

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **02** YEAR: **2011**

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

BALANCE SHEETS

TO JUNIO 30 OF 2011 AND 2010

CONSOLIDATED

(Thousand Pesos)

Final Printing

| REF S | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|---------------------------------------------------------------------------------------|------------------|------------|------------------|------------|
| | | Amount | % | Amount | % |
| s01 | TOTAL ASSETS | 4,386,306 | 100 | 4,340,980 | 100 |
| s02 | CURRENT ASSETS | 1,348,950 | 31 | 1,412,739 | 33 |
| s03 | CASH AND AVAILABLE INVESTMENTS | 171,095 | 4 | 366,255 | 8 |
| s04 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 482,818 | 11 | 547,370 | 13 |
| s05 | OTHER ACCOUNTS AND NOTES RECEIVABLE (NET) | 242,790 | 6 | 106,240 | 2 |
| s06 | INVENTORIES | 445,364 | 10 | 386,755 | 9 |
| s07 | OTHER CURRENT ASSETS | 6,883 | 0 | 6,119 | 0 |
| s08 | LONG-TERM | 0 | 0 | 0 | 0 |
| 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 |
| s12 | PROPERTY, PLANT AND EQUIPMENT (NET) | 1,710,016 | 39 | 1,649,665 | 38 |
| s13 | LAND AND BUILDINGS | 1,004,827 | 23 | 1,016,915 | 23 |
| s14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 1,008,374 | 23 | 910,079 | 21 |
| s15 | OTHER EQUIPMENT | 537,709 | 12 | 518,175 | 12 |
| s16 | ACCUMULATED DEPRECIATION | 997,785 | 23 | 832,500 | 19 |
| s17 | CONSTRUCTION IN PROGRESS | 156,891 | 4 | 36,996 | 1 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 306,861 | 7 | 255,349 | 6 |
| s19 | OTHER ASSETS | 1,020,479 | 23 | 1,023,227 | 24 |
| s20 | TOTAL LIABILITIES | 1,465,549 | 100 | 1,615,742 | 100 |
| s21 | CURRENT LIABILITIES | 849,197 | 58 | 1,024,627 | 63 |
| s22 | SUPPLIERS | 303,092 | 21 | 348,907 | 22 |
| s23 | BANK LOANS | 372,204 | 25 | 526,125 | 33 |
| s24 | STOCK MARKET LOANS | 0 | 0 | 0 | 0 |
| s103 | OTHER LOANS WITH COST | 80,215 | 5 | 67,848 | 4 |
| s25 | TAXES PAYABLE | 27,466 | 2 | 23,884 | 1 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 66,220 | 5 | 57,863 | 4 |
| s27 | LONG-TERM LIABILITIES | 164,500 | 11 | 204,500 | 13 |
| s28 | BANK LOANS | 164,500 | 11 | 204,500 | 13 |
| s29 | STOCK MARKET LOANS | 0 | 0 | 0 | 0 |
| s30 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| s31 | DEFERRED LIABILITIES | 0 | 0 | 0 | 0 |
| s32 | OTHER NON CURRENT LIABILITIES WITHOUT COST | 451,852 | 31 | 386,615 | 24 |
| s33 | CONSOLIDATED STOCKHOLDERS EQUITY | 2,920,757 | 100 | 2,725,238 | 100 |
| s34 | COUNTABLE CAPITAL OF THE PARTICIPATION NOT CONTROLADORA | 11,650 | 0 | 10,214 | 0 |
| s35 | COUNTABLE CAPITAL OF THE PARTICIPATION CONTROLADORA | 2,909,107 | 100 | 2,715,024 | 100 |
| s36 | CONTRIBUTED CAPITAL | 472,653 | 16 | 544,124 | 20 |
| s79 | CAPITAL STOCK | 150,833 | 5 | 149,784 | 5 |
| s39 | PREMIUM ON ISSUANCE OF SHARES | 321,820 | 11 | 394,340 | 14 |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| s41 | EARNED CAPITAL | 2,436,454 | 83 | 2,170,900 | 80 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 2,620,101 | 90 | 2,354,547 | 86 |
| 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: **02** YEAR: **2011**

BALANCE SHEETS

BREAKDOWN OF MAIN CONCEPTS

CONSOLIDATED

(Thousand Pesos)

