

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

Industrias Bachoco S.A.B. de C.V.
Form 6-K
June 10, 2008

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 January 31, 2008

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

Avenida Tecnologico 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__.)

Industrias Bachoco Announces Fourth Quarter 2007 and Full Year Results

Celaya, Gto., Mexico, - January 31, 2008 - Industrias Bachoco S.A.B. de C.V. ("Bachoco" or "the Company") (NYSE: IBA; BMV: Bachoco B), Mexico's leading producer and processor of poultry products, today announced its unaudited results for the quarter ended December 31, 2007. All figures have been prepared in accordance with Mexican GAAP and are stated in constant Mexican pesos as of December 31, 2007.

Highlights:

- o Bachoco recorded sales of Ps. 18,208.8 during 2007, 17.2% above the Ps.

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

15,537.5 million reached in 2006. Fourth quarter sales increased 11.0% as compared with the same quarter of 2006.

- o Bachoco achieved EPS of Ps. 2.13 (US\$2.34 per ADS) for 2007, compared to EPS of Ps. 1.54 (US\$1.70 per ADS) for 2006. Fourth quarter EPS were Ps. 0.30 (US\$ 0.33 per ADS) versus Ps. 0.19 (US\$ 0.21 per ADS).
- o In 2007, the company increased its facilities by adding two new complexes as a result of the agreements reached with three different companies.

CEO's Comments:

Cristobal Mondragon, Bachoco's CEO, stated, "Fourth quarter results were again affected, as it occurred during the whole year, by the increase in our costs due to the rising pressure of raw materials worldwide. Nonetheless, we sold the highest volume of chicken, our main product line, in a single quarter historically. Total sales increased 11.0% during the quarter, we sold our entire production volume for our main business lines and had an important improvement in the table eggs business.

"Overall, 2007 was a challenging year. Despite the increase in raw materials, we managed to improve our operational results, recording an increase of 5.3% from last year.

"The Company successfully achieved these results under a difficult scenario, mainly because of its efficiency, productivity and service improvement efforts, which allowed us to obtain positive results.

"At the end of the year, the Company announced a business arrangement with "AGRA", a table egg company located in northern Mexico, which will contribute to reinforcing our presence in that region with branded table eggs," concluded Mr. Mondragon.

FOURTH QUARTER 2007 RESULTS

Net Sales

Net sales for the quarter reached Ps. 4,602.6 million, 11.0% above the Ps. 4,145.5 million reported in 4Q06. This increase was mainly driven by the 7.7% increase in chicken sales, 25.9% in table eggs sales, and 17.0% in swine sales, which, in turn, were partially offset by a 2.1% decrease in balanced feed sales.

Net Sales by Product Line	4Q07 (%)	4Q06 (%)
CHICKEN	75.7	78.0
EGGS	10.6	9.4
BALANCED FEED	7.7	8.8
SWINE AND OTHER LINES	6.0	3.8
TOTAL COMPANY	100.0	100.0

Operating Results

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

Bachoco's fourth quarter gross margin of 17.0% was lower than the 26.2% in 4Q06. The decrease is mainly attributed to the increase in raw materials costs. The Company's operating margin dropped to 4.4%, from the 13.1% margin in the same 2006 quarter. EBITDA during the quarter totaled Ps. 347.6 million.

Taxes

Taxes recognized by the Company during the quarter were Ps. 70.8 million.

Net Income

Net income for 4Q07 was Ps. 180.3 million, or Ps. 0.30 per share (US\$0.33 per ADS), compared to net income of Ps.113.3 million, or Ps.0.19 per share (US\$0.21 per ADS) reported in the same 2006 period. During the fourth quarter of 2006, the Company recognized a special charge of Ps. 335.8 million, which did not affect cash flow.

RESULTS BY BUSINESS SEGMENT

Chicken

Chicken sales rose 7.7% during 4Q07 as a result of a 10.4% increase in volume, which was partially offset by 2.5% decrease in prices. During this quarter, the demand for chicken was strong and prices for chicken were lower than expected. The volume increase was driven by added capacity and productivity improvements.

