

# *quality a nourishing value*






**BIMBO**  
*Con el cariño de siempre.*



GRUPO BIMBO *annual report 2001*



# table of contents

		
10	14	17
CORPORATE PROFILE	PHILOSOPHY: MISSION, VALUES, GOALS AND COMMITMENTS	MESSAGE FROM THE CHAIRMAN OF THE BOARD
1	3	6
FINANCIAL AND OPERATIONAL HIGHLIGHTS	MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	A NEW PROFILE FOR A NEW REALITY
4	8	11
CONSUMER ORIENTED	BRANDS DRIVEN BY CONSUMER DYNAMICS	
12	15	



(April, 2002)



REVOLUTIONIZING  
MARKET INTELLIGENCE

16

INCREASING RESOURCES  
THROUGH EFFICIENCY

19

THE MOST EXTENSIVE NETWORK;  
THE ROUTE TO SYNERGIES

19

HUMAN QUALITY

20

CERTIFIED QUALITY

23

SOCIAL COMMITMENT

24

EXECUTIVE COMMITTEE

26

MANAGEMENT'S DISCUSSION AND  
ANALYSIS OF THE RESULTS

27

CONSOLIDATED FINANCIAL  
STATEMENTS

31

BOARD OF DIRECTORS

52

■ Grupo Bimbo is one of the largest bakery companies in the world in terms of its production volume, and the first in terms of brand positioning. It is the leader in Mexico and Latin America employing over 71,000 associates, and has 77 plants and 9 trading companies strategically located in 16 countries throughout the Americas and Europe: Mexico, United States, Argentina, Brazil, Colombia, Costa Rica, Chile, El Salvador, Guatemala, Honduras, Nicaragua, Peru, Uruguay, Venezuela, Austria and the Czech Republic.

It produces, distributes and markets around 3600 products with over 100 brands in different categories: a wide variety of packaged bread, home-style cakes, cookies, candy, chocolates, sweet and salty snacks, packed cornmeal and wheat flour tortillas, tortilla chips, "cajeta" (burnt goat milk candy), processed food and machinery.

### Market positioning:

It is the number one food products manufacturer in Mexico.

It is the largest bakery Company in the American Continent and the fourth largest in the United States market.

### Significant strengths:

- It maintains a constant and permanent control on the quality, freshness and the presentation of its products.
- Excellent brand positioning in all of the markets where it operates.
- It services over 570,000 sale points with over 23,600 routes.
- Certified with ISO 9000, ISO 9002 and HACCP.

### Divisions:

- Bimbo-Marinela
- Barcel-Ricolino
- Bimbo Bakeries USA (BBU)
- Latin American Division (OLA)

### Stock market activity:

Grupo Bimbo shares have been trading in the Mexican Stock Exchange (BMV: Bolsa Mexicana de Valores) since 1980, under the trading code **BIMBOA**. ■




We desire to  
transform  
each day into  
an opportunity  
to learn, to  
give, to share  
and to grow  
*Our values*  
*PHILOSOPHY*



## PHILOSOPHY *our mission*

*Produce and market food products, develop the value of our brands. Committing ourselves to be a Company: Highly productive and people oriented. Innovative, competitive and strongly focused towards satisfying our customers and consumers. International leader in the bakery industry, with long-term vision.*



### Values

**Person** Always see others as people, never as an instrument.

**Passion** To share the adventure of our mission in an environment of participation and confidence.

**Effectiveness** To make things happen: Results. To give good service is our *raison d'être*.

**Trust** The basis on which everything else is built. Count on others to carry the ball.

**Profitability** The visible result of all of our ideas, efforts and illusions. It is the oxygen that allows us to go on living.

**Team work** Flexible, active, enthusiastic, ready to go. To share, learn from everyone.

**Quality** Our Company must be creative, effective, efficient, productive and with the highest ideal of Quality and Service.



### Goals

- To make of our business a productive and profitable one.
- To constantly grow our volume and market share for our brands.
- To be readily available to our consumers and customers.
- To enable people to develop and reach their full potential.
- To permanently be willing to learn.
- To have the most appropriate systems and information to control our operations.
- To maintain an environment that fosters participation, confidence and self control.



### Commitments

#### *With our consumers*

To guarantee high quality and variety of healthy food products through the continuous improvement of our brands.

#### *With our customers*

To provide exemplary service and support them in their growth and development; to harvest the value of our brands.

#### *With our shareholders and partners*

To provide a constant and reasonable level of profitability.

#### *With our associates*

To guarantee that their individuality and dignity will be respected and that we will provide an environment favorable to their wellbeing and development.

#### *With our suppliers*

To maintain cordial relationships and foster their development.

#### *With our competitors*

To compete in the market in a vigorous goal based on fair marketing practices.

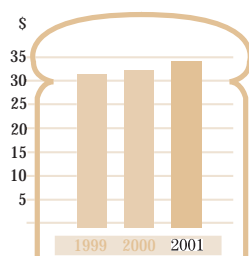
#### *With the community*

To promote the strengthening of universal ethical values. To support the economic and social development of those communities in which we have operations.

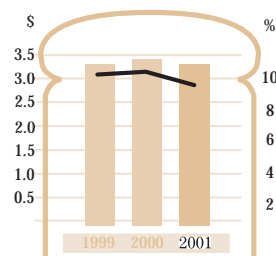
#### *With our business*

To make efficient use of the available resources, respect the laws of each country; to always grow, which allows to accomplish our Company's vocation and mission.