Final Printing

| REF S | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|----------------------------------------------------------|------------------|------------|------------------|------------|
| | | Amount | % | Amount | % |
| s03 | CASH AND AVAILABLE INVESTMENTS | 171,095 | 100 | 366,255 | 100 |
| s46 | CASH | 67,865 | 40 | 83,469 | 23 |
| s47 | AVAILABLE INVESTMENTS | 103,230 | 60 | 282,786 | 77 |
| s07 | OTHER CURRENT ASSETS | 6,883 | 100 | 6,119 | 100 |
| s81 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 |
| s82 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s83 | OTHER | 6,883 | 100 | 6,119 | 100 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 306,861 | 100 | 255,349 | 100 |
| s48 | DEFERRED EXPENSES (NET) | 302,373 | 99 | 250,861 | 98 |
| s49 | GOODWILL | 4,488 | 1 | 4,488 | 2 |
| s51 | OTHER | 0 | 0 | 0 | 0 |
| s19 | OTHER ASSETS | 1,020,479 | 100 | 1,023,227 | 100 |
| 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 | 1,020,479 | 100 | 1,023,227 | 100 |
| s21 | CURRENT LIABILITIES | 849,197 | 100 | 1,024,627 | 100 |
| s52 | FOREIGN CURRENCY LIABILITIES | 485,981 | 57 | 599,561 | 59 |
| s53 | MEXICAN PESOS LIABILITIES | 363,216 | 43 | 425,066 | 41 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 66,220 | 100 | 57,863 | 100 |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 |
| s89 | INTEREST LIABILITIES | 144 | 0 | 193 | 0 |
| s68 | PROVISIONS | 26,709 | 40 | 27,839 | 48 |
| s90 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s58 | OTHER CURRENT LIABILITIES | 39,367 | 59 | 29,831 | 52 |
| s105 | BENEFITS TO EMPLOYEES | 0 | 0 | 0 | 0 |
| s27 | LONG-TERM LIABILITIES | 164,500 | 100 | 204,500 | 100 |
| s59 | FOREIGN CURRENCY LIABILITIES | 0 | 0 | 0 | 0 |
| s60 | MEXICAN PESOS LIABILITIES | 164,500 | 100 | 204,500 | 100 |
| s31 | DEFERRED LIABILITIES | 0 | 100 | 0 | 100 |
| s65 | NEGATIVE GOODWILL | 0 | 0 | 0 | 0 |
| s67 | OTHER | 0 | 0 | 0 | 0 |
| s32 | OTHER NON CURRENT LIABILITIES WITHOUT COST | 451,852 | 100 | 386,615 | 100 |
| s66 | DEFERRED TAXES | 434,430 | 96 | 377,902 | 98 |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 17,422 | 4 | 8,713 | 2 |
| s92 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s69 | OTHER LIABILITIES | 0 | 0 | 0 | 0 |
| s79 | CAPITAL STOCK | 150,833 | 100 | 149,784 | 100 |
| s37 | CAPITAL STOCK (NOMINAL) | 54,457 | 36 | 53,408 | 36 |
| s38 | RESTATEMENT OF CAPITAL STOCK | 96,376 | 64 | 96,376 | 64 |

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

BALANCE SHEETS

BREAKDOWN OF MAIN CONCEPTS

CONSOLIDATED

(Thousand Pesos)

Final Printing

| REF S | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|---------------------------------------------------------|------------------|------------|------------------|------------|
| | | Amount | % | Amount | % |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 2,620,101 | 100 | 2,354,547 | 100 |
| s93 | LEGAL RESERVE | 0 | 0 | 0 | 0 |
| s43 | RESERVE FOR REPURCHASE OF SHARES | -11,601 | 0 | 34,749 | 1 |
| s94 | OTHER RESERVES | 0 | 0 | 0 | 0 |
| s95 | RETAINED EARNINGS | 2,489,440 | 95 | 2,183,395 | 93 |
| s45 | NET INCOME FOR THE YEAR | 142,262 | 5 | 136,403 | 6 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | -183,647 | 100 | -183,647 | 100 |
| 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 |

MEXICAN STOCK EXCHANGE

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QUARTER: **02** YEAR: **2011**

BALANCE SHEETS

OTHER CONCEPTS

(Thousand Pesos)

CONSOLIDATED

Final Printing

| REF S | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|-------|------------------------------------|--------------|---------------|
| | | Amount | Amount |
| s72 | WORKING CAPITAL | 499,753 | 388,112 |
| s73 | PENSIONS AND SENIORITY PREMIUMS | 17,422 | 8,713 |
| s74 | EXECUTIVES (*) | 71 | 72 |
| s75 | EMPLOYEES (*) | 6,787 | 6,668 |
| s76 | WORKERS (*) | 1,189 | 1,540 |
| s77 | OUTSTANDING SHARES (*) | 314,630,214 | 312,385,948 |
| s78 | REPURCHASED SHARES (*) | 815,682 | 3,059,948 |
| s101 | RESTRICTED CASH | 0 | 0 |
| s102 | DEBT OF NON CONSOLIDATED COMPANIES | 0 | 0 |

(*) THESE CONCEPTS ARE STATED IN UNITS

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

STATEMENTS OF INCOME

FROM JANUARY THE 1st TO JUNIO 30 OF 2011 AND 2010

CONSOLIDATED

(Thousand Pesos)

Final Printing

| REF R | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|-----------------------------------------------------------------------------------------|------------------|------------|------------------|------------|
| | | Amount | % | Amount | % |
| r01 | NET SALES | 2,958,741 | 100 | 2,784,365 | 100 |
| r02 | COST OF SALES | 1,925,274 | 65 | 1,836,428 | 66 |
| r03 | GROSS PROFIT | 1,033,467 | 35 | 947,937 | 34 |
| r04 | GENERAL EXPENSES | 838,994 | 28 | 773,764 | 28 |
| r05 | INCOME (LOSS) FROM OPERATION | 194,473 | 7 | 174,173 | 6 |
| r08 | OTHER INCOME AND (EXPENSE), NET | -1,066 | 0 | -1,084 | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | -13,170 | 0 | -10,418 | 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 | INCOME BEFORE INCOME TAXES | 180,237 | 6 | 162,671 | 6 |
| r10 | INCOME TAXES | 30,640 | 1 | 24,522 | 1 |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 149,597 | 5 | 138,149 | 5 |
| r14 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| r18 | NET CONSOLIDATED INCOME | 149,597 | 5 | 138,149 | 5 |
| r19 | NET INCOME OF PARTICIPATION NOT CONTROLADORA | 7,335 | 0 | 1,746 | 0 |
| r20 | NET INCOME OF PARTICIPATION CONTROLADORA | 142,262 | 5 | 136,403 | 5 |

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STATEMENTS OF INCOME

BREAKDOWN OF MAIN CONCEPTS

CONSOLIDATED

(Thousand Pesos)

