

Industrias Bachoco S.A.B. de C.V.
Form 6-K
July 24, 2009

CONFORMED

Securities and Exchange Commission
Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer
Pursuant to Rule 13a-16 Or 15d-16
Of The
Securities Exchange Act of 1934

For the month of July 23, 2009

BACHOCO INDUSTRIES
(Translation of Registrant's name into English)

Avenida Tecnológico No. #401
38010 Celaya, Guanajuato
(Address of principal office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g-3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82__.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Industrias Bachoco, S.A. de C.V.
(Registrant)

Date: July 23, 2009

By /s/ Daniel Salazar Ferrer, CFO

Industrias Bachoco Announces Second Quarter 2009 Results

Celaya, Gto., Mexico, - July 23, 2009 - Industrias Bachoco S.A.B. de C.V. (“Bachoco” or “the Company”) (NYSE: IBA; BMV: Bachoco), Mexico’s leading producer and processor of poultry products, announced today its unaudited results for the second quarter and first half ended June 30, 2009. All figures have been prepared in accordance with Mexican GAAP. In line with the Mexican Accounting Principles, data is presented in nominal Mexican pesos.

Highlights:

(In millions of pesos)

		2Q-09	2Q-08	1H-09	1H-08
Net sales	Ps.	5,991.1	4,987.5	11,857.9	9,730.8
Gross profit	Ps.	1,455.4	894.6	2,557.0	1,719.9
	Gross margin	24.3%	17.9%	21.6%	17.7%
Operating Income	Ps.	858.6	311.6	1,353.4	556.0
	Operating margin	14.3%	6.2%	11.4%	5.7%
EBITDA	Ps.	1,019.3	460.3	1,673.6	853.7
	EBITDA margin	17.0%	12.7%	14.1%	8.8%
Net majority income	Ps.	695.7	194.4	969.7	425.2
	Net margin	11.6%	3.9%	8.2%	4.4%

- The Company registered a 20.1% increase in sales when compared with the same quarter of 2008, recording its highest sales level for any given quarter.
 - Bachoco’s sales increased across all its business lines, and were particularly strong for chicken and eggs.
 - EPS for the quarter were Ps. 1.16 (US\$ 1.06 per ADS) versus Ps. 0.32 (US\$ 0.30 per ADS) in 2Q08.

CEO’s Comments:

Cristóbal Mondragon, Bachoco’s CEO, stated: “Even when the Mexican economy continued slowing down and is expected to record one of the worse performing quarters ever, the Company’s performance remained strong and we continued delivering positive results to our holders by taking the opportunities the industry offered.

“The poultry market showed a good balance between supply and demand, which together with our focus on properly serving our market channels, allowed us to record the highest sales level in a quarter.

“Our operating margin improved and good results in the quarter were boosted by the good operating environment, a more stable Mexican peso, and the strategies implemented by the Company, such as productivity improvements, optimizing sales mix and control of our expense.

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“Furthermore, our comprehensive financial result also improved also during this quarter as a result of the restructuring of our derivatives portfolio and the maturity of most of the instruments we had in place,” concluded Mr. Mondragón.

SECOND QUARTER 2009 RESULTS

Net Sales

Net sales for the second quarter amounted to Ps. 5,991.1 million, 20.1% above the Ps. 4,987.5 million reported in 2Q08. This increase was mainly driven by higher sales in the main business lines: chicken sales rose 20.0%, while table eggs sales jumped 30.9%, and balanced feed sales increased 11.3%.

	Net sales	2Q09 (%)	2Q08 (%)
Chicken		77.73	77.83
Eggs		10.21	9.36
Balanced feed		6.83	7.37
Swine		0.92	1.10
Other lines		4.31	4.34
		100.00%	100.00%

Operating Results

Bachoco’s second quarter gross margin was 24.3%, higher than the 17.9% reached in the same quarter of 2008. The increase in the gross margin is attributed to the 18.4% increase in sale prices, which was partially offset by the 10.8% increase in the cost of sales.