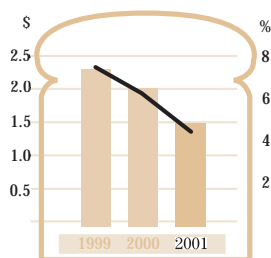
# FINANCIAL AND OPERATIONAL *highlights*



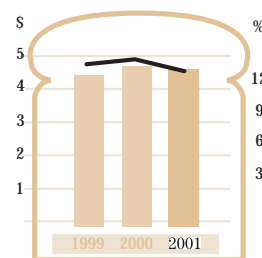
Net Sales  
Billions of pesos



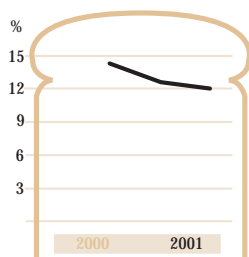
Operating Income  
Billions of pesos  
MARGIN



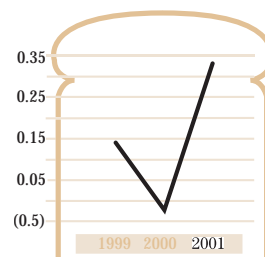
Majority Net Income  
Billions of pesos  
MARGIN



EBITDA  
Billions of pesos  
MARGIN



Majority Net Income /  
Majority Stockholders'  
Equity  
Percentage



Net Debt /  
Consolidated  
Stockholders' Equity  
Times

	2001	(%)	2000	(%)	CHANGE (%)
Net Sales	33,855	100.0	32,008	100.0	5.8
Gross Profit	19,182	56.7	18,069	56.5	6.2
Operating Income	3,277	9.7	3,434	10.7	(4.6)
Integral Financing Result	(311)	(0.9)	(74)	(0.2)	n.a.
Majority Net Income before Extraordinary Items	2,529	7.5	3,257	10.2	(22.3)
Net Income applicable to Majority Stockholders	1,476	4.4	1,976	6.2	(25.3)
Operating Income plus					
Depreciation and Amortization (EBITDA)	4,619	13.6	4,658	14.5	(0.8)
Total Assets	22,331		25,035		(10.8)
Total Liabilities	9,759		9,079		7.5
Long-term Debt	4,933		4,150		18.9
Total Stockholders' Equity	12,572		15,956		(21.2)
Net Debt / EBITDA	0.90		(0.07)		
Net Debt / Total Stockholders' Equity	0.33		(0.02)		
Majority Net Income /					
Majority Stockholders' Equity	12.0%		12.6%		
Earnings per Share	1.12		1.39		
Weighted Average					
Outstanding Shares (000's)	1,321,642		1,418,711		

\* Figures have been prepared in accordance with Generally Accepted Accounting Principles in Mexico and are expressed in constant pesos as of December 31, 2001



## MESSAGE FROM THE *chairman* OF THE *board*

■ As we all know, during 2001, the world economy faced stagnation and in many cases, recession.

In spite of this, we feel that, although our profits can not be considered to be very good, they have, nevertheless, been quite satisfactory and it is with pleasure that I will review the most important figures:

<i>Our sales rose to</i>	<i>\$33,855 M 5.8% /01</i>
<i>Our operating income was</i>	<i>\$3,277 M (4.6%) /01</i>
<i>Net profits</i>	<i>\$1,476 M (25.3%) /01</i>
<i>Consolidated Stockholder's Equity</i>	<i>11.9%</i>
<i>By regions, our sales grew by:</i>	
<i>4.7%</i>	<i>Mexico</i>
<i>0.5% Dlls. and (1.7%) in Pesos</i>	<i>USA</i>
<i>9.0% NI/Brasil 37.5% I/Brasil</i>	<i>OLA</i>

Our debt rose to \$ 4,993 M. The business year closed with 22,062 delivery routes and a total of over 67,000 associates, out of which 52,655 work in Mexico and 14,415 abroad.

In order to provide added value to its shareholders, during the month of August, Grupo Bimbo was able to implement one of the year's most important projects. It concluded the shares repurchase public offering, which produced the expected outcome of giving Bimbo shareholders the options of either receiving immediate liquidity with a premium, or maintaining their investment and having a share in future Grupo Bimbo profits. In the end, 238,803,031 shares were purchased at a price of \$ 17.25 Mexican Pesos per share.

As part of the capital cost reduction strategies, during the month of October, the Company debt was restructured through a syndicated loan for US\$ 400 million, which provided greater financial flexibility and substantially improved the Company's leverage

profile. This operation clearly mirrors the confidence that the international financial sector has deposited in Grupo Bimbo's strengths and strategies.

Grupo Bimbo shares closed on December 31<sup>st</sup> at \$ 18.10 Mexican Pesos and the pension fund showed a balance of \$ 2,744 million Mexican Pesos.

Although foreign operations results are still in red figures, we are pleased to see that in practically all of the companies, important improvements have been made, and in some cases, as in Bimbo Peru and Bimbo Colombia, there were even some profits in the fourth quarter.

Following up on the national and international expansion plans, the most important bakery Company in Brazil was acquired during the period, with 4 plants located in the cities of Sao Paulo, Rio de Janeiro and Recife.

Two bakery plants belonging to the Breddy brand were acquired in Costa Rica, while in Mexico, the assets that Gruma had in Monterrey for the production and distribution of packed bread were also purchased.

We have frequently said that one of the fundamental objectives of the Group is to grow within its own line of business; therefore, we will continue to be on the watch for any other opportunities that may arise.

It is a great satisfaction to report that the continuation of the ISO certification of our processes is being worked on intensely; we already have 162 certifications. Likewise, we earned the HACCP accreditation for our Bimbo plant in Guadalajara, endorsed by the American Institute of Baking (AIB) and the Guelph Food Technology Centre.