Final Printing

| REF R | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|----------------------------------------|------------------|------------|------------------|------------|
| | | Amount | % | Amount | % |
| r01 | NET SALES | 2,958,741 | 100 | 2,784,365 | 100 |
| r21 | DOMESTIC | 2,926,064 | 99 | 2,762,720 | 99 |
| r22 | FOREIGN | 32,677 | 1 | 21,645 | 1 |
| r23 | TRANSLATED INTO DOLLARS (***) | 2,626 | 0 | 1,706 | 0 |
| r08 | OTHER INCOME AND (EXPENSE), NET | -1,066 | 100 | -1,084 | 100 |
| r49 | OTHER INCOME AND (EXPENSE), NET | -1,066 | 100 | -1,084 | 100 |
| r34 | EMPLOYEES PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| r35 | DEFERRED EMPLOYEES PROFIT SHARING | 0 | 0 | 0 | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | -13,170 | 100 | -10,418 | 100 |
| r24 | INTEREST EXPENSE | 42,889 | -326 | 21,036 | -202 |
| r42 | GAIN (LOSS) ON RESTATEMENT OF UDIS | 0 | 0 | 0 | 0 |
| r45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| r26 | INTEREST INCOME | 21,775 | -165 | 3,967 | -38 |
| r46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| r25 | FOREIGN EXCHANGE GAIN (LOSS) (NET) | 7,944 | -60 | 6,651 | -64 |
| r28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| r10 | INCOME TAXES | 30,640 | 100 | 24,522 | 100 |
| r32 | INCOME TAX | 0 | 0 | 0 | 0 |
| r33 | DEFERRED INCOME TAX | 30,640 | 100 | 24,522 | 100 |

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

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

STATEMENTS OF INCOME

OTHER CONCEPTS
 (Thousand Pesos)

CONSOLIDATED

Final Printing

| REF R | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|-------|----------------------------------------------|--------------|---------------|
| | | Amount | Amount |
| r36 | TOTAL SALES | 3,193,824 | 2,957,968 |
| r37 | TAX RESULT FOR THE YEAR | 0 | 0 |
| r38 | NET SALES (**) | 6,069,582 | 5,479,392 |
| r39 | OPERATING INCOME (**) | 383,178 | 337,920 |
| r40 | NET INCOME OF PARTICIPATION CONTROLADORA(**) | 270,416 | 209,772 |
| r41 | NET CONSOLIDATED INCOME (**) | 283,945 | 209,927 |
| r47 | OPERATIVE DEPRECIATION AND ACCUMULATED | 98,395 | 82,923 |

(**) RESTATED INFORMATION OF THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

QUARTERLY STATEMENTS OF INCOME

FROM APRIL 1 TO JUNE 30 OF 2011

CONSOLIDATED

(Thousand Pesos)

Final Printing

| REF RT | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|-----------|-----------------------------------------------------------------------------------------|------------------|------------|------------------|------------|
| | | Amount | % | Amount | % |
| rt01 | NET SALES | 1,482,343 | 100 | 1,407,619 | 100 |
| rt02 | COST OF SALES | 970,980 | 66 | 941,884 | 67 |
| rt03 | GROSS PROFIT | 511,363 | 34 | 465,735 | 33 |
| rt04 | GENERAL EXPENSES | 421,096 | 28 | 388,272 | 28 |
| rt05 | INCOME (LOSS) FROM OPERATION | 90,267 | 6 | 77,463 | 6 |
| rt08 | OTHER INCOME AND (EXPENSE), NET | 495 | 0 | 70 | 0 |
| rt06 | COMPREHENSIVE FINANCING RESULT | -10,677 | 0 | -18,518 | -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 | INCOME BEFORE INCOME TAXES | 80,085 | 5 | 59,015 | 4 |
| rt10 | INCOME TAXES | 13,147 | 1 | 6,796 | 0 |
| rt11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 66,938 | 5 | 52,219 | 4 |
| rt14 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| rt18 | NET CONSOLIDATED INCOME | 66,938 | 5 | 52,219 | 4 |
| rt19 | NET INCOME OF PARTICIPATION NOT CONTROLADORA | 2,833 | 0 | 1,554 | 0 |
| rt20 | NET INCOME OF PARTICIPATION CONTROLADORA | 64,105 | 4 | 50,665 | 4 |

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QUARTER: **02** YEAR: **2011**

QUARTERLY STATEMENTS OF INCOME

BREAKDOWN OF MAIN CONCEPTS

(Thousand Pesos)

CONSOLIDATED

Final Printing

| REF RT | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|-------------|----------------------------------------|------------------|------------|------------------|------------|
| | | Amount | % | Amount | % |
| rt0 | NET SALES | 1,482,343 | 100 | 1,407,619 | 100 |
| rt21 | DOMESTIC | 1,467,270 | 99 | 1,395,181 | 99 |
| rt22 | FOREIGN | 15,073 | 1 | 12,438 | 1 |
| rt23 | TRANSLATED INTO DOLLARS (***) | 1,206 | 0 | 991 | 0 |
| rt08 | OTHER INCOME AND (EXPENSE), NET | 495 | 100 | 70 | 100 |
| rt49 | OTHER INCOME AND (EXPENSE), NET | 495 | 100 | 70 | 100 |
| rt34 | EMPLOYEES PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| rt35 | DEFERRED EMPLOYEES PROFIT SHARING | 0 | 0 | 0 | 0 |
| rt06 | COMPREHENSIVE FINANCING RESULT | -10,677 | 100 | -18,518 | 100 |
| rt24 | INTEREST EXPENSE | 26,961 | -253 | 12,224 | -66 |
| rt42 | GAIN (LOSS) ON RESTATEMENT OF UDIS | 0 | 0 | 0 | 0 |
| rt45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| rt26 | INTEREST INCOME | 18,420 | -173 | 5,195 | -28 |
| rt46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| rt25 | FOREIGN EXCHANGE GAIN (LOSS) (NET) | -2,136 | 20 | -11,489 | 62 |
| rt28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| rt10 | INCOME TAXES | 13,147 | 100 | 6,796 | 100 |
| rt32 | INCOME TAX | 15,242 | 116 | 0 | 0 |
| rt33 | DEFERRED INCOME TAX | -2,095 | -16 | 6,796 | 100 |

