

# MEXICAN STOCK EXCHANGE

 STOCK EXCHANGE CODE: **BAFAR**

 QUARTER: **02**      YEAR: **2010**
**GRUPO BAFAR, S.A. DE C.V.**

## BALANCE SHEETS

TO JUNE 30 OF 2010 AND 2009

**CONSOLIDATED**

(Thousand Pesos)

**Final Printing**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>s01</b>	<b>TOTAL ASSETS</b>	<b>4,340,980</b>	<b>100</b>	<b>3,993,027</b>	<b>100</b>
<b>s02</b>	<b>CURRENT ASSETS</b>	<b>1,412,739</b>	<b>33</b>	<b>1,131,213</b>	<b>28</b>
s03	CASH AND AVAILABLE INVESTMENTS	366,255	8	89,706	2
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	547,370	13	515,577	13
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE (NET)	106,240	2	138,968	3
s06	INVENTORIES	386,755	9	381,610	10
s07	OTHER CURRENT ASSETS	6,119	0	5,352	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>1,649,665</b>	<b>38</b>	<b>1,756,003</b>	<b>44</b>
s13	LAND AND BUILDINGS	1,016,915	23	989,935	25
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	910,079	21	803,578	20
s15	OTHER EQUIPMENT	518,175	12	427,131	11
s16	ACCUMULATED DEPRECIATION	832,500	19	697,798	17
s17	CONSTRUCTION IN PROGRESS	36,996	1	233,157	6
<b>s18</b>	<b>OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)</b>	<b>255,349</b>	<b>6</b>	<b>84,476</b>	<b>2</b>
<b>s19</b>	<b>OTHER ASSETS</b>	<b>1,023,227</b>	<b>24</b>	<b>1,021,335</b>	<b>26</b>
<b>s20</b>	<b>TOTAL LIABILITIES</b>	<b>1,615,742</b>	<b>100</b>	<b>1,444,708</b>	<b>100</b>
<b>s21</b>	<b>CURRENT LIABILITIES</b>	<b>1,024,627</b>	<b>63</b>	<b>878,331</b>	<b>61</b>
s22	SUPPLIERS	348,907	22	280,152	19
s23	BANK LOANS	526,125	33	525,914	36
s24	STOCK MARKET LOANS	0	0	0	0
s103	OTHER LOANS WITH COST	67,848	4	0	0
s25	TAXES PAYABLE	23,884	1	28,437	2
s26	OTHER CURRENT LIABILITIES WITHOUT COST	57,863	4	43,828	3
<b>s27</b>	<b>LONG-TERM LIABILITIES</b>	<b>204,500</b>	<b>13</b>	<b>259,464</b>	<b>18</b>
s28	BANK LOANS	204,500	13	259,464	18
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>386,615</b>	<b>24</b>	<b>306,913</b>	<b>21</b>
<b>s33</b>	<b>CONSOLIDATED STOCKHOLDERS EQUITY</b>	<b>2,725,238</b>	<b>100</b>	<b>2,548,319</b>	<b>100</b>
<b>s34</b>	<b>COUNTABLE CAPITAL OF THE PARTICIPATION NOT CONTROLADORA</b>	<b>10,214</b>	<b>0</b>	<b>10,498</b>	<b>0</b>
<b>s35</b>	<b>COUNTABLE CAPITAL OF THE PARTICIPATION CONTROLADORA</b>	<b>2,715,024</b>	<b>100</b>	<b>2,537,821</b>	<b>100</b>
<b>s36</b>	<b>CONTRIBUTED CAPITAL</b>	<b>544,124</b>	<b>20</b>	<b>470,097</b>	<b>18</b>
s79	CAPITAL STOCK	149,784	5	147,855	6
s39	PREMIUM ON ISSUANCE OF SHARES	394,340	14	322,242	13
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
<b>s41</b>	<b>EARNED CAPITAL</b>	<b>2,170,900</b>	<b>80</b>	<b>2,067,724</b>	<b>81</b>
s42	RETAINED EARNINGS AND CAPITAL RESERVES	2,354,547	86	2,251,371	88
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	-183,647	-7	-183,647	-7
s80	SHARES REPURCHASED	0	0	0	0

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

QUARTER: **02**      YEAR: **2010**

## BALANCE SHEETS

BREAKDOWN OF MAIN CONCEPTS

**CONSOLIDATED**

(Thousand Pesos)

**Final Printing**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>s03</b>	<b>CASH AND AVAILABLE INVESTMENTS</b>	<b>366,255</b>	<b>100</b>	<b>89,706</b>	<b>100</b>
s46	CASH	83,469	23	57,599	64
s47	AVAILABLE INVESTMENTS	282,786	77	32,107	36
<b>s07</b>	<b>OTHER CURRENT ASSETS</b>	<b>6,119</b>	<b>100</b>	<b>5,352</b>	<b>100</b>
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s82	DISCONTINUED OPERATIONS	0	0	0	0
s83	OTHER	6,119	100	5,352	100
<b>s18</b>	<b>OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)</b>	<b>255,349</b>	<b>100</b>	<b>84,476</b>	<b>100</b>
s48	DEFERRED EXPENSES (NET)	250,861	98	84,476	100
s49	GOODWILL	4,488	2	0	0
s51	OTHER	0	0	0	0
<b>s19</b>	<b>OTHER ASSETS</b>	<b>1,023,227</b>	<b>100</b>	<b>1,021,335</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	1,023,227	100	1,021,335	100
<b>s21</b>	<b>CURRENT LIABILITIES</b>	<b>1,024,627</b>	<b>100</b>	<b>878,331</b>	<b>100</b>
s52	FOREIGN CURRENCY LIABILITIES	599,561	59	311,639	35
s53	MEXICAN PESOS LIABILITIES	425,066	41	566,692	65
<b>s26</b>	<b>OTHER CURRENT LIABILITIES WITHOUT COST</b>	<b>57,863</b>	<b>100</b>	<b>43,828</b>	<b>100</b>
s88	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s89	INTEREST LIABILITIES	193	0	0	0
s68	PROVISIONS	27,839	48	18,337	42
s90	DISCONTINUED OPERATIONS	0	0	0	0
s58	OTHER CURRENT LIABILITIES	29,831	52	25,491	58
s105	BENEFITS TO EMPLOYEES	0	0	0	0
<b>s27</b>	<b>LONG-TERM LIABILITIES</b>	<b>204,500</b>	<b>100</b>	<b>259,464</b>	<b>100</b>
s59	FOREIGN CURRENCY LIABILITIES	0	0	0	0
s60	MEXICAN PESOS LIABILITIES	204,500	100	259,464	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>386,615</b>	<b>100</b>	<b>306,913</b>	<b>100</b>
s66	DEFERRED TAXES	377,902	98	298,197	97
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	8,713	2	8,716	3
s92	DISCONTINUED OPERATIONS	0	0	0	0
s69	OTHER LIABILITIES	0	0	0	0
<b>s79</b>	<b>CAPITAL STOCK</b>	<b>149,784</b>	<b>100</b>	<b>147,855</b>	<b>100</b>
s37	CAPITAL STOCK (NOMINAL)	53,408	36	51,479	35
s38	RESTATEMENT OF CAPITAL STOCK	96,376	64	96,376	65