Our Central and South American market operations, where we already have an important presence, have now acquired an outstanding importance through the Brazil and Costa Rica acquisitions, which allow us to foresee better results.

Our incursions into the international markets, has no doubt laid open many obstacles and many learning opportunities, which together with the problems faced by some countries, have not allowed us to attain the desired profitability.

Something similar might be said of our new operations in the United States. Competing in that market has not been an easy task and much less so, since we do not have a national presence. But I think that, with our effort and sacrifice, we have been setting up the pieces that will allow us to have profitable operations in that most important region, as well as to create considerable synergies in the rest of our operations.

I do not want to leave unmentioned that, as in previous years, we reviewed all of our labor contracts. This was done in a fair and totally harmonious manner. We would like to express our acknowledgement to all our workers for their participation and devotion, and to their union representatives for their professional and dedicated work.

As in previous years, we have allotted a budget based upon last year's profits to support those social works which we deem are important for a sounder community development, particularly those in the rural and educational areas.

Finally, I am pleased to report that during this business period, transcendental changes have been introduced, both in terms of operations as well as

organizational ones, which are geared towards making a more efficient use of resources and generating important savings.

These structural changes were considered to be necessary to buttress the Company in this new globalized setting in which we find ourselves, and they have required hard work and cooperation from all sectors.

Although the impact of these changes will not be felt until the following business year, it must be said, that much time and effort were devoted to simplify our management structure that will allow us to operate in Mexico under 3 company names, as compared to the almost 40 that we had; to the update of our IT systems through the Bimbo XXI program, and it allowed us to conclude the investment opportunity analysis by acquiring the George Weston Ltd. operations in the western region of the United States.

There is a saying: "there is a time to sow and a time to harvest". I believe that 2001, has been a year of very intensive sowing for our Group.

It is only fair to acknowledge our Top Management, Directors and all our Associates for this tremendous effort and to the Board of Directors for their support and active participation. ■



Roberto Servitje S.

*Chairman of the Board of Directors*

## MESSAGE FROM THE *chief executive officer*

■ During the year two thousand and one, Grupo Bimbo's performance was very dynamic; its capacity to confront the challenges of the global markets was fortified.

Focusing on consolidating its international growth, the Company continued introducing several processes of operative reorganization. They were initiated the previous year, and have allowed it to adapt more rapidly and effectively to market needs, take better care of its customers, make more efficient use of resources and generate greater synergies among its operations.

Many advancements have been registered: new distribution channels were developed and several new products were launched with resounding success. Promotional activities were intense and contributed towards strengthening brand images, and also, many leading products experienced a rise in sales.

The Enterprise Resource Planning (ERP) system, a fundamental part of the Bimbo XXI project, began to be implemented, allowing for better decision making, teamwork and coordination, as well as the reduction of inventories with the resulting increase in productivity and profitability. Progress was also made towards automating the sales force by implementing the use of hand held units.

Achievements were also made in areas such as the certification of the quality our processes, savings in energy consumption, improved efficiencies in distribution systems and the implementation of best business practices.

Financially speaking, there was a greater added value for shareholders, resulting from the public offering to repurchase Grupo Bimbo shares. Prior to the

offering, the 238.8 million shares bought for \$4,119 million Mexican Pesos represented approximately 17 percent of the Company's shares in circulation. This transaction corroborated the confidence that main financial institutions have deposited in the Group.

The inroad opened into the Brazilian market through the acquisition of Plus Vita Ltd., one of the largest bakeries in that country, will allow Grupo Bimbo to reinforce its leadership position in the Latin American market. The amount of the operation was US\$ 63.5 million, which was paid for out of our own pocket.

The business portfolio was reorganized and it included the acquisition of bakery assets, that will allow us to extend our production lines, as well as to introduce frozen bread products into the Mexican market. This was a US\$ 70 million investment, also paid for with our own resources.

Undoubtedly, the most important purchasing decision in the history of Grupo Bimbo, and the one with the greatest projection for the short, medium and long term, was the acquisition of bakery assets belonging to the Canadian company George Weston Ltd. The transaction, which took place in January 2002 for a total of US\$ 610 million, will allow the Group to assume the leading position in the Western part of the United States, and strengthen its presence in the US market which, in the immediate future, will represent close to a third of its income.

The acquisitions that have taken place set the course the Company follow. With a leaner and more efficient organizational structure and a streamlined strategy, Grupo Bimbo is ready to face the challenges of being a world-class company.

In general terms, Group's sales performed in a posi-



tive way during the period. However, the results did not meet our expectations, yet the skills developed in introducing changes at a rapid pace, added to our knowledge and expertise in the bakery business, allow Grupo Bimbo to feel confident that it can reach the operating profit levels that, based on a long term vision, have guided each and everyone of our investments.

It is only fair to recognize that one of the factors that has been decisive in attaining such multiple achievements, has been the always favorable attitude towards change on the part of all our associates. Worth mentioning is that one of the greatest sources of pride for Grupo Bimbo is the adoption of values that give sustenance to the philosophy of our Company. These values, redesigned during 2001, have proven to be an invaluable instrument that cohesions, motivates and guides the daily practice of respect for the individual; work with passion and effectiveness, in a coordinated way and with quality,

while maintaining full confidence in others and themselves, in order to make this business always profitable.