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

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

QUARTERLY STATEMENTS OF INCOME

OTHER CONCEPTS
(Thousand Pesos)

CONSOLIDATED

Final Printing

| REF RT | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|-----------|-------------------------------------------------------------|--------------|---------------|
| | | Amount | Amount |
| rt47 | OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES | 49,583 | 42,128 |

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **02**

YEAR: **2011**

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 |
| | ACTIVITIES OF OPERATION | | |
| e01 | INCOME (LOSS) BEFORE INCOME TAXES | 180,237 | 162,671 |
| e02 | + (-)ITEMS NOT REQUIRING CASH | -2,090 | -9,963 |
| e03 | + (-)ITEMS RELATED TO INVESTING ACTIVITIES | 101,560 | 82,137 |
| e04 | + (-)ITEMS RELATED TO FINANCING ACTIVITIES | 42,889 | 21,036 |
| e05 | CASH FLOW BEFORE INCOME TAX | 322,596 | 255,881 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | 414,434 | -52,351 |
| e07 | NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES | 737,030 | 203,530 |
| | INVESTMENT ACTIVITIES | | |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | -139,339 | -142,929 |
| e09 | FINANCING ACTIVITIES | 597,691 | 60,601 |
| | FINANCING ACTIVITIES | | |
| e10 | NET CASH FROM FINANCING ACTIVITIES | -530,234 | 199,984 |
| e11 | NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | 67,457 | 260,585 |
| e12 | TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS | -1,178 | 113 |
| e13 | CASH AND CASH EQUIVALENTS AT THE BEGINING OF PERIOD | 104,816 | 105,557 |
| e14 | CASH AND CASH EQUIVALENTS AT END OF PERIOD | 171,095 | 366,255 |

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QUARTER: **02**

YEAR: **2011**

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

STATE OF CASH FLOW (INDIRECT METHOD)

Final Printing

BREAKDOWN OF MAIN CONCEPTS

(Thousand Pesos)

CONSOLIDATED

| REF F | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------|------------------------------------------------------------|--------------|---------------|
| | | Amount | Amount |
| e02 | + (-)ITEMS NOT REQUIRING CASH | -2,090 | -9,963 |
| e15 | +ESTIMATES FOR THE PERIOD | 3,035 | -1,985 |
| e16 | +PROVISIONS FOR THE PERIOD | 956 | -220 |
| e17 | + (-)OTHER UNREALIZED ITEMS | -6,081 | -7,758 |
| e03 | + (-)ITEMS RELATED TO INVESTING ACTIVITIES | 101,560 | 82,137 |
| e18 | + DEPRECIATION AND AMORTIZATION FOR THE PERIOD | 98,395 | 82,923 |
| e19 | (-) +GAIN OR LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT | 5,645 | -786 |
| e20 | +IMPAIRMENT LOSS | 0 | 0 |
| e21 | (-) +EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES | 0 | 0 |
| e22 | (-)DIVIDENDS RECEIVED | 0 | 0 |
| e23 | (-)INTEREST INCOME | -2,480 | 0 |
| e24 | (-)+ OTHER ITEMS | 0 | 0 |
| e04 | + (-)ITEMS RELATED TO FINANCING ACTIVITIES | 42,889 | 21,036 |
| e25 | +ACCRUED INTEREST | 42,889 | 21,036 |
| e26 | + (-) OTHER ITEMS | 0 | 0 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | 414,434 | -52,351 |
| e27 | + (-)DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE | 101,757 | -30,953 |
| e28 | + (-)DECREASE (INCREASE) IN INVENTORIES | -4,128 | -71,222 |
| e29 | + (-)DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE | 217,886 | 49,705 |
| e30 | + (-)INCREASE (DECREASE) IN SUPPLIERS | 123,238 | -19,681 |
| e31 | + (-)INCREASE (DECREASE) IN OTHER LIABILITIES | -24,315 | 19,800 |
| e32 | + (-) INCOME TAXES PAID OR RETURNED | -4 | 0 |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | -139,339 | -142,929 |
| e33 | -PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e34 | +DISPOSITION OF PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e35 | -INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT | -118,275 | -143,095 |
| e36 | +SALE OF PROPERTY, PLANT AND EQUIPMENT | -5,591 | 2,448 |
| e37 | -INVESTMENT IN INTANGIBLE ASSETS | -20,372 | 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 | 2,480 | 0 |
| e43 | + (-)DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS | 0 | 0 |
| e44 | + (-)OTHER ITEMS | 2,419 | -2,282 |
| e10 | NET CASH FROM FINANCING ACTIVITIES | -530,234 | 199,984 |
| e45 | +BANK FINANCING | 342,293 | 654,065 |
| e46 | +STOCK MARKET FINANCING | 0 | 0 |
| e47 | +OTHER FINANCING | 7,829 | 0 |
| e48 | (-)BANK FINANCING AMORTIZATION | -788,577 | -404,370 |
| e49 | (-)STOCK MARKET FINANCING AMORTIZATION | 0 | 0 |
| e50 | (-)OTHER FINANCING AMORTIZATION | 0 | 0 |
| e51 | + (-)INCREASE (DECREASE) IN CAPITAL STOCK | 2,151 | 1,944 |
| e52 | (-)DIVIDENDS PAID | 0 | -91,186 |
| e53 | +PREMIUM ON ISSUANCE OF SHARES | 0 | 72,097 |
| e54 | +CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 |
| e55 | -INTEREST EXPENSE | -42,745 | -20,842 |
| e56 | -REPURCHASE OF SHARES | -51,185 | -11,724 |
| e57 | + (-)OTHER ITEMS | 0 | 0 |