Table Eggs

Sales of table eggs grew stronger by 25.9%, while volumes increased 4.1% and the price jumped 20.9% from the same last year's quarter.

Balanced Feed

Balanced feed sales and volume decreased during this quarter by 2.1% and 12.1%, respectively, when compared to 4Q06. Pricing, however, rose 11.3% driven by worldwide pressure on grains and other raw materials.

Swine and Other Lines

Sales of swine and other lines increased 90.4% in the quarter. This increase was mainly the result of turkey sales and a 22.3% increase in swine volume.

FULL YEAR 2007

Net Sales

Net sales for 2007 were 17.2% higher at Ps. 18,208.8 million, when compared to Ps. 15,537.5 million reported in 2006. Sales rose mainly as chicken sales grew 17.2%, table eggs increased 22.2%, balanced feed rose 4.2% and swine increased 24.3%.

Net Sales by Product Line	2007 (%)	2006 (%)
---------------------------	----------	----------

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

CHICKEN	77.6	77.6
EGGS	9.6	9.2
BALANCED FEED	8.0	9.0
SWINE AND OTHER LINES	4.8	4.2

TOTAL COMPANY	100.0	100.0

Operating Results

Bachoco's gross margin reached 20.5% during the year, below the 22.4% gross margin reported in 2006. The 17.2% increase in sales was partially offset by a 20.1% increase in the cost of sales. Bachoco's operating margin was 8.2% lower than the 9.1% of the same 2006 period. EBITDA during the year reached Ps. 2,059.2 million, a 5.5% increase over 2006.

Taxes

The taxes recognized by the Company during the year were Ps.386.9 million.

Net Income

Net income for the year ended December 31, 2007, was Ps. 1,278.3 million. Earnings per share reached Ps. 2.13, (U.S. \$2.34 per ADS), compared to Ps. 1.54 (U.S. \$1.70 per ADS) reported in 2006.

Balance Sheet

The Company maintained a healthy financial structure. Liquidity remained solid with cash and cash equivalents at Ps. 3,040.0 million as of December 31, 2007. Debt was Ps. 109.6 million as of December 31, 2007.

Capex during the year was Ps. 861.7 million.

Company Description

Industrias Bachoco S.A.B. de C.V. (also referred to in this report as Bachoco or the Company) was founded by the Robinson Bours family in 1952. 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, swine and turkey, and the Company is also an important player in the balanced feed industry in Mexico. The Company's headquarters are based in Celaya, Guanajuato, located in Mexico's central region.

Industrias Bachoco made an initial public stock offering in September 1997. Its securities are listed and traded on the BMV (Bachoco B) and on the NYSE (IBA).

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

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

Relations Department.

INDUSTRIAS BACHOCO, S.A.B. DE C.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(millions of constant pesos as of December 31, 2007, and millions
of U.S. dollars, except per share data)

	Fourth Quarter				
	Dec 31	Dec 31	Dec 31		Dec
	2007 (1)	2007	2006		2006
Net Sales	US 422	Ps 4,603	Ps 4,145	US	
Cost of Sales	350	3,821	3,058		
Gross Profit	72	782	1,087		
Selling, general and administrative expenses	53	581	542		
Operating Income	18	201	545		
Comprehensive Financing Cost (income)					
Interest Expense (Income)	(2)	(22)	(59)		
Foreign Exchange Loss (gain)	0	2	10		
Gain from Monetary Position	3	30	31		
Total Comprehensive Financing Cost (income)	1	10	(18)		
Other Income Net	5	60	(6)		
Income before Provisions for Income Tax, Employee Profit Sharing and Minority Interest	23	250	557		
Provisions for:					
Income Tax, Asset Tax	(1)	(7)	(75)		
Deferred Income Taxes	(6)	(64)	(370)		
Income before Minority Interest	16	180	113		
Minority Interest	0	1	1		
Net Income	17	180	113		
Weighted Average Shares Outstanding (Thousand)	600,000	600,000	600,000		600,000
Net Income per Share	0.33	0.30	0.19		
Dividend per Share	-	-	-		

(1) Peso amounts have been translated into U.S. dollars, solely for the

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

convenience of the reader, at the rate of Ps. 10.9170 per U.S. dollar, the noon buying rate at December 31, 2007.

