



Fourth Quarter 2014 Results.

Chihuahua, Chihuahua, February 27th, 2015 Grupo Bafar, S.A.B. de C.V. (BAFAR) A Mexican leading company in the meat products industry, today announces the release of the results corresponding to the Fourth Quarter 2014 (4Q2014). The following information is presented in nominal terms and in compliance to the International Financial Reporting Standard (IFRS).

In relation to the results achieved by the company, Eugenio Baeza Fares Chief Executive Officer and Chairman of the Board stated: "Based on the results of the fourth quarter we could conclude that 2014 was an historic year as we achieved a 17% growth in net sales and 50% growth in operating income. Likewise, annual results are exceptional, since for second consecutive year the company reached an EBITDA growth above twenty percent, driven by the 13% growth in sales and by a significant better performance in operating expenses. Today, the results achieved by Grupo Bafar under a sluggish economic environment ratify its fastness, derived from an organization capable of adapting to a more complex market, to its strict financial discipline, to the talent of the thousands of contributors and to an experienced management team, which has enabled us to strengthen our competitive position. It is my pride to report these important results, and to endorse our commitment to make 2015 a year of major success.

Relevant Figures:

	IVT 13	%	IVT 14	%	Growth
Net Sales	2,212,430	100.0%	2,594,033	100.0%	17.2%
Operating Income	140,816	6.4%	212,164	8.2%	50.7%
EBITDA*	193,352	8.7%	272,857	10.5%	41.1%
Net Income	62,390	2.8%	(41,865)	-1.6%	-167.1%

Amounts expressed in thousand pesos

*EBITDA is defined as earnings before interests, taxes, depreciation and amortization



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Relevant Figures

Strong growth in net sales of 17.2%

Outstanding increase of 50.7% in operating income

Operating Results

Net sales increased 17.2% compared to the 4Q2013, moving from the \$2.2 billion pesos from 2013 to \$2.6 billion pesos in 2014. This increase is mainly due to the rise of 10% in sales volume as a consequence of organic growth as well as to the price increase strategy taken by the company.

During 4Q2014, gross profit has grown 17.7%, rising to \$681.9 million pesos, with a gross margin of 26.3% in comparison to the 26.2% achieved in 4Q2013.

Operating expenses have decreased as percentage of sales in 190 basis points moving from 19.9% by 4Q2013 to 18.0% in 4Q2014. This improvement in operating expenses to sales ratio is attributable mainly to the outcomes of efficiency and productivity programs implemented in all of our business units.

Operating income shows an outstanding growth of 50.7% rising to \$212.2 million pesos at the end of 4Q2014, compared to the \$140.8 million pesos reached at the end of 4Q2013. These unprecedented results in the history of the Group, demonstrate that the strategies implemented have been successful, which also enlightens that there are the necessary fundamentals to continue with the expansion plans.

Meanwhile, the EBITDA rose to \$272.8 million pesos in 4Q2014 growing 41.1%, in comparison to the \$193.9 million pesos reported during the same period of 2013.

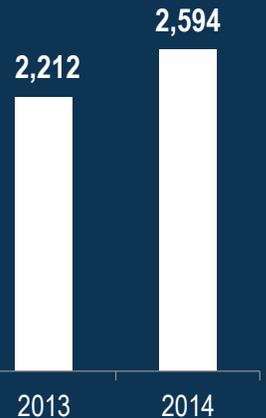
Non-Operating Results

Net financial expenses (income) in 4Q2014 have shown an increase of \$16.1 million pesos, to close with a net expense of \$10.3 million pesos compared to the \$5.7 million pesos of financial income reported in 4Q2013. However, this increase in financial expenses does not compromise the Group's income as it reached an interest coverage ratio of 25.6x.

At the end of 4Q2014, the net income showed a decrease of 167.1% registering a loss of \$41.9 million pesos as a consequence of the effect from the exchange rate fluctuation.

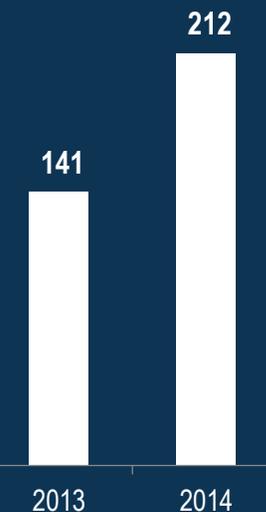
Sales 4Q

+17.2%



Operating Income 4Q

+50.7%



Amounts in Million Pesos



Cumulative Operating Results.

