

# MEXICAN STOCK EXCHANGE

 STOCK EXCHANGE CODE: **BAFAR**

 QUARTER: **04** YEAR: **2010**
**GRUPO BAFAR, S.A. DE C.V.**

## BALANCE SHEETS

TO DICIEMBRE 31 OF 2010 AND 2009

**CONSOLIDATED**
**AUDITED INFORMATION**

(Thousand Pesos)

**Final Printing**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>s01</b>	<b>TOTAL ASSETS</b>	<b>4,585,522</b>	<b>100</b>	<b>3,962,166</b>	<b>100</b>
<b>s02</b>	<b>CURRENT ASSETS</b>	<b>1,585,784</b>	<b>35</b>	<b>1,094,945</b>	<b>28</b>
s03	CASH AND AVAILABLE INVESTMENTS	104,816	2	105,557	3
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	587,609	13	514,432	13
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE (NET)	443,206	10	153,180	4
s06	INVENTORIES	441,192	10	315,580	8
s07	OTHER CURRENT ASSETS	8,961	0	6,196	0
<b>s08</b>	<b>LONG-TERM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0	0	0
s10	INVESTMENTS IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	0	0	0	0
s11	OTHER INVESTMENTS	0	0	0	0
<b>s12</b>	<b>PROPERTY, PLANT AND EQUIPMENT (NET)</b>	<b>1,665,090</b>	<b>36</b>	<b>1,606,179</b>	<b>41</b>
s13	LAND AND BUILDINGS	1,005,379	22	936,700	24
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	996,909	22	897,474	23
s15	OTHER EQUIPMENT	529,612	12	424,688	11
s16	ACCUMULATED DEPRECIATION	929,693	20	694,068	18
s17	CONSTRUCTION IN PROGRESS	62,883	1	41,385	1
<b>s18</b>	<b>OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)</b>	<b>311,590</b>	<b>7</b>	<b>239,956</b>	<b>6</b>
<b>s19</b>	<b>OTHER ASSETS</b>	<b>1,023,058</b>	<b>22</b>	<b>1,021,086</b>	<b>26</b>
<b>s20</b>	<b>TOTAL LIABILITIES</b>	<b>1,759,591</b>	<b>100</b>	<b>1,339,146</b>	<b>100</b>
<b>s21</b>	<b>CURRENT LIABILITIES</b>	<b>1,153,671</b>	<b>66</b>	<b>760,177</b>	<b>57</b>
s22	SUPPLIERS	179,854	10	368,588	28
s23	BANK LOANS	798,488	45	256,431	19
s24	STOCK MARKET LOANS	0	0	0	0
s103	OTHER LOANS WITH COST	72,386	4	53,718	4
s25	TAXES PAYABLE	35,147	2	27,943	2
s26	OTHER CURRENT LIABILITIES WITHOUT COST	67,796	4	53,497	4
<b>s27</b>	<b>LONG-TERM LIABILITIES</b>	<b>184,500</b>	<b>10</b>	<b>224,500</b>	<b>17</b>
s28	BANK LOANS	184,500	10	224,500	17
s29	STOCK MARKET LOANS	0	0	0	0
s30	OTHER LOANS WITH COST	0	0	0	0
<b>s31</b>	<b>DEFERRED LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>s32</b>	<b>OTHER NON CURRENT LIABILITIES WITHOUT COST</b>	<b>421,420</b>	<b>24</b>	<b>354,469</b>	<b>26</b>
<b>s33</b>	<b>CONSOLIDATED STOCKHOLDERS EQUITY</b>	<b>2,825,931</b>	<b>100</b>	<b>2,623,020</b>	<b>100</b>
<b>s34</b>	<b>COUNTABLE CAPITAL OF THE PARTICIPATION NOT CONTROLADORA</b>	<b>10,053</b>	<b>0</b>	<b>7,778</b>	<b>0</b>
<b>s35</b>	<b>COUNTABLE CAPITAL OF THE PARTICIPATION CONTROLADORA</b>	<b>2,815,878</b>	<b>100</b>	<b>2,615,242</b>	<b>100</b>
<b>s36</b>	<b>CONTRIBUTED CAPITAL</b>	<b>547,075</b>	<b>19</b>	<b>470,097</b>	<b>18</b>
s79	CAPITAL STOCK	148,682	5	147,855	6
s39	PREMIUM ON ISSUANCE OF SHARES	398,393	14	322,242	12
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
<b>s41</b>	<b>EARNED CAPITAL</b>	<b>2,268,803</b>	<b>80</b>	<b>2,145,145</b>	<b>82</b>
s42	RETAINED EARNINGS AND CAPITAL RESERVES	2,452,450	87	2,328,792	89
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	-183,647	-6	-183,647	-7
s80	SHARES REPURCHASED	0	0	0	0

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**  
**GRUPO BAFAR, S.A. DE C.V.**

QUARTER: **04**      YEAR: **2010**

## BALANCE SHEETS

BREAKDOWN OF MAIN CONCEPTS

**CONSOLIDATED**

**AUDITED INFORMATION**

(Thousand Pesos)

**Final Printing**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>s03</b>	<b>CASH AND AVAILABLE INVESTMENTS</b>	<b>104,816</b>	<b>100</b>	<b>105,557</b>	<b>100</b>
s46	CASH	60,859	58	30,040	28
s47	AVAILABLE INVESTMENTS	43,957	42	75,517	72
<b>s07</b>	<b>OTHER CURRENT ASSETS</b>	<b>8,961</b>	<b>100</b>	<b>6,196</b>	<b>100</b>
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s82	DISCONTINUED OPERATIONS	0	0	0	0
s83	OTHER	8,961	100	6,196	100
<b>s18</b>	<b>OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)</b>	<b>311,590</b>	<b>100</b>	<b>239,956</b>	<b>100</b>
s48	DEFERRED EXPENSES (NET)	307,102	99	235,468	98
s49	GOODWILL	4,488	1	4,488	2
s51	OTHER	0	0	0	0
<b>s19</b>	<b>OTHER ASSETS</b>	<b>1,023,058</b>	<b>100</b>	<b>1,021,086</b>	<b>100</b>
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s50	DEFERRED TAXES	0	0	0	0
s104	BENEFITS TO EMPLOYEES	0	0	0	0
s86	DISCONTINUED OPERATIONS	0	0	0	0
s87	OTHER	1,023,058	100	1,021,086	100
<b>s21</b>	<b>CURRENT LIABILITIES</b>	<b>1,153,671</b>	<b>100</b>	<b>760,177</b>	<b>100</b>
s52	FOREIGN CURRENCY LIABILITIES	332,267	29	366,700	48
s53	MEXICAN PESOS LIABILITIES	821,404	71	393,477	52
<b>s26</b>	<b>OTHER CURRENT LIABILITIES WITHOUT COST</b>	<b>67,796</b>	<b>100</b>	<b>53,497</b>	<b>100</b>
s88	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s89	INTEREST LIABILITIES	501	1	193	0
s68	PROVISIONS	11,295	17	25,338	47
s90	DISCONTINUED OPERATIONS	0	0	0	0
s58	OTHER CURRENT LIABILITIES	56,000	83	27,966	52
s105	BENEFITS TO EMPLOYEES	0	0	0	0
<b>s27</b>	<b>LONG-TERM LIABILITIES</b>	<b>184,500</b>	<b>100</b>	<b>224,500</b>	<b>100</b>
s59	FOREIGN CURRENCY LIABILITIES	0	0	0	0
s60	MEXICAN PESOS LIABILITIES	184,500	100	224,500	100
<b>s31</b>	<b>DEFERRED LIABILITIES</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>
s65	NEGATIVE GOODWILL	0	0	0	0
s67	OTHER	0	0	0	0
<b>s32</b>	<b>OTHER NON CURRENT LIABILITIES WITHOUT COST</b>	<b>421,420</b>	<b>100</b>	<b>354,469</b>	<b>100</b>
s66	DEFERRED TAXES	404,954	96	345,537	97
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	16,466	4	8,932	3
s92	DISCONTINUED OPERATIONS	0	0	0	0
s69	OTHER LIABILITIES	0	0	0	0
<b>s79</b>	<b>CAPITAL STOCK</b>	<b>148,682</b>	<b>100</b>	<b>147,855</b>	<b>100</b>
s37	CAPITAL STOCK (NOMINAL)	52,306	35	51,479	35
s38	RESTATEMENT OF CAPITAL STOCK	96,376	65	96,376	65

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## BALANCE SHEETS

### BREAKDOWN OF MAIN CONCEPTS

**CONSOLIDATED**

**AUDITED INFORMATION**

(Thousand Pesos)

**Final Printing**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>s42</b>	<b>RETAINED EARNINGS AND CAPITAL RESERVES</b>	<b>2,452,450</b>	<b>100</b>	<b>2,328,792</b>	<b>100</b>
s93	LEGAL RESERVE	0	0	0	0
s43	RESERVE FOR REPURCHASE OF SHARES	8,471	0	46,473	2
s94	OTHER RESERVES	0	0	0	0
s95	RETAINED EARNINGS	2,179,422	89	2,121,182	91
s45	NET INCOME FOR THE YEAR	264,557	11	161,137	7
<b>s44</b>	<b>OTHER ACCUMULATED COMPREHENSIVE RESULT</b>	<b>-183,647</b>	<b>100</b>	<b>-183,647</b>	<b>100</b>
s70	ACCUMULATED MONETARY RESULT	0	0	0	0
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	0	0	0	0
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	0	0	0	0
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	0	0	0	0
s100	OTHER	-183,647	100	-183,647	100

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## BALANCE SHEETS

OTHER CONCEPTS

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REF S	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
s72	WORKING CAPITAL	432,113	334,768
s73	PENSIONS AND SENIORITY PREMIUMS	0	0
s74	EXECUTIVES (*)	71	72
s75	EMPLOYEES (*)	6,792	6,258
s76	WORKERS (*)	1,189	1,476
s77	OUTSTANDING SHARES (*)	310,088,148	308,362,727
s78	REPURCHASED SHARES (*)	5,357,748	7,083,169
s101	RESTRICTED CASH	0	0
s102	DEBT OF NON CONSOLIDATED COMPANIES	0	0

(\*) THESE CONCEPTS ARE STATED IN UNITS

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QUARTER: **04**      YEAR: **2010**

