



THIRD QUARTER RESULTS FOR 2010

➤ Grupo Bafar Continues to Grow

2010 Balance vs 2009 Balance

- Sales volumes increased by 13%
- Sales increased by 10.6% (19% in dollars) and amounted to \$4,241 million in pesos (U.S. \$333.8)
- Operating income increased by 8% (16% in dollars)
- EBITDA increased by 13.6% (22% in dollars)
- Net majority income increased by 40% (51% in dollars)
- Performance of net income to total assets increased by 27%

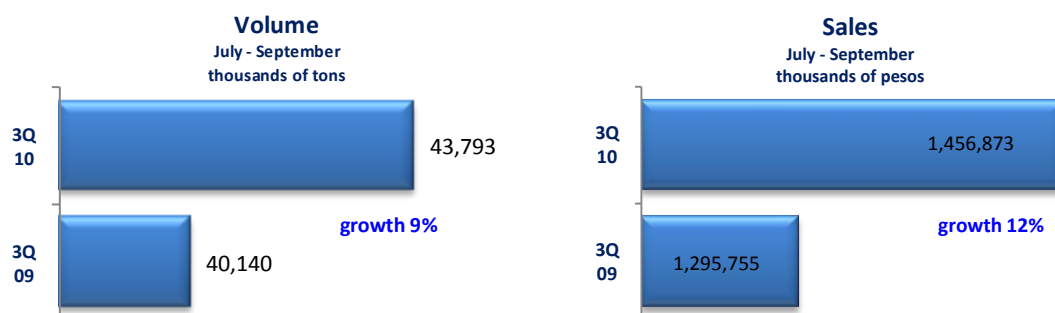
Chihuahua, Chih., Mexico, October 28, 2010 – Grupo Bafar, S.A.B. de C.V., announces its results for the third quarter of 2010.

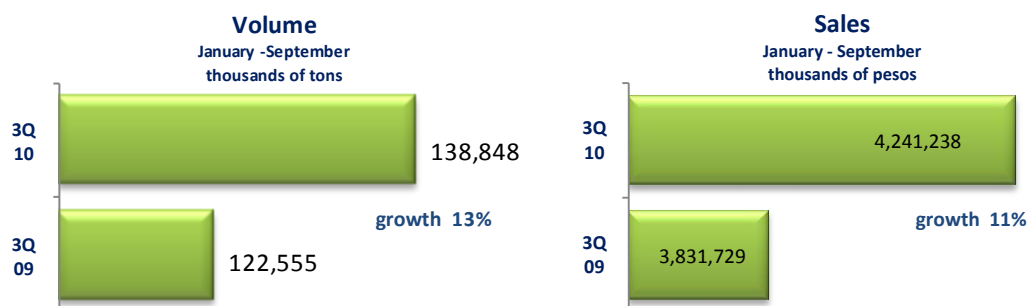
Financial and Operating Results

Net Sales

Sales for the third quarter of 2010 amounted to \$1,456 million pesos (U.S. \$114.0), compared to \$1,295 million pesos (U.S. \$97.1) from the same period last year. This represents a growth of 12% (17% in dollars), which is a result of a 9% increase in sales volumes.

Accumulated sales up to September 2010 grew by 11% (19% in dollars), amounting to \$4,241 million pesos (U.S. \$333.8), driven by the increase in sales volumes, which themselves grew by 13% compared to the year before. The increase is due to our efforts of extending our brands into new markets, as well as the launch of new Brands, such as Guisy®.





The Consumer Products Division showed a growth in its sales volumes of 8% and 13% during the third quarter and accumulated up to September 2010, respectively. This is due to Grupo Bafar's brand penetration strategy in self-services and retail.

The Retail Division had a sales volume growth of 7% in both the third quarter and accumulated in the year 2010, derived from the successful points-of-sale model by Grupo Bafar.

Sales Cost

The sales cost for the third quarter of 2010 was \$988.1 million in pesos (U.S. \$77.3), which represents 68% of sales, an increase of 3% over that obtained in the third quarter in 2009 (65%). The gross income for the third quarter of 2010 was \$468.7 million pesos (U.S. \$36.6). In 2009 the amount was \$449.7 million pesos (U.S. \$33.7).