The values that Grupo Bimbo has are the best way of compensating our customers, investors and the communities we serve for the trust they have deposited in us. ■

---

*Roberto Servitje S. (LEFT)*  
CHAIRMAN OF THE BOARD

*Daniel Servitje M. (RIGHT)*  
CEO

**Daniel Servitje M.**

*Chief Executive Officer*



Mexico City's  
Corporate  
Finance  
Department  
staff  
*Our values*  
*TRUST*

*Roberto Cejudo  
Pascual, Tania Dib  
Rodriguez and María  
José Porrero Vaqueiro*  
*FROM LEFT TO RIGHT*



## THE VALUE OF *trust*

*"Activity during 2001 was extremely demanding for the Finance area. We established close links with almost 20 top level banking institutions, whose trust we earned through the efforts of all our Team."*

*Thanks to more sophisticated financial instruments, Grupo Bimbo has now a more dynamic financial profile, with a balanced and diversified leverage*

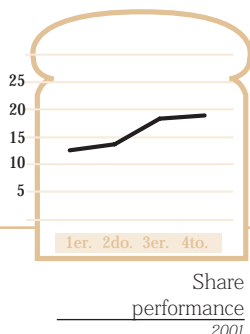
■ The year 2001 was full of financial activity for Grupo Bimbo. The acquisition/sales of assets and the shares repurchase offer carried out with the support and confidence of banking institutions, optimized the yield over invested capital.

Through the use of more sophisticated financial instruments to match the global role now played by the Company and by the opportunities provided by the current macroeconomic stability in Mexico and of the international interest rates, Grupo Bimbo now presents a more dynamic financial profile with a balanced and diversified leverage. This new profile is supported by a well-founded expectation of operational profitability and efficiency improvements for the Company as a whole.

During 2001, Grupo Bimbo experienced a year of vigorous strategic positioning in its international operations. In the United States, the period during which great restructuring and integration costs were incurred for acquisitions made in previous years was overcome. The purchase of assets and brands from George Weston Ltd., will bring benefits for the Group in terms of suppliers and distribution channels, as a result of becoming the fourth largest bakery business in the United States, and the first in the west coast.

In Central and South America, Grupo Bimbo also took steps towards its consolidation by achieving considerable sale increases in most countries within the region.

*The purchase of assets and brands from George Weston Ltd., will bring benefits for the Group in terms of suppliers and distribution channels*



During 2001, our share prices **performed favorably**, generating value for our shareholders



The recent acquisition in the United States includes premium products belonging to the **Oroweat**, **Entenmann's**, **Thomas'** and **Boboli** brands

■ The reorganization processes in Grupo Bimbo have made way for greater specialization of our operations and greater commercial focus on the consumer, allowing for faster and more efficient response to changes in their purchasing and consumption habits, as well as to special operating requirements in each market.

### *Bimbo Bakeries USA*

In the United States, there was a turnaround in the operating losses being reported in California, where routes were restructured, unprofitable products were eliminated, and the Four-S Baking plant was shut down. The outcome of these actions was an improvement in profitability and the fact that the business is now close to reaching its break-even point. This will create a sound basis to build the George Weston operations on.

A transition was carried out in Texas to lay down the foundations for growth in the immediate future. At the Houston plant, two production lines were closed down. The Dallas plant was prepared for its shut down, and work was begun on the expansion of the Fort Worth plant. Also, the work team was reorganized, and distribution routes were created for the timely supply and service in order to tend to a different type of client, such as drugstores and convenience stores.

The project to substitute regional tortilla brands for the Tía Rosa brand was completed. On their part, Bimbo and Marinela had an outstanding performance, which was mirrored in very profitable and healthy growth.

There is great potential in the development of new markets, such as the United States Hispanic community. In order to serve them, new routes have been opened in Denver, Albuquerque and Detroit.

### *Latin America Organization*

During 2001, with the purpose of having better effective control and reaction capabilities in each market, the control over our Central American operations was transferred to Mexico, and the South American headquarters was relocated to Buenos Aires, Argentina.

Undoubtedly, the incursion in the Brazilian market, the most important in the region, was the most outstanding action of Grupo Bimbo in Latin America. With a 20 percent market share, Plus Vita Ltd. is the leader in a highly regionally segmented market.

Brazil has extraordinary opportunities to offer in different areas where Bimbo expertise can be applied, such as sales to the traditional channels, since Plus Vita tended to focus on the supermarket distribution channel.

It is easier to understand the importance of our presence in Brazil if we realize that, without considering this market, Group sales in South America grew 8.9 percent, and when including Brazil, they grew 40 percent.

In Argentina, important adaptations were done to meet distribution needs through small scale entrepreneurs, who have traditionally served this market. There were two successful product launches with the sealed tamper-proof Bimbo package and the chocolate coated, "Dulcimax" burnt milk candy (dulce de leche) cupcakes.

Both in Argentina and in Colombia, routes were reorganized, customers were selected and detailed work was done to reduce return rates. The Sales and Management areas were optimized and a labor productivity project was implemented in the Manufacturing and Logistics areas.