Cumulative Relevant Figures:

	2013	%	2014	%	Growth
Net Sales	8,058,825	100.0%	9,126,105	100.0%	13.2%
Operating Income	552,898	6.9%	678,361	7.4%	22.7%
EBITDA*	749,227	9.3%	906,709	9.9%	21.0%
Net Income	301,673	3.7%	299,934	3.3%	-0.6%

Amounts expressed in thousand pesos

*EBITDA is defined as earnings before interests, taxes, depreciation and amortization

Accumulated net sales increased 13.2% when compared to prior year results, moving from \$8.1 billion pesos in 2013 to \$9.1 billion pesos in 2014. This increase is due mainly to the growth of 8.1% in sales volume as well as to the rise in the prices of some products.

Accumulated gross profit rose 9.0% during 4Q2014, settling in \$2.4 billion pesos, with a gross margin of 26.4% compared to the 27.4% reported in 2013. Gross profit has been significantly impacted throughout the year by the increase in raw materials costs, however the increase in prices of our products have minimized the effect of income deterioration.

Accumulated operating expenses presented a significant decrease as a percentage of sales of 170 basis points by shifting from 20.6% in 2013 to 18.9% during 2014. This reduction in operating expenses derives from the improvement of processes and an efficient use of resources.

Net income 4Q

62

2013

-42

Accum. Net Sales. +13.2

8,059

9,126

2013

2014

Amounts in Million Pesos



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Accordingly, operating income reached \$678.4 million pesos in comparison of the \$552.9 million pesos reported in 2013 with an operating margin of 7.4%, resulting in an outstanding growth of 22.7%.

Therefore, the accumulated EBITDA presented an increase of 21.0% to settle in \$906.7 million pesos at the end of 2014, compared to prior year \$749.2 million pesos.

Cumulative Non-Operating Results

Accumulated net financial expenses in 2014 presented a significant decrease of 39.1% to close with financial expenses of \$35.5 million pesos compared to the \$58.2 million pesos reported during 2013. This variation is attributable to the strategy implemented to access better funding rates and to an efficient cash flow management.

Net income settled in \$299.9 million pesos which compared to the \$301.7 million pesos from the same period of 2013, results in a marginal decrease of 0.6%.

Balance Sheet

Investments.

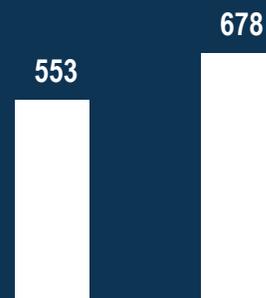
At the end of 2014, Grupo Bafar has conducted record investments reaching \$572.3 million pesos, which was mainly destined to organic growth. Through projects promoting process and business units productivity, as well as to capacity expansion and facilities.

Banking Debt:

By December 2014, banking debt closed in \$2.4 billion pesos in comparison with the \$1.3 billion pesos registered in 2013. Such variation is attributable to the funding acquired to serve the investments mentioned above, as well as to serve working capital.

Accum. Operating Income

+22.7%



2013

2014

Accum. Net Income

-0.6%



2013

2014

Amounts in Million Pesos



Despite the increase in banking debt derived from the strong investments taken by the Group, its financial structure stood solid, enabling to obtain prominent positions in financial ratios related to leverage, highlighting the interest coverage ratio which registered a coverage of 25.6x against the 12.9x reported in 2013. Meanwhile, Total Liabilities to Equity ratio settled in 85%. Whereas, Net Debt to Cash Flow* ratio positioned in 1.9x.

*Last 12 months

Financial Ratios

By December 31th 2014, the company's main financial ratios were as follows.

Financial Ratios:

	IVT 13	IVT 14
EBITDA Coverage Ratio*	12.9	25.6
Net Cash to EBITDA*	1.5	1.9
Debt to Equity Ratio	53%	85%
Financial Debt to Total Liabilities	73%	74%

*Last twelve months

Stock Exchange Indicators:

	IVT 13	IVT 14
Book Value per Share	12.5	13.3
EPS*	0.96	0.97
Shares Outstanding**	314,279	312,097
Price per Share	36.40	32.00

EPS: Earnings per share

*Last twelve months

**Million of share

Company's Background

Grupo Bafar is a 100% Mexican company which trades in the Mexican stock exchange (BMV for its acronym in Spanish) since 1996 and it is one of the major producer and supplier of meat and dairy products in the country. With over 30 years in the market has presence in Mexico and in the south of the United States.