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## BALANCE SHEETS

BREAKDOWN OF MAIN CONCEPTS

**CONSOLIDATED**

(Thousand Pesos)

**Final Printing**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>s42</b>	<b>RETAINED EARNINGS AND CAPITAL RESERVES</b>	<b>2,354,547</b>	<b>100</b>	<b>2,251,371</b>	<b>100</b>
s93	LEGAL RESERVE	0	0	0	0
s43	RESERVE FOR REPURCHASE OF SHARES	34,749	1	46,473	2
s94	OTHER RESERVES	0	0	0	0
s95	RETAINED EARNINGS	2,183,395	93	2,117,130	94
s45	NET INCOME FOR THE YEAR	136,403	6	87,768	4
<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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OTHER CONCEPTS

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REF S	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
s72	WORKING CAPITAL	388,112	252,882
s73	PENSIONS AND SENIORITY PREMIUMS	8,713	8,717
s74	EXECUTIVES (*)	72	71
s75	EMPLOYEES (*)	6,668	6,696
s76	WORKERS (*)	1,540	1,576
s77	OUTSTANDING SHARES (*)	312,385,948	308,362,725
s78	REPURCHASED SHARES (*)	3,059,948	7,083,171
s101	RESTRICTED CASH	0	0
s102	DEBT OF NON CONSOLIDATED COMPANIES	0	0

(\*) THESE CONCEPTS ARE STATED IN UNITS

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2010**

**STATEMENTS OF INCOME**

FROM JANUARY THE 1st TO JUNE 30 OF 2010 AND 2009

**CONSOLIDATED**

(Thousand Pesos)

**Final Printing**

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>r01</b>	<b>NET SALES</b>	<b>2,784,365</b>	<b>100</b>	<b>2,535,974</b>	<b>100</b>
r02	COST OF SALES	1,836,428	66	1,702,675	67
<b>r03</b>	<b>GROSS PROFIT</b>	<b>947,937</b>	<b>34</b>	<b>833,299</b>	<b>33</b>
r04	GENERAL EXPENSES	773,764	28	692,336	27
<b>r05</b>	<b>INCOME (LOSS) FROM OPERATION</b>	<b>174,173</b>	<b>6</b>	<b>140,963</b>	<b>6</b>
r08	OTHER INCOME AND (EXPENSE), NET	-1,084	0	-6,453	0
r06	COMPREHENSIVE FINANCING RESULT	-10,418	0	-32,758	-1
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
<b>r09</b>	<b>INCOME BEFORE INCOME TAXES</b>	<b>162,671</b>	<b>6</b>	<b>101,752</b>	<b>4</b>
r10	INCOME TAXES	24,522	1	17,298	1
<b>r11</b>	<b>INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS</b>	<b>138,149</b>	<b>5</b>	<b>84,454</b>	<b>3</b>
r14	DISCONTINUED OPERATIONS	0	0	0	0
<b>r18</b>	<b>NET CONSOLIDATED INCOME</b>	<b>138,149</b>	<b>5</b>	<b>84,454</b>	<b>3</b>
r19	NET INCOME OF PARTICIPATION NOT CONTROLADORA	1,746	0	-3,314	0
<b>r20</b>	<b>NET INCOME OF PARTICIPATION CONTROLADORA</b>	<b>136,403</b>	<b>5</b>	<b>87,768</b>	<b>3</b>

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BREAKDOWN OF MAIN CONCEPTS

**CONSOLIDATED**

(Thousand Pesos)

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REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>r01</b>	<b>NET SALES</b>	<b>2,784,365</b>	<b>100</b>	<b>2,535,974</b>	<b>100</b>
r21	DOMESTIC	2,762,720	99	2,530,873	100
r22	FOREIGN	21,645	1	5,101	0
r23	TRANSLATED INTO DOLLARS (***)	1,706	0	370	0
<b>r08</b>	<b>OTHER INCOME AND (EXPENSE), NET</b>	<b>-1,084</b>	<b>100</b>	<b>-6,453</b>	<b>100</b>
r49	OTHER INCOME AND (EXPENSE), NET	-1,084	100	-6,453	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>-10,418</b>	<b>100</b>	<b>-32,758</b>	<b>100</b>
r24	INTEREST EXPENSE	21,036	-202	33,585	-103
r42	GAIN (LOSS) ON RESTATEMENT OF UDIS	0	0	0	0
r45	OTHER FINANCE COSTS	0	0	0	0
r26	INTEREST INCOME	3,967	-38	1,458	-4
r46	OTHER FINANCIAL PRODUCTS	0	0	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS) (NET)	6,651	-64	-631	2
r28	RESULT FROM MONETARY POSITION	0	0	0	0
<b>r10</b>	<b>INCOME TAXES</b>	<b>24,522</b>	<b>100</b>	<b>17,298</b>	<b>100</b>
r32	INCOME TAX	0	0	0	0
r33	DEFERRED INCOME TAX	24,522	100	17,298	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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QUARTER: **02**      YEAR: **2010**

## STATEMENTS OF INCOME

OTHER CONCEPTS  
 (Thousand Pesos)

**CONSOLIDATED**

**Final Printing**

REF R	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
r36	TOTAL SALES	2,957,968	2,534,974
r37	TAX RESULT FOR THE YEAR	0	0
r38	NET SALES (**)	5,479,392	5,074,306
r39	OPERATING INCOME (**)	337,920	355,194
r40	NET INCOME OF PARTICIPATION CONTROLADORA(**)	209,772	128,531
r41	NET CONSOLIDATED INCOME (**)	209,927	111,902
r47	OPERATIVE DEPRECIATION AND ACCUMULATED	82,923	60,564

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

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QUARTER: **02** YEAR: **2010**

**QUARTERLY STATEMENTS OF INCOME**

FROM APRIL 1 TO JUNE 30 OF 2010

**CONSOLIDATED**

(Thousand Pesos)

