RESULTS FOR THE SECOND QUARTER 2010

➢ Grupo Bafar reports double-digit growth

First half year 2010 vs First half year 2009

- **Sales volume grew 15%**
- **Sales increased 10% (20% in dollars), and reached $2,784 millions of pesos (U.S. $219.7)**
- **Growth of 24% (35% in dollars) in income from operations**
- **EBITDA increased 27% (39% in dollars)**
- **Majority net income growth of 63% (78% in dollars)**
- **Free cash flow (operative flow minus investment activities flow) was $60.6 millions of pesos (U.S. $4.7), representing a 76% (95% in dollars) increase**
- **Return on net income to total assets increased 49%**

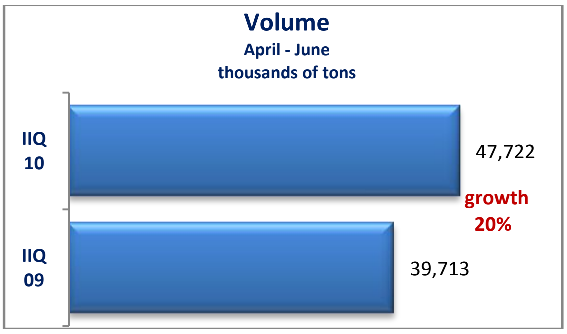
Chihuahua, Chih., Mexico, July 28th, 2010 – Grupo Bafar, S.A.B. de C.V., announced today the results for 2010's second quarter.

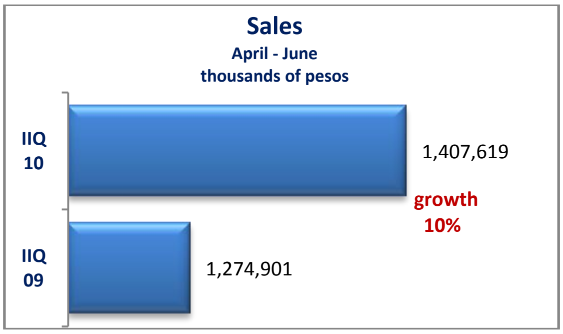
Financial and operation results

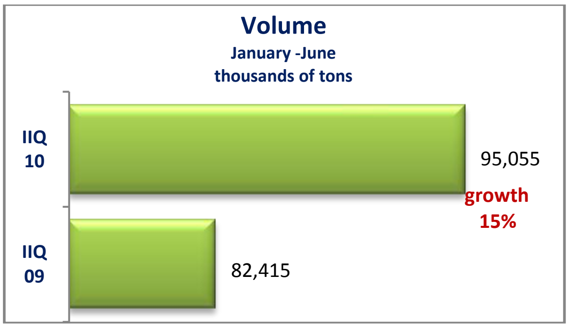
Net Sales

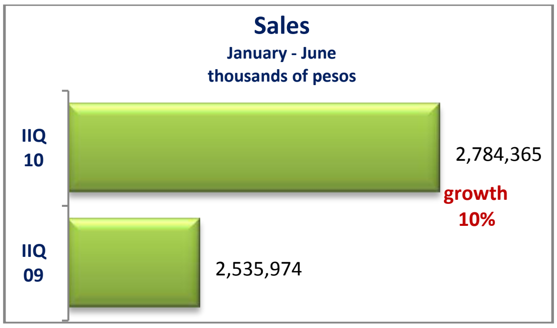
The sales for 2010's second quarter reached $1,407 million pesos (U.S. $112.0) compared with $1,275 million pesos (U.S. $95.6) obtained in the same period for last year, which represents a 10% growth (17% in U.S. dollars). This growth resulted from a 20% increase in sales volume.

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.

