DESARROLLADORA HOMEX, S.A.B. DE C.V.
CUSIP: 25030WAB6

Credit Rating Report

This section details the Moody's ratings for CUSIP 25030WAB6.

Moody's Long-Term Rating as of 04/25/2013 **B2**

Watch Status DESARROLLADORA HOMEX, S.A.B. DE C.V. 04/25/2013

Upgrade	Downgrade	Uncertain	Not on Watch

Moody's uses Watch Status to indicate that a rating is under review for possible change in the short-term.

Long-Term Rating DESARROLLADORA HOMEX, S.A.B. DE C.V. 04/25/2013

Investment Grade	Non-Investment Grade

Obligations rated B are considered speculative and are subject to high credit risk.

DESARROLLADORA HOMEX, S.A.B. DE C.V.
NYSE: HXM

Credit Rating Report

This section details the Moody's ratings for DESARROLLADORA HOMEX, S.A.B. DE C.V.

Last Close (5/10/13)	**$5.33**
EPS (TTM)	**$2.36**

Moody's Long-Term Rating as of 04/25/2013 **B2**

Watch Status DESARROLLADORA HOMEX, S.A.B. DE C.V. 04/25/2013

Upgrade	Downgrade	Uncertain	Multiple	Not on Watch

Moody's uses Watch Status to indicate that a rating is under review for possible change in the short-term.

Long-Term Rating DESARROLLADORA HOMEX, S.A.B. DE C.V. 04/25/2013

Investment Grade	Non-Investment Grade

Issuers or issues rated B demonstrate weak creditworthiness relative to other US municipal or tax- exempt issuers or issues.

Moody's Rating Outlook DESARROLLADORA HOMEX, S.A.B. DE C.V. 04/25/2013

Positive	Negative	Stable	Developing	Under Review	No Outlook	Withdrawn

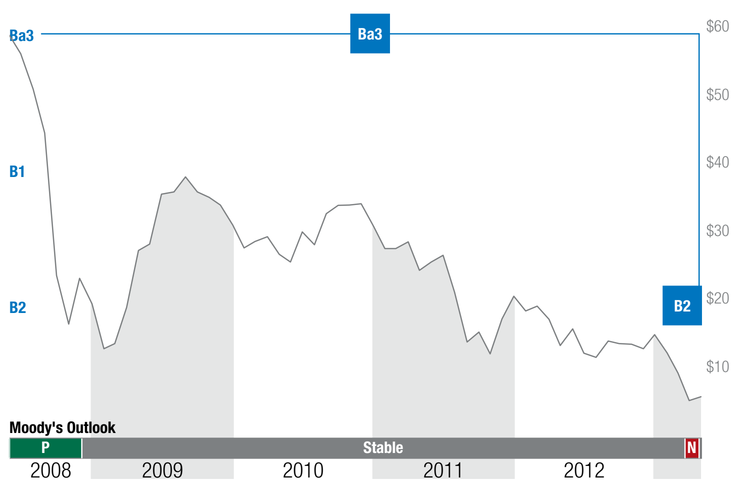
A Moody's Rating Outlook is an opinion regarding the likely direction of a rating over the medium term.

Key Indicators DESARROLLADORA HOMEX, S.A.B. DE C.V.

	2005[2]	2006[2]	2007[2]	2008[1,]
Total Revenues (Ps$ mil.)	**8,967**	**13,596**	**16,546**	**12,725**
Recurring EBITDA (Ps$ mil.)	**2,134**	**3,271**	**4,185**	**3,115**
Recurring EBITDA % Revenue	**23.8%**	**24.1%**	**25.3%**	**24.5%**
Total Debt/Recurring EBITDA (X)	**1.61x**	**1.13x**	**0.91x**	**1.46x**
Recurring EBITDA/Fixed Charges (X)	**4.89x**	**4.85x**	**7.12x**	**6.60x**
Total Assets (Ps$ mil.)	**13,973**	**19,620**	**24,290**	**27,339**
Secured Debt % Gross Assets	**6.7%**	**5.7%**	**4.5%**	**2.9%**
Total Debt + Pf. Equity % Gross Assets	**24.5%**	**18.9%**	**15.6%**	**22.2%**

[1] For the 9 month period ended September 30, 2008.
[2] All amounts are in Mexican Pesos.