## STATEMENTS OF INCOME

FROM JANUARY THE 1st TO DICIEMBRE 31 OF 2010 AND 2009

**CONSOLIDATED**

**AUDITED INFORMATION**

(Thousand Pesos)

**Final Printing**

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
r01	<b>NET SALES</b>	<b>5,895,206</b>	<b>100</b>	<b>5,231,001</b>	<b>100</b>
r02	COST OF SALES	3,934,219	67	3,488,180	67
r03	<b>GROSS PROFIT</b>	<b>1,960,987</b>	<b>33</b>	<b>1,742,821</b>	<b>33</b>
r04	GENERAL EXPENSES	1,598,110	27	1,438,111	27
r05	<b>INCOME (LOSS) FROM OPERATION</b>	<b>362,877</b>	<b>6</b>	<b>304,710</b>	<b>6</b>
r08	OTHER INCOME AND (EXPENSE), NET	11,543	0	-44,346	0
r06	COMPREHENSIVE FINANCING RESULT	-4,241	0	-30,942	0
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	0	0	0	0
r48	NON ORDINARY ITEMS	0	0	0	0
r09	<b>INCOME BEFORE INCOME TAXES</b>	<b>370,179</b>	<b>6</b>	<b>229,422</b>	<b>4</b>
r10	INCOME TAXES	97,682	2	69,875	1
r11	<b>INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS</b>	<b>272,497</b>	<b>5</b>	<b>159,547</b>	<b>3</b>
r14	DISCONTINUED OPERATIONS	0	0	0	0
r18	<b>NET CONSOLIDATED INCOME</b>	<b>272,497</b>	<b>5</b>	<b>159,547</b>	<b>3</b>
r19	NET INCOME OF PARTICIPATION NOT CONTROLADORA	7,940	0	-1,590	0
r20	<b>NET INCOME OF PARTICIPATION CONTROLADORA</b>	<b>264,557</b>	<b>4</b>	<b>161,137</b>	<b>3</b>

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## STATEMENTS OF INCOME

BREAKDOWN OF MAIN CONCEPTS

**CONSOLIDATED**

**AUDITED INFORMATION**

(Thousand Pesos)

**Final Printing**

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>r01</b>	<b>NET SALES</b>	<b>5,895,206</b>	<b>100</b>	<b>5,231,001</b>	<b>100</b>
r21	DOMESTIC	5,837,665	99	5,209,270	100
r22	FOREIGN	57,541	1	21,731	0
r23	TRANSLATED INTO DOLLARS (***)	4,532	0	1,650	0
<b>r08</b>	<b>OTHER INCOME AND (EXPENSE), NET</b>	<b>11,543</b>	<b>100</b>	<b>-44,346</b>	<b>100</b>
r49	OTHER INCOME AND (EXPENSE), NET	11,543	100	-44,346	100
r34	EMPLOYEES PROFIT SHARING EXPENSES	0	0	0	0
r35	DEFERRED EMPLOYEES PROFIT SHARING	0	0	0	0
<b>r06</b>	<b>COMPREHENSIVE FINANCING RESULT</b>	<b>-4,241</b>	<b>100</b>	<b>-30,942</b>	<b>100</b>
r24	INTEREST EXPENSE	33,980	-801	46,286	-150
r42	GAIN (LOSS) ON RESTATEMENT OF UDIS	0	0	0	0
r45	OTHER FINANCE COSTS	0	0	0	0
r26	INTEREST INCOME	6,463	-152	4,452	-14
r46	OTHER FINANCIAL PRODUCTS	0	0	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS) (NET)	23,276	-549	10,892	-35
r28	RESULT FROM MONETARY POSITION	0	0	0	0
<b>r10</b>	<b>INCOME TAXES</b>	<b>97,682</b>	<b>100</b>	<b>69,875</b>	<b>100</b>
r32	INCOME TAX	18,173	19	7,752	11
r33	DEFERRED INCOME TAX	79,509	81	62,123	89

(\*\*\*) FIGURES IN THOUSANDS OF U.S. DOLLARS AT THE EXCHANGE RATE AS OF THE END OF THE LAST REPORTED QUARTER

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**GRUPO BAFAR, S.A. DE C.V.**

QUARTER: **04**      YEAR: **2010**

## STATEMENTS OF INCOME

**CONSOLIDATED**

**AUDITED INFORMATION**

OTHER CONCEPTS  
(Thousand Pesos)

**Final Printing**

REF R	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
r36	TOTAL SALES	6,297,967	5,231,001
r37	TAX RESULT FOR THE YEAR	0	0
r38	NET SALES (**)	5,895,206	5,231,001
r39	OPERATING INCOME (**)	362,877	304,710
r40	NET INCOME OF PARTICIPATION CONTROLADORA(**)	264,557	161,137
r41	NET CONSOLIDATED INCOME (**)	272,497	159,547
r47	OPERATIVE DEPRECIATION AND ACCUMULATED	170,798	146,809

(\*\*) RESTATED INFORMATION OF THE LAST TWELVE MONTHS

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**GRUPO BAFAR, S.A. DE C.V.**

QUARTER: **04**      YEAR: **2010**

## QUARTERLY STATEMENTS OF INCOME

FROM OCTOBER 1 TO DECEMBER 31 OF 2010

**CONSOLIDATED**

**AUDITED INFORMATION**

(Thousand Pesos)

**Final Printing**

REF RT	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
rt01	<b>NET SALES</b>	<b>1,653,968</b>	<b>100</b>	<b>1,399,272</b>	<b>100</b>
rt02	COST OF SALES	1,109,627	67	939,492	67
rt03	<b>GROSS PROFIT</b>	<b>544,341</b>	<b>33</b>	<b>459,780</b>	<b>33</b>
rt04	GENERAL EXPENSES	438,450	27	392,960	28
rt05	<b>INCOME (LOSS) FROM OPERATION</b>	<b>105,891</b>	<b>6</b>	<b>66,820</b>	<b>5</b>
rt08	OTHER INCOME AND (EXPENSE), NET	13,750	1	-32,323	-2
rt06	COMPREHENSIVE FINANCING RESULT	-415	0	16,575	1
rt12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	0	0	0	0
rt48	NON ORDINARY ITEMS	0	0	0	0
rt09	<b>INCOME BEFORE INCOME TAXES</b>	<b>119,226</b>	<b>7</b>	<b>51,072</b>	<b>4</b>
rt10	INCOME TAXES	61,597	4	39,557	3
rt11	<b>INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS</b>	<b>57,629</b>	<b>3</b>	<b>11,515</b>	<b>1</b>
rt14	DISCONTINUED OPERATIONS	0	0	0	0
rt18	<b>NET CONSOLIDATED INCOME</b>	<b>57,629</b>	<b>3</b>	<b>11,515</b>	<b>1</b>
rt19	NET INCOME OF PARTICIPATION NOT CONTROLADORA	2,325	0	-371	0
rt20	<b>NET INCOME OF PARTICIPATION CONTROLADORA</b>	<b>55,304</b>	<b>3</b>	<b>11,886</b>	<b>1</b>

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**CONSOLIDATED**

BREAKDOWN OF MAIN CONCEPTS

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(Thousand Pesos)

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REF RT	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>rt0</b>	<b>NET SALES</b>	<b>1,653,968</b>	<b>100</b>	<b>1,399,272</b>	<b>100</b>
rt21	DOMESTIC	1,636,179	99	1,391,332	99
rt22	FOREIGN	17,789	1	7,940	1
rt23	TRANSLATED INTO DOLLARS (***)	1,415	0	603	0
<b>rt08</b>	<b>OTHER INCOME AND (EXPENSE), NET</b>	<b>13,750</b>	<b>100</b>	<b>-32,323</b>	<b>100</b>
rt49	OTHER INCOME AND (EXPENSE), NET	13,750	100	-32,323	100
rt34	EMPLOYEES PROFIT SHARING EXPENSES	0	0	0	0
rt35	DEFERRED EMPLOYEES PROFIT SHARING	0	0	0	0
<b>rt06</b>	<b>COMPREHENSIVE FINANCING RESULT</b>	<b>-415</b>	<b>100</b>	<b>16,575</b>	<b>100</b>
rt24	INTEREST EXPENSE	2,284	-550	1,615	10
rt42	GAIN (LOSS) ON RESTATEMENT OF UDIS	0	0	0	0
rt45	OTHER FINANCE COSTS	0	0	0	0
rt26	INTEREST INCOME	-1,487	358	5,990	36
rt46	OTHER FINANCIAL PRODUCTS	0	0	0	0
rt25	FOREIGN EXCHANGE GAIN (LOSS) (NET)	3,356	-809	12,200	74
rt28	RESULT FROM MONETARY POSITION	0	0	0	0
<b>rt10</b>	<b>INCOME TAXES</b>	<b>61,597</b>	<b>100</b>	<b>39,557</b>	<b>100</b>
rt32	INCOME TAX	15,242	25	0	0
rt33	DEFERRED INCOME TAX	46,355	75	39,557	100

(\*\*\*) FIGURES IN THOUSANDS OF U.S. DOLLARS AT THE EXCHANGE RATE AS OF THE END OF THE LAST REPORTED QUARTER

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OTHER CONCEPTS  
(Thousand Pesos)

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REF RT	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
rt47	OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	4,330	46,488

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QUARTER: **04**

YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

## STATE OF CASH FLOW (INDIRECT METHOD)

Final Printing

MAIN CONCEPTS

**AUDITED INFORMATION**

(Thousand Pesos)

**CONSOLIDATED**

REF F	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
	<b>ACTIVITIES OF OPERATION</b>		
e01	<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	370,179	229,422
e02	+ (-)ITEMS NOT REQUIRING CASH	-26,690	4,085
e03	+ (-)ITEMS RELATED TO INVESTING ACTIVITIES	165,218	163,364
e04	+ (-)ITEMS RELATED TO FINANCING ACTIVITIES	70,166	46,286
e05	<b>CASH FLOW BEFORE INCOME TAX</b>	578,873	443,157
e06	CASH FLOW PROVIDED OR USED IN OPERATION	-673,416	97,150
e07	<b>NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES</b>	-94,543	540,307
	<b>INVESTMENT ACTIVITIES</b>		
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	-292,430	-226,545
e09	<b>FINANCING ACTIVITIES</b>	-386,973	313,762
	<b>FINANCING ACTIVITIES</b>		
e10	NET CASH FROM FINANCING ACTIVITIES	386,705	-325,223
e11	<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	-268	-11,461
e12	<b>TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS</b>	-473	0
e13	CASH AND CASH EQUIVALENTS AT THE BEGINING OF PERIOD	105,557	117,018
e14	<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	104,816	105,557