The sales cost accumulated up to September 2010 was maintained at 67% of sales, the same as in September 2009, which amounted to \$2,824.5 million pesos (U.S. \$111.5). The gross margin was also maintained at 33% in September 2010 and September 2009.

General Expenses

General expenses were \$385.8 million pesos (U.S. \$30.2) in the third quarter of 2010, compared to \$352.8 million in pesos (U.S. \$26.4) in the third quarter of 2009. The percentage in relation to sales was 26% for 2010 and 27% for 2009.

On the balance sheet, this item amounted to \$1,159.6 million pesos (U.S. \$91.2), 10.9% higher over the same period last year which reported \$1,045.1 million pesos (U.S. \$76.3). The ratio to sales was maintained at 27% for both years. The increase in expenses was on par with the increase in Volume and Sales, combined with improvements in productivity in expenses and costs which we maintained with respect to 2009.

Operating Income

Operating income in the third quarter of 2010 decreased by 14.5% (10.7% in dollars) in comparison with the same period last year and amounted to \$88.2 million pesos (U.S. \$6.4). This is 5.6% of sales, which were impacted by strong pressures on raw material costs.

Similarly, the operating income accumulated up to September 2010 was \$256.9 (U.S. \$20.2), which is 6% of sales, and grew by 8% (16% in dollars) in comparison with the previous year. With this, Grupo Bafar reaffirms its promise to carry out the strategic growth plan scheduled for this year.

Operating Flow - EBITDA

The EBITDA for the third quarter of 2010 was \$127.3 million pesos (U.S. \$9.9), a decrease of 6.8% (2.6% in dollars) in comparison with the same period last year.

However, the accumulated EBITDA up to the month of September amounted to \$384.4 million (U.S. \$30.2), compared with \$338.2 million pesos (USD \$24.7) reported for the month of September 2009, which is an increase of 13.6% (22.4% in dollars). The EBITDA trend is a result of the aforementioned factors in relation to sales, costs and expenses.

Comprehensive Income (or Loss) from Financing

The comprehensive income (or loss) from financing for the third quarter of 2010 was a gain of \$6.5 million pesos (U.S. \$0.5), compared to a cost of \$14.7 million pesos (U.S. \$1.1) from the same time period the year before. The breakdown is as follows:

	July - September 2010		July - September 2009	
	million pesos	U.S.	million pesos	U.S.
Net Interest	6.67	0.52	14.08	1.06
Exchange (gain) loss – net	(13.27)	(1.04)	0.68	0.05
Comprehensive financing cost	(6.60)	(0.52)	14.76	1.11

Accumulated up to September 2010, the comprehensive income (or loss) from financing in 2010 represented a cost of \$3.8 million pesos (U.S. \$0.3) and a decrease by 91.9% (91.3% in dollars) in comparison with September 2009. This is due to a decrease in liabilities with a cost that is reflected in lower interest charges. The figures for net financial expenses and foreign exchange fluctuation are:

	January - September 2010		January - September 2009	
	million pesos	U.S.D.	million pesos	U.S.
Net Interest	23.74	1.87	46.21	3.38
Exchange (gain) loss – net	(19.92)	(1.57)	1.31	0.10
Comprehensive financing cost	3.82	0.30	47.52	3.47

Net Majority Income

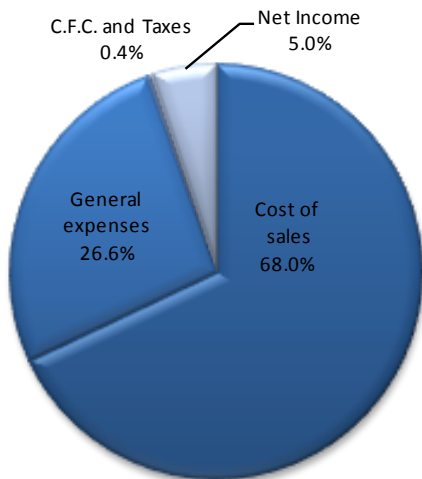
The net majority income for the third quarter of 2010 was \$72.8 million pesos (U.S. \$5.7) which, compared with the \$61.4 million pesos (U.S. \$4.6) gained in the third quarter of 2009, increased by 18% (23% in dollars). This is due primarily to the impact by the foreign exchange fluctuation and a reduction in the recorded financial cost in the comprehensive income (or loss) from financing shown in previous paragraphs.

