herein, the  
17 Individual Defendants were involved in a scheme whereby fictitious home sales were  
18 inputted into Homex's SIA Treasury Module. This data was subsequently uploaded into  
19 the Homex's Contpaq system and was then used to generate the Company's financial  
20 statements. As a result of the fictitious home sales entered into the SIA Treasury  
21 Module, any of Defendants' statements related to the financial statements and /or  
22 statistical information derived from these fictitious home sales and their revenues were  
23 also materially false and / or misleading.

24           **July 26, 2013 – Conference Call: Second Quarter 2013 Earnings Results**

25           139. On July 26, 2013, Homex held a conference call to discuss the second  
26 quarter 2013 fiscal results ("July 26, 2013 Conference Call").  
27  
28

1 140. During July 26, 2013 Conference Call, Moctezuma specifically stated the  
2 following concerning Homex's financial statements:

3 **Carlos Moctezuma:**

4 Gracias Gerardo y gracias a todos por unirse a la llamada.

5 Más que discutir los resultados financieros línea por línea, me gustaría  
6 concentrar mis comentarios en los principales resultados y ajustes que  
registró la Compañía durante el segundo trimestre.

7 Como Gerardo acaba de mencionar, durante el trimestre cerramos la  
8 transacción con IDEAL para vender la participación de Homex de los dos  
9 centros penitenciarios por aproximadamente \$4,500 millones, los cuales se  
10 utilizaron para reducir los pasivos y las cadenas de producción revolventes  
11 relacionados con INBURSA y para pagar a Arendal – socio de Homex en el  
centro penitenciario de Chiapas-. Es importante mencionar que INBURSA  
seguirá siendo un socio financiero estratégico para Homex. Hemos estado  
trabajando con ellos en la aprobación de créditos puente para los proyectos  
de vivienda que reactivaremos en los siguientes meses.

12 Como mencionó Gerardo, las nuevas reglas de la SEDATU fueron  
13 anunciadas el 30 de Junio, y la compañía realizó un primer análisis de  
14 viabilidad en el inventario de tierra e inventario de construcción en proceso.  
15 De acuerdo con este análisis, se determinó que una parte de nuestro  
16 inventario no califica, o no se adapta a las nuevas reglas, y por lo tanto no se  
17 desarrollara en los siguientes años. Al mismo tiempo, se evaluó la viabilidad  
18 comercial de nuestros proyectos, incluyendo los costos relacionados con la  
reactivación y mantenimiento, y se determinó que algunos otros proyectos  
no se desarrollaran en los años siguientes. En consecuencia, durante el  
trimestre hemos ajustado nuestro inventario por \$5,300 millones, de los  
cuales \$773 millones están relacionados el inventario de reserva territorial y  
aproximadamente \$4,500 millones con el inventario de construcción en  
proceso.

19 Como resultado de este ajuste y del resultado de operación negativo del  
20 trimestre, nuestro costo de ventas se vio afectado llevando a el costo de  
ventas total de Homex a \$10,754 millones, de los cuales aproximadamente  
21 \$828 millones corresponden a intereses capitalizados. En consecuencia, la  
Compañía registró un margen bruto negativo de \$9,639 millones.

22 Durante el trimestre, la Compañía también tomó la decisión de crear una  
23 provisión para cuentas por cobrar incobrables con una antigüedad mayor de  
160 días relacionadas con clientes que perdieron las condiciones de  
24 elegibilidad necesarias para adquirir un subsidio o que deterioraron su estado  
crediticio, considerando entonces la recuperación de esas cuentas por cobrar  
25 incierta. La provisión de \$2,100 millones fue registrada en la línea de gastos  
de administración y ventas, afectando la utilidad operativa del trimestre, la  
cual fue negativa en \$12,073 millones.

26 En cuanto a la cancelación de las coberturas en relación a los bonos  
27 denominados en dólares con vencimiento en 2019 y 2020, durante el  
trimestre registramos una pérdida en el costo integral de financiamiento de  
28 \$1,200 millones correspondientes al valor de mercado total registrado en el  
balance general al momento de la cancelación. En relación a esto, hoy  
nuestros tres bonos denominados en dólares no están cubiertos, y las

1 fluctuaciones cambiarias del dólar estadounidense vs el peso mexicano están  
2 efectivamente registradas en el costo de financiamiento de la Compañía. En  
consecuencia, durante el trimestre tuvimos una pérdida cambiaria no  
monetaria de \$475 millones.

3  
4 Como resultado de los ajustes y efectos reflejados en el costo de ventas y en  
los gastos de administración y ventas, nuestra utilidad del trimestre fue  
negativa por \$10,150 millones.

5 Pasando al balance...

6 Durante el trimestre, de acuerdo con el análisis de viabilidad en relación a  
7 las reglas de SEDATU mencionadas anteriormente, nuestro saldo de  
inventarios disminuyó a \$31,089 millones al 30 de Junio de 2013, de  
8 \$36,489 millones que había al 31 de Marzo de 2013.

9 El saldo de las cuentas por cobrar al 30 de Junio de 2013 fue de \$5,000  
10 millones de los cuales \$2,893 millones están relacionados a las cuentas por  
cobrar de vivienda que disminuyeron de \$4,651 millones al 31 de Marzo de  
11 2013, como consecuencia de la provisión de las cuentas por cobrar que se  
creó durante el trimestre. Al 30 de Junio de 2013 teníamos un saldo en la  
12 cuenta por cobrar de \$2,107 millones relacionada con los servicios de  
construcción con el gobierno estatal y federal.

13 Las cuentas por pagar al 30 de Junio de 2013 fueron de \$6,370 millones, de  
los cuales \$832 millones están relacionados con los proveedores de terrenos.

14 Como resultado de los ajustes discutidos, y de los resultados operacionales,  
15 el capital social disminuyó a 5,331 millones al 30 de Junio de 2013.

16 Pasando a nuestra deuda, la posición de la deuda trimestre a trimestre  
disminuyó aproximadamente \$869 millones a \$20,6598 millones al 30 de  
17 Junio de 2013.

18 En esta parte me gustaría comentar, que hemos continuado trabajando  
internamente en la evaluación de la estrategia financiera en conjunto con  
19 nuestro asesor financiero JP Morgan, para determinar un plan financiero.  
Una vez terminado lo comunicaremos oportunamente al mercado.

20 Pasando al flujo de caja, el estado de cambios en la posición financiera de la  
Compañía (que históricamente hemos presentado como flujo libre de  
21 efectivo), muestra en una base acumulada de seis meses al 30 de Junio de  
2013 y de forma consolidada un flujo libre de efectivo negativo de \$3,3002  
22 millones, el cual se deriva principalmente de un flujo negativo acumulado de  
seis meses de \$7,529 millones (sin considerar los centros penitenciarios) al  
23 30 de Junio de 2013, principalmente derivado de la utilidad neta negativa  
acumulada en el periodo de seis meses.

24  
25 Como resultado, la compañía termino con un flujo de caja de \$147 millones  
al 30 de Junio de 2013.

26 Ahora cederé la palabra a Gerardo para los comentarios finales.



1 141. The statements above, as well as additional statements contained in the July  
2 26, 2013 Conference Call (incorporated herein in its entirety), related to Homex's  
3 revenues, accounts receivable, inventory, cost of sales, and home units sold between 2010  
4 and 2013 were materially false and/or misleading. Additionally, each and every financial  
5 metric that derives its calculation or is affected by these figures is also materially false  
6 and / or misleading. More specifically, these statements misrepresented and failed to  
7 disclose that: (i) between 2010 and 2013, Homex overstated its revenue by 355% or  
8 roughly \$3.3 billion by reporting fictitious sales of more than 100,000 homes; (2)  
9 between 2010 and 2013, Homex overstated the number of units it sold by over 100,000  
10 units or 317% of actual units sold; (3) the Individual Defendants and certain of their  
11 subordinates knowingly and intentionally engaged in a scheme to materially overstate  
12 Homex's revenues, homes sold, and other related financial items; and (4) as a result,  
13 Defendants' statements about the Company's business, operations and prospects were  
14 materially false and misleading and/or lacked a reasonable bases at all relevant times. As  
15 detailed herein, the Individual Defendants were involved in a scheme whereby fictitious  
16 home sales were inputted into Homex's SIA Treasury Module. This data was  
17 subsequently uploaded into the Homex's Contpaq system and was then used to generate  
18 the Company's financial statements. As a result of the fictitious home sales entered into  
19 the SIA Treasury Module, any of Defendants' statements related to the financial  
20 statements and /or statistical information derived from these fictitious home sales and  
21 their revenues were also materially false and / or misleading.

22 **September 25, 2013 – Form 6-K and Press Release: Homex Fails to Pay the Interest**  
23 **Due on the 9.75% Senior Guaranteed Notes due March 25, 2020**

24 142. On September 25, 2013, Homex issued a press release, and filed it the next  
25 day with SEC on a Form 6-K ("September 26, 2013 Form 6-K"). The September 26,  
26 2013 Form 6-K was signed by Defendants Moctezuma and Lafarga.  
27  
28

1 143. The September 26, 2013 Form 6-K stated, in pertinent part, that “the  
2 Company did not make the payment of interest due today on its 9.75% Senior  
3 Guaranteed Notes due March 25, 2020.”

4 **September 30, 2013 – Form 6-K and Press Release: Homex Fails to Pay the Interest**  
5 **Due on the 7.50% Senior Guaranteed Notes due September 28, 2015**

6 144. On September 30, 2013, Homex issued a press release, and filed it the next  
7 day with SEC on a Form 6-K (“October 1, 2013 Form 6-K”). The October 1, 2013 Form  
8 6-K was signed by Defendants Moctezuma and Lafarga.

9 145. The October 1, 2013 Form 6-K stated, in pertinent part, that “Company did  
10 not make the payment of interest due today on its 7.50% Senior Guaranteed Notes due  
11 September 28, 2015.”

12 **October 25, 2013 – Form 6-K and Press Release: Homex Announces it Will not**  
13 **Timely Deliver its Third Quarter 2013 Earnings Release**

14 146. On October 25, 2013, Homex issued a press release, and filed it the October  
15 28, 2013 with SEC on a Form 6-K (“October 28, 2013 Form 6-K”). The October 28,  
16 2013 Form 6-K was signed by Defendants Moctezuma and Lafarga.

17 147. The October 28, 2013 Form 6-K stated, in pertinent part, that:

18  
19 Culiacán, Sinaloa, México October 25th, 2013- Desarrolladora Homex,  
20 S.A.B. de C.V. (“Homex” or the Company) announces that, as a result of the  
21 challenging environment affecting the Company’s operations and in general,  
22 all the homebuilding sector in Mexico, Homex has recently been focus on a  
23 process of assessment of its business model and a possible financing an  
operative restructuring process, which has required an extraordinary high  
demand of effort that currently depends on a reduced number of employees.

24 The above mentioned situation has affected the regular timing for the  
25 financial closing process in regard to the third quarter 2013 results.

26 Consequently, the Company estimates that it will not be in the position to  
27 timely deliver its third quarter 2013 earnings release within the regulatory  
28 time limit in Mexico. Homex believes it will be releasing the quarterly report  
not later than November 12th, 2013.

1        **October 28, 2013 – Form 6-K and Press Release: Homex Announces the Mexican**  
 2        **Stock Exchange Temporary Halted Trading of its Stock**

3            148. On October 28, 2013, Homex issued a press release, and filed it the next  
 4        day with SEC on a Form 6-K (“October 29, 2013 Form 6-K”). The October 29, 2013  
 5        Form 6-K was signed by Defendants Moctezuma and Lafarga.

6            149. The October 29, 2013 Form 6-K stated, in pertinent part, that:

7  
 8            in connection with the notice from Homex regarding its delay in presenting  
 9            its third quarter results the Mexican Stock Exchange has announced that  
 10          based on today’s unusual movements in the Company’s common stock  
 11          price it is exercising a discretionary right to temporarily suspend the trading  
 12          of the Company’s stock on the exchange. The Mexican Bolsa stated that the  
 13          suspension of the trading in the Company’s stock will be relieved once the  
 14          Company reports the third quarter earnings.

15        **November 8, 2013 – Form 6-K and Press Release: Third Quarter 2013 Results**

16            150. On November 8, 2013, Homex issued a press release reporting the  
 17        Company’s third quarter fiscal results for the period ended September 30, 2013, and on  
 18        November 12, 2013, filed it as a Form 6-K with the SEC (the “November 12, 2013 Form  
 19        6-K”). The November 12, 2013 Form 6-K was signed by Defendants Moctezuma and  
 20        Lafarga.

21            151. The November 12, 2013 Form 6-K reported Homex’s financial statements  
 22        for the third fiscal quarter 2013. In relevant part, it stated:

23            Culiacan Mexico. November 8<sup>th</sup>, 2013—Desarrolladora Homex. S.A.B. de C.V.  
 24            (“Homex” or “the Company”) [NYSE: HXM. BMV: HOMEX] today announced  
 25            financial results for the Third Quarter ended September 30, 2013<sup>1</sup>.

26        **Financial and Operating Highlights**

- 27            • Total revenue for the third quarter of 2013 was Ps.102.9 million  
 28            (US\$7.8 million) from Ps.7.0 billion (US\$534.9 million) for the same period  
 in 2012. Housing revenues were Ps.38.8 million (US\$2.9 million),  
 compared to Ps.5.1 billion (US\$390.7 million) during the third quarter of  
 2012. The Company recognized other revenues and infrastructure revenues  
 during the quarter of Ps.64.1 million (US\$4.9 million) compared to Ps.696.5  
 million (US\$53.0 million) during the third quarter of 2012.  
 • The Company recognized a charge of Ps.4.0 billion for land and  
 construction-in-progress inventory as per the viability analysis performed on

1 the Company's housing projects according to the published rules for subsidy  
application from SEDATU.

2 • For the quarter, the Company created a Ps.2.3 billion provision  
3 registered in Selling General and Administrative Expenses (SG&A) for  
uncollectible accounts receivable outstanding for more than 160 days in  
accordance with the Company's policies.