The Company had an operating profit of Ps. 858.6 million, compared to an operating profit of Ps. 311.6 million in the same quarter of 2008; the operating margin of 14.3% in the second quarter 2009, was above the 6.2% margin of the same 2008 period.

Operating expenses amounted to Ps. 596.7 million in the quarter. Even when operating expenses increased by 2.4% during the quarter, operating expenses as a percentage of sales decreased to 10.0%, when compared to the same period of 2008.

The EBITDA result was positive and amounted to Ps. 1,019.3 million, and was 121.4% above the Ps. 460.3 million recorded in the same period of 2008.

Taxes

Total taxes recognized for the second quarter were Ps. 168.6 million.

Comprehensive Financial Income (Cost)

The Company’s financial comprehensive income was Ps. 13.6 million during the quarter, compared to a financial comprehensive cost of Ps. 47.5 million reported in the same quarter last year.

Net Majority Income

Net majority income for the second quarter totaled PS. 695.7 million, or Ps. 1.16 per share (US\$1.06 per ADS), compared to a net majority income of Ps. 194.4 million, or Ps. 0.32 per share (US\$0.30 per ADS) reported in the same 2008 period.

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RESULTS BY BUSINESS SEGMENT

Chicken

Results for the chicken business line remained strong during the second quarter. Sales of chicken products increased 20.0% as chicken prices rose 18.3% and volume grew 1.4%. During this quarter demand for chicken products was stable in the Mexican market.

Table Eggs

Sales of eggs significantly increased by 30.9% during the second quarter as egg prices rose 31.7% from the previous year, but were partially offset by a slight volume decrease of 0.6% related to the production adjustment made by the Company. Demand for egg products remained strong in the Mexican market.

Balanced Feed

During the second quarter the balanced feed business showed signs of recovery. Sales of balanced feed increased 11.3%, mainly due to an 8.9% increase in prices and a 2.3% increase in volume. This business line was strongly affected during the past quarters given the high cost of raw material prices.

Swine

Swine sales increased 0.3% from 2Q08, mainly driven by a 0.9% increase in volume, which was partially offset by a 0.6% decrease in swine prices.

Other Lines

Sales of other lines increased 19.4% when compared with same quarter of 2008; The main products sold were by-product sales, such as poultry manure.

FIRST HALF OF 2009

Net Sales

Net sales for the first half of 2009 amounted to Ps. 11,857.9 million, and were 21.9% above the Ps. 9,730.8 million reported in 1H08. The increase was mainly driven by the 24.0% increase in chicken sales, 20.2% in table eggs sales, 19.8% in swine sales and 1.7% increase in sales of balanced feed.

Net sales	1H 2009 (%)	1H 2008 (%)
Chicken	78.35	77.02
Eggs	10.21	10.35
Balanced feed	6.31	7.57
Swine	0.97	0.98
Other lines	4.16	4.08
	100.00%	100.00%

Operating Results

Bachoco's gross margin for the first half of the year was 21.6%, higher than 17.7% in 1H08, and was mainly attributed to higher sales in all of our business lines. The Company's operating profit was Ps. 1,353.4 million, compared to an operating profit of Ps. 556.0 million reached in the same period of 2008. EBITDA was Ps. 1,673.6 million, 96.0% more than the Ps. 853.7 million recorded in the 1H08. EBITDA margin for the first half of 2009 was 14.1%.

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Taxes

Taxes for the first half of the year were Ps. 235.7 million.

Net Majority Income

Net majority income for the first half of the year was Ps. 969.7 million, or Ps. 1.62 per share (US\$1.47 per ADS), compared to net income of Ps. 425.2 million, or Ps. 0.71 per share (US\$0.65 per ADS) reported in the same 2008 period.

Balance Sheet

Liquidity is solid with cash and cash equivalents amounting to Ps. 2,802.4 million as of June 30, 2009. The total debt outstanding was Ps. 640.2 million as of June 30, 2009.