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. The breakdown is as follows:

	April - June 2010		April - June 2009	
	million pesos	U.S.	million pesos	U.S.
Net Interest	7.0	0.5	15.8	1.2
Exchange (gain) loss – net	11.5	0.9	-29.6	-2.2
Comprehensive financing cost	18.5	1.4	-13.8	-1.0

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. The net financial expenses and the exchange fluctuation are the following:

	April - June 2010		April - June 2009	
	million pesos	U.S.	million pesos	U.S.
Net interest	17.0	1.3	32.1	2.3
Exchange (gain) loss - net	-6.6	-0.5	0.6	0.0
Comprehensive financing cost	10.4	0.8	32.7	2.3

Majority Net Income

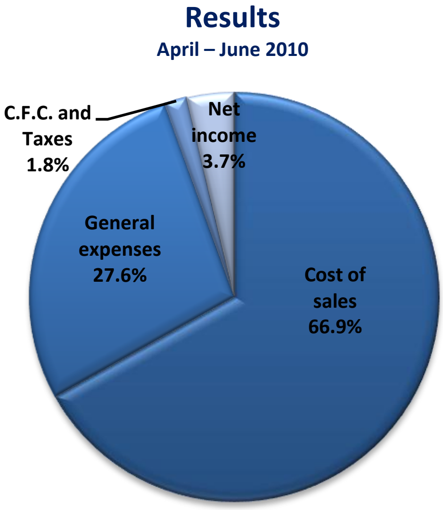
The majority net income for 2010's second quarter was $50.6 million pesos (U.S. $4.1), which compared with $65.3 million pesos (U.S. $4.7) obtained in 2009's second quarter decreased 22% (13% in U.S. dollars), due mainly to the exchange fluctuation impact recorded in the comprehensive financing cost mentioned in the paragraphs above.

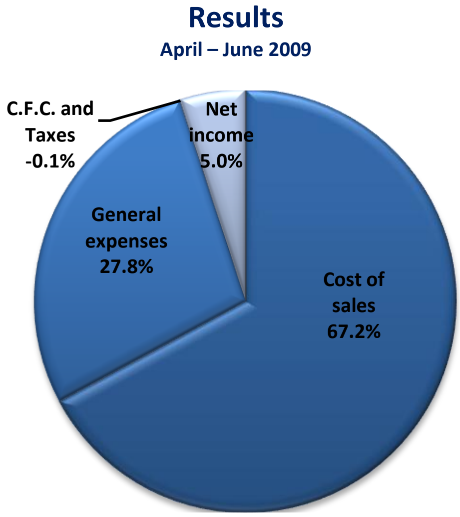
However, the growth in the majority net income accrued from January to June 2010 was excellent, yielding a profit of $138.4 million pesos (U.S. $10.9), which compared with $84.4 million pesos (U.S. $6.0) obtained up to June 2009 represented a growth of 63% (78% in U.S. dollars). The percentage respect to sales was 5% and 3% for 2010 and 2009 respectively.

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.

Distribution of Statements of Income
Sales = 100%

Second Quarter





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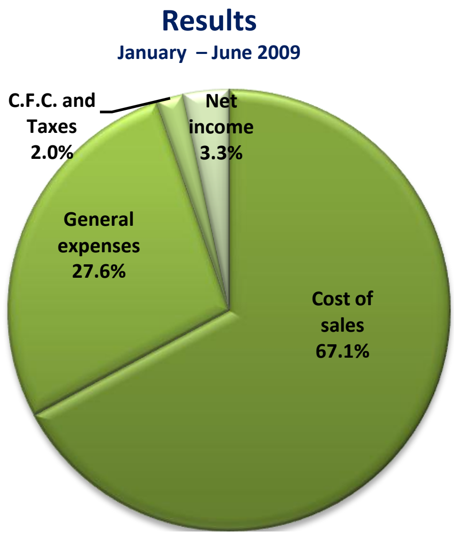