**Final Printing**

REF RT	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
rt01	<b>NET SALES</b>	<b>1,407,619</b>	<b>100</b>	<b>1,274,901</b>	<b>100</b>
rt02	COST OF SALES	941,884	67	857,170	67
rt03	<b>GROSS PROFIT</b>	<b>465,735</b>	<b>33</b>	<b>417,731</b>	<b>33</b>
rt04	GENERAL EXPENSES	388,272	28	350,952	28
rt05	<b>INCOME (LOSS) FROM OPERATION</b>	<b>77,463</b>	<b>6</b>	<b>66,779</b>	<b>5</b>
rt08	OTHER INCOME AND (EXPENSE), NET	70	0	-3,782	0
rt06	COMPREHENSIVE FINANCING RESULT	-18,518	-1	13,790	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>59,015</b>	<b>4</b>	<b>76,787</b>	<b>6</b>
rt10	INCOME TAXES	6,796	0	13,054	1
rt11	<b>INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS</b>	<b>52,219</b>	<b>4</b>	<b>63,733</b>	<b>5</b>
rt14	DISCONTINUED OPERATIONS	0	0	0	0
rt18	<b>NET CONSOLIDATED INCOME</b>	<b>52,219</b>	<b>4</b>	<b>63,733</b>	<b>5</b>
rt19	NET INCOME OF PARTICIPATION NOT CONTROLADORA	1,554	0	-1,613	0
rt20	<b>NET INCOME OF PARTICIPATION CONTROLADORA</b>	<b>50,665</b>	<b>4</b>	<b>65,346</b>	<b>5</b>

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REF RT	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
<b>rt0</b>	<b>NET SALES</b>	<b>1,407,619</b>	<b>100</b>	<b>1,274,901</b>	<b>100</b>
rt21	DOMESTIC	1,395,181	99	1,271,630	100
rt22	FOREIGN	12,438	1	3,271	0
rt23	TRANSLATED INTO DOLLARS (***)	991	0	246	0
<b>rt08</b>	<b>OTHER INCOME AND (EXPENSE), NET</b>	<b>70</b>	<b>100</b>	<b>-3,782</b>	<b>100</b>
rt49	OTHER INCOME AND (EXPENSE), NET	70	100	-3,782	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>-18,518</b>	<b>100</b>	<b>13,790</b>	<b>100</b>
rt24	INTEREST EXPENSE	12,224	-66	17,011	123
rt42	GAIN (LOSS) ON RESTATEMENT OF UDIS	0	0	0	0
rt45	OTHER FINANCE COSTS	0	0	0	0
rt26	INTEREST INCOME	5,195	-28	1,133	8
rt46	OTHER FINANCIAL PRODUCTS	0	0	0	0
rt25	FOREIGN EXCHANGE GAIN (LOSS) (NET)	-11,489	62	29,668	215
rt28	RESULT FROM MONETARY POSITION	0	0	0	0
<b>rt10</b>	<b>INCOME TAXES</b>	<b>6,796</b>	<b>100</b>	<b>13,054</b>	<b>100</b>
rt32	INCOME TAX	0	0	0	0
rt33	DEFERRED INCOME TAX	6,796	100	13,054	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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## QUARTERLY STATEMENTS OF INCOME

OTHER CONCEPTS  
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REF RT	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
rt47	OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	42,128	31,348

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YEAR: **2010**

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

## STATE OF CASH FLOW (INDIRECT METHOD)

Final Printing

MAIN CONCEPTS

(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>	162,671	101,753
e02	+ (-)ITEMS NOT REQUIRING CASH	-9,963	-1,184
e03	+ (-)ITEMS RELATED TO INVESTING ACTIVITIES	82,137	60,575
e04	+ (-)ITEMS RELATED TO FINANCING ACTIVITIES	21,036	33,585
e05	<b>CASH FLOW BEFORE INCOME TAX</b>	255,881	194,729
e06	CASH FLOW PROVIDED OR USED IN OPERATION	-52,351	-39,271
e07	<b>NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES</b>	203,530	155,458
	<b>INVESTMENT ACTIVITIES</b>		
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	-142,929	-121,032
e09	<b>FINANCING ACTIVITIES</b>	60,601	34,426
	<b>FINANCING ACTIVITIES</b>		
e10	NET CASH FROM FINANCING ACTIVITIES	199,984	-61,031
e11	<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	260,585	-26,605
e12	<b>TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS</b>	113	-706
e13	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	105,557	117,017
e14	<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	366,255	89,706

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **02** YEAR: **2010**

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

## STATE OF CASH FLOW (INDIRECT METHOD)

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BREAKDOWN OF MAIN CONCEPTS

(Thousand Pesos)

CONSOLIDATED

REF F	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
<b>e02</b>	<b>+ (-)ITEMS NOT REQUIRING CASH</b>	-9,963	-1,184
e15	+ESTIMATES FOR THE PERIOD	-1,985	416
e16	+PROVISIONS FOR THE PERIOD	-220	-397
e17	+ (-)OTHER UNREALIZED ITEMS	-7,758	-1,203
<b>e03</b>	<b>+ (-)ITEMS RELATED TO INVESTING ACTIVITIES</b>	82,137	60,575
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	82,923	60,564
e19	(-) +GAIN OR LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT	-786	11
e20	+IMPAIRMENT LOSS	0	0
e21	(-) +EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES	0	0
e22	(-)DIVIDENDS RECEIVED	0	0
e23	(-)INTEREST INCOME	0	0
e24	(-)+ OTHER ITEMS	0	0
<b>e04</b>	<b>+ (-)ITEMS RELATED TO FINANCING ACTIVITIES</b>	21,036	33,585
e25	+ACCRUED INTEREST	21,036	33,585
e26	+ (-) OTHER ITEMS	0	0
<b>e06</b>	<b>CASH FLOW PROVIDED OR USED IN OPERATION</b>	-52,351	-39,271
e27	+ (-)DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	-30,953	5,880
e28	+ (-)DECREASE (INCREASE) IN INVENTORIES	-71,222	109,451
e29	+ (-)DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	49,705	37,150
e30	+ (-)INCREASE (DECREASE) IN SUPPLIERS	-19,681	-187,258
e31	+ (-)INCREASE (DECREASE) IN OTHER LIABILITIES	19,800	-4,494
e32	+ (-) INCOME TAXES PAID OR RETURNED	0	0
<b>e08</b>	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	-142,929	-121,032
e33	-PERMANENT INVESTMENT IN SHARES	0	0
e34	+DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0	0
e35	-INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT	-143,095	-129,911
e36	+SALE OF PROPERTY, PLANT AND EQUIPMENT	2,448	9,072
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	0	0
e43	+ (-)DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0	0
e44	+ (-)OTHER ITEMS	-2,282	-193
<b>e10</b>	<b>NET CASH FROM FINANCING ACTIVITIES</b>	199,984	-61,031
e45	+BANK FINANCING	654,065	431,717
e46	+STOCK MARKET FINANCING	0	0
e47	+OTHER FINANCING	0	0
e48	(-)BANK FINANCING AMORTIZATION	-404,370	-459,163
e49	(-)STOCK MARKET FINANCING AMORTIZATION	0	0
e50	(-)OTHER FINANCING AMORTIZATION	0	0
e51	+ (-)INCREASE (DECREASE) IN CAPITAL STOCK	1,944	0
e52	(-)DIVIDENDS PAID	-91,186	0
e53	+PREMIUM ON ISSUANCE OF SHARES	72,097	0
e54	+CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
e55	-INTEREST EXPENSE	-20,842	-33,585
e56	-REPURCHASE OF SHARES	-11,724	0
e57	+ (-)OTHER ITEMS	0	0