Capital Expenditures

CAPEX during the first half of 2009 amounted to Ps. 223.0 million, and was entirely financed with internally generated resources.

Exhibits:

- A.- Consolidated Balanced Sheets
- B.- Consolidated Statement of Income
- C.- Consolidated Statement Cash Flow
- D.- Derivatives Position Report

Company Description

Industrias Bachoco S.A.B. de C.V. (also referred to in this report as Bachoco or the Company) is the largest poultry company in Mexico, with over 700 production and distribution facilities currently organized in nine complexes throughout the country. Bachoco's main business lines are: chicken, eggs, and balanced feed, among others. The Company is also present in other businesses like swine, beef, margarine and turkey in Mexico. The Company's headquarters are in Celaya, Guanajuato, located in Mexico's central region. For more information, please visit Bachoco's website at <http://www.bachoco.com.mx> or contact our IR department.

This press release contains certain forward-looking statements that are subject to a number of uncertainties, assumptions and risk factors that may influence its accuracy. Actual results may differ. Factors that could cause these projections to differ include, but are not limited to: supply and demand, industry competition, environmental risks, economic and financial market conditions in Mexico and operating cost estimates. For more information regarding Bachoco and its outlook, please contact the Company's Investor Relations Department.

Exhibit A: Consolidated Balance Sheets

Industrias Bachoco, S.A.B. de C.V.
Condensed Consolidated Balance Sheets

	U.S.D. 2009(1)		Mexican Pesos 2009(2) As of June 30,		Mexican Pesos 2008(2) As of June 30,
ASSETS					
Current assets					
Cash and cash equivalents	\$ 213	Ps	2,802	Ps	2,879
Total accounts receivable	103		1,353		1,283
Inventories	307		4,039		4,473
Other current assets	15		202		-
Total current assets	638		8,396		8,634
Net property, plant and equipment	806		10,620		10,637
Other non current assets	26		336		374
TOTAL ASSETS	\$ 1,469	Ps	19,352	Ps	19,645
LIABILITIES					
Current liabilities					
Notes payable to banks	31		405		67
Accounts payable	96		1,261		1,348
Other taxes payable and other accruals	38		507		611
Total current liabilities	165		2,172		2,025
Long-term debt	18		236		73
Labor obligations	7		91		56
Deferred income taxes and others	155		2,047		1,938
Total long-term liabilities	180		2,374		2,066
TOTAL LIABILITIES	\$ 345	Ps	4,546	Ps	4,091
STOCKHOLDERS' EQUITY					
Majority stockholder's equity:					
Capital stock	174		2,295		2,295
Paid-in capital	57		744		660
Reserve for repurchase of shares	12		159		244
Retained earnings	804		10,591		11,418
Net majority income of the year	74		970		425
Deficit from restatement of stockholder's equity	-		-		-
Derivate financial instruments	-		-		469
Total majority stockholder's equity	1,121		14,759		15,510
Minority interest	4		47		44
TOTAL STOCKHOLDERS' EQUITY	1,124		14,807		15,554
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,469	Ps	19,352	Ps	19,645

(1) For reference, in millions of U.S. dollars using an exchange rate of \$13.17 as of June 30, 2009

(2) Millions of Mexican nominal pesos

Exhibit B: Consolidated Statement of Income

INDUSTRIAS BACHOCO, S.A.B. DE C.V.
 Consolidated Statements of Income
 -unaudited-