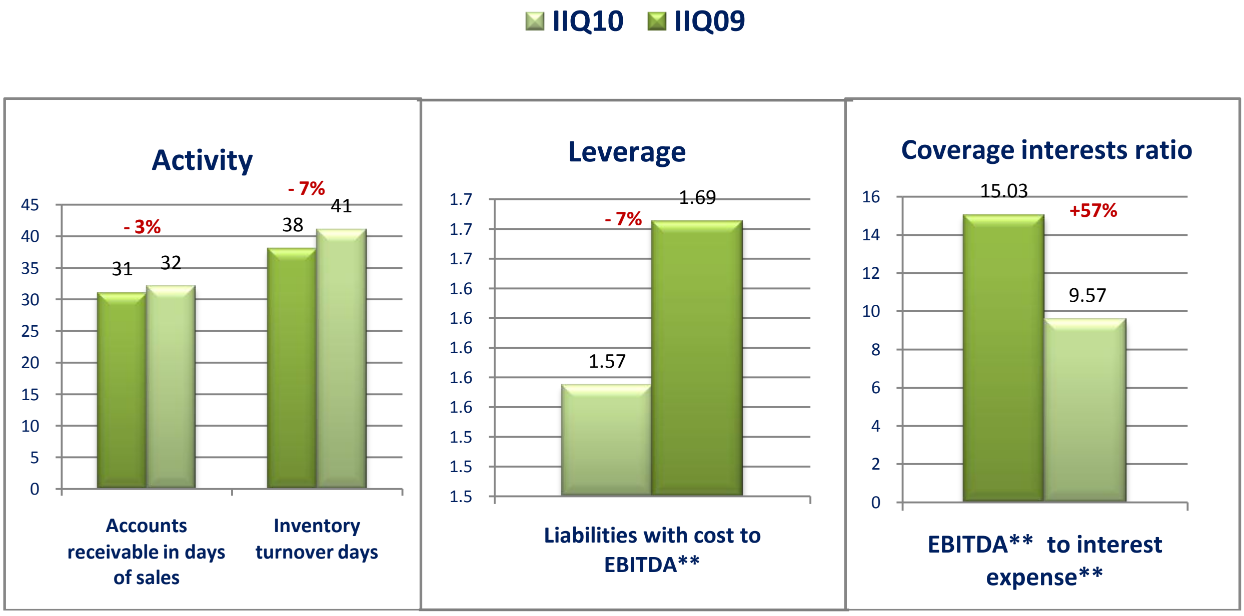
Free cash flow (operative flow minus investment activities flow)

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.

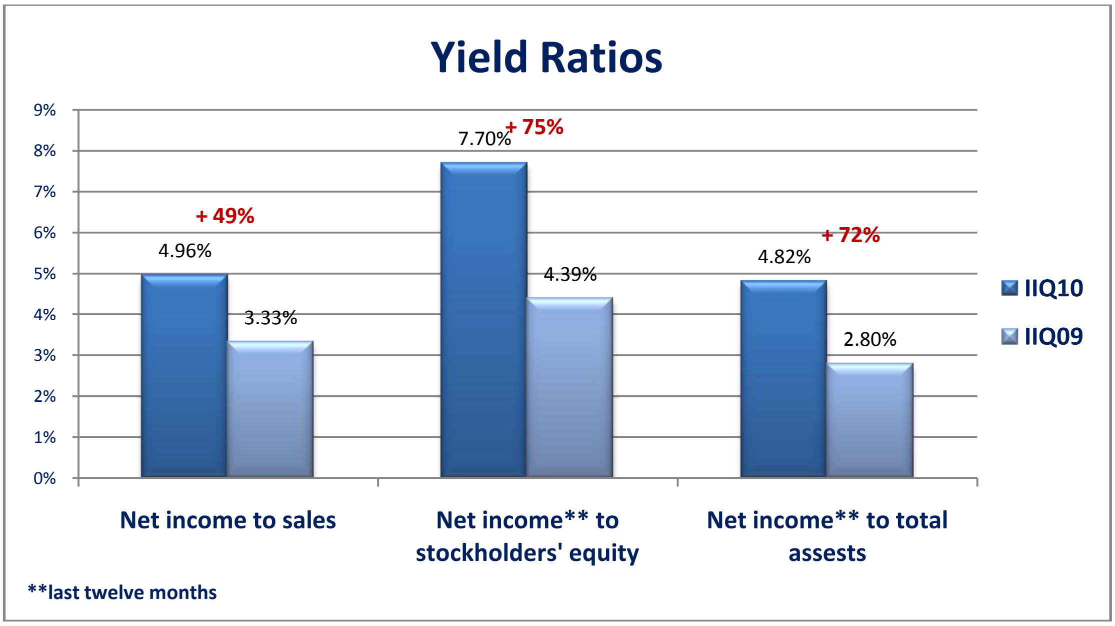
The bank liability was reduced in $54.7 million (U.S. $3.5) with respect to 2009, due to the continuing good financial practices within the group. This helped to improve the leveraging levels (debt with cost for EBITDA) which were reduced 7% and the interest coverage which increased 57% respect of the 2009's second 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 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)