\* 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: **02**      YEAR: **2010**

## DATA PER SHARE

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REF D	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		AMOUNT	AMOUNT
d01	BASIC PROFIT PER ORDINARY SHARE (**)	\$ 0.67	\$ 0.42
d02	BASIC PROFIT PER PREFERRED SHARE (**)	\$ 0	\$ 0.00
d03	DILUTED PROFIT PER ORDINARY SHARE (**)	\$ 0.67	\$ 0.42
d04	EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**)	\$ 0.67	\$ 0.38
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	\$ 0	\$ 0.00
d08	CARRYING VALUE PER SHARE	\$ 8.69	\$ 8.23
d09	CASH DIVIDEND ACCUMULATED PER SHARE	\$ 0.57	\$ 0.25
d10	DIVIDEND IN SHARES PER SHARE	0 shares	0.00 shares
d11	MARKET PRICE TO CARRYING VALUE	1.43 times	1.76 times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**)	18.47 times	34.85 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: **02**      YEAR: **2010**

## RATIOS

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REF P	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
	<b>YIELD</b>		
p01	NET CONSOLIDATED INCOME TO NET SALES	4.96    %	3.33    %
p02	NET CONSOLIDATED INCOME TO STOCKHOLDERS EQUITY (**)	7.70    %	4.39    %
p03	NET INCOME TO TOTAL ASSETS (**)	4.84    %	2.80    %
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0.00    %	0.00    %
p05	RESULT FROM MONETARY POSITION TO NET CONSOLIDATED INCOME	0.00    %	0.00    %
	<b>ACTIVITY</b>		
p06	NET SALES TO NET ASSETS (**)	1.26    times	1.27    times
p07	NET SALES TO PROPERTY, PLANT AND EQUIPMENT (NET) (**)	3.32    times	2.89    times
p08	INVENTORIES TURNOVER (**)	9.36    times	8.75    times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	31    days	32    days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	4.23    %	8.13    %
	<b>LEVERAGE</b>		
p11	TOTAL LIABILITIES TO TOTAL ASSETS	37.22    %	36.18    %
p12	TOTAL LIABILITIES TO STOCKHOLDERS EQUITY	0.59    times	0.57    times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	37.11    %	21.57    %
p14	LONG-TERM LIABILITIES TO PROPERTY, PLANT AND EQUIPMENT (NET)	12.40    %	14.78    %
p15	INCOME (LOSS) AFTER GENERAL EXPENSES TO INTEREST PAID	8.28    times	4.20    times
p16	NET SALES TO TOTAL LIABILITIES (**)	3.39    times	3.51    times
	<b>LIQUIDITY</b>		
p17	CURRENT ASSETS TO CURRENT LIABILITIES	1.38    times	1.29    times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	1.00    times	0.85    times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	0.87    times	0.78    times
p20	CASH AND SHORT-TERM INVESTMENTS TO CURRENT LIABILITIES	35.75    %	10.21    %

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

# MEXICAN STOCK EXCHANGE

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

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GRUPO BAFAR, S.A.B. DE C.V.  
DIRECTOR'S REPORT AND OPERATION RESULTS ANALYSIS  
QUARTER: 2  
YEAR: 2010

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CHIHUAHUA, CHIHUAHUA, JULY 28, 2010 - GRUPO BAFAR S.A.B. DE C.V. ("BAFAR")  
(BMV: "BAFAR")

LEADER COMPANY IN MEAT AND SAUSAGE PRODUCTS IN MEXICO ANNOUNCED TODAY THE RESULTS FOR 2010'S SECOND QUARTER. THE FINANCIAL INFORMATION IS PRESENTED ON THE BASIS OF MEXICAN FINANCIAL REPORTING STANDARDS, EXPRESSED IN NOMINAL MILLION MEXICAN PESOS.

EUGENIO BAEZA FARES, BAFAR'S CEO MENTIONED THAT DURING THIS 2010'S SECOND QUARTER PREVAILED A RECOVERY ECONOMY WHICH ALONG WITH THE EFFORTS MADE WITHIN THE BAFAR GROUP, REPRESENTED DOUBLE-DIGIT GROWTH, BOTH IN VOLUME, WITH 15%, AND IN NET SALES WITH 10 % GROWTH, AND IN OPERATIVE PROFITS THE GROWTH WAS 24% COMPARED WITH THE FIRST HALF OF THE PREVIOUS YEAR.

### FINANCIAL AND OPERATION RESULTS

#### NET SALES

THE SALES FOR 2010'S SECOND QUARTER REACHED \$1,407 MILLION PESOS (U.S. \$112.0) COMPARED WITH \$1,275 MILLION PESOS (U.S. \$95.6) OBTAINED IN THE SAME PERIOD FOR LAST YEAR, WHICH REPRESENTS A 10% GROWTH (17% IN U.S. DOLLARS). THIS GROWTH RESULTED FROM AN 20% INCREASE IN SALES VOLUME.

THE SALES ACCRUED UP TO JUNE 2010 INCREASED IN 10% (20% IN U.S. DOLLARS) REACHING 2,784 MILLION PESOS (U.S. \$219.7), BOOSTED BY THE SALES VOLUME INCREASE, WHICH GREW 15% IN RELATION TO LAST YEAR. THE INCREASE WAS DONE THANKS TO THE EFFORTS MADE TO REACH THE GOALS THIS YEAR, AS WELL AS THANKS TO THE POSITIONING OF THE BRANDS IN THE MARKET.

THE CONSUMER PRODUCTS DIVISION PRESENTED A SALES VOLUME INCREASE OF 13% AND 15% IN THE SECOND QUARTER AND ACCRUED SALES RESPECTIVELY UP TO JUNE 2010, AS A RESULT OF THE GREAT ACCEPTANCE OF GRUPO BAFAR'S BRANDS IN THE NATIONAL MARKET THROUGH THE MAIN SUPERMARKET CHAINS IN MEXICO.