In Texas, Mrs. Baird's bread line was redesigned and re-launched with an emphasis on traditional values, such as hand twisting, and its nutritional qualities

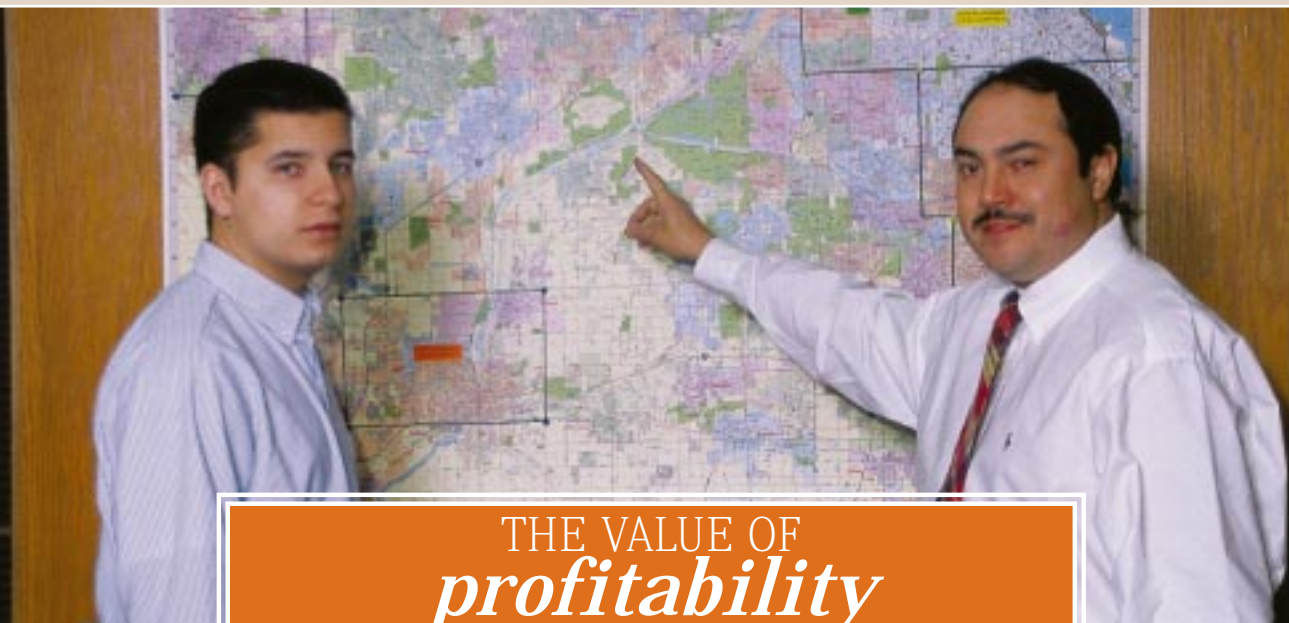


For the second consecutive year, Grupo Bimbo's webpage received the popular vote award, for being the **best** in its category



During 2001, Ricolino European Chocolates produced in our Austria plant were introduced to the Mexican market





From our Chicago  
distribution center  
Our values  
PROFITABILITY

Raúl Contreras  
SUPERVISORY ASSISTANT,  
José Coronado,  
SALES DIVISION MANAGER  
FROM LEFT TO RIGHT

## THE VALUE OF *profitability*

*"During the course of 2001, we opened new markets in the United States and consolidated previously existing ones, such as the Chicago, Illinois market. The Chicago operations, headed by J.C. Coronado, surpassed all sales forecasts, becoming BBU's most profitable operation".*

Peru reported improvements in its financial statements as a result of following a local market expansion strategy. Seasonal products were introduced, resulting in additional sales.

In Venezuela, profitable operations were maintained together with a decisive market leadership position, due to growths in value, volume and profits. Outstanding is the launching of the "Pan Perro Perrero" hot dog bun product, aimed at the consumption channel (hot dog carts).

In Chile, Grupo Bimbo is the market leader and enjoys full brand recognition under the *Ideal* brandname. This market also reported an increase in sales volume.

Although local currency devaluations impacted the end of year performance, this Division has been growing at a double-digit rate. Undoubtedly the whole of Latin America will continue to be a promising region

in terms of consumption, as we are able to replicate the market share and values that Grupo Bimbo enjoys in Mexico.

All together, the region has surpassed the steepest part of the learning curve and the stage of platform deployment. There has been consistent progress in terms of market share, sales and recognition of the group's brands. What remains to be done is to push for not only the profitability of the brands but also an increase in volume production.

### *Park Lane*

Group investments in Europe were made in order to serve the East and West European market, as well as Asia. Gum drops, chocolate eggs and salty snacks were introduced to increase the use of the installed capacity, specially considering that the introduction of European chocolates in the Mexican market performed below expectations. ■

Ana María chocolate coated cupcakes were launched in Brazil, as well as the "Golden" bread line and a bread with no crust



The Plus Vita product line now becomes part of the more than 3600 products elaborated by Grupo Bimbo in 16 countries



From our Ricolino  
Master Center Plant  
*Our values*  
TEAMWORK

Gilberto Núñez Garcés  
DIVISIONAL MANAGER,  
Raúl Márquez  
Ramírez,  
"PALETA PAYASO"  
BRAND MANAGER  
FROM LEFT TO RIGHT



## THE VALUE OF *teamwork*

"During 2001, the competition was very strong. In view of this, we committed all our efforts towards beating our competitors. As a result, our "Paleta Payaso" product continues to be the undeniable market leader".



Other successful product launches in Mexico included the “Doble Fibra” (Double Fiber) whole grain bread, and the “Bimbo Kids” and “Bimbo Xtreme” loaf breads. In Monterrey, the Tortilla Bimbo was launched, a winning product, unique by its special formulation and nutritional values.

■ During 2001, Grupo Bimbo was very active and highly successful in launching new products and in terms of brand strategy redefinition. This brought about positive outcomes:

- It increased sales.
- Allowed to satisfy new and changing consumer expectations.
- Shortened new product development time.
- It successfully faced an increasingly demanding and competitive market.

The Bimbo brand strategy redefinition was focused on each product according to consumer type. Hence it was possible to increase sales volumes for the main product (white loaf bread), revitalize the brandname and, through new products, reach market segments that were not being served.