Capex

576 572



2013 2014

Amounts in Million Pesos

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Grupo Bafar S.A.B. de Consolidated Balance Sheet



GRUPO BAFAR

	31 Dic 2013		31 Dic 2014	
ASSETS				
Cash and temporary investments	383,365	6.3%	876,443	11.2%
Receivables, net	919,738	15.1%	1,038,480	13.3%
Other receivable, net	194,793	3.2%	587,088	7.5%
Inventories	585,544	9.6%	733,619	9.4%
Other current assets	6,454	0.1%	7,339	0.1%
Current assets	2,089,893	34.2%	3,242,969	41.6%
Net property and equipment	2,798,269	45.8%	3,212,981	41.2%
Intangible assets and other assets	1,216,252	19.9%	1,339,303	17.2%
Non current assets	4,014,521	65.8%	4,552,284	58.4%
Total Assets	6,104,414	100.0%	7,795,253	100.0%
LIABILITIES				
Short term debt	1,246,186	58.8%	2,334,368	65.3%
Accounts payable	404,670	19.1%	576,530	16.1%
Other liabilities	225,842	10.7%	212,613	5.9%
Taxes payable and other current liabilities	61,307	2.9%	129,333	3.6%
Current liabilities	1,938,005	91.4%	3,252,843	91.0%
Long term debt	69,301	3.3%	81,977	2.3%
Other non current liabilities	112,630	5.3%	240,636	6.7%
Non current liabilities	181,931	8.6%	322,613	9.0%
Total Liabilities	2,119,935	100.0%	3,575,457	100.0%
EQUITY				
Common stock	83,038	2.1%	82,473	2.0%
Capital in excess of par value	195,485	4.9%	126,161	3.0%
Actuarial gain (loss) on labor obligations	3,347,119	84.0%	3,647,328	86.4%
Retained earnings	300,210	7.5%	304,208	7.2%
Excercise gain/loss	3,925,850	98.5%	4,160,171	98.6%
Total Shareholder's equity		0.0%	(2,261)	-0.1%
Non controlling interests	58,628	1.5%	61,888	1.5%
Total Equity	3,984,479	100.0%	4,219,797	100.0%
LIABILITIES PLUS EQUITY	6,104,414		7,795,253	



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GRUPO BAFAR

Grupo Bafar S.A.B. de C.V.
Consolidated Income Statement
 January 1st to December 31st, 2013 and 2014



	Trimestral			Acumulado			BAFAR	
	2013		2014		2013		2014	
Net sales	2,212,430	100.0%	2,594,033	100.0%	8,058,825	100.0%	9,126,105	100.0%
Cost of sales	1,633,064	73.8%	1,912,154	73.7%	5,850,883	72.6%	6,719,615	73.6%
Gross Profit	579,366	26.2%	681,879	26.3%	2,207,941	27.4%	2,406,491	26.4%
Operating expenses	439,313	19.9%	466,839	18.0%	1,657,458	20.6%	1,727,617	18.9%
Other income, net	(764)	0.0%	(2,876)	-0.1%	2,414	0.0%	(512)	0.0%
Operating Income	140,816	6.4%	212,164	8.2%	552,898	6.9%	678,361	7.4%
Net interest expenses	(5,771)	-0.3%	10,325	0.4%	58,239	0.7%	35,467	0.4%
Foreign exchange gain (loss), net	1,017	0.0%	180,011	6.9%	36,754	0.5%	217,495	2.4%
Income before taxes	145,570	6.6%	21,827	0.8%	457,904	5.7%	425,399	4.7%
Income tax	83,180	3.8%	63,692	2.5%	156,232	1.9%	125,465	1.4%
Net Income	62,390	2.8%	(41,865)	-1.6%	301,673	3.7%	299,934	3.3%
Non controlling interest	605	0.0%	(2,216)	-0.1%	1,463	0.0%	(4,274)	0.0%
Net Consolidated Income	61,785	2.8%	(39,649)	-1.5%	300,210	3.7%	304,208	3.3%
EBITDA	193,352	8.7%	272,857	10.5%	749,227	9.3%	906,709	9.9%



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GRUPO BAFAR

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

Consolidated Cash Flow Statement

December 31st, 2013 and 2014



BAFAR

	2013	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated income before taxes	457,904	425,399
Depreciation and amortization	192,340	228,347
Net interests	172,171	35,467
Other accounts	(37,226)	(340)
Net cash before working capital	785,189	689,892
Accounts receivable	54,993	(26,932)
Inventories	(52,390)	(150,337)
Accounts payable	(10,582)	166,911
Other assets	(429,089)	(419,976)
Other liabilities	82,772	52,309
Change in net working capital	(354,296)	(378,025)
Net cash provided by operating activities	430,893	311,867
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of properties, plant and equipment	(604,964)	(612,696)
Proceeds from sale of fixed assets	15,892	39,904
Investments in intangible assets	(72,121)	(167,410)
Interests received	(56,966)	110,868
Other assets	638,718	(91,435)
Net cash used in investing activities	(79,441)	(720,770)
Remaining cash after investing activities	351,452	(408,902)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings, net	(165,974)	941,524
Repurchased own shares and dividends	286,345	12,168
Interests paid	(115,205)	(146,335)
Other accounts	92,177	7,899
Net cash from financing activities	97,343	815,255
Remaining cash after financing activities	448,796	406,353
Other changes in cash	(1,488)	1,002
Cash and cash equivalents at beginning of period	179,900	383,365
Cash and cash equivalents at end of period	383,365	790,719



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