4 • During the quarter, the Company registered a Ps.1.2 billion FX gain  
5 mainly derived from the application of NIC 39 as well as the unhedged dollar  
denominated debt FX fluctuation during the period.

6 • For the nine-month accumulated period ended September 30, 2013,  
7 Homex generated a consolidated negative Free Cash Flow (FCF) of Ps.3.5  
billion driven by the Company's nine-month accumulated negative net  
income.

8 \* \* \*

FINANCIAL AND OPERATING HIGHLIGHTS					NINE MONTHS			
	3Q'13 Thousands U.S dollars (Convenience Translation)	3Q'13 Thousands of pesos	3Q'12	Chg % and bps	2013 Thousands U.S Dollars (Convenience Translation)	2013	2012	Chg % and bps
Thousands of pesos								
Volume (Homes)	92	92	12,546	-99.3%	6,222	6,222	32,438	-80.8%
Revenues	\$7,834	\$102,974	\$7,032,103	-98.5%	\$345,975	\$4,547,840	\$20,363,610	-77.7%
Housing revenues	\$2,955	\$38,849	\$5,136,056	-99.2%	\$193,649	\$2,545,515	\$13,189,353	-80.7%
Cost	\$322,866	\$4,244,072	\$5,235,121	-18.9%	\$1,341,779	\$17,637,689	\$14,958,209	17.9%
Capitalization of Comprehensive Financing Costs (CFC)	\$14,277	\$187,669	\$359,092	-47.7%	\$101,515	\$1,334,408	\$850,639	56.9%
Gross profit	-\$315,032	\$4,141,097	\$1,796,982	330.4%	-\$995,804	\$13,089,849	\$5,405,402	342.2%
Gross profit adjusted for capitalization of CFC	-\$300,755	\$3,953,428	\$2,156,074	283.4%	-\$894,290	\$11,755,441	\$6,256,040	287.9%
Operating income	-\$633,400	\$8,326,041	\$1,222,133	781.3%	-\$1,535,541	\$20,184,691	\$3,483,778	679.4%
Operating income adjusted for capitalization of CFC	-\$619,123	\$8,138,371	\$1,581,224	614.7%	-\$1,434,027	\$18,850,283	\$4,334,416	534.9%
Net income	-\$267,671	\$3,518,531	\$442,867	894.5%	-\$1,032,643	\$13,574,093	\$1,845,698	835.4%

19 a) US\$ values are computed using an exchange rate of Ps.13.1450 per  
20 US\$1.00 the rate in effect as of September 30, 2013. Common Share/ADR  
21 ratio: 6:1.

## 22 Operating Results

23 **Titled volume.** During the third quarter of 2013, sales volume of titled  
24 homes totaled 92 homes, compared to 12,546 homes during the third quarter  
of 2012, reflecting the lower level of operations at the Company's housing  
25 projects due to its liquidity and legal constraints.

26 All of the homes sold during the third quarter of 2013 were in the affordable  
entry level, or AEL, segment in Mexico, compared to 89.3 percent for the  
27 same period in the previous year. During the recent quarter the Company  
did not title any middle-income units compared to 1,309 units that the  
28 Company titled during the third quarter of 2012.

1 During the third quarter of 2013, the Company did not title homes in Brazil  
2 due to the Company's cash restriction during the period, which limited  
operations in that country.

VOLUME						NINE MONTHS				
	3Q'13	% of Total	3Q'12	% of Total	Change 3Q13/3Q12	2013	% of Total	2012	% of Total	Change 13/12
Mexico										
Affordable-Entry (from 2 to 11 times MW*)	92	100.0%	11,208	89.3%	-99.2%	5,656	90.9%	29,041	89.5%	-80.5%
Middle income (above 11 times MW*)	0	0.0%	1,309	10.4%	-100.0%	566	9.1%	3,230	10.0%	-82.5%
<b>Total Mexico</b>	<b>92</b>	<b>100.0%</b>	<b>12,517</b>	<b>99.8%</b>	<b>-99.3%</b>	<b>6,222</b>	<b>100.0%</b>	<b>32,271</b>	<b>99.5%</b>	<b>-80.7%</b>
Brazil										
Affordable-Entry (from 3 to 6 times MW*)	0	0.0%	29	0.2%	-100.0%	0	0.0%	167	0.5%	-100.0%
<b>Total volume</b>	<b>92</b>	<b>100.0%</b>	<b>12,546</b>	<b>100.0%</b>	<b>-99.3%</b>	<b>6,222</b>	<b>100.0%</b>	<b>32,438</b>	<b>100.0%</b>	<b>-80.8%</b>

\* \* \*

## Financial Results

11 Revenues in the third quarter of 2013 were Ps.102.9 million, a 98.5%  
12 decrease from Ps.7,032.1 million in the same period of 2012. Total housing  
13 revenues in the third quarter of 2013 were Ps.38.8 million compared to  
14 Ps.5,136.1 million in the same period of 2012, driven by the low level of  
operations at the Company's housing projects due to its liquidity and legal  
constraints.

15 During the third quarter of 2013, all of the Company's housing revenues  
16 resulted from AEL sales. Other revenues during the quarter accounted for  
17 Ps.43.5 million compared to Ps.28.3 million during the third quarter of 2012,  
mainly related to the sale of construction and prefabricated materials.

[ . . . ]

18 As a percentage of total revenues, Homex' Mexico Division represented  
19 80.0 percent during the third quarter of 2013 compared to 73.4 percent  
20 during the third quarter of 2012. Homex' Infrastructure Division,  
21 represented 20.0 percent of total third quarter 2013 revenues compared to  
26.6 percent during the same period of 2012.

22 **Gross profit (loss)** decreased in the third quarter of 2013 to a negative  
23 Ps.4,141.1 million compared to a profit of Ps.1,796.9 in the same quarter of  
24 2012. During the quarter, the Company's COGS which were not capitalized  
25 was Ps.4.1 billion, which includes Ps.4.0 billion of adjustments to the  
26 Company's land and construction-in-progress inventory as per the viability  
27 analysis that the Company performed of its housing projects according to the  
28 published rules from SEDATU, and the assessment performed to evaluate  
the commercial viability of projects, in addition to the incurred costs in  
relation to the reactivation of its housing projects.

Beginning January 1, 2012, as the Company implemented IFRS, and  
pursuant to IAS 23, "Cost of Loans," only the foreign-exchange differences  
relating to loans in foreign currency directly attributable to the acquisition,  
construction or production of eligible assets can be capitalized, as part of the



1 cost of those assets. to the extent they are considered adjustments to interest  
2 expense.

3 During the third quarter of 2013. capitalized interest expense was Ps.187.7  
4 million. a 47.7 percent decrease when compared to Ps.359.1 million during  
5 the third quarter of 2012.

6 On a pro-forma basis (without considering the application of IAS 23 in 2013  
7 and 2012). Homex' gross profit for the quarter would have been negative  
8 Ps.3.9 billion compared to a profit of Ps.2.1 billion during the same period in  
9 2012.

10 \* \* \*

11 **Operating income.** During the third quarter of 2013. the Company had an  
12 operating loss of Ps.8.326.0 million compared to operating income of  
13 Ps.1.222.1 million during the same period of 2012. On a pro-forma basis  
14 (without considering the application of IAS 23 in 2013 and 2012) Homex'  
15 operating loss for the third quarter of 2013 would have been Ps.8.138.4  
16 compared to an operating income of Ps.1.581.2 million during the same  
17 period of last year. Operating result during the quarter was negatively  
18 affected by the adjustments on the Company's land and construction-in-  
19 progress inventory recognized in Homex' COGS as well as by the increase  
20 in the Company's SG&A as explained above.

21 **Net comprehensive financing cost (CFC)** for the third quarter of 2013  
22 resulted in an income of Ps.1.462.6 million compared to a cost of Ps.154.4  
23 million for the third quarter of 2012. The result mainly reflects the  
24 application of NIC 39 (Financial Instruments: Recognition and  
25 Measurement) in this quarter. in which the Company reversed the negative  
26 effect related to the derivative transactions described in the Company's  
27 second quarter earnings release and recognized during the second quarter of  
28 2013. The corresponding effect in the balance sheet is reflected in the Other  
29 Stockholders' Equity Accounts.

30 **Net income (loss)** for the third quarter of 2013 was negative Ps.3.518.5  
31 million compared to an income of Ps.442.9 million reported for the same  
32 period in 2012.

33 **Earnings per share (EPS)** for the third quarter of 2013 was negative  
34 Ps.11.15 as compared to a positive Ps.1.5 reported for the third quarter of  
35 2012. driven by the revenue decline registered during the quarter.  
36 adjustments in construction-in-progress and land inventory registered in the  
37 Company's COGS and higher SG&A for the quarter partially offset by the  
38 effect to apply NIC 39 to the net comprehensive financing cost.

39 \* \* \*

- 40 • Attached is the unaudited consolidated financial information of Desarrolladora  
41 Homex. S.A.B. de C.V. for the three and nine-months periods ended September  
42 30. 2013 and 2012. which includes the consolidated balance sheets as of  
43 September 30. 2013 and 2012. and the consolidated statements of income for the  
44 three and nine-month periods ended September 30. 2013 and 2012 and the  
45 consolidated statement of changes in financial position for the nine-month periods  
46 ended September 30. 2013 and 2012.



DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT COMPARISON OF THREE MONTHS 2013 WITH THREE MONTHS 2012					
(Figures in thousands of pesos)	3Q13		3Q12		% Chg
REVENUES			\$5,136,056		
Affordable-entry level revenue	\$38,849	37.7%	\$3,930,470	55.9%	-99.0%
Middle income housing revenue	-	0.0%	\$1,186,865	16.9%	-100.0%
Affordable-entry level revenue Brazil	-	0.0%	\$18,720	0.3%	-100.0%
Other revenues	\$43,487	42.2%	\$28,323	0.4%	53.5%
Infrastructure revenue	\$20,639	20.0%	\$668,165	9.5%	-96.9%
Infrastructure construction projects	\$20,639	20.0%	\$61,154	0.9%	-66.3%
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	-	0.0%	\$607,011	8.6%	-100.0%
Federal Penitentiaries projects revenue	-	0.0%	\$1,199,560	17.1%	-100.0%
TOTAL REVENUES	\$102,974	100.0%	\$7,032,103	100.0%	-98.5%
COSTS	\$4,056,402	3939.2%	\$4,876,029	69.3%	-16.8%
Capitalization of CFC	\$187,669	182.2%	\$359,092	5.1%	-47.7%
Interest	\$185,644	180.3%	\$355,929	5.1%	-47.8%
FX ( gain) loss and inflation accounting effect	\$2,025	2.0%	\$3,163	0.0%	-36.0%
TOTAL COST	\$4,244,072	4121.5%	\$5,235,121	74.4%	-18.9%
GROSS PROFIT	\$(4,141,097)	-4021.5%	\$1,796,982	25.6%	-330.4%
TOTAL SELLING AND ADMINISTRATIVE EXPENSES	\$4,184,943	4064.1%	\$574,850	8.2%	628.0%
OPERATING INCOME	\$(8,326,041)	-8085.6%	\$1,222,133	17.4%	-781.3%
OTHER (EXPENSES) INCOME, NET	\$(5,129)	-5.0%	\$(232,395)	-3.3%	-97.8%
NET COMPREHENSIVE FINANCING COST					
Interest expense and commissions	\$56,813	55.2%	\$54,418	0.8%	4.4%
Interest expense penitentiaries	-	0.0%	\$53,457	0.8%	-100.0%
Interest income	\$(53,318)	-51.8%	\$(86,887)	-1.2%	-38.6%
Derivative position (gain) loss					N/A
Foreign exchange (gain) loss	\$(1,466,054)	-1423.7%	\$133,443	1.9%	-1198.6%
	\$(1,462,559)	-1420.3%	\$154,431	2.2%	-1047.1%
INCOME BEFORE INCOME TAX	\$(6,868,610)	-6670.2%	\$835,307	11.9%	-922.3%
INCOME TAX EXPENSE	\$(3,350,080)	-3253.3%	\$392,440	5.6%	-953.7%
NET INCOME	\$(3,518,531)	-3416.9%	\$442,867	6.3%	-894.5%
MAJORITY INTEREST	\$(3,515,776)	-3414.2%	\$436,042	6.2%	-906.3%
MINORITY INTEREST	\$(2,754)	-2.7%	\$6,824	0.1%	-140.4%
NET INCOME	\$(3,518,531)	-3416.9%	\$442,867	6.3%	-894.5%
Earnings per share	-11.15		1.50		-841.8%

\* \* \*

DESARROLLADORA HOMEX CONSOLIDATED INCOME STATEMENT COMPARISON OF NINE MONTHS 2013 WITH NINE MONTHS 2012					
(Figures in thousands of pesos)	2013		2012		% Chg
REVENUES					
Affordable-entry level revenue	\$2,031,579	44.7%	\$10,182,354	50.0%	-80.0%
Middle income housing revenue	\$513,936	11.3%	\$2,917,922	14.3%	-82.4%
Affordable-entry level revenue Brazil	-	0.0%	\$89,076	0.4%	-100.0%
Other revenues	\$129,368	2.8%	\$47,106	0.2%	174.6%
Infrastructure revenue	\$1,520,971	33.4%	\$3,649,970	17.9%	-58.3%
Infrastructure construction projects	\$1,520,971	33.4%	\$3,649,970	17.9%	-58.3%
Federal Penitentiary (Chiapas) recognition <sup>1</sup>	-	0.0%	-	0.0%	N/A
Federal Penitentiaries projects revenue	\$351,986	7.7%	\$3,477,182	17.1%	-89.9%