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

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DATA PER SHARE

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| REF D | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|-------|----------------------------------------------------------------------|--------------|---------------|
| | | AMOUNT | AMOUNT |
| d01 | BASIC PROFIT PER ORDINARY SHARE (**) | \$ 0.86 | \$ 0.67 |
| d02 | BASIC PROFIT PER PREFERRED SHARE (**) | \$ 0 | \$ 0.00 |
| d03 | DILUTED PROFIT PER ORDINARY SHARE (**) | \$ 0.86 | \$ 0.67 |
| d04 | EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**) | \$ 0.86 | \$ 0.67 |
| d05 | DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**) | \$ 0 | \$ 0.00 |
| d08 | CARRYING VALUE PER SHARE | \$ 9.25 | \$ 8.69 |
| d09 | CASH DIVIDEND ACCUMULATED PER SHARE | \$ 0.59 | \$ 0.57 |
| d10 | DIVIDEND IN SHARES PER SHARE | 0 shares | 0.00 shares |
| d11 | MARKET PRICE TO CARRYING VALUE | 1.60 times | 1.43 times |
| d12 | MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**) | 14.84 times | 18.47 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.

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RATIOS

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| REF P | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|-------|--------------------------------------------------------------|---------------|---------------|
| | YIELD | | |
| p01 | NET CONSOLIDATED INCOME TO NET SALES | 5.06 % | 4.96 % |
| p02 | NET CONSOLIDATED INCOME TO STOCKHOLDERS EQUITY (**) | 9.72 % | 7.70 % |
| p03 | NET INCOME TO TOTAL ASSETS (**) | 6.47 % | 4.84 % |
| 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 % |
| | ACTIVITY | | |
| p06 | NET SALES TO NET ASSETS (**) | 1.38 times | 1.26 times |
| p07 | NET SALES TO PROPERTY, PLANT AND EQUIPMENT (NET) (**) | 3.55 times | 3.32 times |
| p08 | INVENTORIES TURNOVER (**) | 9.03 times | 9.36 times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 25 days | 31 days |
| p10 | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**) | 9.05 % | 4.23 % |
| | LEVERAGE | | |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 33.41 % | 37.22 % |
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS EQUITY | 0.50 times | 0.59 times |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 33.16 % | 37.11 % |
| p14 | LONG-TERM LIABILITIES TO PROPERTY, PLANT AND EQUIPMENT (NET) | 9.62 % | 12.40 % |
| p15 | INCOME (LOSS) AFTER GENERAL EXPENSES TO INTEREST PAID | 4.53 times | 8.28 times |
| p16 | NET SALES TO TOTAL LIABILITIES (**) | 4.14 times | 3.39 times |
| | LIQUIDITY | | |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES | 1.59 times | 1.38 times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.06 times | 1.00 times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.92 times | 0.87 times |
| p20 | CASH AND SHORT-TERM INVESTMENTS TO CURRENT LIABILITIES | 20.15 % | 35.75 % |

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

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

COMMENTS FROM MANAGEMENT

EUGENIO BAEZA FARES, GRUPO BAFAR'S GENERAL DIRECTOR, EXPRESSED HIS COMMENTS ABOUT THE RESULTS ATTAINED: THIS FIRST SEMESTER WAS SEEN AS A STABLE MARKET, BUT WITH STRONG PRESSURES IN RAW MATERIAL PRICES. I AM PLEASED TO ANNOUNCE A DOUBLE DIGIT GROWTH IN OPERATING PROFIT AND OPERATING FLOW (EBITDA), STRONGLY SUPPORTED BY THE RESULTS IN THIS SECOND QUARTER OF 2011, ATTAINING AN INCREASE IN SALES OF 5.3%, WHILE THE OPERATING PROFIT PERFORMANCE HAD A SIGNIFICANT INCREASE OF 16.5% BECAUSE OF OUR GREAT EFFORT IN BECOMING MORE PRODUCTIVE EVERY DAY, KEEPING A CLOSE CONTROL IN EXPENSES, WHICH ALLOWED US TO ATTAIN A 17% INCREASE IN OPERATING FLOW. WE DECREASED COST LIABILITIES IN 167 MILLION PESOS COMPARED TO THE SECOND SEMESTER OF 2010, IMPROVING OUR LIABILITY TO CAPITAL RATE, ATTAINING 0.50 COMPARED TO 0.59 IN JUNE, 2010; AGAIN WE PROVED OUR STRONG FINANCIAL POSITION AND WE KEEP OUR COMMITMENT TO HAVE A HEALTHY FINANCIAL POSITION.