Campaigns concentrated on the nutritional value, in order to foster the idea of including bread in the daily diet. Seasonal and channel promotions were also carried out; worth mentioning are: the bread markers, Digimon and Bimbo Cards promotions.

The year 2001 was difficult for confectionery products. In view of this, Ricolino fine-tuned its strategy and focused on adding value to the product itself, after the previous year had concluded with intense promotional-type actions that increased sales volume and market share. Coronado completed its integration with Ricolino and began implementing its channel distribution strategy. The distribution capacity for main products aimed at the United States Hispanic market, such as “Paleta Payaso,” “Bubulubu” and other snacks, was increased.

Grupo Bimbo’s marketing strategy for the business year was more aggressive, more dynamic and aware of market trends and of competitors actions. We listened to the consumer and sought to provide the best possible service to our own sales force. And even though investments were greater than in previous years, we were able to increase the per capita bread consumption. ■



**Bimbo Xtreme**, a new generation in food for people who prefer a healthy lifestyle



**Bimbo Kids**: a new concept. The first loaf bread in Mexico to be specially made for children



The **Tortilla Bimbo** became the absolute leader in Monterrey and began to be distributed in northern Mexico



*The automation of the sales force in 2001, concluded with a total of one thousand hand held mobile computer units deployed*

■ Having the capability of producing some 26 million products daily, managing and marketing over 100 brands, and distributing them on a timely manner to 570,000 points of sale, is, no doubt, one of Grupo Bimbo's greatest strengths. Its distribution network is not only the most extensive in Mexico and one of the largest in the Americas, but it is also efficient and reliable.

The evolution of information technologies, makes it possible today to potentiate this great strength, not just to improve efficiencies, but also to learn more about the market and serve it better, react faster to its changes, and support decision making and strategic planning.

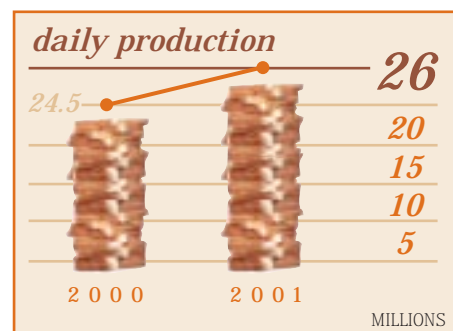
The Bimbo XXI project consists of endowing the Company with an integrated information systems platform known as Enterprise Resource Planning (ERP), which during 2001, was duly implemented in terms of the production system.

The ERP implementation translated into fewer inventories, since, having improved the supply chain coordination, the in-transit materials were reduced in terms of raw materials as well as in terms of spare parts, equipment and other inputs.

The automation of the sales force in 2001, concluded with a total of one thousand hand held mobile computer units deployed in different regions of Mexico and California in the USA. The software for the hand helds was developed in-house by Grupo Bimbo.

Another decision that will allow Grupo Bimbo to focus on its core business, is that of outsourcing the management of its IT systems with Electronic Data Systems (EDS). Starting in December 2001, this company will be in charge of the management, maintenance and replacement of equipment, as well as of performing backups and expediting systems and methodologies.

Finally, in order to explore any opportunities that information technologies might offer to Grupo Bimbo, a New Business Department was created, which has several new company projects in the process of incubation. ■



The 2001 sales force automation project included the distribution of over **1,000 hand held units** in Mexico and California

Every day Grupo Bimbo produces around **26 million** products in its more than **70** plants



Two of our  
associates who  
are part of the  
Bimbo XXI project  
in Brazil

*Our values*  
EFFECTIVENESS

---

*Jesús Rafael  
Mata Borges,  
HEAD OF STATISTICS  
FROM BIMBO VENEZUELA,  
Leonardo Rossi  
HEAD OF ACCOUNTING  
RECORDS, FROM  
BIMBO ARGENTINA  
FROM LEFT TO RIGHT*

## THE VALUE OF *effectiveness*

*"In good measure, the successful implementation of Bimbo XXI in Brazil  
was due to the talents of a great team comprised of people of different nationalities.  
All of them worked intensely to reach their objectives."*



Two of our drivers  
with more than  
30 years of seniority  
*Our values*  
PASSION

Salvador Morales  
Rivera,  
DRIVER FROM THE MARINELA  
PLANT IN SAN JUAN OCOTÁN,  
MEXICO,  
José Guadalupe  
Espinoza Padilla,  
DRIVER OF THE PERSONNEL  
TRANSPORTATION BUS  
FROM LEFT TO RIGHT



## THE VALUE OF *passion*

"For each transportation area in our plants, and for each brand that we handle in our distribution warehouses, we have a Traffic Safety Commission. Every year, stimuli, medals and a plaque are given to the operators/salespersons who have been accident free throughout five, ten, fifteen, twenty or more years in a row. Thanks to this, Grupo Bimbo was distinguished with the National Transportation Safety Award."



## INCREASING RESOURCES *through efficiency*

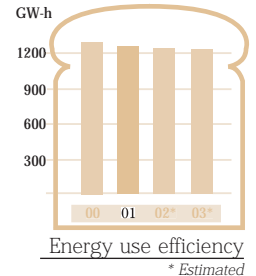
■ Grupo Bimbo strives to make the most efficient use of resources and to keep costs under strict control.

In the year 2001 an area in which important efficiencies were achieved was in the use of energy. An example of this is the installation of synchronization equipment in 100 emergency power plants, with which Grupo Bimbo stands to save US\$1.1 million annually by avoiding costly shutdowns in ovens and conveyor belts, as well as in damage to the equipment.