1	TOTAL REVENUES	\$4,547,840	100.0%	\$20,363,610	100.0%	-77.7%
2	COSTS	\$16,303,281	358.5%	\$14,107,570	69.3%	15.6%
	Capitalization of CFC	\$1,334,408	29.3%	\$850,639	4.2%	56.9%
	Interest	\$1,322,522	29.1%	\$844,275	4.1%	56.6%
3	FX ( gain) loss and inflation accounting effect	\$11,886	0.3%	\$6,364	0.0%	86.8%
4	TOTAL COST	\$17,637,689	387.8%	\$14,958,209	73.5%	17.9%
5	GROSS PROFIT	\$(13,089,849)	-287.8%	\$5,405,402	26.5%	-342.2%
6	TOTAL SELLING AND ADMINISTRATIVE EXPENSES	\$7,094,842	156.0%	\$1,921,624	9.4%	269.2%
7	OPERATING INCOME	\$(20,184,691)	-443.8%	\$3,483,778	17.1%	-679.4%
8	OTHER (EXPENSES) INCOME, NET	\$973,324	21.4%	\$(203,987)	-1.0%	-577.1%
9	NET COMPREHENSIVE FINANCING COST					
	Interest expense and commissions	\$302,802	6.7%	\$369,829	1.8%	-18.1%
	Interest expense penitentiaries	-	0.0%	\$105,514	0.5%	-100.0%
10	Interest income	\$(105,521)	-2.3%	\$(221,332)	-1.1%	-52.3%
	Derivative position (gain) loss					N/A
11	Foreign exchange (gain) loss	\$154,666	3.4%	\$(35,535)	-0.2%	-535.2%
12		\$351,948	7.7%	\$218,476	1.1%	61.1%
13	INCOME BEFORE INCOME TAX	\$(19,563,316)	-430.2%	\$3,061,314	15.0%	-739.0%
14	INCOME TAX EXPENSE	\$(5,989,223)	-131.7%	\$1,215,616	6.0%	-592.7%
15	NET INCOME	\$(13,574,093)	-298.5%	\$1,845,698	9.1%	-835.4%
	MAJORITY INTEREST	\$(13,576,475)	-298.5%	\$1,840,003	9.0%	-837.9%
16	MINORITY INTEREST	\$2,383	0.1%	\$5,695	0.0%	-58.2%
	NET INCOME	\$(13,574,093)	-298.5%	\$1,845,698	9.1%	-835.4%
	NET INCOME Adjusted for FX	\$(13,458,530)	-295.9%	\$1,828,111	9.0%	-836.2%
	Earnings per share	-41.19		5.51		-847.1%

\* \* \*

**DESARROLLADORA HOMEX CONSOLIDATED BALANCE SHEET  
COMPARISON OF SEPTEMBER 30, 2013 WITH SEPTEMBER 30, 2012**

(Figures in thousands of pesos)	Sep-13		Sep-12		% Chg
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$164,463	0.5%	\$3,985,128	8.2%	-95.9%
Accounts receivable, net	\$2,607,060	7.8%	\$7,492,728	15.5%	-65.2%
Due from customers	\$632,816	1.9%	\$2,258,164	4.7%	-72.0%
Accounts receivable from penitentiaries	-	0.0%	\$3,828,868	7.9%	-100.0%
Accounts receivable from infrastructure	\$1,974,244	5.9%	\$1,405,697	2.9%	40.4%
Inventories	\$27,734,562	83.5%	\$32,546,540	67.4%	-14.8%
Land inventory	\$7,364,720	22.2%	\$10,764,272	22.3%	-31.6%
Construction in progress	\$19,728,709	59.4%	\$21,431,912	44.4%	-7.9%
Materials	\$641,133	1.9%	\$350,356	0.7%	83.0%
Other current assets	\$1,354,306	4.1%	\$1,816,727	3.8%	-25.5%
Total current assets	<b>\$31,860,392</b>	<b>95.9%</b>	<b>\$45,841,124</b>	<b>94.9%</b>	<b>-30.5%</b>
Property and equipment, net	\$570,842	1.7%	\$1,224,640	2.5%	-53.4%
Goodwill	\$731,861	2.2%	\$650,344	1.3%	12.5%
Other assets	\$60,632	0.2%	\$606,821	1.3%	-90.0%
TOTAL	<b>\$33,223,727</b>	<b>100.0%</b>	<b>\$48,322,929</b>	<b>100.0%</b>	<b>-31.2%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					

1	CURRENT LIABILITIES					
	Notes payable to financial institutions	\$21,510,937	64.7%	\$1,365,924	2.8%	1474.8%
2	Accounts payable	\$6,693,240	20.1%	\$5,078,746	10.5%	31.8%
	Land payable	\$832,485	2.5%	\$723,316	1.5%	15.1%
	Advances from customers	\$1,175,668	3.5%	\$896,459	1.9%	31.1%
3	Accrued expenses and taxes payable	\$5,740,443	17.3%	\$3,323,965	6.9%	72.7%
4	Total current liabilities	<b>\$35,120,288</b>	<b>105.7%</b>	<b>\$10,665,095</b>	<b>22.1%</b>	229.3%
	Long-term notes payable to financial institutions	-	0.0%	\$14,500,456	30.0%	-100.0%
5	Long-term project financing	-	0.0%	\$2,747,513	5.7%	-100.0%
	Swap payable	-	0.0%	\$615,779	1.3%	-100.0%
6	Labor obligations	\$7,395	0.0%	\$7,966	0.0%	-7.2%
	Deferred income taxes	\$(2,819,694)	-8.5%	\$4,713,622	9.8%	-159.8%
7	TOTAL LIABILITIES	<b>\$32,307,989</b>	<b>97.2%</b>	<b>\$33,250,431</b>	<b>68.8%</b>	-2.8%
8	STOCKHOLDERS' EQUITY					
	Common stock	\$425,441	1.3%	\$425,441	0.9%	0.0%
	Additional paid-in capital	\$2,822,232	8.5%	\$2,731,202	5.7%	3.3%
9	Retained earnings	\$(1,287,441)	-3.9%	\$12,348,827	25.6%	-110.4%
	Other stockholders' equity accounts	\$(1,226,691)	-3.7%	\$(638,121)	-1.3%	92.2%
10	Majority stockholders' equity	\$733,541	2.2%	\$14,867,349	30.8%	-95.1%
	Minority interest	\$182,197	0.5%	\$205,148	0.4%	-11.2%
11	TOTAL STOCKHOLDERS' EQUITY	<b>\$915,738</b>	<b>2.8%</b>	<b>\$15,072,498</b>	<b>31.2%</b>	-93.9%
12	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<b>\$33,223,727</b>	<b>100.0%</b>	<b>\$48,322,929</b>	<b>100.0%</b>	-31.2%

\* \* \*

**Consolidated Statement of Changes in Financial Position  
For the period ended September 30, 2013**

16	Net income					(13,576,475)
17	<b>Non Cash items:</b>					
	Depreciation					100,109
	Minority Interest					2,754
18	Deferred income taxes					(5,989,223)
						(19,462,835)
19	<b>(Increase) decrease in:</b>					
	Trade accounts receivable					7,763,353
20	Inventories (w/land)					5,336,868
	Trade accounts payable					2,024,333
21	Other A&L, net (1)					779,808
	<b>Changes in operating assets and liabilities</b>					15,904,363
22	<b>Operating Cash Flow</b>					(3,558,472)
23	Capex					5,850
	<b>Free Cash Flow</b>					<b>(3,552,622)</b>
24	Net Financing Activities					1,395,305
25	Net increase (decrease) cash					(2,157,317)
	Balance at beginning					2,321,780
26	Balance at end					164,463

152. The statements above, as well as additional statements contained in

1 the November 12, 2013 Form 6-K (incorporated herein in its entirety), related to  
2 Homex's revenues, accounts receivable, inventory, cost of sales, and home units  
3 sold between 2010 and 2013 were materially false and/or misleading. Additionally,  
4 each and every financial metric that derives its calculation or is affected by these  
5 figures is also materially false and / or misleading. More specifically, these  
6 statements misrepresented and failed to disclose that: (i) between 2010 and 2013,  
7 Homex overstated its revenue by 355% or roughly \$3.3 billion by reporting  
8 fictitious sales of more than 100,000 homes; (2) between 2010 and 2013, Homex  
9 overstated the number of units it sold by over 100,000 units or 317% of actual  
10 units sold; (3) the Individual Defendants and certain of their subordinates  
11 knowingly and intentionally engaged in a scheme to materially overstate Homex's  
12 revenues, homes sold, and other related financial items; (4) given the scheme and  
13 Defendants participation or reckless disregard concerning it, Homex's internal  
14 control over financial reporting was not effective; as a result, (5) Defendants'  
15 statements about the Company's business, operations and prospects were  
16 materially false and misleading and/or lacked a reasonable bases at all relevant  
17 times. As detailed herein, the Individual Defendants were involved in a scheme  
18 whereby fictitious home sales were inputted into Homex's SIA Treasury Module.  
19 This data was subsequently uploaded into the Homex's Contpaq system and was  
20 then used to generate the Company's financial statements. As a result of the  
21 fictitious home sales entered into the SIA Treasury Module, any of Defendants'  
22 statements related to the financial statements and /or statistical information derived  
23 from these fictitious home sales and their revenues were also materially false and /  
24 or misleading.

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1        **March 3, 2014 – Form 6-K and Press Release: Homex Announces its New External**  
2        **Auditor**

3            153. On March 3, 2014, Homex issued a press release and filed a Form 6-K with  
4 the SEC discussing that the company had designated a new auditor (the “March 3, 2014  
5 Form 6-K”). The March 3, 2014 Form 6-K was signed by Defendants Moctezuma and  
6 Lafarga.

7            154. The March 3, 2014 Form 6-K stated, in pertinent part, that:

8  
9            **Culiacan. Sinaloa. Mexico. March 3<sup>rd</sup>. 2014-** Desarrolladora Homex.  
10            S.A.B. de C.V. (“Homex” or the Company) announces that, on January 3<sup>rd</sup>.  
11            2014 it designated Salles. Saíñz-Grant Thornton. S.C. as its external auditor.  
                 in substitution of Ernest & Young International (Mancera S.C.). therefore  
                 the first will carry out the external audit of the Company and its subsidiaries.

12            Homex recognizes the commitment, dedication and professionalism of  
13            Mancera S.C. as external auditor for the Company. Given Homex’s current  
14            situation in which it continues analyzing alternatives to improve its financial  
                 condition, the change in external auditor is driven by the Company’s efforts  
                 to keep its obligations as a public company with a smaller budget.

15            This change took place prior approval of the Board of Directors.

16            Salles. Saíñz – Grant Thornton S.C. is a Grant Thornton International  
17            member, which is one of the leading accounting and consulting firms in the  
                 world. Grant Thornton is represented by 121 independent firms.

18        **April 30, 2014 – Press Release and Form 6-K: Homex files for Bankruptcy in**  
19        **Mexico**

20            155. On April 30, 2014, Bloomberg First Word published a report entitled  
21        “Homex Plans to Seek Bankruptcy Protection Today,” stating in pertinent part:

22            Homex Plans to Seek Bankruptcy Protection Today:

23            Apr 30 2014 14:39:37

24            By Jonathan Levin

25            April 30 (Bloomberg) -- El Financiero cited Marcos Martinez, chairman and  
                 CEO of Santander Mexico, who spoke today in a meeting with journalists.

- 26            • The request will be presented in the state of Sinaloa, where Homex is  
                 based.

27            156. Also, on April 30, 2014, Homex issued a press release entitled  
28        “Desarrolladora Homex, S.A.B. de C.V. announces filing of a pre-packaged concurso

1 mercantil proceeding and disclosure of information provided to creditors in conjunction  
2 with its restructuring negotiations” and filed it as a Form 6-K on the following day (May  
3 1, 2014 Form 6-K”) revealing that it filed for bankruptcy protection before the federal  
4 court in Culiacán, stating in pertinent part:

5  
6 **Desarrolladora Homex, S.A.B. de C.V. announces filing of a pre-**  
7 **packaged concurso mercantil proceeding and disclosure of information**  
8 **provided to creditors in conjunction with its restructuring negotiations**

9 Culiacán, Sinaloa, Mexico – April 30, 2014 – Desarrolladora Homex, S.A.B.  
10 de C.V. (the “Company”) announces that it has filed a request for a pre-  
11 packaged concurso mercantil proceeding before the federal court in  
12 Culiacán. In accordance with Mexican law, the filing was presented, with a  
13 proposed restructuring plan and was supported by a group of creditors  
14 representing, in the aggregate, over 50% of the outstanding consolidated  
15 indebtedness of the Company and its subsidiaries filing for the concurso  
16 mercantil proceeding. . For more information regarding the concurso  
17 mercantil filing, please see the Company’s website:  
18 <http://www.homex.com.mx/ri/index/htm>

19 In connection with the negotiations with an ad hoc group (the “Bondholder  
20 Group”) of certain holders of the Company’s 7.500% Senior Guaranteed  
21 Notes Due 2015, 9.500% Senior Guaranteed Notes Due 2019 and 9.750%  
22 Senior Guaranteed Notes Due 2020, the Bondholder Group has received  
23 certain information relating to the Company and certain public and non-  
24 public information set forth herein and in the Annexes hereto, pertaining to  
25 the future possible consummation of a restructuring transaction, which as of  
26 this date had been maintained confidential under applicable contractual  
27 provisions (collectively, the “Disclosed Information”).

28 The Disclosed Information includes (i) information with respect to the  
Company’s homebuilding operations, concurso process considerations,  
summary of the proposed concurso plan and the Company’s business and  
reactivation plan, including projections, the potential mechanics of future  
bridge loan funding, and certain other information (including non-public  
information) relating to the Company, as set forth in the Discussion  
Materials attached as Annex A hereto, and (ii) a Preliminary Restructuring  
Term Sheet dated April 30, 2014 setting forth certain terms and conditions  
of the Company’s restructuring plan and related transactions attached as  
Annex B hereto. An Exclusivity and Right of First Refusal Agreement,  
dated April 30, 2014 among the Company and certain members of the  
Bondholder Group relating to the potential provision of funding to the  
Company by such holders may be found on the Company website at  
<http://www.homex.com.mx/ri/index/htm>.