THE RETAIL DIVISION HAD A SALES VOLUME INCREASE OF 10% AND 7% IN THE SECOND QUARTER AND IN ACCRUED SALES IN 2010, RESPECTIVELY, DERIVED FROM GRUPO BAFAR'S SUCCESSFUL POINT OF SALE MODEL.

#### COST OF SALES

THE COST OF SALES FOR 2010'S SECOND QUARTER WAS \$941.8 MILLION PESOS (U.S. \$75.0) AND REPRESENTED 67% OF SALES, A PERCENTAGE SIMILAR TO THE ONE OBTAINED IN 2009'S SECOND QUARTER. ALSO, THE GROSS MARGIN FOR 2010'S SECOND QUARTER WAS 33%, THE SAME TO THE ONE REACHED IN THE SAME PERIOD FOR 2009. THE GROSS PROFIT IN 2010'S SECOND QUARTER WAS \$465.7 MILLION PESOS (U.S. \$37.0), WHILE IN 2009 IT REACHED THE SUM OF \$417.7 MILLION PESOS (U.S. \$31.3).

THE ACCRUED COST OF SALES UP TO JUNE 2010 REPRESENTED 66% OF SALES, AMOUNTING \$1,836.4 MILLION PESOS (U.S. \$144.9), WHILE FOR 2009'S SECOND QUARTER IT REPRESENTED 67% OF SALES. THE GROSS MARGIN WAS 34% AND 33% UP TO JUNE 2010 AND JUNE 2009, RESPECTIVELY.

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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

THE GENERAL EXPENSES WERE \$388.2 MILLION PESOS (U.S. \$30.9) IN 2010'S SECOND QUARTER, COMPARED WITH \$350.9 MILLION PESOS (U.S. \$26.3) IN 2009'S SECOND QUARTER, AND THE PERCENTAGE RELATIVE TO SALES WAS 28% FOR BOTH YEARS.

IN THE FIRST HALF OF THE YEAR, THIS CATEGORY AMOUNTED \$773.7 MILLION PESOS (U.S. \$61.0), 12% MORE WITH RESPECT TO LAST YEAR'S SAME PERIOD, WHERE \$692.3 MILLION PESOS (U.S. \$49.9) WERE REPORTED, WITH AN INCREASE OF ONE PERCENTILE POINT IN RELATION TO SALES, PLACED IN 28%, WHILE THE ACCRUED AMOUNT UP TO JUNE 2009 WAS 27%.

### INCOME FROM OPERATIONS

THE INCOME FROM OPERATIONS FOR 2010'S SECOND QUARTER INCREASED (23% IN U.S. DOLLARS) COMPARED WITH LAST YEAR'S SAME PERIOD AND IT AMOUNTED \$77.4 MILLION PESOS (U.S. \$6.1), A MARGIN OF 6%. THESE ARE RESULTS OF THE CONSTANT EFFORT TO MAKE THE OPERATION EFFICIENT AND TO KEEP A STRICT CONTROL OF COSTS AND EXPENSES.

IN THIS SAME SENSE, THE INCOME FROM OPERATIONS ACCRUED UP TO JUNE 2010 WAS \$174.1 (U.S. \$13.7), A 6% ON SALES, AND IT HAD A GROWTH OF 24% (35% IN U.S. DOLLARS) IN RELATION TO LAST YEAR.

### OPERATIVE FLOW - EBITDA

THE EBITDA IN 2010'S SECOND QUARTER WAS \$119.5 MILLION PESOS (U.S. \$9.5) AND IT GREW 22% (29% IN U.S. DOLLARS) COMPARED WITH LAST YEAR'S SAME PERIOD.

WHEREAS THE ACCRUED EBITDA MOUNTED \$257.0 MILLION (U.S. \$20.3), COMPARED WITH \$201.5 MILLION PESOS (USD \$14.5) REPORTED UP TO JUNE, WHICH REPRESENTED AN INCREASE OF 27% (39% IN DOLLARS). EBITDA'S BEHAVIOR IS THE RESULT OF THE FACTORS MENTIONED ABOVE IN RELATION TO SALES, COSTS AND EXPENSES.

### COMPREHENSIVE FINANCING COST

THE COMPREHENSIVE FINANCING COST FOR 2010'S SECOND QUARTER WAS A COSTS OF \$18.5 MILLION PESOS (U.S. \$1.4), COMPARED WITH \$13.8 MILLION PESOS (U.S. \$1.0) OF PRODUCT GENERATED FOR THE SAME PERIOD OF LAST YEAR.

ACCRUED UP TO JUNE 2010, THE COMPREHENSIVE FINANCING COST RESULT FOR 2010 REPRESENTED A \$10.4 MILLION PESOS (U.S. \$0.8) COST, AND IT DECREASED 68% (65% IN U.S. DOLLARS) WITH RESPECT OF JUNE, 2009, AS A RESULTS OF A DECREASE IN THE LIABILITIES WITH COST WHICH IS REFLECTED IN LESS INTERESTS BEING CHARGED.

### MAJORITY NET INCOME

THE MAJORITY NET INCOME FOR 2010'S SECOND QUARTER WAS \$50.6 MILLION PESOS (U.S. \$4.1), WHICH COMPARED WITH \$65.3 MILLION PESOS (U.S. \$4.7) OBTAINED IN 2009'S SECOND QUARTER DECREASED 22% (13% IN U.S. DOLLARS), DUE MAINLY TO THE EXCHANGE FLUCTUATION IMPACT RECORDED IN THE COMPREHENSIVE FINANCING COST MENTIONED IN THE PARAGRAPHS ABOVE.

HOWEVER, THE GROWTH IN THE MAJORITY NET INCOME ACCRUED FROM JANUARY TO JUNE 2010 WAS EXCELLENT, YIELDING A PROFIT OF \$138.4 MILLION PESOS (U.S. \$10.9), WHICH COMPARED WITH \$84.4 MILLION PESOS (U.S. \$6.0) OBTAINED UP TO JUNE 2009 REPRESENTED A GROWTH OF 63% (78% IN U.S. DOLLARS). THE PERCENTAGE RESPECT TO SALES WAS 5% AND 3% FOR 2010 AND 2009 RESPECTIVELY.

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

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THIS VARIATION IS THE RESULT OF THE COMBINATION OF SEVERAL FACTORS: GREATER SALES VOLUME AND COST AND EXPENDITURES DECREASE AS A RESULT OF THE SAVING PROGRAMS IMPLEMENTED.