	SECOND QUARTER			FIRST HALF		
	U.S.D. 2009(1)	Mexican Pesos 2009(2)	2008(2)	U.S.D. 2009(1)	Mexican Pesos 2009(2)	2008(2)
Net sales	\$ 455	Ps 5,991	Ps 4,987	US 900	Ps 11,858	Ps 9,731
Cost of sales	344	4,536	4,093	706	9,301	8,011
Gross profit (loss)	111	1,455	895	194	2,557	1,720
Selling, general and administrative expenses	45	597	583	91	1,204	1,164
Operating income (loss)	65	859	312	103	1,353	556
Comprehensive financing (cost) income	1	14	(47)	(8)	(106)	(17)
Interest income	2	23	31	6	73	98
Interest expense and financing expenses	(2)	(21)	(49)	(3)	(44)	(70)
Foreign exchange gain (loss), net	(2)	(23)	(30)	(1)	(18)	(45)
Other financial income (expense) net	3	35	-	(9)	(117)	-
Other income (expense) net	(0)	(3)	(14)	(3)	(35)	6
Income before income tax, asset tax	66	869	250	92	1,212	545
Total income taxes	13	169	54	18	236	117
Income tax, asset tax	2	28	24	4	51	127
Deferred income taxes	11	141	30	14	184	(9)
Net income	\$ 53	Ps 700	Ps 196	74	976	428
Minority net income	0	5	2	0	6	2
Majority net income	53	696	194	74	970	425
weighted average shares outstanding (in thousands)	599,891	599,891	600,000	599,918	599,918	600,000
Net majority Income per share (in U.S.D per ADS)	1.06	1.16	0.32	1.47	1.62	0.71

(1) For reference, in millions of U.S. dollars using an exchange rate of \$13.17 as of June 30, 2009

(2) Millions of Mexican nominal pesos

Exhibit C: Consolidated Statement of Cash Flows

Industrias Bachoco, S.A.B. de C.V.
Consolidated Statement of Cash Flows

	U.S.D. 2009(1)		As of June 30, 2009(2)		2008(2)
NET MAJORITY INCOME BEFORE INCOME TAX	\$ 92	Ps.	1,212	Ps.	545
ITEMS THAT DO NOT REQUIRE CASH:					
Other Items	(20)		(262)		(142)
ITEMS RELATING TO INVESTING ACTIVITIES:					
Depreciation and others	22		296		291
Income (loss) on sale of plant and equipment	24		320		298
Other Items	(1)		(17)		(4)
ITEMS RELATING TO FINANCING ACTIVITIES:					
Interest income (expense)	(0)		(6)		(2)
Other Items	9		117		168
Other Items	3		44		70
Other Items	6		73		98
NET CASH GENERATED FROM NET INCOME BEFORE TAXES	\$ 104	Ps.	1,364	Ps.	862
CASH GENERATED OR USED IN THE OPERATION					
Decrease (increase) in accounts receivable	1		16		(72)
Decrease (increase) in inventories	11		145		88
Increase (decrease) in accounts payable	82		1,079		(89)
Income taxes paid	(55)		(722)		183
Income taxes paid	(37)		(487)		(254)
NET CASH FLOW FROM FINANCING ACTIVITIES	\$ 105	Ps.	1,380	Ps.	790
INVESTING ACTIVITIES					
NET CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	(24)		(320)		(612)
Proceeds from sales of property plant and equipment	(17)		(223)		(686)
Other Items	(1)		(11)		38
Other Items	(7)		(87)		36
CASH FLOW SURPLUS (REQUIREMENTS OF) TO BE USED IN FINANCING ACTIVITIES	\$ 80	Ps.	1,059	Ps.	178
FINANCING ACTIVITIES					
Net cash provided by financing activities:					
Proceeds from loans	(17)		(229)		(339)
Principal payments on loans	45		588		123
Principal payments on loans	(44)		(573)		(94)

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Dividends paid	(9)	(125)	(118)
Other items	(9)	(119)	(251)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	63	830	(161)
CASH AND INVESTMENTS AT THE BEGINNING OF YEAR	150	1,972	3,040
CASH AND INVESTMENTS AT END OF PERIOD	\$ 213	Ps. 2,802	Ps. 2,879

(1) For reference, in millions of U.S. dollars using an exchange rate of \$13.17 as of June 30, 2009