FINANCIAL AND OPERATING RESULTS

NET SALES

SALES FOR THE SECOND QUARTER OF 2011 AMOUNTED TO \$1,482 MILLION PESOS (U.S. \$122.9), COMPARED TO \$1,407 MILLION PESOS (U.S. \$110.1) FROM THE SAME PERIOD LAST YEAR, A GROWTH OF 5.3% (11.6% IN USD). THIS GROWTH WAS DRIVEN BY THE 3% INCREASE IN SALES VOLUME.

ACCUMULATED SALES IN 2011 AMOUNTED TO \$2,958 MILLION PESOS (U.S. \$249.6), COMPARED TO \$2,784 MILLION PESOS (U.S. \$219.7) FROM THE SAME PERIOD LAST YEAR, A GROWTH OF 6.2% (13.6% IN USD). THIS GROWTH WAS DRIVEN BY THE 4.8% INCREASE IN SALES VOLUME.

SALES COST

SALES COST IN THE SECOND QUARTER OF 2011 WAS \$970.9 MILLION PESOS (U.S. \$80.5) AND ACCOUNTED FOR 65.5% OF SALES, LESS THAN THE FIGURE ATTAINED IN THE FIRST SECOND QUARTER OF 2010 (66.9%). GROSS PROFIT FOR THE SECOND QUARTER IN 2011 WAS \$511.3 MILLION PESOS (U.S. \$42.4) WHILE IN 2010 IT WAS \$465.7 MILLION PESOS (U.S. \$36.4), RESULTING IN A GROWTH OF 9.8% (16.4% IN DOLLARS).

ACCUMULATED SALES COST UP TO JUNE, 2011 WAS \$1925.2 MILLION PESOS (U.S. \$162.4) AND ACCOUNTED FOR 65.07% OF SALES, LESS THAN THE FIGURE ATTAINED IN THE SECOND QUARTER OF 2010 (65.9%). ACCUMULATED GROSS PROFIT UP TO JUNE, 2011 WAS \$1,033.4 MILLION PESOS (U.S. \$87.2) WHILE IN 2010 IT WAS \$947.9 MILLION PESOS (U.S. \$74.8), RESULTING IN A GROWTH OF 9% (16.5% IN DOLLARS).

GENERAL EXPENSES

GENERAL EXPENSES WERE \$421 MILLION PESOS (U.S. \$34.9) IN THE SECOND QUARTER OF 2011, COMPARED TO \$388.2 MILLION PESOS (U.S. \$30.3) IN THE SECOND QUARTER OF 2010, AND THE PERCENTAGE IN RELATION TO SALES WAS 28.4% FOR 2011 AND 27.5% FOR 2010.

ACCUMULATED EXPENSES UP TO JUNE, 2011 WERE \$838.9 MILLION PESOS (U.S. \$70.8) COMPARED TO \$773.7 MILLION PESOS (U.S. \$61) IN 2010, AND THE PERCENTAGE IN RELATION TO SALES WAS 28.3% IN 2011 AND 27.7% IN 2010.

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OPERATING INCOME

THE OPERATING INCOME FOR THE SECOND QUARTER OF 2011 SIGNIFICANTLY INCREASED BY 16.5% (23.5% IN USD), IN COMPARISON WITH THE SAME TIME PERIOD IN THE PREVIOUS YEAR, AND TOTALED \$90.2 MILLION PESOS (U.S. \$7.4) OR 6% OF SALES, COMPARED TO \$77.4 MILLION PESOS (U.S. \$6), OR 5.5% OF SALES.

THE OPERATING INCOME FOR THIS FIRST QUARTER OF 2011 SIGNIFICANTLY INCREASED BY 11.6% (19.4% IN USD), IN COMPARISON WITH THE SAME TIME PERIOD IN THE PREVIOUS YEAR, AND TOTALED \$194.4 MILLION PESOS (U.S. \$16.4) OR 6.5% OF SALES, COMPARED TO \$174.1 MILLION PESOS (U.S. \$13.7), OR 6.2% OF SALES.

OPERATING FLOW - EBITDA

THE EBITDA FOR THE SECOND QUARTER OF 2011 WAS \$139.8 MILLION PESOS (U.S. \$11.6), AN OUTSTANDING PERFORMANCE WITH AN INCREASE OF 16.9% (24% IN DOLLARS) IN COMPARISON WITH THE SAME PERIOD LAST YEAR. THE ACCUMULATED FIGURE ALSO INCREASED IN 13.9% (21% IN USD), ATTAINING \$292.8 MILLION PESOS (\$24.7 USD).

COMPREHENSIVE INCOME (OR LOSS) FROM FINANCING

THE COMPREHENSIVE INCOME (OR LOSS) FROM FINANCING FOR THE SECOND QUARTER IN 2011 REACHED \$10.6 MILLION PESOS, COMPARED TO THE (\$18.5) MILLION PESOS ATTAINED DURING THE SAME TIME PERIOD THE PREVIOUS YEAR. THE COMPREHENSIVE INCOME FROM FINANCING, ACCUMULATED UP TO JUNE, 2011 REACHED \$13.1 MILLION PESOS, COMPARED TO THE \$10.4 MILLION PESOS ATTAINED DURING THE SAME TIME PERIOD THE PREVIOUS YEAR.

NET MAJORITY INCOME

NET MAJORITY INCOME OF SECOND QUARTER OF 2011 WAS \$64.1 MILLION PESOS (U.S. \$5.3) COMPARED TO \$50.6 MILLION PESOS (U.S. \$3.9) ATTAINED IN THE SECOND QUARTER, 2010, INCREASING 26.5% (34.1% IN USD). NET MAJORITY INCOME FOR THIS FIRST SEMESTER INCREASED IN 4.3% (11.5% IN USD) REACHING \$142.2 MILLION PESOS (USD \$12).