INDUSTRIAS BACHOCO, S.A.B. DE C.V. AND SUBSIDIARIES
 Condensed Consolidated Balance Sheets
 (millions of constant pesos as of December 31, 2007,
 and millions of U.S. dollars)

	Dec 31 2007(1)		Dec 31 2007		
<hr/>					
ASSETS					
Current Assets:					
Cash and Cash Equivalents	US	278		Ps	3,040
Accounts Receivable less Allowance for Doubtful					Ps
Accounts		66			725
Inventories		387			4,220
Other Current Assets		49			534
Total Current Assets		780			8,520
Net Property, Plant and Equipment		929			10,140
Other Non Current Assets		32			354
Total Non Current Assets		961			10,494
TOTAL ASSETS		1,742			19,015
<hr/>					
LIABILITIES					
Current Liabilities:					
Notes Payable to Banks		5			59
Trade Accounts Payable		104			1,138
Other Accrued Liabilities		29			320
Total Current Liabilities		139			1,517
Long-Term Debt		5			51
Labor Obligations		5			53
Deferred Income Taxes and Others		214			2,333
Total Long-Term Liabilities		223			2,437
TOTAL LIABILITIES		362			3,954
<hr/>					
STOCKHOLDERS' EQUITY					
Capital stock		212			2,314
Premium in Public Offering of Shares		60			660
Retained Earnings		1,435			15,665
Net Income for the Year		117			1,278
Deficit from Restatement of Stockholders' Equity		(342)			(3,732)
Reserve for Repurchase of Shares		22			244
Minimum Seniority Premium Liability Adjustment		-			-
Effect of Deferred Income Taxes		(130)			(1,415)
Total Majority Stockholders' Equity		1,375			15,014
Minority Interest		4			47
TOTAL STOCKHOLDERS' EQUITY		1,380			15,061
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		1,742			19,015

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

(1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of Ps. 10.9170 per U.S. dollar, the noon buying rate at December 31, 2007.

INDUSTRIAS BACHOCO, S.A.B. DE C.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Financial Position
(millions of constant pesos as of December 31, 2007,
and millions of U.S. dollars)

	Dec 31 2007 (1)	Dec 31 2007		
Operating Activities:				
Net Income	US\$ 117	Ps. 1,280		
Adjustments to Reconcile Net Income to Resources Provided by Operating Activities:				
Depreciation and Others	52	570		
Changes in Operating Assets and Liabilities	(126)	(1,371)		
Deferred Income Taxes	14	151		
Resources Provided by Operating Activities	58	630		
Financing Activities:				
Increase of Capital Stock	0	0		
Proceeds from Long-term Debt	-	-		
Proceeds from Short-term Debt	12	135		
Repayment of Long-term Debt and Notes Payable	(5)	(59)		
Decrease in Long-term Debt in Constant Pesos	(1)	(12)		
Cash Dividends Paid	(33)	(362)		
Resources Provided by (Used in) Financing Activities	(27)	(298)		
Investing Activities:				
Acquisition of Property, Plant and Equipment	(79)	(862)		
Minority Interest	0	1		
Others	(1)	(16)		
Resources Used in Investing Activities	(80)	(876)		
Net (Decrease) Increase in Cash and Cash Equivalents	(50)	(544)		
Cash and Cash Equivalents at Beginning of Period	328	3,584		
Cash and Cash Equivalents at End of Period	US\$ 278	Ps. 3,040		

(1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of Ps. 10.9170 per U.S. dollar, the noon buying rate at December 31, 2007.

Edgar Filing: Industrias Bachoco S.A.B. de C.V. - Form 6-K

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: January 31, 2008

By /s/ Daniel Salazar Ferrer, CFO