Pursuant to a confidentiality agreement entered into with certain members of  
the Bondholder Group, the Company agreed to publicly disclose the  
Disclosed Information upon the filing of concurso mercantil proceedings,  
among other things. The information disclosed herein is being furnished to  
comply with the Company’s obligations under such confidentiality  
agreement and applicable law. The disclosure of these materials should not  
be regarded as an indication that the Company or any other person



1 considered, or now considers, this information to be predictive of actual  
2 future results, and does not constitute an admission or representation by any  
3 person that such information is material, or that the expectations, beliefs,  
4 opinions and assumptions that underlie these materials remain the same as of  
5 the date of this disclosure and the information contained in these materials  
6 may have been superseded by subsequent developments. Readers are  
7 cautioned not to place undue reliance on these materials. The financial  
8 information reflected in the Disclosed Information does not purport to  
9 present the Company's financial condition in accordance with accounting  
10 principles generally accepted in the United States, Mexico or any other  
11 country. The Company's independent accountants have not audited or  
12 performed any review procedures on the Disclosed Information (except  
13 insofar as certain historical financial information may have been derived in  
14 part from the Company's historical annual financial statements).

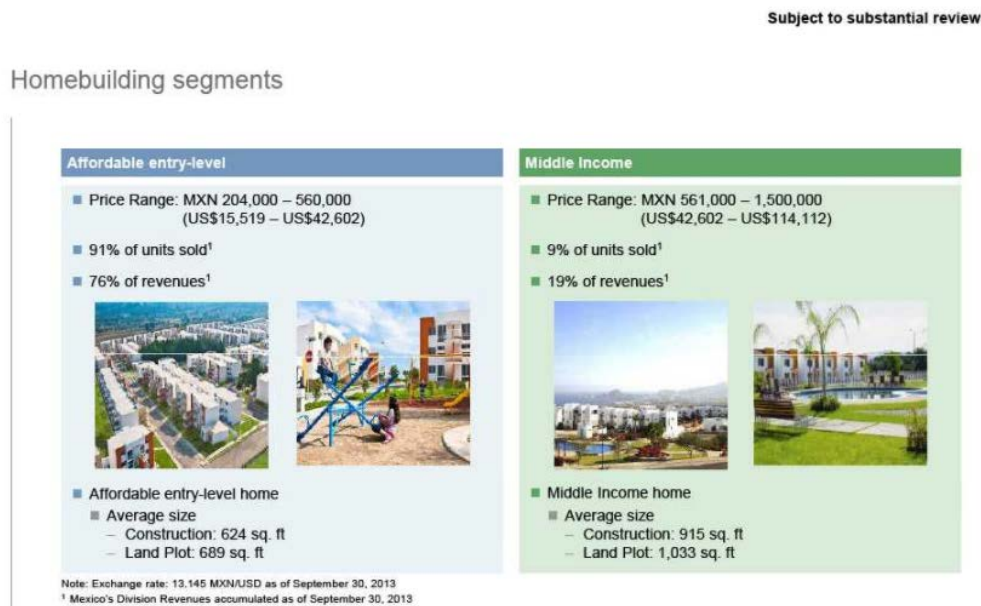
15 Projections are included in the Disclosed Information. Such projections have  
16 not been examined by auditors. The projections and other material set forth  
17 herein contain certain statements that are "forward-looking statements".  
18 These statements are subject to a number of assumptions, risks, and  
19 uncertainties, many of which are and will be beyond the control of the  
20 Company, including the continuing availability of sufficient borrowing  
21 capacity or other financing to fund future principal payments of debt,  
22 existing and future governmental regulations and actions of government  
23 bodies, natural disasters and unusual weather conditions and other market  
24 and competitive conditions. These statements speak as of the date indicated  
25 and are not guarantees of future performance. Actual results or  
26 developments may differ materially from the expectations expressed or  
27 implied in the forward-looking statements, and the Company undertakes no  
28 obligation to update any such statements. The projections, while presented  
with numerical specificity, are necessarily based on a variety of estimates  
and assumptions which, though considered reasonable by the Company, may  
not be realized and are inherently subject to significant business, economic,  
competitive, industry, regulatory, market and financial uncertainties and  
contingencies, many of which are and will be beyond the Company's  
control. The Company cautions that no representations can be made or are  
made as to the accuracy of the historical financial information or the  
projections or to the Company's ability to achieve the projected results.  
Some assumptions may prove to be inaccurate. Moreover, events and  
circumstances occurring subsequent to the date on which the projections  
were prepared may be different from those assumed, or, alternatively, may  
have been unanticipated, and thus the occurrence of these events may affect  
financial results in a materially adverse or materially beneficial manner.

Notwithstanding the support of the creditors to the concurso filing, the  
Restructuring Term Sheet indicates that there are certain terms remaining to  
be determined and as a result creditors may not support the concurso plan  
submitted for final approval in the concurso mercantil proceeding; therefore  
there can be no assurance that the Company will be successful in continuing  
to secure the sufficient creditor support required under applicable laws to  
implement the restructuring transactions through a concurso  
mercantil proceeding before Mexican courts.

The Company continues to have limited liquidity to conduct its operations  
and meet its obligations. The Company is working to obtain additional  
financing during the course of the concurso mercantil proceeding. There can  
be no assurance that the Company will be successful in securing such

1 additional financing, in which case the Company may not be able to  
 2 continue its operations through the consummation of the restructuring.

3 157. In the appendix to the discussion materials attached to the April 30, 2014  
 4 Form 6-K, Homex made the following representations concerning its Mexican  
 5 homebuilding segments and revenues.



APPENDIX

18 158. The statements in the paragraph immediately above, related to Homex's  
 19 revenues home units sold between 2010 and 2013 were materially false and/or  
 20 misleading. Additionally, each and every financial metric that derives its calculation or  
 21 is affected by these figures is also materially false and / or misleading. More specifically,  
 22 these statements misrepresented and failed to disclose that: (i) between 2010 and 2013,  
 23 Homex overstated its revenue by 355% or roughly \$3.3 billion by reporting fictitious  
 24 sales of more than 100,000 homes; (2) between 2010 and 2013, Homex overstated the  
 25 number of units it sold by over 100,000 units or 317% of actual units sold; (3) the  
 26 Individual Defendants and certain of their subordinates knowingly and intentionally  
 27 engaged in a scheme to materially overstate Homex's revenues, homes sold, and other  
 28 related financial items; and (4) as a result, Defendants' statements about the Company's

1 business, operations and prospects were materially false and misleading and/or lacked a  
 2 reasonable bases at all relevant times. As detailed herein, the Individual Defendants were  
 3 involved in a scheme whereby fictitious home sales were inputted into Homex's SIA  
 4 Treasury Module. This data was subsequently uploaded into the Homex's Contpaq  
 5 system and was then used to generate the Company's financial statements. As a result of  
 6 the fictitious home sales entered into the SIA Treasury Module, any of Defendants'  
 7 statements related to the financial statements and /or statistical information derived from  
 8 these fictitious home sales and their revenues were also materially false and / or  
 9 misleading.

10 **May 2, 2014 – Press Release: NYSE to Suspend Trading Immediately In**  
 11 **Desarrolladora Homex, S.A.B. De C.V. And Commence Delisting Proceedings**

12 159. On May 2, 2014, a press release was issued announcing that NYSE was  
 13 immediately suspending the trading of Homex's ADSs and that it had instituted  
 14 proceedings to delist them from the NYSE ("May 2, 2014 Press Release"). The May 2,  
 15 2014 Press Release stated:

17 NYSE TO SUSPEND TRADING IMMEDIATELY IN  
 18 DESARROLLADORA HOMEX, S.A.B. DE C.V. AND COMMENCE  
 19 DELISTING PROCEEDINGS

20 NEW YORK, May 2, 2014 – The New York Stock Exchange ("NYSE")  
 21 announced today that the staff of NYSE Regulation, Inc. ("NYSE  
 22 Regulation") has determined to commence proceedings to delist the  
 23 American Depositary Shares (Each representing six Common Shares, no par  
 24 value) (the "American Depositary Shares") of Desarrolladora Homex,  
 25 S.A.B. de C.V. (the "Company") — ticker symbol HXM — from the NYSE.  
 26 Trading in the Company's American Depositary Shares will be suspended  
 27 immediately.

28 NYSE Regulation has determined that the Company is no longer suitable for  
 listing. Pursuant to Listed Company Manual Section ("LCM") 802.01D,  
 NYSE Regulation reached this decision because of the Company's April 30,  
 2014 announcement that it has filed a request for a pre-packaged concurso  
 mercantil proceeding before the federal court in Culiacán, Mexico. NYSE  
 Regulation noted the uncertainty as to the timing and outcome of the  
 proceedings, as well as the ultimate effect of this process on the value of the  
 Company's American Depositary Shares. Furthermore, NYSE Regulation  
 noted that the Company was delinquent in filing its December 31, 2013  
 Form 20-F pursuant to Section 802.01E of the NYSE's LCM.

1 NYSE Regulation notes that it may make an appraisal of, and determine on  
 2 an individual basis, the suitability for continued listing of a listed security in  
 3 light of all pertinent facts and circumstances whenever it deems such action  
 4 appropriate. In addition, NYSE Regulation may, at any time, suspend  
 trading in a security and commence delisting proceedings if it believes that  
 continued dealings in or listing of the security on the NYSE are not  
 advisable.

5 The Company has a right to a review of this determination by a Committee  
 6 of the Board of Directors of NYSE Regulation. The NYSE will apply to the  
 Securities and Exchange Commission to delist the American Depositary  
 7 Shares upon completion of all applicable procedures, including any appeal  
 by the Company of the NYSE Regulation staff's decision.

8 **June 2, 2014 – Form 25: The NYSE files a Notification for Delisting of the Homex's**  
 9 **ADSs**

10 160. On June 2, 2014, the NYSE filed with the SEC a Form 25 to delist the  
 11 Homex's ADSs from the NYSE.

12 **June 16, 2014 – Form 6-K: The NYSE files a Notification for Delisting of the**  
 13 **Homex's ADSs**

14 161. On June 16, 2014, Homex issued a press release and filed the next day a  
 15 Form 6-K with the SEC (the "June 17, 2014 Form 6-K"). The June 17, 2014 Form 6-K  
 16 was signed by Defendants Moctezuma.

17 162. The June 17, 2014 Form 6-K stated, in pertinent part, that:

18 **Culiacán, Sinaloa, June 16<sup>th</sup>, 2014-** Desarrolladora Homex, SAB de C.V.  
 19 ("Homex" or the Company) announced today that it has received a judgment  
 20 of "Concurso Mercantil" judgment with respect to the restructuring pre-  
 packaged plan for Homex and its subsidiaries.

21 As a result of this judgment, Homex trusts that it will obtain the necessary  
 22 legal resources to execute an inclusive and thorough restructuring plan to  
 23 ensure a gradual recovery and more importantly, ensure the long-term  
 viability of Homex, while at the same time protecting the Company's  
 creditors' rights.

24 Simultaneously, through this concurso procedure, Homex intends to  
 25 preserve its existing relations with its employees, suppliers, creditors, and  
 26 local, state and federal authorities, as well as with mortgage financing  
 institutions thus maintaining the continuity of Homex's operations and the  
 value of its on-going business.

27 During the pre-packaged Concurso Mercantil process Homex and its  
 28 subsidiaries will continue to operate subject to the reformed rules of the Ley  
 de Concursos Mercantiles. The Company intends to secure the necessary

1 financing and liquidity to execute its reactivation plan which contemplates  
2 the resumption of construction of housing projects.

3 Homex will continue to inform the market on a timely basis about material  
4 developments in this legal procedure. Additional information about the  
Concurso Mercantil legal procedure can be found at the Company's IR  
website <http://www.homex.com.mx/ri/index.htm>.

### 5 **III. THE SEC LAUNCHES A PROBE OF HOMEX**

#### 6 **May 6, 2016 – Form 6-K: Homex Announces that It has Received a Wells Notice** 7 **from the SEC**

8  
9 163. After the market closed on May 6, 2016, Homex filed a Form 6-K  
10 announcing that the SEC had issued a Wells notice to de Nicolás and Moctezuma (“May  
11 6, 2016 Form 6-K”). In relevant part, the May 6, 2016 *Reuters* Article stated:

12 On April 25, 2016, the United States Securities and Exchange Commission  
13 (“SEC”) issued a Wells notice to the Company. The Wells notice indicated  
14 that the staff of the SEC’s Division of Enforcement has made a preliminary  
15 determination to recommend that the Commission authorize the institution  
16 of an enforcement action against the Company that would allege violations  
17 of the anti-fraud and certain reporting, internal control and books and  
18 records provisions of the Securities Act of 1933 and the Securities Exchange  
19 Act of 1934 in connection with the Company’s accounting treatment of  
certain revenues related to home sales during the period of 2010 through  
2012. The Wells notice does not constitute a determination by the  
Commission that any violation of law has occurred and, as contemplated by  
the SEC’s process, the Company intends to make a Wells Submission in this  
matter.

20 Separately, on April 25, 2016, the SEC also issued Wells notices to Gerardo  
21 de Nicolás and Carlos Moctezuma. These Wells notices indicated that the  
22 staff of the SEC’s Division of Enforcement has made a preliminary  
23 determination to recommend that the Commission authorize the institution  
24 of an enforcement action against Messrs. de Nicolás and Moctezuma  
25 regarding the same accounting matter and alleging direct and indirect  
26 violations of the same provisions of the federal securities laws the SEC  
identified in the Wells notice issued to the Company. Messrs. de Nicolás  
and Moctezuma have informed the Company that they intend to take a  
voluntary leave of absence so that they may devote their energies to  
responding to this matter.

27 Finally, the Company is reviewing its financial statements filed for the  
28 period 2010 through 2012. Until this review is completed, these financial  
statements should not be relied upon. As the Company previously disclosed,  
in connection with its emergence from the Concurso procedure, it has issued



1 audited financial statements for the periods 2013, 2014, and 2015.

2 **May 6, 2016 – Article: Shares in Mexico’s Homex Fall after SEC Announces Probe**

3  
4 164. On May 6, 2016, *Reuters* published an article entitled *Shares in Mexico’s*  
5 *Homex fall after SEC announces probe* (“May 6, 2016 *Reuters* Article”). In relevant  
6 part, the May 6, 2016 *Reuters* Article stated:

7 MEXICO CITY (Reuters) - Mexican homebuilder Homex’s shares fell on  
8 Friday after news of a U.S. Securities and Exchange Commission Wells  
notice sent to the company and its top executives.