FREE CASH FLOW (OPERATIVE FLOW MINUS INVESTMENT ACTIVITIES FLOW)

THE FREE CASH FLOW ACCRUED UP TO JUNE WAS \$60.6 MILLION PESOS (U.S. \$4.7), WHILE FOR THE SAME PERIOD IN LAST YEAR IT WAS \$34.4 MILLION PESOS (U.S. \$2.4), WITH AN INCREASE OF 76% (95% IN U.S. DOLLARS). THIS VARIATION IS DUE MAINLY TO THE FOLLOWING: AN INCREASE IN THE PROFIT BEFORE TAXES BY \$60.9 MILLION PESOS (U.S. \$4.8), WHILE THE FLOWS USED IN THE OPERATION WERE \$13.0 MILLION PESOS (U.S. \$1.0), MORE THAN 2009'S SECOND QUARTER; THE INVESTMENT ON PROPERTY, PLANT AND EQUIPMENT WAS ALSO GREATER WITH \$19.9 MILLION PESOS (U.S. \$1.6).

### RATIOS

THE RATE BETWEEN CURRENT ASSETS AND CURRENT LIABILITIES IMPROVES SIGNIFICANTLY, PLACED IN 1.36 WITH A 5% IMPROVEMENT IN RELATION TO 2009, WHILE THE ACCOUNTS RECEIVABLE WAS PLACED IN 31 DAYS, 3% LESS THAN LAST YEAR. ALSO, THE OPERATION'S PERFORMANCE KEEPS GETTING STRONGER WITH THE DECREASE OF THE INVENTORIES DAYS, 7% IN RELATION TO LAST YEAR, PLACED IN 38 DAYS.

THE BANK LIABILITY WAS REDUCED IN \$45.1 MILLION (U.S. \$3.5) WITH RESPECT TO 2009, DUE TO THE CONTINUING GOOD FINANCIAL PRACTICES WITHIN THE GROUP. THIS HELPED TO IMPROVE THE LEVERAGING LEVELS (DEBT WITH COST FOR EBITDA) WHICH WERE REDUCED 15% AND THE INTEREST COVERAGE WHICH INCREASED 56% RESPECT OF THE 2009'S SECOND QUARTER.

THE YIELD RATES PRESENTED OUTSTANDING RESULTS, DUE TO THE NET INCOME GENERATED IN THE LAST TWELVE MONTHS, WHICH WAS MANAGED AS PROVIDED IN THE ABOVE PARAGRAPHS. IN THE FOLLOWING TABLE WE CAN SEE THE VARIANCE PERCENTAGES COMPARED WITH LAST YEAR'S SECOND QUARTER. THE NET PROFIT AMOUNTS ARE:

NET INCOME JAN-JUN 2010: \$ 138.1 MILLION PESOS (U.S. \$10.9)

NET INCOME IN THE LAST TWELVE MONTHS: \$ 209.9 MILLION PESOS (U.S. \$16.5)

### YIELD

NET INCOME TO NET SALES NET / INCOME** TO STOCKHOLDERS' EQUITY		
IIT10	4.96%	7.70%
IIT09	3.33%	4.39%
VARIATION	49%	75%

NET INCOME** TO TOTAL ASSETS	
IIT10	4.82%
IIT09	2.80%
VARIATION	72%

### \*\*LAST TWELVE MONTHS

NON AUDITED FINANCIAL INFORMATION. IN THIS REPORT, THE AMOUNTS ARE EXPRESSED IN NOMINAL PESOS (\$), OR IN NOMINAL DOLLARS (U.S. \$), AS INDICATED. WHERE APPLICABLE, THE PESOS AMOUNTS WERE CONVERTED TO DOLLARS USING THE AVERAGE MONTHLY EXCHANGE RATE USED TO PERFORM THE TRANSACTIONS. THE FINANCIAL INDICATORS ARE CALCULATED IN MEXICAN PESOS. THERE MIGHT BE SLIGHT DIFFERENCES IN THE VARIANCE PERCENTAGES FROM ONE PERIOD TO THE

MEXICAN STOCK EXCHANGE

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OTHER, DUE TO THE ROUNDING OF AMOUNTS TO MILLION PESOS OR TO MILLION DOLLARS.

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**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, 2009, THE COMPANY ADOPTED THE FOLLOWING NEW NIFS:

NIF B-7, BUSINESS ACQUISITIONS, REQUIRES VALUATION OF NON-CONTROLLING INTEREST (FORMERLY MINORITY INTEREST) AT FAIR VALUE, AS OF THE DATE OF ACQUISITION, AND RECOGNITION OF THE TOTAL GOODWILL AT FAIR VALUE. NIF B-7 ALSO ESTABLISHES THAT TRANSACTION EXPENSES SHOULD NOT FORM PART OF THE PURCHASE CONSIDERATION AND RESTRUCTURING EXPENSES SHOULD NOT BE RECOGNIZED AS AN ASSUMED LIABILITY.

NIF B-8, CONSOLIDATED OR COMBINED FINANCIAL STATEMENTS, ESTABLISHES THAT SPECIAL PURPOSE ENTITIES OVER WHICH THE COMPANY HAS CONTROL SHOULD BE CONSOLIDATED. IT ALSO ESTABLISHES THE OPTION OF PRESENTING SEPARATE FINANCIAL STATEMENTS FOR INTERMEDIATE CONTROLLING ENTITIES, PROVIDED CERTAIN REQUIREMENTS ARE MET. NIF B-8 ALSO REQUIRES CONSIDERATION OF POTENTIAL VOTING RIGHTS TO ANALYZE WHETHER CONTROL EXISTS.

NIF C-7, INVESTMENTS IN ASSOCIATED COMPANIES AND OTHER PERMANENT INVESTMENTS, REQUIRES VALUATION, THROUGH THE EQUITY METHOD, OF INVESTMENTS IN SPECIAL PURPOSE ENTITIES OVER WHICH THE COMPANY HAS SIGNIFICANT INFLUENCE. IT ALSO REQUIRES CONSIDERATION OF POTENTIAL VOTING RIGHTS TO ANALYZE WHETHER SIGNIFICANT INFLUENCE EXISTS. NIF C-7 ESTABLISHES A SPECIFIC PROCEDURE AND SETS A LIMIT FOR THE RECOGNITION OF LOSSES IN ASSOCIATED COMPANIES, AND REQUIRES THAT THE INVESTMENT IN ASSOCIATED COMPANIES INCLUDE THE RELATED GOODWILL.

NIF C-8, INTANGIBLE ASSETS, REQUIRES THAT THE UNAMORTIZED BALANCE OF PREOPERATING COSTS AS OF DECEMBER 31, 2008 BE CANCELLED AGAINST RETAINED EARNINGS.