(2) Millions of Mexican nominal pesos

Exhibit D: Derivatives Position Report

Industrias Bachoco, S.A.B. de C.V.
 Thousands of Mexican Pesos, as of June 30, 2009
 Table 1

Type of Financial Instrument	Objective of The instrument	Notional	Value of the Related Commodity		Reasonable Value		Amounts Due by Year	Guaranties Required
			2Q-2009	1Q-2009	2Q-2009	1Q-2009		
Forwards, knock out forwards, puts and buying and selling TARNs of USD under different amounts and conditions*	Hedge and negotiation	\$ 579,480	\$ 13.17	\$ 14.21	-\$ 74,408	-\$ 440,456		
Corn Futures and soybean meal Futures**	Hedge	\$ 279,352	Corn of Sep and Dec, \$3.5450 and \$3.6725 USD/bushel respectively. Soybean meal of Aug and Sep \$374.30 and \$339.30 USD/ton.	Corn: \$4.0475 USD/per bushel for May. Soybean meal: \$295.3 USD/ton for May.	-\$ 22,565	-\$ 4,202		The deals consider the
Options for corn***	Hedge and negotiation	\$ 17,569	Corn: \$3.5450 USD/ per bushel for Sep and \$3.6725 for December.	Corn: \$4.0475, \$4.1475, \$4.240 and \$4.3575 USD/per busherl for May, Jul, Sep and Dec	\$ 84	\$ 992	2009	possibility of margin calls but not another

				respectively.				kind of guaranty	
Options for soybean meal****	Hedge and negotiation	\$ 51,292	Soybean meal: \$374.30 USD/per ton for Aug and \$314.3 and \$306.30 USD/ton for Oct and Dec	Soybean meal: \$295.3, \$291.6, \$285.3 and \$265.4 USD/ton for May, Jul, Aug and Oct	\$ 7,044	-\$ 534			

* None of the financial instruments exceed 5% of total assets as of June 30, 2009

* The 52.3% of the instruments will be due in 2009 and the rest during the first half of 2010.

** All the instruments will be due in 2009

*** All the instruments will be due in 2009

**** All the instruments will be due in 2009

A negative value means an unfavorable effect for the Company

Industrias Bachoco, S.A.B. de C.V.

Thousand of Mexican Pesos, as of June 30, 2009

Table 2

Kind of Financial Instrument	Reasonable Value As of March 31	Value of the Related Commodity /reference value			Effect on the Income Statement	Effect on the Cash Flow*****		
		3%	5%	10%		3%	5%	10%
Forwards, knock out forwards, puts and buying and selling TARNS of USD under different amounts and conditions*	-\$ 74,408	\$ 13.57	\$ 13.83	\$ 14.49	Direct	-\$ 60,008	-\$ 50,648	-\$ 95,740
		10%	15%	20%		10%	15%	20%
Corn Futures and soybean meal Futures**	-\$ 22,565	\$ 3.19	\$ 3.01	\$ 2.84		-\$ 48,243	-\$ 61,083	-\$ 73,922
		\$ 336.87	\$ 318.16	\$ 299.44				

Options for corn***	\$	84	\$	3.19	\$	3.01	\$	2.84	The effect will materialize as the inventory is consumed.	-\$	368	-\$	594	-\$	820
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Options for soybean meal****	\$	7,044	\$	336.87	\$	318.16	\$	299.44		-\$	16	-\$	3,547	-\$	7,077
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* The reference value is the exchange rate of the Mexican peso and USD, \$13.17 pesos per USD as of June 30 of 2009.

** The reference value is the future in USD per bushel, here referenced to corn, \$3.5450 for September and \$374.3 USD/ton for August for Soybean meal.

*** The reference value is the future in USD per bushel, here referenced to corn for September 2009.

**** The reference value is the future in USD per ton, here referenced to Soybean meal for August 2009.

***** The company has credit lines with the majority of its counterparts, so that the effect in cash flow is lower than the amount shown.

A negative value means an unfavorable effect for the Company.