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 Sheets

To June 30 of 2010 and 2009

(In thousands of Mexican pesos)

COTIZA EN BOLSA MEXICANA DE VALORES

BAFAR

CONCEPTS	June 2010		June 2009	
	Amount	%	Amount	%
ASSETS	4,340,980	100%	3,993,027	100%
CURRENT ASSETS	1,412,739	33%	1,131,214	28%
Cash and available investments	366,255	8%	89,706	2%
Accounts and notes receivable (net)	547,370	13%	515,577	13%
Other accounts and notes receivable (net)	106,240	2%	138,968	3%
Inventories	386,755	9%	381,610	10%
Other current assets	6,120	0%	5,352	0%
PROPERTY, PLANT AND EQUIPMENT (NET)	1,649,665	38%	1,756,003	44%
Land and buildings	1,016,915	23%	989,935	25%
Machinery and industrial equipment	910,079	21%	803,578	20%
Other equipment	518,175	12%	427,131	11%
Accumulated depreciation	832,500	19%	697,798	17%
Construction in progress	36,996	1%	233,157	6%
OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	255,349	6%	84,476	2%
OTHER ASSETS	1,023,227	24%	1,021,335	26%
TOTAL LIABILITIES	1,615,742	100%	1,444,708	100%
CURRENT LIABILITIES	1,024,627	63%	878,331	61%
Suppliers	348,907	22%	280,152	19%
Bank loans	526,125	33%	525,914	36%
Other loans with cost	67,848	4%		
Taxes payable	23,884	1%	28,437	2%
Other current liabilities without cost	57,863	4%	43,828	3%
LONG-TERM LIABILITIES	204,500	13%	259,464	18%
Bank loans	204,500	13%	259,464	18%
DEFERRED LIABILITIES				
OTHER NON CURRENT LIABILITIES WITHOUT COST	386,616	24%	306,914	21%
CONSOLIDATED STOCKHOLDERS EQUITY	2,725,238	100%	2,548,319	100%
COUNTABLE CAPITAL OF THE PARTICIPATION NOT CONTROLADORA	10,214	0%	10,498	0%
COUNTABLE CAPITAL OF THE PARTICIPATION CONTROLADORA	2,715,024	100%	2,537,821	100%
CONTRIBUTED CAPITAL	544,124	20%	470,097	18%
Capital stock	149,784	5%	147,855	6%
Premium on issuance of shares	394,340	14%	322,242	13%
EARNED CAPITAL	2,170,900	80%	2,067,723	81%
Retained earnings and capital reserves	2,354,547	86%	2,251,371	88%
Other accumulated comprehensive result	- 183,647	-7%	- 183,647	-7%