The growth in the net majority income accumulated from January to September 2010 also showed an increase, producing an income of \$209.2 million pesos (U.S. \$16.4), which, compared to the \$149.2 million pesos (U.S. \$10.9) obtained in September 2009, represents a growth of 40% (51% in dollars). The percentage in relation to sales was 5% and 4% for 2010 and 2009, respectively.

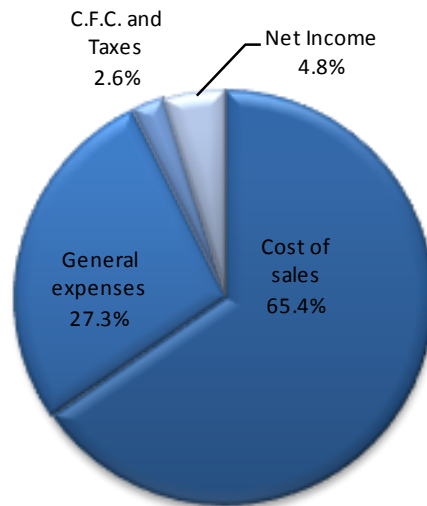
Distribution of Statements of Income
Sales = 100%

Third Quarter

Results
July – September 2010

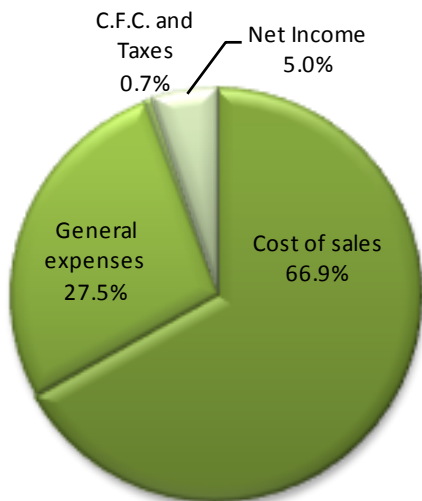


Results
July – September 2009

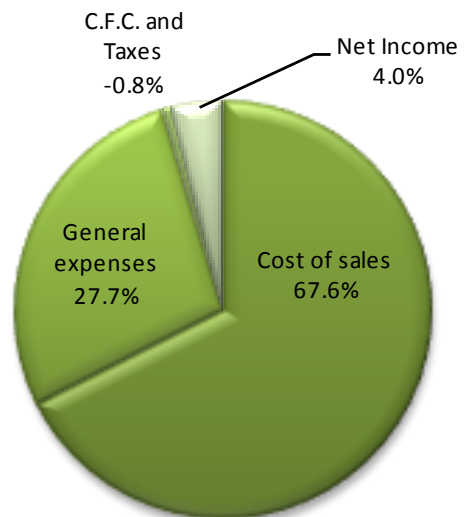


Accrued

Results
January – September 2010



Results
January – September 2009



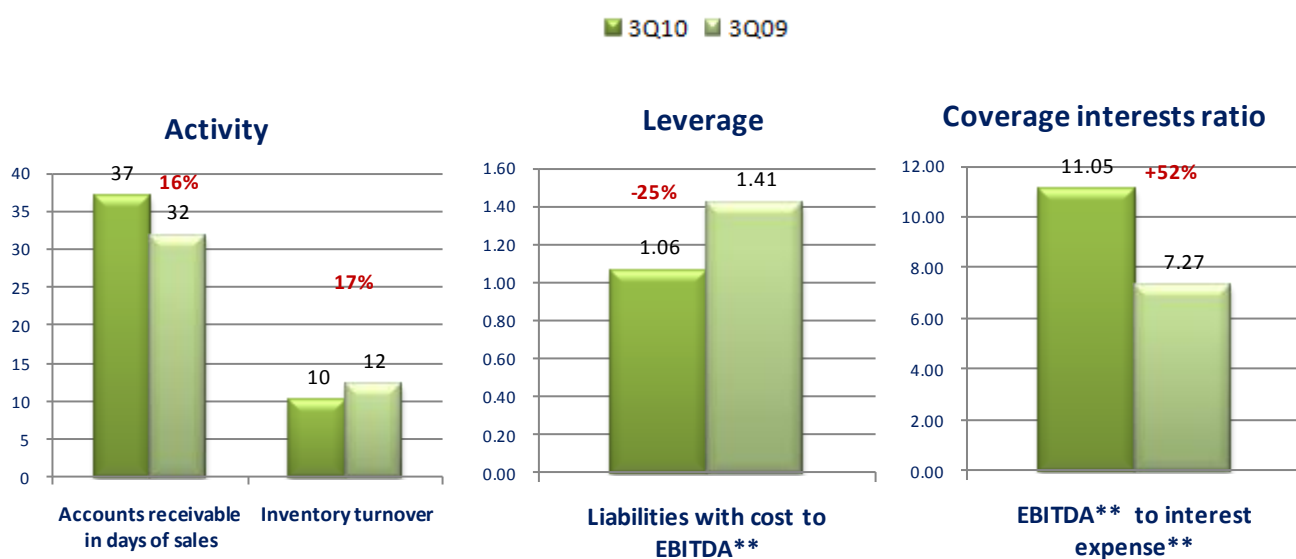
Free cash flow (operative flow minus investment activities flow)

The free cash flow accrued up to September was \$98.6 million pesos (U.S. \$7.2), while for the same period in last year it was \$146.4 million pesos (U.S. \$11.7), with a reduction of 33% (38% in U.S. dollars). This variation is due mainly to the following: an increase in the profit before taxes by \$59.7 million pesos (U.S. \$2.3), while the flows used in the operation were \$40.9 million pesos (U.S. \$2.8), more than 2009's third quarter; the investment on property, plant and equipment was also greater with \$66.5 million pesos (U.S. \$3.9).

Ratios

The rate between current assets and current liabilities improves significantly, placed in 1.5 with a 12% improvement in relation to 2009, while the accounts receivable was placed in 37 days, 15% more than last year. Also, the inventories turnover was 10.1, 17% less in relation to last year.

The bank liability was reduced in \$325.5 million (U.S. \$21.1) 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 35% and the interest coverage which increased 52% respect of the 2009's third quarter.