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **04** YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

## STATE OF CASH FLOW (INDIRECT METHOD)

Final Printing

### BREAKDOWN OF MAIN CONCEPTS

**AUDITED INFORMATION**

(Thousand Pesos)

**CONSOLIDATED**

REF F	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
<b>e02</b>	<b>+ (-)ITEMS NOT REQUIRING CASH</b>	-26,690	4,085
e15	+ESTIMATES FOR THE PERIOD	16,049	1,555
e16	+PROVISIONS FOR THE PERIOD	7,533	-180
e17	+ (-)OTHER UNREALIZED ITEMS	-50,272	2,710
<b>e03</b>	<b>+ (-)ITEMS RELATED TO INVESTING ACTIVITIES</b>	165,218	163,364
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	170,798	146,809
e19	(-) +GAIN OR LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT	883	21,007
e20	+IMPAIRMENT LOSS	0	0
e21	(-) +EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES	0	0
e22	(-)DIVIDENDS RECEIVED	0	0
e23	(-)INTEREST INCOME	-6,463	-4,452
e24	(-)+ OTHER ITEMS	0	0
<b>e04</b>	<b>+ (-)ITEMS RELATED TO FINANCING ACTIVITIES</b>	70,166	46,286
e25	+ACCRUED INTEREST	70,166	46,286
e26	+ (-) OTHER ITEMS	0	0
<b>e06</b>	<b>CASH FLOW PROVIDED OR USED IN OPERATION</b>	-673,416	97,150
e27	+ (-)DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	-89,226	19,661
e28	+ (-)DECREASE (INCREASE) IN INVENTORIES	-125,658	177,543
e29	+ (-)DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	-288,452	-3,899
e30	+ (-)INCREASE (DECREASE) IN SUPPLIERS	-194,174	-98,822
e31	+ (-)INCREASE (DECREASE) IN OTHER LIABILITIES	42,267	10,419
e32	+ (-) INCOME TAXES PAID OR RETURNED	-18,173	-7,752
<b>e08</b>	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	-292,430	-226,545
e33	-PERMANENT INVESTMENT IN SHARES	0	0
e34	+DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0	0
e35	-INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT	-314,404	-218,893
e36	+SALE OF PROPERTY, PLANT AND EQUIPMENT	18,149	36,493
e37	-INVESTMENT IN INTANGIBLE ASSETS	0	0
e38	+DISPOSITION OF INTANGIBLE ASSETS	0	0
e39	-OTHER PERMANENT INVESTMENTS	0	0
e40	+DISPOSITION OF OTHER PERMANENT INVESTMENTS	0	0
e41	+ DIVIDEND RECEIVED	0	0
e42	+INTEREST RECEIVED	6,463	4,452
e43	+ (-)DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0	0
e44	+ (-)OTHER ITEMS	-2,638	-48,597
<b>e10</b>	<b>NET CASH FROM FINANCING ACTIVITIES</b>	386,705	-325,223
e45	+BANK FINANCING	917,689	869,384
e46	+STOCK MARKET FINANCING	0	0
e47	+OTHER FINANCING	18,668	53,718
e48	(-)BANK FINANCING AMORTIZATION	-415,632	-1,201,240
e49	(-)STOCK MARKET FINANCING AMORTIZATION	0	0
e50	(-)OTHER FINANCING AMORTIZATION	0	0
e51	+ (-)INCREASE (DECREASE) IN CAPITAL STOCK	827	0
e52	(-)DIVIDENDS PAID	0	0
e53	+PREMIUM ON ISSUANCE OF SHARES	0	0
e54	+CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
e55	-INTEREST EXPENSE	-69,664	-46,286
e56	-REPURCHASE OF SHARES	-64,441	0
e57	+ (-)OTHER ITEMS	-742	-799

\* IN CASE THAT THIS AMOUNT IS DIFFERENT FROM THE R47 ACCOUNT IT WILL HAVE TO EXPLAIN IN NOTES.

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: BAFAR  
GRUPO BAFAR, S.A. DE C.V.

QUARTER: 04 YEAR: 2010

STATUS OF CHANGES IN STOCKHOLDERS' EQUITY

CONSOLIDATED

AUDITED INFORMATION

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CONCEPTS	CONTRIBUTED CAPITAL		EARNED CAPITAL				MINORITY INVESTMENT	STOCKHOLDERS EQUITY	
	CAPITAL STOCK	PREMIUM ON ISSUANCE OF SHARES	ACCUMULATED (LOSSES) EARNINGS OR		ACCUMULATED COMPREHENSIVE RESULT				MAJORITY INTEREST
			RESERVES	EARNINGS (LOSSES) TO APPLY	RETAM AND ISR DEFERRED	OTHER COMPREHENSIVE RESULT			
BALANCE AT 31 DECEMBER OF 2008	147,855	322,242	46,473	1,933,482	0	0	2,450,052	14,219	2,464,271
APPLICATION OF THE RESULT OF THE EXERCISE TO ACCUMULATED RESULTS	0	0	0	0	0	0	0	0	0
CONSTITUTION OF RESERVES	0	0	0	0	0	0	0	0	0
DECREED DIVIDENDS	0	0	0	0	0	0	0	0	0
(DECREASE) INCREASE CAPITAL	0	0	0	0	0	0	0	0	0
REPURCHASE OF SHARES	0	0	0	0	0	0	0	0	0
RESERVE FOR THE ACQUISITION OF SHARES	0	0	0	0	0	0	0	0	0
(DECREASE) INCREASE IN PREMIUM ON ISSUANCE OF SHARES	0	0	0	0	0	0	0	0	0
DECREASE) INCREASE IN MINORITY INVESTMENT	0	0	0	4,053	0	0	4,053	-4,851	-798
COMPREHENSIVE INCOME (*)	0	0	0	161,137	0	0	161,137	-1,590	159,547
<b>BALANCE AT 31 DECEMBER OF 2009</b>	<b>147,855</b>	<b>322,242</b>	<b>46,473</b>	<b>2,098,672</b>	<b>0</b>	<b>0</b>	<b>2,615,242</b>	<b>7,778</b>	<b>2,623,020</b>
RECLASSIFICATION INITIAL BALANCES RESULT FOR HOLDING OF MONETARY ASSETS AND DEFERRED TAX ON INCOME	0	0	0	0	0	0	0	0	0
APPLICATION OF THE RESULT OF THE EXERCISE TO ACCUMULATED RESULTS	0	0	0	0	0	0	0	0	0
CONSTITUTION OF RESERVES	0	0	0	0	0	0	0	0	0
DECREED DIVIDENDS	3,348	72,518	22,977	-98,843	0	0	0	0	0
(DECREASE) INCREASE CAPITAL	0	0	0	0	0	0	0	0	0
REPURCHASE OF SHARES	-2,583	0	-62,773	0	0	0	-65,356	0	-65,356
RESERVE FOR THE ACQUISITION OF SHARES	62	-420	1,795	0	0	0	1,437	0	1,437
(DECREASE) INCREASE IN PREMIUM ON ISSUANCE OF SHARES	0	0	0	0	0	0	0	0	0
DECREASE) INCREASE IN MINORITY INVESTMENT	0	0	0	0	0	0	0	-5,666	-5,666
COMPREHENSIVE INCOME (*)	0	0	0	264,558	0	0	264,558	7,939	272,497
<b>BALANCE AT 31 DECEMBER OF 2010</b>	<b>148,682</b>	<b>394,340</b>	<b>8,472</b>	<b>2,264,387</b>	<b>0</b>	<b>0</b>	<b>2,815,881</b>	<b>10,051</b>	<b>2,825,932</b>

(\*) INCLUDES EARNED AND RECYCLED

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**  
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QUARTER: **04**      YEAR: **2010**

## DATA PER SHARE

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**AUDITED INFORMATION**

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REF D	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		AMOUNT	AMOUNT
d01	BASIC PROFIT PER ORDINARY SHARE (**)	\$ 0.85	\$ 0.52
d02	BASIC PROFIT PER PREFERRED SHARE (**)	\$ 0	\$ 0.00
d03	DILUTED PROFIT PER ORDINARY SHARE (**)	\$ 0.85	\$ 0.52
d04	EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**)	\$ 0.85	\$ 0.52
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	\$ 0.00	\$ 0.00
d08	CARRYING VALUE PER SHARE	\$ 9.08	\$ 8.48
d09	CASH DIVIDEND ACCUMULATED PER SHARE	\$ 0	\$ 0.00
d10	DIVIDEND IN SHARES PER SHARE	0.33 shares	0.00 shares
d11	MARKET PRICE TO CARRYING VALUE	1.63 times	1.71 times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**)	17.35 times	27.79 times
d13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)	0 times	0.00 times

(\*\*) TO CALCULATE THE DATA PER SHARE USE THE NET INCOME FOR THE LAST TWELVE MONTHS.

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**  
**GRUPO BAFAR, S.A. DE C.V.**

QUARTER: **04**      YEAR: **2010**

## RATIOS

**CONSOLIDATED**

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REF P	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
	<b>YIELD</b>		
p01	NET CONSOLIDATED INCOME TO NET SALES	4.62    %	3.05    %
p02	NET CONSOLIDATED INCOME TO STOCKHOLDERS EQUITY (**)	9.64    %	6.08    %
p03	NET INCOME TO TOTAL ASSETS (**)	5.94    %	4.03    %
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0        %	0.00    %
p05	RESULT FROM MONETARY POSITION TO NET CONSOLIDATED INCOME	0.00    %	0.00    %
	<b>ACTIVITY</b>		
p06	NET SALES TO NET ASSETS (**)	1.29    times	1.32    times
p07	NET SALES TO PROPERTY, PLANT AND EQUIPMENT (NET) (**)	3.54    times	3.26    times
p08	INVENTORIES TURNOVER (**)	8.92    times	11.05   times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	31        days	31        days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	3.22    %	8.66    %
	<b>LEVERAGE</b>		
p11	TOTAL LIABILITIES TO TOTAL ASSETS	38.37    %	33.80    %
p12	TOTAL LIABILITIES TO STOCKHOLDERS EQUITY	0.62    times	0.51    times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	18.88    %	27.38    %
p14	LONG-TERM LIABILITIES TO PROPERTY, PLANT AND EQUIPMENT (NET)	11.08    %	13.98    %
p15	INCOME (LOSS) AFTER GENERAL EXPENSES TO INTEREST PAID	10.68    times	6.58    times
p16	NET SALES TO TOTAL LIABILITIES (**)	3.35    times	3.91    times
	<b>LIQUIDITY</b>		
p17	CURRENT ASSETS TO CURRENT LIABILITIES	1.37    times	1.44    times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	0.99    times	1.03    times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	0.90    times	0.82    times
p20	CASH AND SHORT-TERM INVESTMENTS TO CURRENT LIABILITIES	9.09    %	13.89    %

(\*\*) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS.