NIF D-8, SHARE-BASED PAYMENTS, SETS THE RULES FOR RECOGNITION OF TRANSACTIONS INVOLVING SHARE-BASED PAYMENTS (AT FAIR VALUE OF GOODS RECEIVED, OR FAIR VALUE OF EQUITY INSTRUMENTS GRANTED), INCLUDING GRANTING EMPLOYEES THE OPTION TO PURCHASE COMPANY SHARES, THUS ELIMINATING SUPPLEMENTARY APPLICATION OF INTERNATIONAL FINANCIAL INFORMATION STANDARD NO. 2, SHARE-BASED PAYMENTS.

THE ADOPTING OF THESE NEW STANDARDS, HAVE NO MATERIAL EFFECTS IN THE CONSOLIDATED 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, 2008 HAVE BEEN RECLASSIFIED TO CONFORM TO THE PRESENTATION OF THE 2009 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, 2009 AND 2008, WAS 15.01% AND 11.56%, RESPECTIVELY, THE ECONOMIC ENVIRONMENT MAY BE CONSIDERED NON-INFLATIONARY IN BOTH YEARS. INFLATION RATES FOR THE YEARS ENDED 2009 AND 2008 WERE 3.57% AND 6.53%, RESPECTIVELY.

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

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2007.

ON JANUARY 1, 2008, THE COMPANY RECLASSIFIED THE ENTIRE BALANCE OF THE INSUFFICIENCY IN RESTATED STOCKHOLDERS' EQUITY TO RETAINED EARNINGS, AND CONCLUDED THAT IT IS IMPRACTICAL TO IDENTIFY THE GAIN (LOSS) FROM HOLDING NON-MONETARY ASSETS RELATED TO ASSETS NOT REALIZED AS OF THAT DATE.

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, WHICH ARE SUBJECT TO INSIGNIFICANT VALUE CHANGE RISKS. CASH IS STATED AT NOMINAL VALUE AND CASH EQUIVALENTS ARE MEASURED 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 THROUGH 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. DEPRECIATION AND AMORTIZATION ARE CALCULATED USING THE STRAIGHT-LINE METHOD BASED ON THE REMAINING USEFUL LIVES OF THE RELATED ASSETS, AS FOLLOWS:

AVERAGE YEARS

2009

2008

BUILDINGS

19

20

LEASEHOLD IMPROVEMENTS

10

10

INDUSTRIAL MACHINERY AND EQUIPMENT

9

9

VEHICLES

3

3

COMPUTERS

2

2

OFFICE FURNITURE AND EQUIPMENT

5

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# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: BAFAR

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

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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.

H. 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.

I. 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.

J. 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.

K. PROVISIONS - PROVISIONS ARE RECOGNIZED FOR CURRENT OBLIGATIONS THAT RESULT FROM A PAST EVENT, ARE PROBABLE TO RESULT IN THE USE OF ECONOMIC RESOURCES, AND CAN BE REASONABLY ESTIMATED.

L. 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.

M. 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 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, 2009 AND 2008. 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.

N. STATUTORY EMPLOYEE PROFIT SHARING - 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

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# MEXICAN STOCK EXCHANGE

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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

O. 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. ACCORDING TO NIF D-4, INCOME TAXES, THE BALANCE OF THE INITIAL CUMULATIVE EFFECT OF DEFERRED INCOME TAXES WAS RECLASSIFIED TO RETAINED EARNINGS AS OF JANUARY 1, 2008.

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.

P. FOREIGN CURRENCY BALANCES AND 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.

Q. 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.

R. 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 (LOSS) 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, 2009, THERE WERE NOT COMMITMENTS TO ISSUE OR EXCHANGE ITS OWN SHARES.

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# MEXICAN STOCK EXCHANGE

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

## ANALYSIS OF INVESTMENTS IN SHARES

**CONSOLIDATED**

SUBSIDIARIES

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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
LONG HORN AVIATION, LLC	PRESTACION DE SERVICIOS DE LOGISTICA	0	100.00

# MEXICAN STOCK EXCHANGE

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QUARTER: **02** YEAR: **2010**

## CREDITS BREAK DOWN

(Thousand Pesos)

**CONSOLIDATED**

**Final Printing**

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	0						
	NOT APPLIED				0	0	0	0	0	0						
	NOT APPLIED				0	0	0	0	0	0						
<b>SECURED</b>																
BBVA	NOT APPLIED	21/10/2005	01/11/2010	9.82	0	6,630	0	0	0	0						
BBVA	NOT APPLIED	19/01/2007	31/12/2013	8.89	0	18,000	18,000	18,000	9,000	0						
SANTANDER	NOT APPLIED	30/11/2005	30/11/2010	9.60	0	8,318	0	0	0	0						
SCOTIABANK	NOT APPLIED	31/10/2008	30/09/2013	9.50	0	22,000	22,000	22,000	22,000	93,500						
<b>COMMERCIAL BANKS</b>																
SANTANDER	NOT APPLIED	18/03/2010	17/09/2010	6.44	70,000	0	0	0	0	0						
PNC BANK	NOT APPLIED		31/12/2008	4.10	0	0	0	0	0	0						
PNC BANK	NOT APPLIED		31/12/2008	4.10	0	0	0	0	0	0						
PNC BANK	NOT APPLIED		31/12/2008		0	0	0	0	0	0						
	NOT APPLIED				0	0	0	0	0	0						
	NOT APPLIED				0	0	0	0	0	0						
	NOT APPLIED				0	0	0	0	0	0						
	NOT APPLIED				0	0	0	0	0	0						
	NOT APPLIED				0	0	0	0	0	0						
PNC BANK	YES		31/12/2008	4.10							2,343	0	0	0	0	0
PNC BANK	YES		31/12/2008	4.10							2,133	0	0	0	0	0
PNC BANK	YES		31/12/2008	3.25							1,306	0	0	0	0	0
COBANK	YES		31/12/2008	4.60							1,812	0	0	0	0	0
COBANK	YES		31/12/2008	4.60							1,903	0	0	0	0	0
COBANK	YES		31/12/2008	4.60							1,074	0	0	0	0	0
COBANK	YES		31/12/2008	4.60							2,626	0	0	0	0	0
BBVA	NOT	25/03/2010	20/08/2010	2.09							57,777	0	0	0	0	0
INBURSA	NOT	05/05/2010	02/07/2010	1.85							44,938	0	0	0	0	0
INBURSA	NOT	11/05/2010	02/07/2010	1.85							44,938	0	0	0	0	0
INBURSA	NOT	20/05/2010	02/07/2010	1.85							54,567	0	0	0	0	0
INBURSA	NOT	26/05/2010	02/07/2010	1.85							52,642	0	0	0	0	0
INBURSA	NOT	04/06/2010	02/09/2010	1.85							56,082	0	0	0	0	0
INBURSA	NOT	07/06/2010	02/09/2010	1.85							77,036	0	0	0	0	0
	NOT										0	0	0	0	0	0