9 The SEC issues a “Wells notice” to firms when it is planning to bring an  
10 enforcement action against them.

11 Shares in Homex closed down more than 7.49 percent at 3.09 pesos. Saddled  
12 with mounting debts and struggling with a shift in government policy that  
gave priority to subsidies for apartment purchases, Homex filed for  
bankruptcy in 2014. Its stock only started trading again in late October.

13 Since then, the shares have fallen by nearly 90 percent.

14 Homex said on Thursday it was the target of an SEC probe into fraudulent  
15 real estate sales and that it would respond to the SEC “to clarify the alleged  
violations,” while also conducting its own review.

16 In a filing to the SEC, Homex said the SEC also sent Wells notices to Chief  
17 Executive Officer Gerardo de Nicolas and Chief Financial Officer Carlos  
18 Moctezuma and the two executives will be taking a voluntary leave of  
absence in order to respond to the investigation.

19 Homex did not immediately respond to an e-mail requesting comment.

20 **IV. CITIBANK, N.A. TERMINATES THE AMERICAN DEPOSITARY**

21 **RECEIPTS FACILITY FOR HOMEX’S ADSs**

22 **November 9, 2016 – Notice: CITIBANK, N.A. Terminates the American Depositary**

23 **Receipts Facility for Homex’s ADSs**

24 165. On November 9, 2016, Citibank announced that it was terminating  
25 Homex’s American Depositary Receipt facility for Homex’s ADSs.  
26  
27  
28



1 *January 20, 2017 – Notice: CITIBANK Distributes Notice of Cash Distribution for*  
 2 *Homex’s ADSs*

3  
 4 166. On January 20, 2017, Citibank caused a notice to be distributed to the  
 5 Homex’s ADSs holders (“January 20, 2017 Notice”). In the January 20, 2017 Notice,  
 6 Citibank informed ADS holders that net cash proceeds in US dollars would be available  
 7 for distribution on January 26, 2017. Pursuant to this notice, each holder of Homex’s  
 8 ADSs would be entitled to the following cash proceeds on January 26, 2017 of US  
 9 \$0.374160 per ADS (less the Depositary Fee of US \$0.03 per ADS), or a net amount of  
 10 \$0.344160 per ADS.

11 167. On January 26, 2017, Citibank paid each holder of Homex’s ADSs pursuant  
 12 to the amount specified in the January 20, 2017 Notice.

13 **V. THE SEC REVEALS THAT HOMEX AND THE INDIVIDUAL**  
 14 **DEFENDANTS WERE FICTITIOUSLY RECORDING HOME SALES AND**  
 15 **COMMITTING ACCOUNTING FRAUD**

16 *March 3, 2017 – Press Release: The SEC Announces Charges Against Homex for*  
 17 *Accounting Fraud*

18 168. On March 3, 2017, the SEC issued a press release that it instituted charges  
 19 against Homex concerning its involvement in the accounting fraud concerning the  
 20 recording of fictitious home sales and their revenues, among other things, in Homex’s  
 21 financial statements. Specifically, the press release states:

22 **SEC Charges Mexico-Based Homebuilder in \$3.3 Billion Accounting**  
 23 **Fraud**

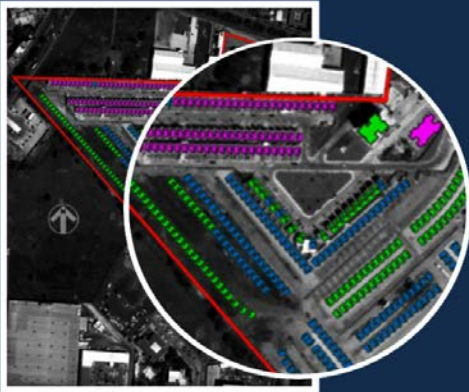
24 **SEC Uses Satellite Imagery to Crack Case**


25 **FOR IMMEDIATE RELEASE**  
 26 **2017-60**

27 Washington D.C., March 3, 2017—The Securities and Exchange  
 28 Commission today announced that Mexico-based homebuilding company  
 Desarrolladora Homex S.A.B. de C.V. has agreed to settle charges that it  
 reported fake sales of more than 100,000 homes to boost revenues in its  
 financial statements during a three-year period.

1 The SEC used satellite imagery to help uncover the accounting scheme and  
2 illustrate its allegation that Homex had not even broken ground on many of  
3 the homes for which it reported revenues.

4 **CAUGHT ON CAMERA**  
5 Use of Satellite Images to Support SEC's Allegations That Homex Illicitly  
6 Reported Sales Revenues for Unbuilt Homes

7  **Purported Project Site**  
8 Supposedly completed homes  
9 for which Homex reported  
10 sales in 2009 (pink),  
11 2010 (green), and 2011 (blue).

12  **Actual Project Site**  
13 As shown on March 12, 2012,  
14 wide majority of site  
15 still undeveloped.

16  
17  
18  
19  
20 U.S. SECURITIES AND EXCHANGE COMMISSION  
21 \*As described in paragraph 28 of the complaint filed in SEC v. Desarrolladora Homex, S.A.B. de C.V.\*

22 The SEC alleges that Homex, one of the largest homebuilders in Mexico at  
23 the time, inflated the number of homes sold during the three-year period by  
24 approximately 317 percent and overstated its revenue by 355 percent  
25 (approximately \$3.3 billion). The SEC's complaint highlights, for example,  
26 that Homex reported revenues from a project site in the Mexican state of  
27 Guanajuato where every planned home was purportedly built and sold by  
28 Dec. 31, 2011. Satellite images of the project site on March 12, 2012, show  
it was still largely undeveloped and the vast majority of supposedly sold  
homes remained unbuilt.

According to the SEC's complaint, Homex filed for the Mexican equivalent  
of bankruptcy protection in April 2014 and emerged in October 2015 under  
new equity ownership. The company's then-CEO and then-CFO have been

1 placed on unpaid leave since May 2016. Homex has since undertaken  
2 significant remedial efforts and cooperated with the SEC's investigation.

3 "As alleged in our complaint, Homex deprived its investors of accurate and  
4 reliable financial results by reporting key numbers that were almost  
5 completely made up." said Stephanie Avakian, Acting Director of the SEC's  
6 Enforcement Division. "The settlement takes into account that the fraud  
7 occurred entirely under the watch of prior ownership and management, the  
8 company's new leaders provided critical information regarding the full  
9 scope of the fraudulent conduct, and the company continues to significantly  
10 cooperate with our ongoing investigation."

11 Melissa Hodgman, Associate Director of the SEC's Enforcement Division,  
12 added. "We used high-resolution satellite imagery and other innovative  
13 investigative techniques to unearth that tens of thousands of purportedly  
14 built-and-sold homes were, in fact, nothing but bare soil."

15 The SEC separately issued a trading suspension in the securities of Homex.  
16 Without admitting or denying the allegations in the SEC's complaint filed in  
17 U.S. District Court for the Southern District of California, Homex consented  
18 to the entry of a final judgment permanently enjoining the company from  
19 violating the antifraud, reporting, and books and records provisions of the  
20 federal securities laws, and the company agreed to be prohibited from  
21 offering securities in the U.S. markets for at least five years. The settlement  
22 is subject to court approval.

23 **March 3, 2017 – Complaint: The SEC Files a Complaint and Proposed Settlement**  
24 **Against Homex**

25 169. The SEC's civil action against Homex is styled as *Securities and Exchange*  
26 *Commission v. Desarrolladora Homex, S.A.B. de C.V.*, 3:17-cv-00432 (S.D. Cal. Mar  
27 03, 2017), and asserted violations of the federal securities laws, and alleged, among  
28 other things, that:

1. This case is about a massive financial fraud perpetrated by Desarrolladora  
Homex, S.A.B. de C.V. ("Homex" or "the Company"), which is  
headquartered in Culiacán, Sinaloa, and formerly known as Mexico's largest  
homebuilder. Homex's securities have, at all relevant times, been listed or  
quoted in the United States. From at least 2010 through 2013 (the "Relevant  
Period"), and acting, with scienter, through certain of its then senior officers  
and employees, Homex improperly recognized billions of dollars of revenue.  
In particular, Homex systematically and fraudulently reported revenue from  
the sale of tens of thousands of homes annually that it had neither built nor  
sold. Homex personnel perpetrated this fraud by manually entering false  
information into its internal accounting and financial systems.

2. Homex's resulting overstatements of its revenue and the number of  
residential units sold, across its annual reports filed with the Commission  
during the Relevant Period, totaled at least MXN \$44 billion (USD \$3.3  
billion), or 355%, and at least 100,000 units, or 317%, respectively.

\* \* \*

21. Homex and certain of its Headquarters Financial Reporting Personnel knowingly and intentionally engaged in a scheme to materially overstate Homex's revenues, homes sold, and other related financial items during the Relevant Period. In just its 2010 through 2012 fiscal years, Homex overstated revenue by at least MXN \$44 billion (USD \$3.3 billion), or 355% of revenues from actual home sales, and overstated its number of units sold by over 100,000 units, or 317% of actual units sold.

22. Specifically, the scheme resulted in Homex materially overstating at least the following revenues and number of units sold:

OVERSTATED REVENUES AND UNITS SOLD FISCAL								
YEARS 2010-2012								
(Revenue Figures in Millions of MXN \$)								
	FY 2010		FY 2011		FY 2012		TOTAL 2010-2012	
	Revenue	Unit Sales	Revenue	Unit Sales	Revenue	Unit Sales	Revenue	Unit Sales
As Reported on Form 20-F	\$18,465	44,347	\$20,210	52,486	\$18,809	42,945	\$57,484	139,778
Actual Results	\$6,456	16,977	\$3,981	11,006	\$2,200	5,536	\$12,637	33,519
<b>Revenue / Units Overstated</b>	<b>\$12,009</b>	<b>27,370</b>	<b>\$16,229</b>	<b>41,480</b>	<b>\$16,609</b>	<b>37,409</b>	<b>\$44,847</b>	<b>106,259</b>
<b>% Overstatement</b>	<b>186%</b>	<b>161%</b>	<b>408%</b>	<b>377%</b>	<b>755%</b>	<b>676%</b>	<b>355%</b>	<b>317%</b>

24. In connection with each of the aforementioned annual reports on Form 20-F that Homex filed with the Commission throughout the Relevant Period, Homex's then CEO and CFO each signed certifications indicating that each had reviewed the Form 20-F, and that, among other things, the financial statements and other financial information included therein fairly presented in all material aspects the financial condition, results of operations and cash flows of Homex.

**B. Homex Materially Misstated Revenues Associated with Home Sales By Manually Entering Fraudulent Top-Line Revenue and Cost Entries Concerning Fictitious Home Sales**

25. Homex's Headquarters Financial Reporting Personnel intentionally and knowingly uploaded false information into the Company's internal reporting and accounting systems in order to perpetrate the fictitious revenue scheme. Specifically, contrary to the Company's internal controls, policies and procedures, the Headquarters Financial Reporting Personnel did not upload into Contpaq and, for financial reporting purposes, did not use information accurately captured within SIA's Construction, Sales and Operations Modules. Rather, the Headquarters Financial Reporting Personnel manually entered false revenue – including tens of thousands of fictitious home sales – into SIA's Treasury Module. Subsequently, only the false data was uploaded into Contpaq for financial reporting purposes.



1 26. Certain of Homex's Headquarters Financial Reporting Personnel also  
 2 maintained a spreadsheet that tracked the fictitious home sales that had  
 3 been manually entered into SIA's Treasury Module. They used this  
 4 spreadsheet, which was maintained outside of Homex's internal systems,  
 to ensure that fictitious revenue from manually entered home sales was  
 not double-booked.

5 27. In order to conceal the enormous level of manually-entered fictitious  
 6 revenue associated with tens-of-thousands of unbuilt homes, certain of  
 7 Homex's Headquarters Financial Reporting Personnel also manually  
 8 entered corresponding false cost-of-sales and inventory information into  
 9 Contpaq. These manual entries were necessary because, when fictitious  
 10 revenue was uploaded, the expected cost-of-sales and inventory entries  
 corresponding to the revenue were not reflected in the Contpaq system  
 as they were not entered into the other SIA modules in the normal course  
 of Homex's operations. As a result of the manual entries, the  
 information used for financial reporting radically inflated the data  
 captured within SIA's Construction, Sales and Operations modules.

\* \* \*

### 11 **The SEC's Investigation**

12 38. During the Commission's investigation leading to the filing of this  
 13 action, and continuing until Homex's then-CEO and CFO were placed on  
 14 unpaid administrative leave in May 2016, Homex failed to correct, restate,  
 or even disclose any concerns as to the reliability of the Company's financial  
 statements included in its SEC filings.

### 15 **October 11, 2017 – Press Release: The SEC Announces Charges Against the** 16 **Individual Defendants for Accounting Fraud**

17 170. On October 11, 2017, the SEC issued a press release that it instituted  
 18 charges against the Individual Defendants concerning their involvement in the  
 19 accounting fraud concerning the recording of fictitious home sales and their revenues,  
 20 among other things, in Homex's financial statements. Specifically, the press release  
 21 states:

22 U.S. SECURITIES AND EXCHANGE COMMISSION

23 Litigation Release No. 23964 / October 11, 2017

24 *Securities and Exchange Commission v. Gerardo de Nicolás et al.*, No.  
 25 3:17-civ-2086-JAH- AGS (S.D. Cal. filed Oct. 11, 2017)

### 26 **SEC Charges Former Top Executives for Role in Mexico-Based** 27 **Homebuilder's \$3.3 Billion Accounting Fraud**

28 The Securities and Exchange Commission today announced charges against  
 former senior officers of Mexico-based homebuilding company  
 Desarrolladora Homex S.A.B. de C.V. for their roles in the company's \$3.3

1 billion accounting fraud. Homex settled SEC charges earlier this year  
2 without admitting or denying allegations that it reported fake sales of more  
than 100,000 homes to boost revenues during at least a three-year period.