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **04** YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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CHIHUAHUA, CHIH., MEXICO, FEBRUARY 28, 2011 - GRUPO BAFAR, S.A.B. DE C.V., PUBLISHED RESULTS FOR FOURTH QUARTER, 2010.

### COMMENTS FROM MANAGEMENT

EUGENIO BAEZA FARES, CEO OF GRUPO BAFAR EXPRESSED: GRUPO BAFAR'S LAST QUARTER OF THE YEAR TRADITIONALLY HAS GOOD RESULTS, BUT I AM PLEASED TO ANNOUNCE THAT THE RESULTS OF THE FOURTH QUARTER FOR 2010 HAVE BEEN EXCEPTIONAL. NET SALES INCREASED BY 18%, OPERATING INCOME INCREASED BY 58% AND NET INCOME WAS TRIPLED. ANNUALIZED RESULTS ALSO SHOW RECORD FIGURES WITH AN INCREASE IN SALES BY 12%, OPERATING INCOME BY 19% AND NET INCOME BY 64%. THESE ARE THE RESULTS OF A CONSOLIDATION OF VARIOUS STRATEGIES THAT ALLOWED US TO GROW NATURALLY AND TO MAXIMIZE OUR PROFIT, FOCUSING PRIMARILY ON THE REDUCTION OF COSTS AND EXPENSES THROUGH EFFICIENCY AND PRODUCTIVITY PROGRAMS. WE CHANNIELED OUR MARKETING EFFORTS ON PRODUCTS THAT GENERATED THE MOST PROFIT MARGIN AND WHICH ALLOWED US TO POSITION OURSELVES IN REGIONS WHERE OUR PRESENCE WAS NOT GREAT. WE DEVELOPED NEW BRANDS AND PRODUCTS, REACHING MORE CONSUMERS AND OFFERING THEM A HEALTHY ALTERNATIVE AT COMPETITIVE PRICES AND INCREASED OUR PRESENCE IN THE U.S. MARKET. THESE ACHIEVEMENTS ARE THE RESULT OF THE EFFORTS OF OUR PARTNERS AND OUR GREAT TECHNOLOGICAL PLATFORM.

### FINANCIAL AND OPERATING RESULTS

#### NET SALES

SALES FOR THE FOURTH QUARTER OF 2010 AMOUNTED TO \$1,654 MILLION PESOS (U.S. \$132.8), COMPARED TO \$1,399 MILLION PESOS (U.S. \$107.5) FROM THE SAME PERIOD LAST YEAR, A GROWTH OF 18% (23% IN USD). THIS GROWTH WAS THE RESULT OF A COMBINATION OF FACTORS DUE TO THE INCREASE IN SALES VOLUME BY 18% AND BETTER MIX OF OUR PRODUCTS.

CUMULATIVE SALES TO DECEMBER 2010 INCREASED BY 12.7% (20% IN USD) AMOUNTING TO \$5,895 MILLION PESOS (U.S. \$466.3), DRIVEN BY THE INCREASE IN SALES VOLUME, WHICH ITSELF INCREASED BY 11.8% IN COMPARISON TO THE YEAR BEFORE. THE INCREASE IS ATTRIBUTED TO THE EXCELLENT PERFORMANCE BY OUR POINT-OF-SALE MODEL, AS WELL AS THE LAUNCH OF NEW BRANDS AND THE STRENGTHENING OF OUR BRANDS IN THE CHEESE SECTOR.

IN 2010, WE ENTERED INTO NEW BUSINESSES THROUGH FINANCIAL FACTORING AND FINANCING OUR SUPPLIERS AND CLIENTS. THIS ALLOWED US TO GENERATE PRODUCTIVE LINKS WITH THIRD PARTIES; THESE OPERATIONS REPRESENTED LESS THAN 1% OF CONSOLIDATED SALES VOLUME.

#### SALES COST

THE SALES COST FOR THE FOURTH QUARTER IN 2010 WAS \$1,109.6 MILLION PESOS (U.S. \$89.1) AND REPRESENTED 67% OF SALES, A PERCENTAGE SIMILAR TO THAT OBTAINED IN THE FOURTH QUARTER OF 2009 (67.1%). GROSS PROFIT FOR THE FOURTH QUARTER IN 2010 WAS \$544.3 MILLION PESOS (U.S. \$43.7) WHILE IN 2009 IT WAS \$459.7 MILLION PESOS (U.S. \$35.3), RESULTING IN A GROWTH OF 18%.

THE SALES COST ACCUMULATED UP TO DECEMBER 2010 WAS MAINTAINED AT 67% OF SALES, THE SAME AS IN DECEMBER 2009, WHICH AMOUNTED TO \$3,934.2 MILLION PESOS (USD \$311.2)

THE GROSS MARGIN WAS ALSO MAINTAINED AT 33% IN DECEMBER 2010 AND DECEMBER 2009.

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# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

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**GRUPO BAFAR, S.A. DE C.V.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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### GENERAL EXPENSES

GENERAL EXPENSES WERE \$438.4 MILLION PESOS (U.S. \$35.2) IN THE FOURTH QUARTER OF 2010, COMPARED TO \$392.9 MILLION IN PESOS (U.S. \$30.1) IN THE FOURTH QUARTER OF 2009. THE PERCENTAGE IN RELATION TO SALES WAS 27 % FOR 2010 AND 28 % FOR 2009.

ON THE BALANCE SHEET, THIS ITEM AMOUNTED TO \$1,598.1 MILLION PESOS (U.S. \$126.4), 11.1% HIGHER OVER THE SAME PERIOD THE YEAR BEFORE WHICH REPORTED \$1,438.1 MILLION PESOS (U.S. \$106.3), WHILE THE RATIO TO SALES WAS MAINTAINED AT 27% FOR BOTH YEARS. THE INCREASE IN EXPENSES WAS ON PAR WITH THE INCREASE IN VOLUME AND SALES, COMBINED WITH IMPROVEMENTS IN PRODUCTIVITY IN EXPENSES AND COSTS WHICH WE MAINTAINED WITH RESPECT TO 2009.

### OPERATING INCOME

THE OPERATING INCOME FOR THE FOURTH QUARTER OF 2010 INCREASED BY 58.4% (65.7% IN USD), IN COMPARISON WITH THE SAME TIME PERIOD THE PREVIOUS YEAR, AND TOTALED \$105.8 MILLION PESOS (U.S. \$8.5) OR 6.4% OF SALES, COMPARED TO \$66.8 MILLION PESOS (U.S. \$5.1), OR 4.7% OF SALES.

SIMILARLY, THE OPERATING INCOME ACCUMULATED UP TO DECEMBER 2010 WAS \$362.8 (U.S. \$28.7), WHICH IS 6% OF SALES, WHILE IN 2009 IT WAS 304.7, A 5.8 % ON SALES, ATTAINING A GROWTH OF 19% (27% IN DOLLARS) IN COMPARISON WITH THE PREVIOUS YEAR.

### OPERATING FLOW - EBITDA

THE EBITDA FOR THE FOURTH QUARTER OF 2010 WAS \$149.2 MILLION PESOS (U.S. \$11.9), AN INCREASE OF 31.7% (37.7% IN DOLLARS) IN COMPARISON WITH THE SAME PERIOD LAST YEAR.

HOWEVER, THE ACCUMULATED EBITDA UP TO THE MONTH OF DECEMBER AMOUNTED TO \$533.6 MILLION (U.S. \$42.2), COMPARED TO \$451.5 MILLION PESOS (USD \$33.4) REPORTED FOR THE MONTH OF DECEMBER 2009, WHICH IS AN INCREASE OF 18.2% (26.3% IN DOLLARS).

### COMPREHENSIVE INCOME (OR LOSS) FROM FINANCING

THE COMPREHENSIVE INCOME (OR LOSS) FROM FINANCING FOR THE FOURTH QUARTER IN 2010 TOTALED \$0.4 MILLION PESOS, COMPARED TO THE (\$16.5) MILLION PESOS GENERATED DURING THE SAME TIME PERIOD THE PREVIOUS YEAR.

ACCUMULATED UP TO DECEMBER 2010, THE COMPREHENSIVE RESULT FROM FINANCING IN 2010 REPRESENTED A COST OF \$4.2 MILLION PESOS (U.S. \$0.3) AND A DECREASE BY 86.3% (85.3% IN DOLLARS) IN COMPARISON TO DECEMBER 2009, DUE TO A DECREASE IN LIABILITIES WITH A COST THAT IS REFLECTED IN LOWER INTEREST CHARGES.

### NET MAJORITY INCOME

THE NET MAJORITY INCOME FOR THE FOURTH QUARTER OF 2010 WAS \$55.3 MILLION PESOS (U.S. \$4.4) WHICH, COMPARED TO THE \$11.8 MILLION PESOS (U.S. \$0.9) FROM THE FOURTH QUARTER OF 2009, INCREASED BY 365% (386% IN DOLLARS). THIS WAS MAINLY DUE TO THE IMPACT BY THE INCREASE IN INCOME.