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QUARTER: **02** YEAR: **2010**

## CREDITS BREAK DOWN

(Thousand Pesos)

**CONSOLIDATED**  
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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
	NOT										0	0	0	0	0	0
	NOT										0	0	0	0	0	0
	NOT										0	0	0	0	0	0
	NOT										0	0	0	0	0	0
	NOT										0	0	0	0	0	0
	NOT										0	0	0	0	0	0
OTHER																
<b>TOTAL BANKS</b>					<b>70,000</b>	<b>54,948</b>	<b>40,000</b>	<b>40,000</b>	<b>31,000</b>	<b>93,500</b>	<b>401,177</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# MEXICAN STOCK EXCHANGE

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## CREDITS BREAK DOWN

(Thousand Pesos)

**CONSOLIDATED**

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CREDIT TYPE / INSTITUTION	WITH FOREIGN 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			0	154,666	0	0	0	0						
PROVEEDOPRES	NOT									0	194,241	0	0	0	0
<b>TOTAL SUPPLIERS</b>				0	154,666	0	0	0	0	0	194,241	0	0	0	0
<b>OTHER LOANS WITH COST (\$103 Y \$30)</b>															
OBLIGACIONES	NOT APPLIED			0	67,848	0	0	0	0						
	NOT									0	0	0	0	0	0
<b>TOTAL</b>				0	67,848	0	0	0	0	0	0	0	0	0	0
<b>OTHER CURRENT LIABILITIES WITHOUT COST (\$26)</b>															
OTROS	NOT APPLIED			0	56,342										
OTROS										0	1,521				
<b>TOTAL</b>				0	56,342	0	0	0	0	0	1,521	0	0	0	0
<b>TOTAL</b>				70,000	333,804	40,000	40,000	31,000	93,500	401,177	195,762	0	0	0	0

# MEXICAN STOCK EXCHANGE

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## MONETARY FOREIGN CURRENCY POSITION

**CONSOLIDATED**

(Thousand Pesos)

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FOREIGN CURRENCY POSITION	DOLLARS		OTHER CURRENCIES		TOTAL THOUSANDS OF PESOS
	DOLLARS	PESOS	DOLLARS	PESOS	
<b>MONETARY ASSETS</b>	<b>2,778</b>	<b>35,672</b>	<b>0</b>	<b>0</b>	<b>35,672</b>
<b>LIABILITIES POSITION</b>	<b>46,677</b>	<b>598,192</b>	<b>87</b>	<b>1,369</b>	<b>599,561</b>
SHORT-TERM LIABILITIES POSITION	46,677	598,192	87	1,369	599,561
LONG-TERM LIABILITIES POSITION	0	0	0	0	0
<b>NET BALANCE</b>	<b>-43,899</b>	<b>-562,520</b>	<b>-87</b>	<b>-1,369</b>	<b>-563,889</b>

**NOTES**

EL TIPO DE CAMBIO UTILIZADO PARA DOLARES AMERICANOS (USD) ES DE 12.8394  
 EL TIPO DE CAMBIO UTILIZADO PARA EUROS (EUR) ES DE 15.7841

# MEXICAN STOCK EXCHANGE

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

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## RESULT FROM MONETARY POSITION

CONSOLIDATED

(Thousand Pesos)

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MONTH	MONETARY ASSETS	MONETARY LIABILITIES	(ASSET) LIABILITY MONETARY POSITION	MONTHLY INFLATION	MONTHLY PROFIT AND (LOSS)
<b>TOTAL</b>					0

OTHER CONCEPTS:					
CAPITALIZED RESULT FOR MONETARY POSITION					

NOTES

# MEXICAN STOCK EXCHANGE

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

**DEBT INSTRUMENTS**

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FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

NO APLICA

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

**DEBT INSTRUMENTS**

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ACTUAL SITUATION OF FINANCIAL LIMITED

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# MEXICAN STOCK EXCHANGE

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

## PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

**CONSOLIDATED**

**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

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## MAIN RAW MATERIALS

**CONSOLIDATED**

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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

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## SALES DISTRIBUTION BY PRODUCT

**CONSOLIDATED**

NET SALES/TOTAL SALES

**Final Printing**

MAIN PRODUCTS	NET SALES		MARKET SHARE (%)	MAIN	
	VOLUME	AMOUNT		TRADEMARKS	CUSTOMERS
<b>DOMESTIC SALES</b>					
CARNICOS	77,362	2,696,599	0	BAFAR, PERY Y TURKEY	AUTOSERVICIOS Y TIEN
OTROS	17,108	66,121	0	CAPITAN	VARIOS
<b>FOREIGN SALES</b>					
CARNICOS	584	21,645	0	BAFAR	VARIOS DISTRIBUIDORE
<b>TOTAL</b>		<b>2,784,365</b>			

# MEXICAN STOCK EXCHANGE

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

QUARTER: **02**      YEAR: **2010**

## SALES DISTRIBUTION BY PRODUCT

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FOREIGN SALES

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MAIN PRODUCTS	NET SALES		DESTINATION	MAIN	
	VOLUME	AMOUNT		TRADEMARKS	CUSTOMERS
EXPORT					

FOREIGN SUBSIDIARIES					
CARNICOS	584	21,645	E.U.A.	BAFAR	VARIOS DISTRIBUIDORE
<b>TOTAL</b>		<b>21,645</b>			

NOTES

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **02** YEAR: **2010**

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

**PROJECT, AMOUNT EXERCISED AND PROGRESS  
PERCENTAGE**

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# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **02** YEAR: **2010**

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

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

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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: **02**      YEAR: **2010**

## ANALYSIS OF PAID CAPITAL STOCK

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SERIES	NOMINAL VALUE	VALID COUPON	NUMBER OF SHARES				CAPITAL STOCK	
			FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUBSCRIPTION	FIXED	VARIABLE
<b>B</b>	<b>0.00000</b>	<b>0</b>	<b>120,000,000</b>	<b>192,385,948</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>33,600</b>
<b>TOTAL</b>			120,000,000	192,385,948	0	0	20,000	33,600

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

312,385,948

**NOTES**

# MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **02** YEAR: **2010**

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

**DERIVATIVE FINANCIAL INSTRUMENTS**

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