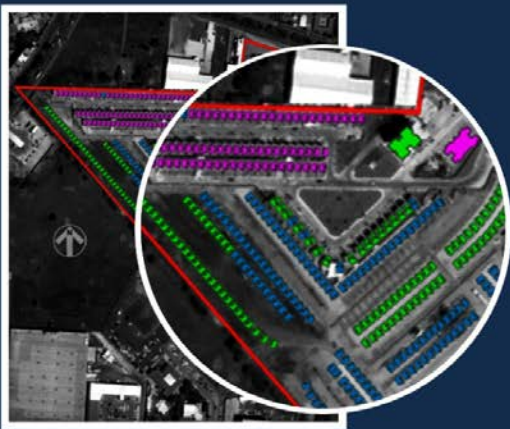
3 The SEC used satellite imagery to help uncover the accounting scheme and  
4 illustrate its allegation that Homex had not even broken ground on many of  
the homes for which it reported revenues.

5

6 **CAUGHT ON CAMERA**


7 Use of Satellite Images to Support SEC's Allegations That Homex Illicitly  
8 Reported Sales Revenues for Unbuilt Homes

9

10 

11 **Purported Project Site**  
12 Supposedly completed homes  
13 for which Homex reported  
14 sales in 2009 (pink),  
15 2010 (green), and 2011 (blue).

16

17 

18 **Actual Project Site**  
19 As shown on March 12, 2012,  
20 wide majority of site  
21 still undeveloped.

22

23 U.S. SECURITIES AND EXCHANGE COMMISSION

24 \*As described in paragraph 40 of the complaint filed in SEC v. Gerardo de Nicolás et al.\*

25

26 According to the SEC's complaint, the multi-billion dollar financial fraud  
27 was masterminded by Homex's then-Chief Executive Officer, Gerardo de  
28 Nicolás, its then-Chief Financial Officer, Carlos Moctezuma, then-  
Controller, Ramón Lafarga, and Noe Corrales, then a manager in the  
company's operations department.



1 The complaint alleges that Homex's annual reports for 2010 through 2012,  
2 which were filed with the SEC, portrayed the company as productive and  
3 financially sound, and that de Nicolas and Moctezuma certified them when  
4 they knew Homex was in a dire financial state. The SEC's complaint also  
5 alleges that de Nicolas and Moctezuma caused Homex to enter into loan  
6 agreements with at least 13 Mexican banks, which Homex was able to repay  
7 only by additional bank borrowing, in check-kiting fashion. The SEC alleges  
8 that de Nicolas and Moctezuma hid the true nature of these loans from  
9 Homex's investors and mischaracterized them to Homex's auditors. The  
10 SEC's complaint alleges that Lafarga directed Corrales to create a false  
11 second set of books, through which the fraud was perpetrated.

12 Homex filed for the Mexican equivalent of bankruptcy protection in April  
13 2014 and emerged under new equity ownership in October 2015. The SEC's  
14 complaint alleges that during the Mexican bankruptcy proceedings, de  
15 Nicolas and Moctezuma incorporated the allegedly fraudulent 2010-2012  
16 financial reports into Homex's post-bankruptcy business plan, which they  
17 knew would be shared with the company's investors.

18 The SEC's complaint charges de Nicolas, Moctezuma, Lafarga, and Corrales  
19 with violating Section 17(a) of the Securities Act of 1933, Sections 10(b)  
20 and 13(b)(5) of the Securities Exchange Act of 1934 and Rules 10b-5 and  
21 13b2-1 thereunder, and with aiding and abetting Homex's violations Sections  
22 13(a), 13(b)(2)(A) and (B) of the Exchange Act and Rules 12b-20, 13a-1 and  
23 13a-16 thereunder. The complaint also charges de Nicolas and Moctezuma  
24 with violating Rules 13b2-2 and 13a-14 under the Exchange Act. The SEC  
25 seeks permanent injunctions, disgorgement of ill-gotten gains plus interest,  
26 civil penalties, and officer and director bars.

27 **October 11, 2017 – Complaint: The SEC Files a Complaint Against the Individual**  
28 **Defendants and Non-Party Noe Corrales Reyes**

171. On October 10, 2017, the SEC filed its complaint in the de Nicolas Action  
alleging that the Individual Defendants and non-party Noe Corrales Reyes (“Reyes”)  
violated the federal securities laws (the “Complaint”).

172. In the Complaint, the SEC detailed specific information concerning the  
Individual Defendants’ fraudulent scheme. The SEC’s allegations contain specific  
statements concerning the evidence it obtained in the course of its investigation. The  
SEC’s statements in the Complaint, establish the scienter of Defendants by specifying  
with particularity the role of each Individual Defendant in the scheme, the evidence  
supporting their knowledge and / or reckless disregard regarding the fictitious homes  
sales and steps to conceal their fraudulent activities. Based on the evidence the SEC

1 obtained, each of the Defendants knew or recklessly disregarded the falsity and/or  
2 misleadingness of the statements identified herein.

3 173. The SEC states that the Corrales, at the direction of Lafarga manually  
4 entered false revenue – including tens of thousands of fictitious home sales over multiple  
5 years – into SIA’s Treasury Module prior to that information being exported to Contpaq.  
6 Furthermore, the Complaint states the Corrales, at the behest of Lafarga, maintained a  
7 spreadsheet that tracked the fictitious homes sales that were manually entered into the  
8 SIA’s Treasury Module. Furthermore, the SEC states that Lafarga ordered another  
9 employee to enter fictitious costs-of-sales to correspond to the fictitious home sales.

10 174. In support of these statements, the Complaint specifically states that:

11 On June 13, 2013 – only three weeks after Homex filed its annual report on  
12 Form 20-F for its 2012 fiscal year – Moctezuma received an email from a  
13 subordinate in the financial reporting department attaching a spreadsheet  
14 comparing “real” home sales (which the spreadsheet called “unidades  
15 realizadas”) with “accounting” home sales (which the spreadsheet called  
16 “unidades contabilidad”) for the Company’s ten largest real estate  
17 developments by reported revenue. The spreadsheet reflected that, for each  
18 of those top ten projects, the “accounting” home sales were significantly  
19 greater than the Company’s actual home sales. According to the spreadsheet,  
20 five of the ten projects had, in fact, had no sales at all, yet had “accounting”  
21 sales ranging between 345 and 1,655 homes. For all ten projects, the  
22 spreadsheet showed the Company had in fact sold just 1,682 homes, from  
23 which it had realized revenue totaling just (MXN) \$1.19 million, while its  
24 “accounting” numbers (10,152 home sales for (MXN) \$6.469 million in  
25 revenue) were more than five times greater than the Company’s actual  
26 results for those projects.

27 175. Furthermore, the SEC details that through its investigation that it uncovered  
28 that Homex’s Real Estate Project 877 was a representative example of Defendants  
rampant recording of fictitious sales. Specifically, the SEC details:

By means of the scheme detailed above, Defendants caused Homex to claim  
to investors that it had built and sold thousands of homes that, in fact, it had  
not built. Homex’s Real Estate Project 877 (named “Benevento” and located  
in the Mexican state of Guanajuato) is illustrative. During the investigation  
leading to the filing of this action, Moctezuma identified Benevento to the  
SEC, in a sworn declaration, as one of the Company’s top ten real estate  
projects by revenue. Moctezuma also attached to that declaration  
Benevento’s project plan (identifying the location, block and lot number of  
each planned housing unit), and details (by block, lot number, sale price and  
sale date) of the Benevento sales the Company had included in the financial  
statements it had filed with the SEC on Form 20-F. These documents  
reflected that, by December 31, 2011, all of Benevento’s planned units had  
been built and sold, and that Homex had recognized and reported revenue

1 for the same. Satellite images taken in March 2012, however, reveal that  
2 hundreds of those very same Benevento units remained unbuilt.

3 176. The SEC's statements in the Complaint establish that de Nicolás and  
4 Moctezuma knew or recklessly disregarded the fictitious home sales and their effects on  
5 Homex's financial statements from 2010 through the third quarter 2013. The SEC states  
6 in the Complaint that:

7 49. Both routinely reviewed, for example, "key reports" generated by the  
8 Operations, Sales, and Construction Modules in Homex's SIA system. These  
9 reports included detailed information concerning home sales, accounts  
10 receivable, revenues, expenses, status of construction, and construction  
11 quality. Both routinely discussed these key reports with members of the  
12 "First Circle" – a small group of senior managers who reported directly to de  
13 Nicolás – during weekly meetings. de Nicolás also met monthly or bi-  
14 monthly with the Company's head of real estate operations and others to  
15 monitor the progress of the Company's real estate development projects,  
16 including home sales, deliveries, and mortgage collection data. In addition,  
17 de Nicolás and Moctezuma regularly sent and received, via email, detailed  
18 operational information to and from members of the First Circle and others.  
19 Moreover, de Nicolás routinely communicated directly with Homex real  
20 estate development project managers throughout Mexico. In these  
21 communications, de Nicolás frequently requested and received detailed daily  
22 reports, posed specific detailed follow-up questions, and followed up again  
23 on the responses he received.

24 50. The information that de Nicolás and Moctezuma received through the  
25 aforementioned monitoring, review, meetings, reports, and emails was  
26 detailed, frequently focused on specific projects, and concerned the  
27 Company's true financial and operational performance in real time. As de  
28 Nicolás and Moctezuma knew or were reckless in not knowing, however, the  
accurate information starkly contradicted representations contained in the  
Company's financial statements and SEC filings from 2010 through the third  
fiscal quarter of 2013, and representations incorporated into the Company's  
2012 bond-offering circular.

51. For example, de Nicolás's email communications with Homex project  
managers include:

22 a) a May 2011 daily report informing de Nicolás that, as of May 3, 2011,  
23 in a Homex project that was among the Company's top ten projects by  
24 revenue, just 10 homes had been sold since April 1, despite a  
Company goal of 1,225 home sales in that project during the quarter  
ending June 30, 2011;

25 b) a June 2011 daily report informing de Nicolás that, as of June 2, 2011,  
26 in another Homex project that was among the Company's top ten  
27 projects by revenue, only 18 homes had been sold since April 1,  
despite a Company goal of 100 home sales in that project during the  
quarter ending June 30, 2011; and.

28 c) de Nicolás's June 2011 "important and urgent" message to the project

1 manager in response to the June 2011 daily report, referencing specific  
2 operational metrics, criticizing the manager's performance, and directing  
3 the manager to update him every day, including Sundays, regarding the  
4 project's sales status. Ultimately, the Company would recognize revenue  
5 for 261 home sales in that project during 2011; yet, as of April 27, 2012,  
6 more than 211 of those 261 homes remained unbuilt.

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177. Notably, the SEC states concerning de Nicolás:

52. Throughout the relevant period, de Nicolás also regularly sent to, and received from, members of his "First Circle" emails attaching detailed spreadsheets containing accurate information drawn from the Operations, Construction, and Sales Modules of the SIA system for the purpose of comparing the Company's actual performance with the goals that had been set by management. These communications detailed, among other things, the number of homes sold/still unsold; the construction status of homes as to which construction was underway; the number of homes for which construction had yet to begin; homes sold but not yet delivered; and the number of lots with/without services and utilities. Uniformly, these communications reflected drastic underperformance in comparison to goals set by management for all the Company's projects.

53. One such email, sent to de Nicolás on November 19, 2011, by a member of his First Circle with the subject (as translated) "Report prepared for the end of the year," stated that, as of that date – which was just six weeks away from year end – only 23,894 homes had been built and sold Company-wide that year, despite the Company's goal of 50,055 homes being built and sold during 2011.

54. Despite receiving this email, de Nicolás subsequently approved Homex's annual report for 2011 on Form 20-F, which was filed with the SEC on April 30, 2012, representing that Homex had built and sold 52,486 homes during 2011. This claim, which could be true only if the Company somehow managed to build and sell approximately 28,592 homes in the final six weeks of 2011, appears in four places in the Form 20-F; for example, in the "Management Discussion and Analysis" section claims that "[t]otal units closed of 52,486 in 2011 represents an 18.4% increase compared to total units closed in 2010 of 44,347.... [and is] primarily due to our strategy of focusing on home prototypes in the affordable entry-level which produce higher revenue and profit margins." In addition, de Nicolás certified the financial statements included in that same Form 20-F, reflecting the associated revenues.

178. Concerning Moctezuma's own scienter, the SEC statements in the Complaint provides similar detailed information. For example:

Moctezuma also received detailed spreadsheets during the relevant period containing data drawn from Operations, Construction, and Sales Modules of Homex's SIA system, illustrating the Company's dismal performance in real time. For instance, Moctezuma received an October 25, 2012 email with attachments providing details on the operational and financial performance of several projects in Baja California. The email included performance information about the "Tijuana Pontevedra Ontiveros" project, which Moctezuma would later falsely certify, during the SEC investigation leading

1 to the filing of this action, to be among the Company's ten largest  
2 developments by revenue during fiscal years 2010 through 2012. The e-mail  
3 attachments reflect that, as of October 25, 2012, across all the Baja  
4 California projects, only 620 houses had been built and sold in  
5 2012, out of a goal of 3,915 for that year. The email also reflects that in the  
6 Tijuana Pontevedra Ontiveros project specifically, only 11 units had been  
7 built and sold in all of 2012 through the date of the email, despite a goal of  
8 200 for that year.

9 179. Moreover, details the knowledge or recklessness of de Nicolás and  
10 Moctezuma concerning the factoring agreements they entered into to obtain cash and  
11 conceal the abnormal growth of Homex's accounts receivables as result of the fictitious  
12 home sales. Specifically, the SEC states that they "each signed scores of Homex's  
13 purported nonrecourse factoring agreements which they knew, or were reckless in not  
14 knowing, could only be paid off using proceeds of new "non-recourse factoring"  
15 agreements, in check-kiting fashion." Specifically, the SEC details that as a result of  
16 these agreements that "the Company incurred billions of dollars in undisclosed and  
17 unaccounted for liabilities in connection with the use of these purported non-recourse  
18 factoring agreements into which they caused Homex to enter."