THE GROWTH IN THE NET MAJORITY INCOME ACCUMULATED FROM JANUARY TO DECEMBER 2010 ALSO SHOWED AN INCREASE, PRODUCING AN INCOME OF \$264.5 MILLION PESOS (U.S. \$20.9), WHICH,

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# MEXICAN STOCK EXCHANGE

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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COMPARED TO THE \$161.1 MILLION PESOS (U.S. \$11.9) OBTAINED IN DECEMBER 2009, REPRESENTED A GROWTH OF 64% (75% IN DOLLARS). THE PERCENTAGE IN RELATION TO SALES WAS 4% AND 3% FOR 2010 AND 2009, RESPECTIVELY.

### RATES AND PROPORTIONS

THE RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES INCREASE WAS 1.37 WITH A DECREASE OF 6% IN COMPARISON WITH 2009, WHILE THE PORTFOLIO STOOD AT 36 DAYS, 15% MORE THAN THE PREVIOUS YEAR. MOREOVER, INVENTORY TURNOVER WAS AT 8.9 TIMES, 19% LESS THAN THE PREVIOUS YEAR.

BANK DEBT INCREASED BY \$197.6 MILLION (U.S. \$11.9) WITH REGARDS TO 2009. THIS WAS DUE TO THE FINANCING OBTAINED FOR THE FINANCING OPERATION OF THIRD PARTIES. IF THIS FINANCING IS NOT INCLUDED, THE BANK DEBT STAYED PRACTICALLY THE SAME AS IN 2009. HOWEVER, THE LEVERAGE LEVELS (DEBT WITH COST TO EBITDA) INCREASED BY 54% AND INTEREST COVERAGE IS BETTER 36% IN COMPARISON TO THE FOURTH QUARTER OF 2009.

PERFORMANCE RATES PRESENTED OUTSTANDING RESULTS, THANKS TO THE NET INCOME GENERATED IN THE LAST TWELVE MONTHS WHICH WAS ACHIEVED DUE TO WHAT WAS DESCRIBED IN THE ABOVE PARAGRAPHS.

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# MEXICAN STOCK EXCHANGE

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**GRUPO BAFAR, S.A. DE C.V.**

**FINANCIAL STATEMENT NOTES**

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THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN PREPARED IN CONFORMITY WITH MFRS, WHICH REQUIRE THAT MANAGEMENT MAKE CERTAIN ESTIMATES AND USE CERTAIN ASSUMPTIONS THAT AFFECT THE AMOUNTS REPORTED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND THEIR RELATED DISCLOSURES; HOWEVER, ACTUAL RESULTS MAY DIFFER FROM SUCH ESTIMATES. THE COMPANY'S MANAGEMENT, UPON APPLYING PROFESSIONAL JUDGMENT, CONSIDERS THAT ESTIMATES MADE AND ASSUMPTIONS USED WERE ADEQUATE UNDER THE CIRCUMSTANCES. THE SIGNIFICANT ACCOUNTING POLICIES OF THE COMPANY ARE AS FOLLOWS:

## A. ACCOUNTING CHANGES:

BEGINNING JANUARY 1, 2010, THE COMPANY ADOPTED THE FOLLOWING NEW NIFS:

NIF C-1, CASH AND CASH EQUIVALENTS- REQUIRES PRESENTATION OF CASH AND RESTRICTED CASH EQUIVALENTS UNDER THE LINE ITEM TITLED "CASH AND CASH EQUIVALENTS", AS OPPOSED TO BULLETIN C-1, WHICH REQUIRED THESE ITEMS TO BE SEPARATELY PRESENTED; IT REPLACES THE CONCEPT "TEMPORARY INVESTMENTS PAYABLE ON DEMAND" WITH "READILY AVAILABLE INVESTMENTS" AND CONSIDERS A CHARACTERISTIC OF THIS TYPE OF INVESTMENT A MATURITY WITHIN THREE MONTHS FROM THE DATE OF ACQUISITION

IMPROVEMENTS TO MEXICAN FINANCIAL REPORTING STANDARDS 2010. THE MAIN IMPROVEMENTS THAT GENERATE ACCOUNTING CHANGES ARE AS FOLLOWS:

NIF B-1, ACCOUNTING CHANGES AND CORRECTION OF ERRORS- EXTENDED DISCLOSURES WHEN THE COMPANY APPLIES A SPECIFIC NEW STANDARD.

NIF B-2, STATEMENT OF CASH FLOWS- A SEPARATE LINE ITEM, "EFFECTS FROM CHANGES IN CASH VALUE" IS REQUIRED, TO SHOW THE IMPACT ON CASH AND CASH EQUIVALENT BALANCES OF CHANGES IN VALUE RESULTING FROM EXCHANGE FLUCTUATIONS AND CHANGES IN FAIR VALUE, PLUS EFFECTS FROM CONVERSION TO THE REPORTING CURRENCY OF CASH FLOWS AND BALANCES FROM FOREIGN OPERATIONS AS WELL AS THE EFFECTS OF INFLATION ASSOCIATED WITH THE CASH FLOWS AND BALANCES OF ANY OF THE ENTITIES MAKING UP THE GROUP, THAT IS IN AN INFLATIONARY ECONOMIC ENVIRONMENT.

NIF B-7, BUSINESS ACQUISITIONS- INTANGIBLE ASSETS OR PROVISIONS MAY ONLY BE RECOGNIZED WHEN THE ACQUIRED BUSINESS IS THE LESSEE OF AN OPERATING LEASE AGREEMENT ON FAVORABLE OR UNFAVORABLE CONDITIONS IN RELATION TO THE MARKET. THIS ACCOUNTING CHANGE MAY BE RECOGNIZED RETROACTIVELY BUT NOT BEYOND JANUARY 1, 2010.

NIF C-7, INVESTMENTS IN ASSOCIATED COMPANIES AND OTHER PERMANENT INVESTMENTS- THE METHOD TO DETERMINE THE EFFECTS OF INCREASES IN THE INVESTMENT IN AN ASSOCIATED COMPANY IS MODIFIED. IT ALSO REQUIRES THAT THE EFFECTS OF INCREASES OR DECREASES IN THE INVESTMENT IN AN ASSOCIATED COMPANY BE RECOGNIZED IN EQUITY IN INCOME (LOSS) OF ASSOCIATED COMPANIES, INSTEAD OF UNDER NON-ORDINARY ITEMS IN THE STATEMENT OF INCOME.

NIF C-13, RELATED PARTIES- IT REQUIRES THAT IF THE DIRECT PARENT COMPANY OR THE ULTIMATE PARENT COMPANY OF THE REPORTING ENTITY DOES NOT ISSUE FINANCIAL STATEMENTS AVAILABLE FOR PUBLIC USE, THE REPORTING ENTITY SHOULD DISCLOSE THE NAME OF THE DIRECT PARENT COMPANY OR THE CLOSEST INDIRECT PARENT COMPANY THAT ISSUES FINANCIAL STATEMENTS AVAILABLE FOR PUBLIC USE.

THE ADOPTING OF THESE NEW STANDARDS, HAVE NO MATERIAL EFFECTS IN THE CONSOLIDATED

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FINANCIAL STATEMENTS NOR THE CONSOLIDATED STATEMENTS OF INCOME.

B. RECLASSIFICATIONS - CERTAIN AMOUNTS IN THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009 HAVE BEEN RECLASSIFIED TO CONFORM TO THE PRESENTATION OF THE 2010 CONSOLIDATED FINANCIAL STATEMENTS.

C. RECOGNITION OF THE EFFECTS OF INFLATION - SINCE THE CUMULATIVE INFLATION FOR THE THREE FISCAL YEARS PRIOR TO THOSE ENDED DECEMBER 31, 2010 AND 2009, WAS 14.48% AND 15.01%, RESPECTIVELY, THE ECONOMIC ENVIRONMENT MAY BE CONSIDERED NON-INFLATIONARY IN BOTH YEARS. INFLATION RATES FOR THE YEARS ENDED 2010 AND 2009 WERE 4.40% AND 3.57%, RESPECTIVELY.

BEGINNING ON JANUARY 1, 2008, THE COMPANY DISCONTINUED RECOGNITION OF THE EFFECTS OF INFLATION IN ITS CONSOLIDATED FINANCIAL STATEMENTS. HOWEVER, NON-MONETARY ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY INCLUDE THE RESTATEMENT EFFECTS RECOGNIZED THROUGH DECEMBER 31, 2007.

D. CASH AND CASH EQUIVALENTS - CASH AND CASH EQUIVALENTS CONSIST MAINLY OF BANK DEPOSITS IN CHECKING ACCOUNTS AND SHORT-TERM INVESTMENTS, HIGHLY LIQUID AND EASILY CONVERTIBLE INTO CASH, MATURING WITHIN THREE MONTHS AS OF THEIR DATE WHICH ARE SUBJECT TO INMATERIAL VALUE CHANGE RISKS. CASH IS STATED AT NOMINAL VALUE AND CASH EQUIVALENTS ARE VALUED AT FAIR VALUE; ANY FLUCTUATIONS IN VALUE ARE RECOGNIZED IN COMPREHENSIVE FINANCING COST OF THE PERIOD. CASH EQUIVALENTS ARE REPRESENTED MAINLY BY INVESTMENTS IN MONEY MARKET FUNDS.

E. INVENTORIES AND COST OF SALES - INVENTORIES, CONSIST OF FINISHED GOODS, RAW MATERIALS, MATERIALS AND SUPPLIES. INVENTORIES OF FINISHED GOODS, RAW MATERIALS, MATERIALS AND SUPPLIES ARE STATED AT THE LOWER OF COST OR REALIZABLE VALUE, USING THE FIRST-IN, FIRST-OUT METHOD. INVENTORIES OF LIVESTOCK AND POULTRY ARE VALUED AT NET REALIZABLE VALUE; THE DIFFERENCE BETWEEN THE ACQUISITION COST OF CATTLE AND THE NET REALIZABLE VALUE ARE RECORDED DIRECTLY IN RESULTS OF THE YEAR.