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

CONCEPTS	Second Quarter 2010		Second Quarter 2009		Variation	% increase / (decrease)
	Amount	%	Amount	%		
Sales Volume (thousands of tons)	47,756		40,842		6,914	17%
Net sales	**1,407,619**	**100%**	**1,274,901**	**100%**	**132,718**	**10%**
Cost of sales	941,884	67%	857,170	67%	84,714	10%
Gross profit	465,735	33%	417,731	33%	48,004	11%
General expenses	388,272	28%	350,952	28%	37,320	11%
Income (loss) from operation	77,462	6%	66,779	5%	10,683	16%
Other income and (expense), net	- 70	0%	3,782	0%	- 3,852	-102%
Comprehensive financing result	18,517	1%	- 13,790	-1%	32,307	-234%
Income before income taxes	59,015	4%	76,787	6%	- 17,772	-23%
Income taxes	6,796	0%	13,054	1%	- 6,258	-48%
Income (loss) before discontinued operations	52,219	4%	63,733	5%	- 11,514	-18%
Discontinued operations						
Net consolidated income	**52,219**	**4%**	**63,733**	**5%**	**- 11,514**	**-18%**
Net income of participation not controladora	1,554	0%	- 1,613	0%	3,167	-196%
Net income of participation controladora	**50,665**	**4%**	**65,346**	**5%**	**- 14,681**	**-22%**

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

Statements of Income

From January the 1st to June 30 of 2010 and 2009

(In thousands of Mexican pesos)

CONCEPTS	Current Year		Previous Year		Variation	% increase / (decrease)
	Amount	%	Amount	%		
Sales Volume (thousands of tons)	95,055		82,415		12,640	15%
Net sales	**2,784,365**	**100%**	**2,535,974**	**100%**	**248,391**	**10%**
Cost of sales	1,836,428	66%	1,702,675	67%	133,753	8%
Gross profit	947,937	34%	833,299	33%	114,638	14%
General expenses	773,764	28%	692,336	27%	81,429	12%
Income (loss) from operation	174,172	6%	140,964	6%	33,209	24%
Other income and (expense), net	- 1,083	0%	- 6,453	0%	5,370	-83%
Comprehensive financing result	- 10,418	0%	- 32,758	-1%	22,340	-68%
Income before income taxes	162,671	6%	101,753	4%	60,918	60%
Income taxes	24,522	1%	17,298	1%	7,224	42%
Income (loss) before discontinued operations	138,149	5%	84,455	3%	53,694	64%
Discontinued operations						
Net consolidated income	**138,149**	**5%**	**84,455**	**3%**	**53,694**	**64%**
Net income of participation not controladora	1,746	0%	- 3,313	0%	5,059	-153%
Net income of participation controladora	**136,403**	**5%**	**87,768**	**3%**	**48,634**	**55%**

GRUPO BAFAR

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

State of Cash Flow (Indirect Method)

From January the 1st to June 30 of 2010 and 2009

(In thousands of Mexican pesos)

COTIZA EN BOLSA MEXICANA DE VALORES

BAFAR

CONCEPTS	Current Year Amount	Previous Year Amount	Variation	% increase / (decrease)
ACTIVITIES OF OPERATION				
Income (loss) before income taxes	162,671	101,753	60,918	60%
+ (-)items not requiring cash	- 9,963	- 1,184	- 8,780	742%
+ (-)items related to investing activities	82,138	60,575	21,563	36%
+ (-)items related to financing activities	21,036	33,585	- 12,549	-37%
Cash flow before income tax	255,881	194,729	61,152	31%
Cash flowprovided or used in operation	- 52,350	- 39,271	- 13,079	33%
Net cash flows provided of operating activities	203,531	155,458	48,073	31%
INVESTMENT ACTIVITIES				
Net cash flow from investing activities	- 142,930	- 121,032	- 21,898	18%
Financing activities	60,601	34,426	26,175	76%
FINANCING ACTIVITIES				
Net cash from financing activities	199,984	- 61,031	261,015	-428%
Net (decrease) increase in cash and cash equivalents	260,585	- 26,605	287,190	-1079%
Translation differences in cash and cash equivalents	113	- 706	820	-116%
Cash and cash equivalents at the begining of period	105,557	117,017	- 11,460	-10%
Cash and cash equivalents at end of period	366,255	89,706	276,549	308%