19 180. As detailed herein, the truth concerning Defendants' revenue recognition  
20 processes, the fabrication of home sales and their accompanying revenues, as well as  
21 other financial information resulting from the fictitious sales, was material to investors.  
22 One of the objectives of the Sarbanes-Oxley Act of 2002 was to give investors assurance  
23 over transparency and accurate reporting. The SOX certifications signed by de Nicolás  
24 and Moctezuma provided investors with a "personal stamp" of approval with regard to  
25 the company's disclosures, including Defendants' statements concerning future revenue  
26 and sales. Investors relied on these certifications as proof that Homex's quarterly reports,  
27 annual reports, and other public disclosures were accurate in all material respects. The  
28 truth about de Nicolás' and Moctezuma's SOX certifications was material, as it would  
have altered the total mix of information available to the public.

181. The truth about Homex's financial statements and, in particular, the number  
of home units sold was material to investors. Revenue is one of the most important



1 metrics relied upon by investors when evaluating a company. Had investors known that  
2 Homex's revenues were inaccurate and that Defendants were fabricating sales of the  
3 Company's homes, investors would have taken different actions with regard their  
4 positions in Homex stock. The truth about Homex's revenues and number of home sales  
5 would have altered the total mix of information concerning Homex securities available  
6 to investors.

7 **VI. DEFENDANTS ACTED WITH SCIENTER**

8 182. The materially false and misleading misrepresentations and omissions  
9 alleged herein were made by Defendants with scienter. As alleged herein, Defendants  
10 acted with scienter in that they knew that the public documents and statements issued or  
11 disseminated in the name of the Company were materially false and misleading; knew  
12 that such statements or documents would be issued or disseminated to the investing  
13 public; and knowingly and substantially participated or acquiesced in the issuance or  
14 dissemination of such statements or documents as primary violations of the federal  
15 securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their  
16 receipt of information reflecting the true facts regarding Homex, their control over,  
17 and/or receipt and/or modification of Homex's allegedly materially misleading  
18 statements and/or their associations with the Company which made them privy to  
19 confidential proprietary information concerning Array, participated in the fraudulent  
20 scheme alleged herein.

21 183. As detailed *supra*, in the course of the SEC's investigation, the SEC  
22 obtained evidence that establishes that Defendants knowingly or recklessly made the  
23 materially false and / or misleading statements discussed herein. The factual averments  
24 contained in complaints the *de Nicolás* Action and the *Homex* Action are hereby  
25 incorporated in their entirety. The information in the possession of the SEC and stated  
26 with specificity establishes that Defendants' scienter concerning the alleged materially  
27 false and /or misleading statements contained herein.

28



1           **Corporate Scierter Is Imputed to Homex**

2           184. Homex's public statements about its revenue and home sales during and  
3 prior to the Class Period were critical to the company's reputation and overall  
4 operations. Given the dramatic allegations of falsity contained herein, a strong inference  
5 exists that Homex's corporate officials knew of the falsity of the statements at the time  
6 of publication and/or dissemination. Specifically, the knowledge of the Individual  
7 Defendants (among other members of senior management) concerning Homex's  
8 fictitious home sales, the resulting impact on the Company's financial statements  
9 (particularly, revenue, costs of goods sold, accounts receivable, inventory, as well as  
10 financial line items derived therefrom) is imputed to Homex. Homex acted with scienter  
11 under the corporate scienter doctrine.

12           **VII. LOSS CAUSATION AND ECONOMIC LOSS**

13           185. During the Class Period, as detailed herein, Homex and the Defendants  
14 made materially false and misleading statements and engaged in a scheme to deceive the  
15 market and a course of conduct that artificially inflated the price of Illumina's common  
16 stock and operated as a fraud or deceit on Class Period purchasers of Homex's securities  
17 by materially misleading the investing public. Later, when Homex's and Defendants'  
18 prior misrepresentations and fraudulent conduct became apparent to the market, the price  
19 of Homex's securities materially declined, as the prior artificial inflation came out of the  
20 price over time. As a result of their purchases of Homex's securities during the Class  
21 Period, Plaintiff and other members of the Class suffered economic loss, *i.e.*, damages  
22 under federal securities laws.

23           186. As a result of the Defendants' materially false and/or misleading statements  
24 and / or omissions, Plaintiff and the Class purchased or otherwise acquired the securities  
25 of Homex at artificially inflated prices during the Class Period. As the truth concerning  
26 Defendants' false and / or misleading statements entered the market place, Plaintiff and  
27 the Class were injured.

1           187. During the Class Period, as detailed herein, Defendants engaged in a  
2 scheme to deceive the market and a course of conduct that artificially inflated the price  
3 of Homex's securities, and operated as a fraud or deceit on purchasers and acquirers of  
4 Homex's securities. As detailed above, when the truth about Homex's worsening  
5 financial position and later their fictitious home sales and accompanying falsified  
6 revenue was revealed, the value of Homex's securities declined precipitously as the prior  
7 artificial inflation no longer propped up its securities price. The decline in Homex  
8 securities was a direct result of the nature and extent of Defendants' fraud finally being  
9 revealed to investors and the market. The timing and magnitude of the securities price  
10 decline negates any inference that the loss suffered by Plaintiff and other members of the  
11 Class was caused by changed market conditions, macroeconomic or industry factors or  
12 Homex-specific facts unrelated to the Defendants' fraudulent conduct. The economic  
13 loss, i.e., damages, suffered by Plaintiff and other Class members was a direct result of  
14 Defendants' fraudulent scheme to artificially inflate the price of Homex's securities and  
15 the subsequent significant decline in the value of Homex's securities when Defendants'  
16 prior misrepresentations and other fraudulent conduct was revealed.

17           188. At all relevant times, Defendants' materially false and misleading  
18 statements or omissions alleged herein directly or proximately caused the damages  
19 suffered by the Lead Plaintiffs and other Class members. Those statements were  
20 materially false and misleading through their failure to disclose a true and accurate  
21 picture of Homex's financial position, as alleged herein. Throughout the Class Period,  
22 Defendants publicly issued materially false and misleading statements and omitted  
23 material facts necessary to make Defendants' statements not false or misleading, causing  
24 Homex's securities to be artificially inflated. Plaintiff and other Class members  
25 purchased Homex's securities at those artificially inflated prices, causing them to suffer  
26 the damages complained of herein.

27  
28

1 **VIII. PRESUMPTION OF RELIANCE; FRAUD-ON-THE-MARKET**

2 189. At all relevant times, the market for Homex’s securities was an efficient  
3 market for the following reasons, among others:

4 (a) Homex’s ADSs had met the requirements for listing and was listed  
5 and actively traded on the NYSE during the Class Period, a highly efficient and  
6 automated market;

7 (b) Homex communicated with public investors via established market  
8 communication mechanisms, including disseminations of press releases on the  
9 national circuits of major newswire services and other wide-ranging public  
10 disclosures, such as communications with the financial press and other similar  
11 reporting services;

12 (c) Unexpected material news about Homex was reflected in and  
13 incorporated into the Company’s securities prices during the Class Period.

14 190. As a result of the foregoing, the market for Homex’s securities promptly  
15 digested current information regarding the Company from all publicly available sources  
16 and reflected such information in the prices of Homex’s securities. Under these  
17 circumstances, all purchasers of Homex’s securities during the Class Period suffered  
18 similar injury through their purchase of Homex securities at artificially inflated prices,  
19 and a presumption of reliance applies.

20 191. Alternatively, reliance need not be proven in this action because the action  
21 involves omissions and deficient disclosures. Positive proof of reliance is not a  
22 prerequisite to recovery pursuant to ruling of the United States Supreme Court in  
23 *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972). All that is  
24 necessary is that the facts withheld be material in the sense that a reasonable investor  
25 might have considered the omitted information important in deciding whether to buy or  
26 sell the subject security.

1 **IX. NO SAFE HARBOR; INAPPLICABILITY OF BESPEAKS CAUTION**  
2 **DOCTRINE**

3 192. The statutory safe harbor provided for forward-looking statements under  
4 certain circumstances does not apply to any of the material misrepresentations and  
5 omissions alleged in this Complaint. As alleged above, Defendants' liability stems from  
6 the fact that they provided investors with false financial statements and home sales  
7 statistics while at the same time failing to maintain adequate internal controls. The  
8 Defendants were engaged in scheme whereby fictitious home sales and the  
9 accompanying financial information was entered into the SIA Treasury Module and  
10 subsequently incorporated into Contpaq and, as a result, Homex's financial statements  
11 and Defendants' public statements.

12 193. To the extent certain of the statements alleged to be misleading or  
13 inaccurate may be characterized as forward looking, they were not identified as  
14 "forward-looking statements" when made and there were no meaningful cautionary  
15 statements identifying important factors that could cause actual results to differ  
16 materially from those in the purportedly forward-looking statements.

17 194. Defendants are also liable for any false or misleading "forward-looking  
18 statements" pleaded because, at the time each "forward-looking statement" was made,  
19 the speaker knew the "forward-looking statement" was false or misleading and the  
20 "forward-looking statement" was authorized and/or approved by an executive officer of  
21 Homex who knew that the "forward-looking statement" was false. Alternatively, none of  
22 the historic or present-tense statements made by the defendants were assumptions  
23 underlying or relating to any plan, projection, or statement of future economic  
24 performance, as they were not stated to be such assumptions underlying or relating to  
25 any projection or statement of future economic performance when made, nor were any  
26 of the projections or forecasts made by the defendants expressly related to or stated to be  
27 dependent on those historic or present-tense statements when made.  
28

1 **CLASS ACTION ALLEGATIONS**

2 195. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
3 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or  
4 otherwise acquired the publicly traded securities of Homex during the Class Period (the  
5 “Class”); and were damaged upon the revelation of the alleged corrective disclosures.  
6 Excluded from the Class are defendants herein, the officers and directors of the  
7 Company, at all relevant times, members of their immediate families and their legal  
8 representatives, heirs, successors or assigns and any entity in which Defendants have or  
9 had a controlling interest.

10 196. The members of the Class are so numerous that joinder of all members is  
11 impracticable. Throughout the Class Period, Homex’s securities were actively traded on  
12 the NYSE, over-the-counter market, and on the bond markets. While the exact number  
13 of Class members is unknown to Plaintiff at this time and can be ascertained only  
14 through appropriate discovery, Plaintiff believes that there are hundreds or thousands of  
15 members in the proposed Class. Record owners and other members of the Class may be  
16 identified from records maintained by Homex or its transfer agent, or the American  
17 Depository and may be notified of the pendency of this action by mail, using the form of  
18 notice similar to that customarily used in securities class actions. As of December 31,  
19 2012, the date of the Company’s last Form 20-F within the Class Period, there were  
20 203,777,568 shares of Homex held in the form of ADSs in the United States. Upon  
21 information and belief, Homex’s ADSs and the other securities are held by thousands, if  
22 not millions, of individuals located throughout the country and possibly the world.  
23 Joinder would be highly impracticable.

24 197. Plaintiff’s claims are typical of the claims of the members of the Class as all  
25 members of the Class are similarly affected by defendants’ wrongful conduct in  
26 violation of federal law that is complained of herein.

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1 198. Plaintiff will fairly and adequately protect the interests of the members of  
2 the Class and has retained counsel competent and experienced in class and securities  
3 litigation. Plaintiff has no interests antagonistic to, or in conflict with those of the Class.

4 199. Common questions of law and fact exist as to all members of the Class and  
5 predominate over any questions solely affecting individual members of the Class.  
6 Among the questions of law and fact common to the Class are:

- 7 (a) whether the federal securities laws were violated by defendants' acts as  
8 alleged herein;
- 9 (b) whether statements made by Defendants to the investing public during the  
10 Class Period misrepresented material facts about the business, operations  
11 and management of Homex;
- 12 (c) whether the Individual Defendants caused Homex to issue false and  
13 misleading financial statements during the Class Period;
- 14 (d) whether Defendants acted knowingly or recklessly in issuing false and  
15 misleading financial statements;
- 16 (e) whether the prices of Homex securities during the Class Period were  
17 artificially inflated because of the defendants' conduct complained of  
18 herein; and
- 19 (f) whether the members of the Class have sustained damages and, if so, what  
20 is the proper measure of damages.

21 200. A class action is superior to all other available methods for the fair and  
22 efficient adjudication of this controversy since joinder of all members is impracticable.  
23 Furthermore, as the damages suffered by individual Class members may be relatively  
24 small, the expense and burden of individual litigation make it impossible for members of  
25 the Class to individually redress the wrongs done to them. There will be no difficulty in  
26 the management of this action as a class action

27 **COUNT I**

28 **Against All Defendants**



1                    **for Violations of Section 10(b) and Rule 10b-5 Promulgated Thereunder**

2                    201. Plaintiff repeats and realleges each and every allegation contained above as  
3 if fully set forth herein.

4                    202. This Count is asserted against defendants and is based upon Section 10(b)  
5 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the  
6 SEC.

7                    203. During the Class Period, Defendants engaged in a plan, scheme, conspiracy  
8 and course of conduct, pursuant to which they knowingly or recklessly engaged in acts,  
9 transactions, practices and courses of business which operated as a fraud and deceit upon  
10 Plaintiff and the other members of the Class; made various untrue statements of material  
11 facts and omitted to state material facts necessary in order to make the statements made,  
12 in light of the circumstances under which they were made, not misleading; and  
13 employed devices, schemes and artifices to defraud in connection with the purchase and  
14 sale of securities. Such scheme was intended to, and, throughout the Class Period, did:  
15 (i) deceive the investing public, including Plaintiff and other Class members, as alleged  
16 herein; (ii) artificially inflate and maintain the market price of Homex securities; and  
17 (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire  
18 Homex securities at artificially inflated prices. In furtherance of this unlawful scheme,  
19 plan and course of conduct, Defendants, and each of them, took the actions set forth  
20 herein.