5-Year Price and Long-Term Credit Rating History DESARROLLADORA HO..



Moody's Opinion: DESARROLLADORA HOMEX, S.A.B. DE C.V. as of 04/30/2013

SUMMARY RATING RATIONALE

Moody's B2 global local currency and Ba1.mx national scale issuer ratings reflect Desarrolladora Homex's position as one of the top two homebuilders in Mexico in terms of housing units titled. Homex is a publicly traded company, listed on the Bolsa Mexicana de Valores and the New York Stock Exchange, which enhances transparency and corporate governance.

In April 2013, Moody's downgraded to B2 from Ba3 and to Ba1.mx from A3.mx Homex's long-term global scale and national scale senior unsecured debt ratings and placed the ratings under review for downgrade.

Credit Strengths

The credit strengths for Homex are:
• One of the largest homebuilders in Mexico in terms of housing units titled
• Utilization of aluminum mould technology which provides efficiencies through a reduction in the construction cycle as well as cost savings
• Well-diversified geographically in Mexico, with presence in most states as well as the recent expansion into Brazil
• Public company, listed on both the Bolsa Mexicana de Valores (BMV) and the New York Stock Exchange (NYSE), with a strong corporate infrastructure, which enhances transparency and corporate governance

Credit Challenges

The credit challenges for Homex are:

- Leverage measures, specifically debt/EBITDA have weakened as result of the company's maintenance of an strong expansion, especially in vertical housing, in the midst of a significant transformation in the industry
- Vertical housing focus creates large capital investments and substantial cash burn that causes the generation of large negative cash flows and has substantially weakened the company's liquidity
- Although INFONAVIT and FOVISSSTE allocate mortgages to certain regions/projects, speculative homebuilding exists as Homex bears the risk of finding buyers
- Reliance on INFONAVIT and FOVISSSTE for take-out financing of construction loans, which can cause short-term liquidity concerns as the timing of receipt of take out can take up to 6 months
- Shift in Mexican government housing policies with respect to sustainability has lengthened Homex's working capital cycle, increased up front capital costs and created delays in major housing agencies

Rating Outlook

In its review Moody's will focus on the completion of the sale of Homex's interest in the penitentiaries, its future cash flow generation and its ability to make timely interest and principal payments on its upcoming debt. Although, the sale of the penitentiaries provides the company with some liquidity, Homex's limited cash flows will continue to be stressed, which likely implies difficulty in being able to quickly develop and sell homes in the near-term. Furthermore, Moody's expects that the deterioration in the company's operating profits and credit metrics will persist.

What Could Change the Rating UP

Should the company complete the sale of its interest in the penitentiaries as planned and be able to increase its home sales while generating neutral cash flows the ratings will most likely be confirmed.

What Could Change the Rating DOWN

Should Homex fail to complete the sale of its interest in the penitentiaries and/or face any liquidity challenges the ratings will most likely be downgraded multiple notches.

DETAILED RATING CONSIDERATIONS

Other key factors influencing the rating and outlook include:

Liquidity and Funding

Homex's liquidity and funding has been constrained as a result of market dynamics, leaving the company with a diminished capacity to pay and refinance debt maturities and the ability to grow its business. On April 19th Homex announced that it had struck a deal to sell its stake in federal penitentiaries in the states of Morelos and Chiapas for four billion pesos net of debt (US$327 million). The company plans to use MXN2 billion of the proceeds for working capital, and the rest to prepay debt. Although this transaction provides the company with much needed capital and liquidity in the short-term, Moody's will closely monitor Homex's liquidity and ability to fund its business. This transaction does reduce the company's debt while providing it with cash flow to invest in its homebuilding business. Mortgage financing as of the 1Q13 came mainly from government entities and is broken down as follows: 44% Mexican Workers' Housing Fund (INFONAVIT); 32% FOVISSSTE, 24% from commercial banks and others. However, concentration with INFONAVIT is a concern because the company relies on it and other government entities to fund the take-out financing for newly built low-income homes. This process can often take 3-6 months which could potentially create short-term liquidity problems.