F. PROPERTY, PLANT AND EQUIPMENT - PROPERTY, PLANT AND EQUIPMENT ARE RECORDED AT ACQUISITION COST. BALANCES FROM DOMESTIC ACQUISITIONS MADE BETWEEN JANUARY 1, 1997 TO DECEMBER 31, 2007 WERE RESTATED FOR THE EFFECTS OF INFLATION BY APPLYING FACTORS DERIVED FROM THE NATIONAL CONSUMER PRICE INDEX ("NCPI") THROUGH THAT DATE. IN THE CASE OF FIXED ASSETS OF FOREIGN ORIGIN, THEIR ACQUISITION COST WAS RESTATED FOR THE EFFECTS OF INFLATION THROUGH DECEMBER 31, 2007 BASED ON THE INFLATION OF THE COUNTRY OF ORIGIN AND CONSIDERING THE EXCHANGE FLUCTUATIONS OF THE MEXICAN PESO AGAINST THE CURRENCY OF THE COUNTRY OF ORIGIN. ASSETS ACQUIRED THROUGH DECEMBER 31, 1996 ARE STATED AT NET REPLACEMENT VALUES BASED ON INDEPENDENT APPRAISALS THROUGH 1996, AS PERMITTED BY MFRS, WHICH WERE SUBSEQUENTLY RESTATED THROUGH DECEMBER 31, 2007 FOR INFLATION USING FACTORS DERIVED FROM THE NCPI.

G. IMPAIRMENT OF LONG-LIVED ASSETS IN USE - THE COMPANY REVIEWS THE CARRYING AMOUNTS OF LONG-LIVED ASSETS IN USE WHEN AN IMPAIRMENT INDICATOR SUGGESTS THAT SUCH AMOUNTS MIGHT NOT BE RECOVERABLE, CONSIDERING THE GREATER OF THE PRESENT VALUE OF FUTURE NET CASH FLOWS OR THE NET SALES PRICE UPON DISPOSAL. IMPAIRMENT IS RECORDED WHEN THE CARRYING AMOUNTS EXCEED THE GREATER OF THE AFOREMENTIONED AMOUNTS. IMPAIRMENT INDICATORS CONSIDERED FOR THESE PURPOSES ARE, AMONG OTHERS, OPERATING LOSSES OR NEGATIVE CASH FLOWS IN THE PERIOD IF THEY ARE COMBINED WITH A HISTORY OR PROJECTION OF LOSSES, DEPRECIATION AND AMORTIZATION CHARGED TO RESULTS, WHICH IN PERCENTAGE TERMS IN RELATION TO REVENUES ARE SUBSTANTIALLY HIGHER THAN THAT OF PREVIOUS YEARS, OBSOLESCENCE, REDUCTION IN THE DEMAND FOR THE PRODUCTS MANUFACTURED, COMPETITION AND OTHER LEGAL AND ECONOMIC FACTORS.

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H. FINANCIAL RISK MANAGEMENT POLICY - THE ACTIVITIES CARRIED OUT BY THE COMPANY EXPOSE IT TO A NUMBER OF FINANCIAL RISKS, INCLUDING MARKET RISK (WHICH ENCOMPASSES FOREIGN EXCHANGE, INTEREST RATE AND PRICE RISKS - SUCH AS INVESTMENT IN SHARE CERTIFICATES AND COMMODITY PRICES FUTURES), CREDIT RISK AND LIQUIDITY RISKS. THE COMPANY SEEKS TO MINIMIZE THE POTENTIAL NEGATIVE EFFECTS OF THESE RISKS ON ITS FINANCIAL PERFORMANCE THROUGH AN OVERALL RISK MANAGEMENT PROGRAM. THE COMPANY USES DERIVATIVE AND NON-DERIVATIVE FINANCIAL INSTRUMENTS TO HEDGE AGAINST SOME EXPOSURES TO FINANCIAL RISKS EMBEDDED IN THE BALANCE SHEET (RECOGNIZED ASSETS AND LIABILITIES) AND OFF-BALANCE SHEET RISKS (FIRM COMMITMENTS AND HIGHLY PROBABLE FORECASTED TRANSACTIONS). BOTH, FINANCIAL RISK MANAGEMENT AND THE USE OF DERIVATIVE AND NON-DERIVATIVE FINANCIAL INSTRUMENTS ARE RULED BY COMPANY POLICIES APPROVED BY THE BOARD OF DIRECTORS AND ARE CARRIED OUT BY THE COMPANY'S TREASURY. THE COMPANY IDENTIFIES, ASSESSES AND HEDGES FINANCIAL RISKS IN COLLABORATION WITH ITS SUBSIDIARIES. THE BOARD OF DIRECTORS HAS APPROVED WRITTEN POLICIES OF A GENERAL NATURE WITH RESPECT TO THE MANAGEMENT OF FINANCIAL RISKS, AS WELL AS POLICIES AND LIMITS ASSOCIATED TO OTHER SPECIFIC RISKS; GUIDELINES FOR PERMISSIBLE LOSSES, WHEN THE USE OF CERTAIN DERIVATIVE FINANCIAL INSTRUMENTS IS APPROVED, OR WHEN SUCH INSTRUMENTS CAN BE DESIGNATED AS HEDGES, OR WHEN THEY DO NOT QUALIFY FOR HEDGE ACCOUNTING, BUT RATHER FOR TRADING, WHICH IS THE CASE AND CERTAIN INTEREST RATE AND / OR FOREIGN CURRENCY FORWARDS AND SWAPS THAT HAVE BEEN CONTRACTED. COMPLIANCE BY COMPANY'S MANAGEMENT OF ESTABLISHED POLICIES AND EXPOSURE LIMITS IS REVIEWED BY INTERNAL AUDIT ON AN ONGOING BASIS. CORPORATE TREASURY REPORTS QUARTERLY TO THE RISK MANAGEMENT COMMITTEE, WHICH IS PART OF THE BOARD OF DIRECTORS, RESPONSIBLE FOR MONITORING RISKS AND THE POLICIES IMPLEMENTED TO MITIGATE RISK EXPOSURES.

I. GOODWILL - GOODWILL REPRESENTS THE EXCESS OF COST OVER THE FAIR VALUE OF THE SUBSIDIARY SHARES, AS OF THE DATE OF ACQUISITION. GOODWILL IS NOT AMORTIZED AND IS SUBJECT TO IMPAIRMENT TESTS, AT LEAST ONCE A YEAR.

J. RIGHTS TO USE TRADEMARKS - RIGHTS TO USE TRADEMARKS ARE RECORDED AT ACQUISITION COST, AND THROUGH DECEMBER 31, 2007 WERE RESTATED USING THE NCPI. THE RIGHTS FOR THE USE OF TRADEMARKS ARE CONSIDERED INTANGIBLE ASSETS WITH INDEFINITE LIVES, ARE NOT AMORTIZED, BUT THEIR VALUE IS SUBJECT TO IMPAIRMENT RULES. THROUGH DECEMBER 31, 2002, SUCH RIGHTS WERE AMORTIZED USING THE STRAIGHT-LINE METHOD BASED ON ESTIMATED USEFUL LIVES NOT GREATER THAN 10 AND 4 YEARS, RESPECTIVELY.

K. OTHER ASSETS - COSTS INCURRED IN THE DEVELOPMENT PHASE THAT MEET CERTAIN REQUIREMENTS AND THAT THE COMPANY HAS DETERMINED WILL HAVE FUTURE ECONOMIC BENEFITS ARE CAPITALIZED. THEY WERE RESTATED THROUGH DECEMBER 31, 2007 FOR THE EFFECTS OF INFLATION, AND ARE AMORTIZED BASED ON THE STRAIGHT-LINE METHOD OVER FIVE YEARS. DISBURSEMENTS THAT DO NOT MEET SUCH REQUIREMENTS, AS WELL AS RESEARCH COSTS, ARE RECORDED IN RESULTS OF THE PERIOD IN WHICH THEY ARE INCURRED. PREOPERATING COSTS ARE RECORDED DIRECTLY TO RESULTS OF THE PERIOD IN WHICH THEY ARE INCURRED.

L. PROVISIONS - PROVISIONS ARE RECOGNIZED FOR CURRENT OBLIGATIONS THAT ARISE FROM A PAST EVENT, THAT WILL PROBABLY RESULT IN THE USE OF ECONOMIC RESOURCES, AND CAN BE REASONABLY ESTIMATED.

M. DIRECT EMPLOYEE BENEFITS - DIRECT EMPLOYEE BENEFITS ARE CALCULATED BASED ON THE SERVICES RENDERED BY EMPLOYEES, CONSIDERING THEIR MOST RECENT SALARIES. THE LIABILITY IS RECOGNIZED AS IT ACCRUES. THESE BENEFITS INCLUDE MAINLY PTU PAYABLE, COMPENSATED ABSENCES, SUCH AS VACATION AND VACATION PREMIUMS, AND INCENTIVES.

N. EMPLOYEE BENEFITS FROM TERMINATION, RETIREMENT AND OTHER - LIABILITIES FOR SENIORITY PREMIUMS AND SEVERANCE PAYMENTS AT THE END OF THE WORK RELATIONSHIP ARE RECOGNIZED AS COSTS OVER EMPLOYEE YEARS OF SERVICE AND SHOULD BE CALCULATED BY INDEPENDENT ACTUARIES

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USING THE PROJECTED UNIT CREDIT METHOD AT NET DISCOUNT RATES PURSUANT TO MFRS. HOWEVER, THE COMPANY'S MANAGEMENT DETERMINES ITS LIABILITY FOR EMPLOYEE RETIREMENT OBLIGATIONS USING AN ESTIMATE OF FUTURE SENIORITY PREMIUMS TO BE PAID THAT HAVE BEEN INCURRED AS OF DECEMBER 31, 2010 AND 2009. MANAGEMENT BELIEVES THERE IS NO MATERIAL DIFFERENCE BETWEEN ITS ESTIMATE AND THE AMOUNT THAT WOULD BE DETERMINED BY INDEPENDENT ACTUARIES USING THE PROJECTED UNIT CREDIT METHOD AT NET DISCOUNT RATES.

O. STATUTORY EMPLOYEE PROFIT SHARING (PTU) - PTU IS RECORDED IN THE RESULTS OF THE YEAR IN WHICH IT IS INCURRED AND PRESENTED UNDER OTHER EXPENSES IN THE ACCOMPANYING CONSOLIDATED STATEMENTS OF INCOME. DEFERRED PTU IS DERIVED FROM TEMPORARY DIFFERENCES THAT RESULT FROM COMPARING THE ACCOUNTING AND TAX BASES OF ASSETS AND LIABILITIES AND IS RECOGNIZED ONLY WHEN IT CAN BE REASONABLY ASSUMED THAT SUCH DIFFERENCE WILL GENERATE A LIABILITY OR BENEFIT, AND THERE IS NO INDICATION THAT CIRCUMSTANCES WILL CHANGE IN SUCH A WAY THAT THE LIABILITIES WILL NOT BE PAID OR BENEFITS WILL NOT BE REALIZED.