21                    204. Pursuant to the above plan, scheme, conspiracy and course of conduct, each  
22 of the defendants participated directly or indirectly in the preparation and/or issuance of  
23 the quarterly and annual reports, SEC filings, press releases and other statements and  
24 documents described above, including statements made to securities analysts and the  
25 media that were designed to influence the market for Homex securities. Such reports,  
26 filings, releases and statements were materially false and misleading in that they failed to  
27 disclose material adverse information and misrepresented the truth about the Company.  
28

1           205. By virtue of their positions at the Company, Defendants had actual  
2 knowledge of the materially false and misleading statements and material omissions  
3 alleged herein and intended thereby to deceive Plaintiff and the other members of the  
4 Class, or, in the alternative, defendants acted with reckless disregard for the truth in that  
5 they failed or refused to ascertain and disclose such facts as would reveal the materially  
6 false and misleading nature of the statements made, although such facts were readily  
7 available to Defendants. Said acts and omissions of defendants were committed willfully  
8 or with reckless disregard for the truth. In addition, each defendant knew or recklessly  
9 disregarded that material facts were being misrepresented or omitted as described above.

10           206. Information showing that Defendants acted knowingly or with reckless  
11 disregard for the truth is peculiarly within defendants' knowledge and control. As the  
12 senior managers and/or directors of the Company, the Individual Defendants had  
13 knowledge of the details of Homex's internal affairs.

14           207. The Individual Defendants are liable both directly and indirectly for the  
15 wrongs complained of herein. Because of their positions of control and authority, the  
16 Individual Defendants were able to and did, directly or indirectly, control the content of  
17 the statements of the Company. As officers and/or directors of a publicly-held company,  
18 the Individual Defendants had a duty to disseminate timely, accurate, and truthful  
19 information with respect to Homex's businesses, operations, future financial condition  
20 and future prospects. As a result of the dissemination of the aforementioned false and  
21 misleading reports, releases and public statements, the market price of Homex's  
22 securities were artificially inflated throughout the Class Period. In ignorance of the  
23 adverse facts concerning the Company which were concealed by defendants, Plaintiff  
24 and the other members of the Class purchased or otherwise acquired Homex securities at  
25 artificially inflated prices and relied upon the price of the ADSs and securities, the  
26 integrity of the market for Homex's securities and/or upon statements disseminated by  
27 defendants, and were damaged thereby.

28



1 and indirectly, in the conduct of the Company’s business affairs. Because of their senior  
2 positions, they knew the adverse non-public information about Homex’s misstatements.

3 213. As officers and/or directors of a publicly owned company, the Individual  
4 Defendants had a duty to disseminate accurate and truthful information, and to correct  
5 promptly any public statements issued by Homex which had become materially false or  
6 misleading.

7 214. Because of their positions of control and authority as senior officers, the  
8 Individual Defendants were able to, and did, control the contents of the various reports,  
9 press releases and public filings which Homex disseminated in the marketplace during  
10 the Class Period concerning the misrepresentations. Throughout the Class Period, the  
11 Individual Defendants exercised their power and authority to cause Homex to engage in  
12 the wrongful acts complained of herein. The Individual Defendants therefore, were  
13 “controlling persons” of the Company within the meaning of Section 20(a) of the  
14 Exchange Act. In this capacity, they participated in the unlawful conduct alleged which  
15 artificially inflated the market price of Illumina’s common stock.

16 215. Each of the Individual Defendants, therefore, acted as a controlling person  
17 of the Company. By reason of their senior management positions and/or being directors  
18 of the Company, each of the Individual Defendants had the power to direct the actions  
19 of, and exercised the same to cause, Homex to engage in the unlawful acts and conduct  
20 complained of herein. Each of the Individual Defendants exercised control over the  
21 general operations of the Company and possessed the power to control the specific  
22 activities which comprise the primary violations about which Plaintiff and the other  
23 members of the Class complain.

24 216. By reason of the above conduct, the Individual Defendants and/or Illumina  
25 are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by  
26 the Company.

27 **PRAYER FOR RELIEF**

28 **WHEREFORE**, Plaintiff demands judgment against defendants as follows:

1 A. Determining that the instant action may be maintained as a class action  
2 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the  
3 Class representatives;

4 B. Requiring Defendants to pay damages sustained by Plaintiff and the Class  
5 by reason of the acts and transactions alleged herein;

6 C. Awarding Plaintiff and the other members of the Class pre-judgment and  
7 post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other  
8 costs; and

9 D. Awarding such other and further relief as this Court may deem just and  
10 proper.

11 **DEMAND FOR TRIAL BY JURY**

12 Plaintiff hereby demands a trial by jury.

13  
14 Dated: October 20, 2017

s/ Adam C. McCall

15 **LEVI & KORSINSKY, LLP**  
16 Attorney for Plaintiff  
17 Email: amccall@zlk.com  
18 Adam C. McCall (SBN 302130)  
19 445 South Figueroa Street, 31st Floor  
20 Los Angeles, CA 90071  
21 Tel: (213) 985-7290  
22 Fax: (202) 333-2121  
23 Email: amccall@zlk.com

24 **LEVI & KORSINSKY, LLP**  
25 Nicholas I. Porritt (DC 457611) (NY 2798460)  
26 Adam M. Apton (DC 1017720) (NY 4759841)  
27 Alexander A. Krot III (DC 1000187) (MD)  
28 1101 30th Street NW, Suite 115  
Washington, DC 20007  
Tel: (202) 524-4290  
Fax: (202) 333-2121  
Email: nporritt@zlk.com  
Email: aapton@zlk.com  
Email: akrot@zlk.com  
*pro hac vice to be submitted*

*Attorneys for Plaintiff Jose Acosta and Counsel  
for Class*

**CERTIFICATION OF PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS**

I, Jose Acosta, declare as to the claims asserted under the federal securities laws, as follows:

1. I have reviewed the Complaint and authorized its filing;
2. I did not purchase the securities that are the subject of this Complaint at the direction of Plaintiffs' counsel or in order to participate in this litigation;
3. I am willing to serve as a representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary;
4. My transaction(s) in Desarrolladora Homex, S.A.B. de C.V. a/k/a Homex Development Corporation which are the subject of this litigation during the class period set forth in the complaint are set forth in the chart attached hereto.
5. Within the last 3 years, I have sought and continue to seek to serve as a class representative in a related pending federal securities fraud case entitled *Tames v. Desarrolladora Homex, S.A.B. de C.V. et al*, 2:17-cv-01416-ADS-ARL (E.D.N.Y.)
6. I have not received, been promised or offered, and will not accept, any form of compensation, directly or indirectly, for prosecuting or serving as a representative party in this class action, except for: (i) such damages or other relief as the Court may award to me as my pro rata share of any recovery or judgment; (ii) such reasonable fees, costs or other payments as the Court expressly approves to be paid to or on behalf of me; or (iii) reimbursement, paid by my attorneys, of actual or reasonable out-of-pocket expenditures incurred directly in connection with the prosecution of this action.

I hereby certify, under penalty of perjury under the laws of the United States of America, that the foregoing is true and correct. Executed this 20th day of October 2017.

Signed:



NAME: Jose Acosta



**Jose F. Acosta Abiega**

**Transactions in Desarrolladora Homex, S.A.B. de C.V. American Depositary Shares**

**Class Period: April 30, 2012 and May 5, 2016, inclusive**

<b>Date of Transaction</b>	<b>Buy (B) or Sell (S)</b>	<b>Quantity</b>	<b>Price (\$)</b>
9/16/2013	B	5,000	2.419
10/8/2013	B	5,000	1.9099
10/8/2013	B	700	1.8593
10/8/2013	B	4,300	1.8699
11/8/2013	B	4,000	1.54
11/8/2013	B	200	1.53
11/8/2013	B	800	1.529
11/18/2013	B	5,000	1.3199
11/21/2013	B	100	1.16
11/21/2013	B	4,900	1.159
11/27/2013	B	5,000	1.13
11/27/2013	B	100	1.11
12/3/2013	B	5,000	1.1199
12/4/2013	B	5,000	1.0899
12/16/2013	B	4,900	1.1099
1/9/2014	B	5,000	1.0999
1/9/2014	B	5,000	1.0999
5/5/2014	B	6,000	0.68
5/5/2014	B	4,000	0.7
5/5/2014	B	1,000	0.7
5/5/2014	B	4,000	0.71
5/5/2014	B	10,000	0.68
5/5/2014	B	15,000	0.505
5/20/2014	B	15,000	0.41
6/24/2014	B	10,000	0.74
6/24/2014	B	10,000	0.74
6/25/2014	B	10,000	0.75
6/25/2014	B	5,000	0.75
8/25/2014	B	5,000	1.07
8/25/2014	B	5,000	1.07
9/24/2014	B	1,690	0.94
9/30/2014	B	100	0.99
10/1/2014	B	1,258	0.99
10/6/2014	B	42	0.98

10/6/2014	B	1,910	1
10/9/2014	B	7,700	0.94
10/10/2014	B	2,300	0.94
11/6/2014	B	5,000	0.94
11/7/2014	B	113	0.93
11/10/2014	B	1,014	0.9
11/10/2014	B	1,569	0.895
11/10/2014	B	2,000	0.8949
11/10/2014	B	304	0.89
11/10/2014	B	2,000	0.85
11/10/2014	B	2,700	0.8499
11/11/2014	B	4,731	0.89
11/11/2014	B	569	0.9
11/11/2014	B	5,000	0.9
11/13/2014	B	9,000	0.6
11/13/2014	B	1,000	0.58
11/13/2014	B	10,000	0.6
11/13/2014	B	1,000	0.61
11/13/2014	B	9,000	0.63
11/17/2014	B	2,500	0.49
11/17/2014	B	4,425	0.55
11/17/2014	B	1,000	0.54
11/19/2014	B	10,640	0.55
11/19/2014	B	1,435	0.545
11/26/2014	B	10,000	0.42
11/28/2014	B	10,000	0.42
11/28/2014	B	10,000	0.4
11/28/2014	B	10,000	0.4
12/1/2014	B	5,000	0.425
12/1/2014	B	5,000	0.44
1/22/2015	B	10,000	0.36
1/22/2015	B	20,000	0.36
1/22/2015	B	10,000	0.35
1/22/2015	B	10,000	0.35
1/23/2015	B	25,000	0.29
1/23/2015	B	25,000	0.29
1/23/2015	B	20,000	0.28
1/26/2015	B	30,000	0.275
1/27/2015	B	25,000	0.25
1/28/2015	B	25,000	0.23
2/2/2015	B	5,000	0.18
2/2/2015	B	5,000	0.195
2/2/2015	B	45,000	0.2
2/3/2015	B	45,000	0.2

3/27/2015	B	8,475	0.2
3/30/2015	B	21,525	0.195
4/6/2015	B	13,365	0.22
4/6/2015	B	10,000	0.225
4/6/2015	B	6,635	0.23
4/7/2015	B	10,000	0.23
4/13/2015	B	2,500	0.22
4/13/2015	B	27,500	0.225
5/1/2015	B	2,500	0.225
5/1/2015	B	20,000	0.24
5/6/2015	B	2,500	0.24
5/6/2015	B	2,500	0.21
5/6/2015	B	5,425	0.22
5/6/2015	B	2,500	0.215
5/6/2015	B	5,000	0.21
5/6/2015	B	2,500	0.225
5/6/2015	B	7,075	0.2275
6/2/2015	B	2,500	0.18
6/2/2015	B	17,500	0.19
6/3/2015	B	10,290	0.177
6/3/2015	B	10,000	0.185
6/3/2015	B	9,710	0.195
6/10/2015	B	20,000	0.16
6/10/2015	B	5,000	0.16
6/10/2015	B	5,000	0.17
6/16/2015	B	5,000	0.185
6/23/2015	B	15,000	0.19
6/23/2015	B	5,000	0.19
6/23/2015	B	25,000	0.195
6/24/2015	B	10,339	0.19
6/24/2015	B	9,661	0.195
6/26/2015	B	20,000	0.19
6/26/2015	B	5,000	0.195
6/26/2015	B	22,500	0.2
7/13/2015	B	5,000	0.23
7/13/2015	B	7,500	0.235
7/15/2015	B	1,479	0.23
7/15/2015	B	2,000	0.24
7/15/2015	B	5,300	0.25
7/15/2015	B	1,221	0.22
8/4/2015	B	10,000	0.22
8/7/2015	B	10,000	0.19
8/7/2015	B	10,000	0.18
8/27/2015	B	5,000	0.17

8/27/2015	B	10,000	0.17
1/15/2016	B	3,500	1.27

**CERTIFICATE OF SERVICE**

I hereby certify that on October 20, 2017, I electronically filed the document(s) with the Clerk of the Court by using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing ("NEF") was automatically generated to the CM/ECF registrants on record. Participants in the case who are not registered CM/ECF users will be served by mail or by other means permitted by the court rules.

Dated: October 20, 2017 s/ Adam C. McCall

Adam C. McCall

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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

JOSE ACOSTA, Individually and on Behalf of All Others Similarly Situated

(b) County of Residence of First Listed Plaintiff Mexico (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Adam C. McCall, Esq., LEVI & KORSINSKY, LLP 445 South Figueroa Street, 31st Floor Los Angeles, CA 90071; (213) 985-7290

DEFENDANTS

DESARROLLADORA HOMEX, S.A.B. DE C.V. a/k/a HOMEX DEVELOPMENT CORP., GERARDO DE NICOLÁS GUTIÉRREZ, CARLOS MOCTEZUMA VELASCO, AND RAMÓN LAFARGA BÁTIZ

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

17CV2163 BEN WVG

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§ 78j(b) and 78t(a) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. §240.10b-5) Violation of 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC and 20(a) of Exchange Act

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE Hon. John A. Houston DOCKET NUMBER 17cv2086

DATE 10/20/2017 SIGNATURE OF ATTORNEY OF RECORD s/Adam C. McCall

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE



## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

### Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.  
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.  
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.  
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.  
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.  
 Original Proceedings. (1) Cases which originate in the United States district courts.  
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.  
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.  
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.  
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.  
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.  
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.  
**PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.  
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.  
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- Date and Attorney Signature.** Date and sign the civil cover sheet.

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Homex Faces Securities Suit in the Wake of SEC's Fraud Charges](#)

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