RATES AND PROPORTIONS

THE RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES WAS 1.59 WITH AN INCREASE OF 15% IN COMPARISON WITH 2010, WHILE THE PORTFOLIO STOOD AT 25 DAYS, 18% LESS THAN THE PREVIOUS YEAR. MOREOVER, INVENTORY TURNOVER WAS AT 9 TIMES, 4% LESS THAN THE PREVIOUS YEAR.

BANK DEBT DECREASED BY \$193.9 MILLIONS (USD \$17.3) WITH REGARDS TO 2010, INCLUDING FINANCING OBTAINED FOR THE FINANCING OPERATION OF THIRD PARTIES; IF THIS FINANCING IS NOT INCLUDED, THE BANK DEBT DECREASED COMPARED TO 2010, IN \$298.6 MILLIONS. LEVERING LEVELS (DEBT CHARGED TO EBITDA) DECREASED 31% AND INTEREST COVERAGE IMPROVED 18% COMPARED TO 2010.

PERFORMANCE RATES HAD GOOD RESULTS BECAUSE NET PROFIT ATTAINED IN THE LAST TWELVE MONTHS. THE FOLLOWING GRAPH SHOWS THE VARIANCE PERCENTAGES COMPARED TO THE SECOND QUARTER OF THE PREVIOUS YEAR.

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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

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: BAFAR

QUARTER: 02 YEAR: 2011

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

FINANCIAL STATEMENT NOTES

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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.

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

QUARTER: **02** YEAR: **2011**

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

ANALYSIS OF INVESTMENTS IN SHARES

CONSOLIDATED

SUBSIDIARIES

Final Printing

| 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 | PRESTACION SEVICIOS LOGISTICA | 0 | 100.00 |
| AGROINDUSTRIA MERCANTIL SAN ANTONIO S DE RL DE CV | SIEMBRA CULTIVO Y COSECHA DE OTROS CULTI | 50,000 | 100.00 |
| FUNDACION GRUPO BAFAR AC | APOYAR ECONOMICAMENTE O EN BIENES EN ESP | 1 | 100.00 |

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

BREAKDOWN OF CREDITS

(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 |
| BANKS | | | | | | | | | | | | | | | | |
| FOREIGN TRADE | | | | | | | | | | | | | | | | |
| | NOT APPLIED | | | | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| | NOT APPLIED | | | | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| | NOT APPLIED | | | | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| SECURED | | | | | | | | | | | | | | | | |
| BBVA | NOT APPLIED | 19/01/2007 | 31/12/2013 | 8.89 | 9,000 | 9,000 | 18,000 | 9,000 | 0 | 0 | | | | | | |
| SCOTIABANK | NOT APPLIED | 31/10/2008 | 30/09/2013 | 9.50 | 11,000 | 11,000 | 22,000 | 22,000 | 22,000 | 71,500 | | | | | | |
| COMMERCIAL BANKS | | | | | | | | | | | | | | | | |
| SCOTIABANK | NOT APPLIED | 01/02/2011 | 29/07/2011 | 6.10 | 5,000 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| PNC BANK | YES | | 31/12/2008 | 3.25 | | | | | | | 0 | 4,483 | 0 | 0 | 0 | |
| COBANK | YES | | 31/12/2008 | 4.60 | | | | | | | 0 | 1,405 | 0 | 0 | 0 | |
| COBANK | YES | | 31/12/2008 | 4.60 | | | | | | | 0 | 1,476 | 0 | 0 | 0 | |
| COBANK | YES | | 31/12/2008 | 4.60 | | | | | | | 0 | 831 | 0 | 0 | 0 | |
| COBANK | YES | | 31/12/2008 | 4.60 | | | | | | | 0 | 2,036 | 0 | 0 | 0 | |
| SCOTIABANK | NOT | 17/11/2010 | 15/02/2011 | 1.53 | | | | | | | 37,684 | 0 | 0 | 0 | 0 | |
| SCOTIABANK | NOT | 31/03/2011 | 26/09/2011 | 1.44 | | | | | | | 122,081 | 0 | 0 | 0 | 0 | |
| OTHER | | | | | | | | | | | | | | | | |
| NACIONAL FINANCIERA | NOT APPLIED | 01/09/2010 | 13/07/2011 | 7 | 151,145 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| NACIONAL FINANCIERA | NOT | 01/09/2010 | 13/07/2010 | 7 | | | | | | | 6,063 | 0 | 0 | 0 | 0 | |
| TOTAL BANKS | | | | | 176,145 | 20,000 | 40,000 | 31,000 | 22,000 | 71,500 | 165,828 | 10,231 | 0 | 0 | 0 | |

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

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

QUARTER: **02** YEAR: **2011**

BREAKDOWN OF CREDITS

(Thousand Pesos)