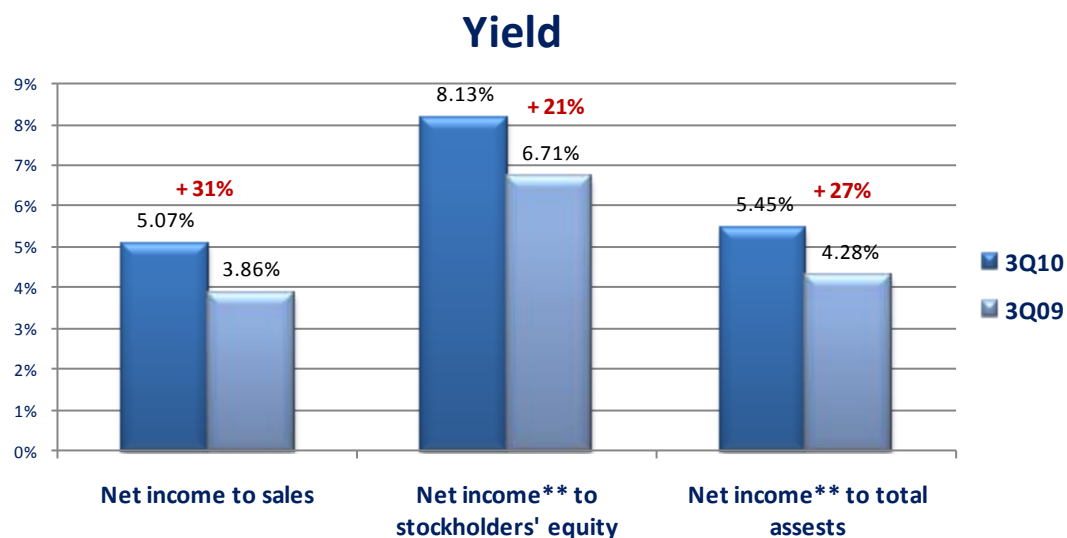


**Last twelve months

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 third quarter. The net profit amounts are:

Net income Jan-Sep 2010: \$ 209.2 million pesos (U.S. \$16.4)

Net income in the last twelve months: \$ 221.1 million pesos (U.S. \$17.3)



**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 other, due to the rounding of amounts to million pesos or to million dollars



GRUPO BAFAR

Grupo Bafar, S.A.B. de C.V.
Balance Sheet
To September 30th of 2010 and 2009
(In thousands of Mexican pesos)



BAFAR

CONCEPTS	September 2010		September 2009	
	Amount	%	Amount	%
ASSETS	4,153,084	100%	3,993,027	100%
CURRENT ASSETS	1,192,787	29%	1,131,214	28%
Cash and available investments	103,635	2%	89,706	2%
Accounts and notes receivable (net)	578,614	14%	515,577	13%
Other accounts and notes receivable (net)	131,660	3%	138,968	3%
Inventories	372,339	9%	381,610	10%
Other current assets	6,538	0%	5,352	0%
PROPERTY, PLANT AND EQUIPMENT (NET)	1,670,671	40%	1,756,003	44%
Land and buildings	990,757	24%	989,935	25%
Machinery and industrial equipment	928,416	22%	803,578	20%
Other equipment	519,872	13%	427,131	11%
Accumulated depreciation	854,537	21%	697,798	17%
Construction in progress	86,163	2%	233,157	6%
OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	266,472	6%	84,476	2%
OTHER ASSETS	1,023,154	25%	1,021,335	26%
TOTAL LIABILITIES	1,370,129	100%	1,444,708	100%
CURRENT LIABILITIES	796,106	58%	878,331	61%
Suppliers	362,193	26%	280,152	19%
Bank loans	265,327	19%	525,914	36%
Other loans with cost	67,979	5%		
Taxes payable	15,970	1%	28,437	2%
Other current liabilities without cost	84,636	6%	43,828	3%
LONG-TERM LIABILITIES	194,500	14%	259,464	18%
Bank loans	194,500	14%	259,464	18%
OTHER NON CURRENT LIABILITIES WITHOUT COST	379,523	28%	306,914	21%
CONSOLIDATED STOCKHOLDERS EQUITY	2,782,956	100%	2,548,319	100%
COUNTABLE CAPITAL OF THE PARTICIPATION NOT CONTROLADORA	12,765	0%	10,499	0%
COUNTABLE CAPITAL OF THE PARTICIPATION CONTROLADORA	2,770,190	100%	2,537,821	100%
CONTRIBUTED CAPITAL	546,793	20%	470,097	18%
Capital stock	148,929	5%	147,855	6%
Premium on issuance of shares	397,864	14%	322,242	13%
EARNED CAPITAL	2,223,396	80%	2,067,723	81%
Retained earnings and capital reserves	2,407,044	86%	2,251,371	88%
Other accumulated comprehensive result	(183,647)	-7%	(183,647)	-7%



GRUPO BAFAR

Grupo Bafar, S.A.B. de C.V.
 Statements of Income
 From January the 1st to September 30th of 2010 and 2009
 (In thousands of Mexican pesos)