Leverage & Capital Structure

Homex's total debt as a percentage of total assets as of 1Q13 was approximately 41%, while Debt/LTM EBITDA was approximately 4.83X. After considering cash on hand, Net Debt/LTM EBITDA was approximately 4.81X. In addition, secured debt levels were 2.8% of total assets. Homex has seen an increase in debt in the last three years which reflects the full impact of the company's investment in new vertical construction inventory in Mexico, which seeks to meet the government's strict requirements for subsidies, as well as increased investment in housing construction in Brazil and project financing related to its investments in penitentiary construction. The collections cycle in both

DETAILED RATING CONSIDERATIONS ...continued from page 2

the Mexican and Brazilian housing construction businesses has been slower than expected and the penitentiary business has high up-front capital costs which has caused leverage to go up, and cash flow to turn negative. However, Homex is working to de-lever into 2013, while focusing on positive cash flow generation. Homex's cash burn was very high in 1Q13 and during 2012 due to its investment in vertical housing and as a result of fewer subsidies allocated than what was projected. In addition, a new federal government took office in the fourth quarter which slowed down the operations of the main housing agencies.

Market Positioning

Homex is one of the top two homebuilders in terms of housing units sold. It is geographically diverse, operating in 35 cities and 22 states across Mexico as well as two cities in two states in Brazil as of 1Q13. Homex's has a leading presence in the top four markets in Mexico, which include the metropolitan area of Mexico City, Guadalajara, Monterrey and Tijuana. The company expects to continue building a leadership position in Mexico in the regions where it currently operates and where they have a significant presence as opposed to trying to expand into new markets. Internationally, the company expects to slowly continue its footprint in Brazil. As of 3/31/13 Homex's land value was $10.1 Billion Mexican pesos, which was equivalent to 429,463 homes or ten years worth of construction.

Sustainability of Cash Flow & Earnings

Homex's EBITDA margin for the LTM period ended 1Q13 was approximately 17%, which is lower than the low-mid 20% range seen since 2003 as a result of the deconsolidation of the Chiapas penitentiary project, which is now being recognized under the equity method of accounting and much lower sales volume in the 1Q13. In addition, the low-income housing construction industry has become increasingly competitive, causing profit margin pressure for Homex. The higher capital expenditure of vertical housing also contributed to its current lower margins. However, aluminum molds technology and inventory control systems for construction help the company keep costs low. The company's housing sales mix in Mexico at 1Q13 was approximately 90.8% low income/affordable-entry level homes, a segment of the market where the greatest demand lies, and 9.2% middle income and above. For the 1Q13 Homex also reported approximately $699 million Mexican pesos and approximately $336 million Mexican pesos in infrastructure and federal penitentiary revenues respectively.

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Rating Definitions

Long-Term Obligation Ratings

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Aaa Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

Aa Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A Obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Ba Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

B Obligations rated B are considered speculative and are subject to high credit risk.

Caa Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Rating Outlooks

A Moody's rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV -- contingent upon an event). In the few instances where an issuer has multiple outlooks of differing directions, an "(m)" modifier (indicating multiple, differing outlooks) will be displayed, and Moody's written research will describe any differences and provide the rationale for these differences. A RUR (Rating(s) Under Review) designation indicates that the issuer has one or more ratings under review for possible change, and thus overrides the outlook designation. When an outlook has not been assigned to an eligible entity, NOO (No Outlook) may be displayed.

Watchlist

Moody's uses the Watchlist to indicate that a rating is under review for possible change in the short-term. A rating can be placed on review for possible upgrade (UPG), on review for possible downgrade (DNG), or more rarely with direction uncertain (UNC). A credit is removed from the Watchlist when the rating is upgraded, downgraded or confirmed.

Provisional Ratings

As a service to the market and typically at the request of an issuer, Moody's will assign a provisional rating when it is highly likely that the rating will become final after all documents are received, or an obligation is issued into the market. A provisional rating is denoted by placing a (P) in front of the rating. Such ratings may also be assigned to shelf registrations under SEC rule 415.

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