CONSOLIDATED

Final Printing

| 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 |
| SUPPLIERS | | | | | | | | | | | | | | | | |
| PROVEED. CARNICOS | NOT APPLIED | | | | 120,240 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| PROVEEDOPRES | NOT | | | | | | | | | | 0 | 182,852 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLIERS | | | | | 120,240 | 0 | 0 | 0 | 0 | 0 | 0 | 182,852 | 0 | 0 | 0 | 0 |
| OTHER LOANS WITH COST (\$103 Y \$30) | | | | | | | | | | | | | | | | |
| OBLIGACIONES PRIVADAS | NOT APPLIED | 31/12/2011 | | 6.5 | 80,215 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | NOT | | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | | | | 80,215 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER CURRENT LIABILITIES WITHOUT COST (\$26) | | | | | | | | | | | | | | | | |
| OTROS | NOT APPLIED | | | | 61,939 | 0 | | | | | | | | | | |
| OTROS | | | | | | | | | | | 0 | 4,281 | | | | |
| TOTAL | | | | | 61,939 | 0 | 0 | 0 | 0 | 0 | 0 | 4,281 | 0 | 0 | 0 | 0 |
| TOTAL | | | | | 438,539 | 20,000 | 40,000 | 31,000 | 22,000 | 71,500 | 165,828 | 197,364 | 0 | 0 | 0 | 0 |

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

MONETARY FOREIGN CURRENCY POSITION

CONSOLIDATED

(Thousand Pesos)

Final Printing

| FOREIGN CURRENCY POSITION | DOLLARS | | OTHER CURRENCIES | | TOTAL THOUSANDS OF PESOS |
|---------------------------------|-----------------|-----------------|------------------|---------------|--------------------------|
| | DOLLARS | PESOS | DOLLARS | PESOS | |
| MONETARY ASSETS | 19,855 | 233,784 | 0 | 0 | 233,784 |
| LIABILITIES POSITION | 317,026 | 366,450 | 91 | 1,566 | 368,016 |
| SHORT-TERM LIABILITIES POSITION | 316,618 | 361,650 | 91 | 1,566 | 363,216 |
| LONG-TERM LIABILITIES POSITION | 408 | 4,800 | 0 | 0 | 4,800 |
| NET BALANCE | -297,171 | -132,666 | -91 | -1,566 | -134,232 |

NOTES

EL TIPO DE CAMBIO UTILIZADO PARA DOLARES AMERICANOS (USD) ES DE 11.7748

EL TIPO DE CAMBIO UTILIZADO PARA EUROS (EUR) ES DE 17.1313

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

RESULT FROM MONETARY POSITION

CONSOLIDATED

(Thousand Pesos)

Final Printing

| MONTH | MONETARY ASSETS | MONETARY LIABILITIES | (ASSET) LIABILITY MONETARY POSITION | MONTHLY INFLATION | MONTHLY PROFIT AND (LOSS) |
|-------|-----------------|----------------------|-------------------------------------|-------------------|---------------------------|
|-------|-----------------|----------------------|-------------------------------------|-------------------|---------------------------|

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: **BAFAR**

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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

MEXICAN STOCK EXCHANGE

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

DEBT INSTRUMENTS

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ACTUAL SITUATION OF FINANCIAL LIMITED

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

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 | 96.00 |
| 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

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

MAIN RAW MATERIALS

CONSOLIDATED

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

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

QUARTER: **02** YEAR: **2011**

SALES DISTRIBUTION BY PRODUCT

CONSOLIDATED

NET SALES/TOTAL SALES

Final Printing

| MAIN PRODUCTS | NET SALES | | MARKET SHARE (%) | MAIN | |
|-----------------------|-----------|------------------|------------------|---------------------|----------------------|
| | VOLUME | AMOUNT | | TRADEMARKS | CUSTOMERS |
| DOMESTIC SALES | | | | | |
| CARNICOS | 87,270 | 2,844,649 | 0.00 | BAFAR, sabori, burr | AUTOSERVICIOS Y TIEN |
| OTROS | 11,895 | 80,425 | 0.00 | CAPITAN | VARIOS |
| FOREIGN SALES | | | | | |
| CARNICOS | 513 | 33,667 | 0 | BAFAR | VARIOS DISTRIBUIDORE |
| | 0 | 0 | 0 | | |
| TOTAL | | 2,958,741 | | | |

MEXICAN STOCK EXCHANGE

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SALES DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SALES

Final Printing

| MAIN PRODUCTS | NET SALES | | DESTINATION | MAIN | |
|---------------|-----------|--------|-------------|------------|-----------|
| | VOLUME | AMOUNT | | TRADEMARKS | CUSTOMERS |
| EXPORT | | | | | |
| GANADO | 80 | 990 | E.U.A. | | VARIOS |

| FOREIGN SUBSIDIARIES | | | | | |
|-----------------------------|-----|---------------|--------|-------|----------------------|
| CARNICOS | 433 | 32,677 | E.U.A. | BAFAR | VARIOS DISTRIBUIDORE |
| TOTAL | | 33,667 | | | |

NOTES

MEXICAN STOCK EXCHANGE

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

**PROJECT, AMOUNT EXERCISED AND PROGRESS
PERCENTAGE**

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MEXICAN STOCK EXCHANGE

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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.

MEXICAN STOCK EXCHANGE

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

QUARTER: **02** YEAR: **2011**

ANALYSIS OF PAID CAPITAL STOCK

CONSOLIDATED

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| SERIES | NOMINAL VALUE | VALID COUPON | NUMBER OF SHARES | | | | CAPITAL STOCK | |
|--------------|----------------|--------------|--------------------|--------------------|----------|-------------------|---------------|---------------|
| | | | FIXED PORTION | VARIABLE PORTION | MEXICAN | FREE SUBSCRIPTION | FIXED | VARIABLE |
| B | 0.00001 | 5 | 120,000,000 | 194,630,214 | 0 | 0 | 20,000 | 34,457 |
| TOTAL | | | 120,000,000 | 194,630,214 | 0 | 0 | 20,000 | 34,457 |

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

314,630,214

NOTES

MEXICAN STOCK EXCHANGE

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

DERIVATIVE FINANCIAL INSTRUMENTS

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