Likewise, US\$1.4 million were invested in the installation of electronic frequency variation equipment in

148 electrical motors that allow a more efficient use of energy, which will translate into US\$1.03 million in annual savings.

These are just a few examples of Grupo Bimbo's savings program. This focus of more efficient resource management responds to the hierarchy, of increasingly strategic importance, which has become an important factor for competing in a global economy. It is worth mentioning that part of the savings derived from this type of actions was allotted to environmental recovery projects. ■



## THE MOST *extensive network*; THE *route* FOR SYNERGIES

■ Maintaining and updating the distribution network, one of Grupo Bimbo's main strengths, is vital to the business. From 860 distribution centers, 570,000 customers are served through a vehicle fleet of over 23,600 distribution units, which during the year 2001, made the equivalent of 9,686 trips around the Earth.

In order to promote synergies, the Logistics area was split into a Traffic Department, which includes dispatching and transportation, and a Vehicles Department.

Also, plants were organized by regions and production lines were optimized. This led to a better use of transportation units, specially the larger ones. This way, routes were made more productive, specially those bordering between two plants.

Evidently, all of this was made possible by having the support of the methodology and of the programs

that Grupo Bimbo has been developing throughout its history. This methodology is one of the main assets Grupo Bimbo has to help design and shape the most appropriate transportation for each distribution channel, while keeping accident rates very low.

In this sense, Grupo Bimbo received in Mexico the 2001 National Transportation Safety Award in different modalities and categories. This acknowledgement is awarded by the National Private Transportation Association (ANTP: Asociación Nacional del Transporte Privado), together with the Federal Government's Department of Communications and Transportation. This award is considered to be the highest national acknowledgement granted to those vehicle operators that have distinguished themselves for contributing towards improving highway safety, while making it possible, for freight volumes and distances covered, to reach those productivity levels demanded by international competitiveness. ■



Strengthening our commitment with safety, over **7,000 speed regulators** were installed in Mexico, with in-house designed equipment



Freight Electrical Vehicle (VEC), developed by students of the Metropolitan Autonomous University (UAM) in Mexico City, with the support of Grupo Bimbo

**9,686**  
times



The number of **miles covered** by our vehicles in 2001, are equivalent to going around the Earth **9,686 times** per year



Grupo Bimbo has **94 electrical vehicles** operating in the downtown districts of main metropolitan areas in Mexico

*Grupo Bimbo was named once again one of the two most admired companies in Mexico, according to a survey that the business magazine "Expansión" has been doing for several years now*

■ The core value of Grupo Bimbo is the respect for the dignity of the person. It is a fundamental element of its corporate culture, which permeates into all daily activities and fosters a sound and harmonious working environment.

The Grupo Bimbo work team trusts its management. This allows for all of our associates to focus on their task and when reorganization processes arise, such as those that took place during the year 2001, they are receptive to what is proposed and have a favorable attitude towards change.

Due to this and other reasons, Grupo Bimbo was once again named one of the two most admired companies in Mexico, according to a survey that the business magazine "Expansión" has been doing for several years now. This survey classifies companies according to a combination of their financial results, care for the environment, working environment, social responsibility, innovation, etc.

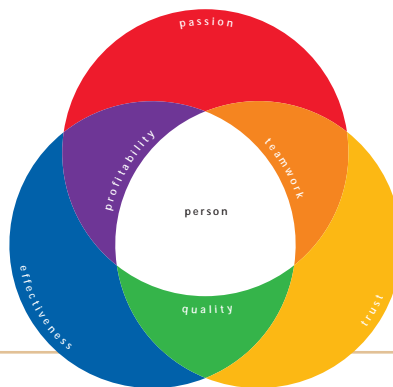
During 2001, Grupo Bimbo went on developing this strength through new actions. Outstanding amongst these is the implementation of the Altamira database, which allows to record and share complex experiences or simple advice on best business practices, receiving inputs from different areas of the Company.

Also, executive training and development is continuously being promoted, in order to be ready to face forthcoming commitments, through better trained and more specialized personnel, since 90 percent of promotions for executive levels are internal.

During this business year, the Company Values and Code of Ethics were redesigned. These basic documents are the backbone of its philosophy and reinforce its position in every country where it has operations. After having consulted with the staff, these documents were adopted by an international consensus and were distributed in Spanish, English, Portuguese and German. ■



For the second consecutive year, Grupo Bimbo was selected as one of Mexico's **two most admired companies**



Our Values  
Grupo Bimbo  
*Philosophy*



Enrique Chávez, from Ricolino, was appointed member of the **National Confectionery Sales Association of America's Hall of Fame**



Associates from our  
Mrs. Baird's plant in  
Fort Worth, Texas,  
USA

*Our values*  
*PERSON*

*Michael Hines,*  
*DOUGH MIXER OPERATOR,*  
*Julio Camera,*  
*BAGGING OPERATOR,*  
*E.S. Htwe,*  
*TWISTER OPERATOR,*  
*Jerry Markom,*  
*SPONGE MIXER OPERATOR*  
*FROM LEFT TO RIGHT*

## THE VALUE OF *person*

*"In order to consolidate our operations in Texas, we required the support of Bimbo personnel from Mexico. Mexican and American associates joined forces and shared their knowledge. The operation was successful in every way; those participating in the process underwent an enriching experience".*



Our Marinela plant  
in Zapopan, Jalisco,  
México  
*Our values*  
QUALITY

*Pedro Correa Romo,*  
SANITATION SUPERVISOR,  
*Omar Contreras*  
*Hernández,*  
QUALITY SUPERVISOR  
FROM LEFT TO RIGHT



## THE VALUE OF *quality*

*"The successful implementation of the HACCP system at the Bimbo Guadalajara plant was, to great extent, due to the fact that of producing healthy products of the highest quality is part of our culture".*

*Within this period, Grupo Bimbo accrued the certification of 162 processes under ISO 9002:94, extended by the Det Norske Veritas agency*

■ Quality has always been characteristic of Bimbo products and an essential Company value.