P. INCOME TAXES - INCOME TAX ("ISR") AND THE BUSINESS FLAT TAX ("IETU") ARE RECORDED IN THE RESULTS OF THE YEAR THEY ARE INCURRED. TO RECOGNIZE DEFERRED INCOME TAXES, BASED ON ITS FINANCIAL PROJECTIONS, THE COMPANY DETERMINES WHETHER IT EXPECTS TO INCUR ISR OR IETU AND, ACCORDINGLY, RECOGNIZES DEFERRED TAXES BASED ON THE TAX IT EXPECTS TO PAY. DEFERRED TAXES ARE CALCULATED BY APPLYING THE CORRESPONDING TAX RATE TO TEMPORARY DIFFERENCES RESULTING FROM COMPARING THE ACCOUNTING AND TAX BASES OF ASSETS AND LIABILITIES AND INCLUDING, IF ANY, FUTURE BENEFITS FROM TAX LOSS CARRYFORWARDS AND CERTAIN TAX CREDITS. DEFERRED TAX ASSETS ARE RECORDED ONLY WHEN THERE IS A HIGH PROBABILITY OF RECOVERY.

TAX ON ASSETS - THE TAX ON ASSETS (IMPAC) THAT IS EXPECTED TO BE RECOVERED IS RECORDED AS A TAX CREDIT AND IS PRESENTED IN THE CONSOLIDATED BALANCE SHEET UNDER DEFERRED TAXES.

Q. FOREIGN CURRENCY TRANSACTIONS - FOREIGN CURRENCY TRANSACTIONS ARE RECORDED AT THE APPLICABLE EXCHANGE RATE IN EFFECT AT THE TRANSACTION DATE. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY ARE TRANSLATED INTO MEXICAN PESOS AT THE APPLICABLE EXCHANGE RATE IN EFFECT AT THE BALANCE SHEET DATE. EXCHANGE FLUCTUATIONS ARE RECORDED AS A COMPONENT OF COMPREHENSIVE FINANCING COST IN THE CONSOLIDATED STATEMENTS OF INCOME.

R. REVENUE RECOGNITION - REVENUES ARE RECOGNIZED IN THE PERIOD IN WHICH THE RISKS AND REWARDS OF OWNERSHIP OF THE INVENTORIES ARE TRANSFERRED TO THE CUSTOMERS, WHICH GENERALLY COINCIDES WITH THE DELIVERY OF PRODUCTS TO CUSTOMERS IN SATISFACTION OF ORDERS.

S. EARNINGS PER SHARE - BASIC EARNINGS PER COMMON SHARE ARE CALCULATED BY DIVIDING CONTROLLING INTEREST BY THE WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING DURING THE YEAR. DILUTED EARNINGS PER SHARE ARE DETERMINED BY ADJUSTING CONTROLLING INTEREST AND COMMON SHARES ON THE ASSUMPTION THAT THE COMPANY'S COMMITMENTS TO ISSUE OR EXCHANGE ITS OWN SHARES WOULD BE REALIZED. AS OF DECEMBER 31, 2010, THERE WERE NOT COMMITMENTS TO ISSUE OR EXCHANGE ITS OWN SHARES.

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## ANALYSIS OF INVESTMENTS IN SHARES

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COMPANY NAME	MAIN ACTIVITIES	NUMBER OF SHARES	% OWNERSHIP
CARNES SELECTAS BAEZA, S.A. DE C.V.	PROD. Y COMERC. DE C. FRIAS Y P. CARNICO	84,299,797	99.99
DEMARIUS, S.A DE C.V.	TENEDORA DE ACCIONES	1,105,266	99.99
ONUS COMERCIAL, S.A. DE C.V.	COMERCIALIZACION DE PRODUCTOS ALIMENTICI	46,150,000	99.99
CIBALIS, S.A. DE C.V.	PRESTACION DE SERVICIOS ADMINISTRATIVOS	200,000	99.99
INMUEBLES FORZA, SA. DE C.V.	DESAROLLOS INMOBILIARIOS	50,000	99.99
AIAX, S.A. DE C.V.	PROPIETARIA DE LAS MARCAS	125,779,014	99.99
LECTIO, S DE RL DE CV	PROD. Y PROCESAMIENTO DE POLLO	27,500,000	51.00
LONG HORN WAREHOUSES, INC	COMERCIALIZACION DE ALIMENTOS, PREST. SE	1,000	100.00
DESTINIA AGENCIA DE VIAJES	SERVICIOS DE AGENCIAS DE VIAJES	50,000	99.99
VEXTOR ACTIVO, SA DE CV SOFOM ENR	REALIZACION DE ACTIVIDADES AUXILIARES DE	50,000,000	99.98
FUNDACION BAFAR, A.C.	SERVICIOS DE BENEFICIENCIA	1	83.33
BAFAR HOLDINGS, INC	TENEDORA	100	100.00

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## CREDITS BREAK DOWN

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(Thousand Pesos)

CREDIT TYPE / INSTITUTION	WITH FOREIGN INSTITUTION	DATE OF CONTRACT	AMORTIZATION DATE	INTEREST RATE	AMORTIZATION OF CREDITS IN FOREIGN CURRENCY (THOUSANDS OF \$)						AMORTIZATION OF CREDITS IN FOREIGN CURRENCY (THOUSANDS OF \$)						
					TIME INTERVAL						TIME INTERVAL						
					CURRENT YEAR	UNTIL 1 YEAR	UNTIL 2 YEAR	UNTIL 3 YEAR	UNTIL 4 YEAR	UNTIL 5 YEAR	CURRENT YEAR	UNTIL 1 YEAR	UNTIL 2 YEAR	UNTIL 3 YEAR	UNTIL 4 YEAR	UNTIL 5 YEAR	
<b>BANKS</b>																	
<b>FOREIGN TRADE</b>																	
	NOT APPLIED					0	0	0	0	0							
	NOT APPLIED					0	0	0	0	0							
	NOT APPLIED					0	0	0	0	0							
<b>SECURED</b>																	
BBVA	NOT APPLIED	19/01/2007	31/12/2013	8.89		18,000	18,000	18,000	0	0							
SCOTIABANK	NOT APPLIED	31/10/2008	30/09/2013	9.50		22,000	22,000	22,000	22,000	82,500							
<b>COMMERCIAL BANKS</b>																	
SCOTIABANK	NOT APPLIED	30/11/2010	28/02/2011	6.15		100,000	0	0	0	0							
SCOTIABANK	NOT APPLIED	26/11/2010	24/02/2011	6.15		24,000	0	0	0	0							
SCOTIABANK	NOT APPLIED	20/12/2010	18/03/2010	6.15		100,000	0	0	0	0							
BBVA BANCOMER	NOT APPLIED	20/12/2010	21/03/2010	6.05		100,000	0	0	0	0							
	NOT APPLIED					0	0	0	0	0							
PNC BANK	YES		31/12/2008	3.25							4,930	0	0	0	0	0	
COBANK	YES		31/12/2008	4.60							1,545	0	0	0	0	0	
COBANK	YES		31/12/2008	4.60							1,623	0	0	0	0	0	
COBANK	YES		31/12/2008	4.60							916	0	0	0	0	0	
COBANK	YES		31/12/2008	4.60							2,239	0	0	0	0	0	
SCOTIABANK	NOT	17/11/2010	15/02/2011	1.51							55,538	0	0	0	0	0	
bbva bancomer	NOT	08/12/2010	08/03/2010	1.51							127,959	0	0	0	0	0	
<b>OTHER</b>																	
NACIONAL FINANCIERA	NOT APPLIED	01/09/2010	13/07/2011	7		228,396	0	0	0	0							
NACIONAL FINANCIERA	NOT	01/09/2010	13/07/2010	7							11,342	0	0	0	0	0	
<b>TOTAL BANKS</b>						<b>0</b>	<b>592,396</b>	<b>40,000</b>	<b>40,000</b>	<b>22,000</b>	<b>82,500</b>	<b>0</b>	<b>206,092</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



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CREDIT TYPE / INSTITUTION	WITH FOREING INSTITUTION	DATE OF AGREEMENT	AMORTIZATION DATE	AMORTIZATION OF CREDITS IN FOREIGN CURRENCY (THOUSANDS OF \$)						AMORTIZATION OF CREDITS IN FOREIGN CURRENCY (THOUSANDS OF \$)					
				TIME INTERVAL						TIME INTERVAL					
				CURRENT YEAR	UNTIL 1 YEAR	UNTIL 2 YEAR	UNTIL 3 YEAR	UNTIL 4 YEAR	UNTIL 5 YEAR	CURRENT YEAR	UNTIL 1 YEAR	UNTIL 2 YEAR	UNTIL 3 YEAR	UNTIL 4 YEAR	UNTIL 5 YEAR
<b>SUPPLIERS</b>															
PROVEED. CARNICOS	NOT APPLIED				65,038	0	0	0	0						
PROVEEDOPRES	NOT										114,816	0	0	0	0
<b>TOTAL SUPPLIERS</b>					0	65,038	0	0	0	0	0	114,816	0	0	0
<b>OTHER LOANS WITH COST (\$103 Y \$30)</b>															
OBLIGACIONES PRIVADAS	NOT APPLIED	30/03/2010	6.5		72,386	0	0	0	0						
0	NOT										0	0	0	0	0
<b>TOTAL</b>					0	72,386	0	0	0	0	0	0	0	0	0
<b>OTHER CURRENT LIABILITIES WITHOUT COST (\$26)</b>															
OTROS	NOT APPLIED					56,437									
OTROS											11,359				
<b>TOTAL</b>					0	56,437	0	0	0	0	11,359	0	0	0	0
<b>TOTAL</b>					0	786,257	40,000	40,000	22,000	82,500	0	332,267	0	0	0

CREDITOS BANCARIOS:

LOS CREDITOS OBTENIDOS DE NACIONAL FINANCIERA SON DESTINADOS A OPERACIONES DE FACTORAJE FINANCIERO:

FACTORAJE A FINANCIERO INTERNO MXN: 33 MDP  
 FACTORAJE A FINANCIERO INTERNO USD: 11 MDP  
 FACTORAJE A FINANCIERO CON TERCEROS: 195 MDP

OTROS PASIVOS CON COSTO:

LAS OBLIGACIONES PRIVADAS SON RENOVABLES AUTOMATICAMENTE SI NO SE SOLICITA

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CREDIT TYPE / INSTITUTION	WITH FOREING INSTITUTION	DATE OF AGREEMENT	AMORTIZATION DATE	AMORTIZATION OF CREDITS IN FOREIGN CURRENCY (THOUSANDS OF \$)						AMORTIZATION OF CREDITS IN FOREIGN CURRENCY (THOUSANDS OF \$)					
				TIME INTERVAL						TIME INTERVAL					
				CURRENT YEAR	UNTIL 1 YEAR	UNTIL 2 YEAR	UNTIL 3 YEAR	UNTIL 4 YEAR	UNTIL 5 YEAR	CURRENT YEAR	UNTIL 1 YEAR	UNTIL 2 YEAR	UNTIL 3 YEAR	UNTIL 4 YEAR	UNTIL 5 YEAR
LIQUIDACION POR ESCRITO HASTA POR UN PLAZO MAXIMO DE 2 AÑOS															

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## MONETARY FOREIGN CURRENCY POSITION

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FOREIGN CURRENCY POSITION	DOLLARS		OTHER CURRENCIES		TOTAL THOUSANDS OF PESOS
	DOLLARS	PESOS	DOLLARS	PESOS	
<b>MONETARY ASSETS</b>	<b>2,461</b>	<b>30,375</b>	<b>0</b>	<b>0</b>	<b>30,375</b>
<b>LIABILITIES POSITION</b>	<b>28,100</b>	<b>346,851</b>	<b>163</b>	<b>2,710</b>	<b>349,561</b>
SHORT-TERM LIABILITIES POSITION	27,692	341,768	163	2,710	344,478
LONG-TERM LIABILITIES POSITION	408	5,083	0	0	5,083
<b>NET BALANCE</b>	<b>-25,639</b>	<b>-316,476</b>	<b>-163</b>	<b>-2,710</b>	<b>-319,186</b>

**NOTES**

EL TIPO DE CAMBIO UTILIZADO ES:

DOLARES AMERICANOS: 12.3417

EUROS: 16.67

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## RESULT FROM MONETARY POSITION

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MONTH	MONETARY ASSETS	MONETARY LIABILITIES	(ASSET) LIABILITY MONETARY POSITION	MONTHLY INFLATION	MONTHLY PROFIT AND (LOSS)
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FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

NO APLICA

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ACTUAL SITUATION OF FINANCIAL LIMITED

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# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **04** YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

**PLANTS, COMMERCE CENTERS OR DISTRIBUTION  
CENTERS**

**CONSOLIDATED**

**AUDITED INFORMATION**

**Final Printing**

PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CAPACITY	UTILIZATION (%)
INST Y MAQUINARIA INMAQ, S.A.	PROCESAMIENTO Y COMERCIALIZACION	17,435	65.00
INTERCARNES, S.A. DE C.V.	COMPRA VENTA DE GANADO BOVINO EN	8,000	13.44
LECTIO, S. DE R.L. DE C.V.	PLANTAS	12,958	18.97

## NOTES

LA CAPACIDAD INSTALADA ESTA EXPRESADA EN MILES DE TONELADAS PARA EL CASO DE:

INST. Y MAQUINARIA INMAQ, S.A. DE C.V.

LECTIO, S.DE R.L. DE C.V.

Y EN CABEZAS DE GANADO PARA EL CASO DE:

INTERCARNES, S.A. DE C.V.

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**  
**GRUPO BAFAR, S.A. DE C.V.**

QUARTER: **04** YEAR: **2010**

## MAIN RAW MATERIALS

**CONSOLIDATED**

**AUDITED INFORMATION**

**Final Printing**

DOMESTIC	MAIN SUPPLIERS	FOREIGN	DOM. SUBST.	COST PRODUCTION (%)
Carnicos	AJC INTERNACIONAL INC	Importación	SI	2.92
Carnicos	AMERICAN BEEF SA DE CV	Importación	SI	0.52
Carnicos	CARGILL MEAT SOLUTIONS CO	Importación	SI	14.77
Carnicos	INTERRA INTERNATIONAL INC	Importación	SI	2.33
Carnicos	NORTHERN BEEF INDUSTRIES	Importación	SI	1.38
Carnicos	PILGRIMS PRIDE S DE RL DE	Importación	SI	7.50
Carnicos	PORKY PRODUCTS INC	Importación	SI	4.47
Carnicos	PRIME INTERNATIONAL LLC	Importación	SI	1.51
Carnicos	SARA LEE FOODS	Importación	SI	2.92
Carnicos	TYSON FOODS INC	Importación	SI	2.44
Carnicos	TYSON FRESH MEATS INC	Importación	SI	7.73
Carnicos	AGROSUPER COMERCIAL	Nacional		2.07
Secos y Empaques	ARANAL SA DE CV.	Nacional		0.62
Carnicos	CARNES FINAS DE CAMARGO S	Nacional		0.65
Carnicos	CONSORCIO DIPSEN SA DE CV	Nacional		0.87
Secos y Empaques	INOVA FOODS SA DE CV	Nacional		1.63
Secos y Empaques	PROVEEDORES DE INGENIERIA	Nacional		1.26
Secos y Empaques	PUEBLA ESPECIALIDADES IND	Nacional		1.31
Secos y Empaques	SOLAE DE MEXICO SA DE CV	Nacional		1.46
Secos y Empaques	VISCOFAN DE MEXICO S DE R	Nacional		1.47
				0.00
				0.00
				0.00
				0.00
				0.00
				0.00

**NOTES**

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**  
**GRUPO BAFAR, S.A. DE C.V.**

QUARTER: **04** YEAR: **2010**

## SALES DISTRIBUTION BY PRODUCT

**CONSOLIDATED**

**AUDITED INFORMATION**

NET SALES/TOTAL SALES

**Final Printing**

MAIN PRODUCTS	NET SALES		MARKET SHARE (%)	MAIN	
	VOLUME	AMOUNT		TRADEMARKS	CUSTOMERS
<b>DOMESTIC SALES</b>					
CARNICOS	159,857	5,771,544	0	BAFAR, sabori, burr	AUTOSERVICIOS Y TIEN
OTROS	26,871	66,121	0.00	CAPITAN	VARIOS
<b>FOREIGN SALES</b>					
CARNICOS	1,455	57,541	0	BAFAR	VARIOS DISTRIBUIDORE
<b>TOTAL</b>		<b>5,895,206</b>			

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**  
 GRUPO BAFAR, S.A. DE C.V.

QUARTER: **04**      YEAR: **2010**

## SALES DISTRIBUTION BY PRODUCT

CONSOLIDATED

AUDITED INFORMATION

FOREIGN SALES

Final Printing

MAIN PRODUCTS	NET SALES		DESTINATION	MAIN	
	VOLUME	AMOUNT		TRADEMARKS	CUSTOMERS
EXPORT					

FOREIGN SUBSIDIARIES					
CARNICOS	1,455	57,541	E.U.A.	BAFAR	VARIOS DISTRIBUIDORE
<b>TOTAL</b>		<b>57,541</b>			

NOTES

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **04** YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

**PROJECT, AMOUNT EXERCISED AND PROGRESS  
PERCENTAGE**

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**AUDITED INFORMATION**

**CONSOLIDATED**

**Final Printing**

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# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **04** YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

**INFORMATION RELATED TO BULLETIN B-15  
(FOREIGN CURRENCY TRANSLATION)**

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**CONSOLIDATED**

**AUDITED INFORMATION**

**Final Printing**

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## FOREIGN SUBSIDIARY FINANCIAL STATEMENT CONVERSION

TO CONSOLIDATE THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES WHICH OPERATIONS ARE CONSIDERED INTEGRATED TO THE COMPANY (GRUPO BAFAR), THE MONETARY ASSETS AND LIABILITIES ARE CONVERTED TO THE EXCHANGE RATE AT THE CLOSURE OF THE BALANCE SHEET, NON MONETARY ASSETS AND LIABILITIES AND THE STOCKHOLDERS' EQUITY ARE CONVERTED TO THE HISTORICAL EXCHANGE RATE OF THE DATE ON WHICH THE OPERATIONS AND CONTRIBUTIONS WERE MADE, RESPECTIVELY. THE PROFITS, COSTS AND EXPENSES ARE CONVERTED TO THE AVERAGE EXCHANGE RATE. THE CONVERSION EFFECTS ARE RECORDED IN THE EXERCISE'S RESULTS.

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# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**  
**GRUPO BAFAR, S.A. DE C.V.**

QUARTER: **04**      YEAR: **2010**

## ANALYSIS OF PAID CAPITAL STOCK

**CONSOLIDATED**

Final Printing

**AUDITED INFORMATION**

SERIES	NOMINAL VALUE	VALID COUPON	NUMBER OF SHARES				CAPITAL STOCK	
			FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUBSCRIPTION	FIXED	VARIABLE
<b>B</b>	<b>0.00001</b>	<b>5</b>	<b>120,000,000</b>	<b>190,088,148</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>32,306</b>
<b>TOTAL</b>			120,000,000	190,088,148	0	0	20,000	32,306

TOTAL NUMBER OF SHARES REPRESENTING THE PAID IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMATION

310,088,148

**NOTES**

# MEXICAN STOCK EXCHANGE

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QUARTER: **04** YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

**DERIVATIVE FINANCIAL INSTRUMENTS**

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MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER **04** YEAR: **2010**

**GRUPO BAFAR, S.A. DE C.V.**

**NOTES TO FINANCIAL STATEMENTS**

**CONSOLIDATED**

**AUDITED INFORMATION**

**Final Printing**

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S05: LAS CUENTAS POR COBRAR INCLUYEN 296,835 MDP DE FINANCIAMIENTO A TERCEROS

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IN THIS ANNEX INCLUDE THE NOTES FOR THE FINANCIAL STATEMENTS ACCOUNTS AND STATEMENTS ACCOUNTS BREAKDOWNS AND OTHER CONCEPTS