BAFAR

CONCEPTS	Current Year		Previous Year		Variation	%increase / (decrease)
	Amount	%	Amount	%		
Sales Volume (thousands of tons)	138,848		122,555		16,293	13%
Net sales	4,241,238	100%	3,831,729	100%	409,509	11%
Cost of sales	2,824,593	67%	2,548,688	67%	275,905	11%
Gross profit	1,416,645	33%	1,283,042	33%	133,604	10%
General expenses	1,159,660	27%	1,045,151	27%	114,509	11%
Income (loss) from operation	256,985	6%	237,891	6%	19,095	8%
Other income and (expense), net	(2,208)	0%	(12,023)	0%	9,815	-82%
Comprehensive financing result	(3,824)	0%	(47,516)	-1%	43,692	-92%
Income before income taxes	250,953	6%	178,352	5%	72,601	41%
Income taxes	36,085	1%	30,320	1%	5,765	19%
Income (loss) before discontinued operations	214,867	5%	148,032	4%	66,835	45%
Discontinued operations						
Net consolidated income	214,867	5%	148,032	4%	66,835	45%
Net income of participation not controladora	5,615	0%	(1,219)	0%	6,834	-560%
Net income of participation controladora	209,253	5%	149,251	4%	60,001	40%



GRUPO BAFAR

Grupo Bafar, S.A.B. de C.V.
 Quarterly Statements of Income
 From July 1st to September 30th, 2010 and 2009
 (In thousands of Mexican pesos)



BAFAR

CONCEPTS	Third Quarter 2010		Third Quarter 2009		Variation	% increase / (decrease)
	Amount	%	Amount	%		
Sales Volume (thousands of tons)	43,793		40,140		3,653	9%
Net sales	1,456,873	100%	1,295,755	100%	161,118	12%
Cost of sales	988,165	68%	846,013	65%	142,152	17%
Gross profit	468,708	32%	449,742	35%	18,965	4%
General expenses	385,896	26%	352,815	27%	33,080	9%
Income (loss) from operation	82,812	6%	96,927	7%	- 14,115	-15%
Other income and (expense), net	1,124	0%	5,570	0%	(4,446)	-80%
Comprehensive financing result	(6,595)	0%	14,758	1%	(21,353)	-145%
Income before income taxes	88,283	6%	76,599	6%	11,684	15%
Income taxes	11,563	1%	13,022	1%	(1,459)	-11%
Income (loss) before discontinued operations	76,719	5%	63,577	5%	13,142	21%
Discontinued operations						
Net consolidated income	76,719	5%	63,577	5%	13,142	21%
Net income of participation not controladora	- 3,869	0%	(2,094)	0%	- 1,775	85%
Net income of participation controladora	72,851	5%	61,483	5%	11,368	18%



GRUPO BAFAR

Grupo Bafar, S.A.B. de C.V.

State of Cash Flow (Indirect Method)

From January the 1st to September 30th of 2010 and 2009

(In thousands of Mexican pesos)



BAFAR

CONCEPTS	Current Year	Previous Year	Variation	%increase / (decrease)
	Amount	Amount		
ACTIVITIES OF OPERATION				
Income (loss) before income taxes	250,953	178,352	72,601	41%
+ (-)items not requiring cash	(28,165)	2,140	(30,305)	-1416%
+ (-)items related to investing activities	124,226	93,263	30,963	33%
+ (-)items related to financing activities	31,695	45,038	(13,343)	-30%
Cash flow before income tax	378,709	318,793	59,916	19%
Cash flow provided or used in operation	(62,791)	(21,769)	(41,022)	188%
Net cash flows provided of operating activities	315,918	297,024	18,894	6%
INVESTMENT ACTIVITIES				
Net cash flow from investing activities	(217,438)	(150,540)	(66,898)	44%
Financing activities	98,480	146,484	(48,004)	-33%
FINANCING ACTIVITIES				
Net cash from financing activities	(99,111)	(76,650)	(22,461)	29%
Net (decrease) increase in cash and cash equivalents	(631)	69,834	(70,465)	-101%
Translation differences in cash and cash equivalents	(1,291)	(797)	(494)	62%
Cash and cash equivalents at the beginning of period	105,557	117,017	(11,460)	-10%
Cash and cash equivalents at end of period	103,635	186,054	(82,419)	-44%