During 2001, Grupo Bimbo implemented various external quality certification processes in the areas of food products, sanitation, manufacturing and environment, which are proof of an effective use of resources, business and environmental sustainability, close links with the communities that we are part of, caring for our customer's health and the safety of our personnel.

The San Juan Ocotán plant, located in the State of Jalisco, Mexico, is the pride of Bimbo Occidente. In 2001, it became the first bakery in the American Continent, and one of the first in the world to earn the Hazards Analysis and Critical Control Points (HACCP) international food safety certification, endorsed by the American Institute of Baking (AIB), and the Guelph Food Technology Centre.

Along with this event, the Barcel Mexico plant, located in Lerma, State of Mexico, achieved the Clean Industry Certification granted by Mexico's Federal Environmental Protection Agency (PROFEPA).

During the same business year, Grupo Bimbo accrued the certification of 162 processes under ISO 9002:94, extended by the Det Norske Veritas agency. Also, the American Institute of Baking granted four acknowledgements of excellence for Bimbo and Marinela plants in Guadalajara, and for the Bimbo Tijuana and Bimbo Toluca plants.

Outstanding is that the Marinela plant in Guadalajara earned first place in the Quality Bakers of America (QBA) world ranking, for good manufacturing, maintenance, distribution and sanitation practices. ■



Barcel México earned the **Clean Industry** certificate granted by Mexico's Federal Environmental Protection Agency (PROFEPA)



Bimbo became the **first bakery** in the Americas to receive the **HACCP international certificate**



Because of its excellent standards, the **Marinela plant in Guadalajara** has become the **QBA's quality benchmark** worldwide



Grupo Bimbo was distinguished with the **Socially Responsible Enterprise Award** granted by the Mexican Center for Philanthropy (CEMEFI)

■ In Mexico, Grupo Bimbo has pioneered the practice of social commitment. Today it stands at the forefront of those organizations with initiatives to reinforce the currency and validity of this concept.

Grupo Bimbo believes that its social goals commit it to contribute, in solidarity, to the full development of its members and of the community to which it belongs, in exchange for what it receives towards meeting the objective of generating wealth. This responsibility includes treating everyone with justice, affection, respect and trust.

### *Long-term projects*

Grupo Bimbo contributes to the community by sponsoring three Mexican educational institutions, providing permanent support to the Mexican Foundation for Rural Development (Fundación Mexicana para el Desarrollo Rural); contributing to the Foundation in Favor of Productive Employment (Fundación Pro Empleo Productivo) and the DESEM to help impulse young entrepreneurs, as well as to the Education Research and Promotion Institute (Instituto de Fomento e Investigación Educativa), among others.

### *Specific projects*

Grupo Bimbo also responds to well founded requests for assistance in carrying out sustainable projects that can help meet local needs. Examples of these are:

- A project to which a significant amount of resources are devoted to is the development of micro-regions in extreme poverty, in cooperation with Mexico's Department for Social Development (SEDESOL). Another highlight in this area is the contribution to the Sustainable Agriculture and Water Management project in the Huiricuta Natural and Cultural Reserve, located in the desert of the State of San Luis Potosí, Mexico.



Through the **Mexican Foundation for Rural Development (FMDR)**, Grupo Bimbo offers support for the comprehensive development of low-income farming families



Grupo Bimbo supports various **special education** and low income sector **schools**

- In the area of education the contribution to the Mexican project "Únete" (Join Us), has made it possible for children in public elementary schools to have access to Information Technologies.

Keeping the commitment of offering healthy products of the highest quality, the nutritional characteristics of the products offered to consumers are constantly being reviewed and improved.

Through the Comprehensive Nutrition Program created by Grupo Bimbo, the Company actively participates in communicating information on healthy eating habits, offering a comprehensive outlook that encompasses a health, education and sociological approach.

As part of this program, the Nutrinotas Bulletin was launched in 2001. It is published quarterly, providing friendly consumer information on nutritional guidance. Among the many activities worth mentioning are the participation of specialists in the mass communication media, as well as the creation of stronger links with institutional opinion leaders in the area, like the Nutrition Society of Mexico (Sociedad de Nutriología), and the United Nations Food and Agriculture Organization (FAO).

Grupo Bimbo also collaborates with the community by offering schools the opportunity to visit our plants. As a matter of fact, in the year 2001 alone, the plants received more than 300,000 visitors from schools, customers, suppliers and relatives of our associates.

In March 2001, the Company was distinguished for being a Socially Responsible Company, since it met all the requisites of the Entrepreneurial Social Responsibility (Responsabilidad Social Empresarial) program belonging to the Mexican Center for Philanthropy (CEMEFI).



By implementing spear-head technology, Grupo Bimbo strives to **help public elementary and secondary school** children

**nutri**  
*notas*

With a quarterly circulation of **30,000**, the "Nutrinotas" bulletin was launched at the beginning of 2001, as part of the Grupo Bimbo **Comprehensive Nutrition Project**





## COMMITMENT WITH *the community*

*"Grupo Bimbo's social goal commits it to contribute towards the full development of its associates and the community to which it serves."*

The social purpose of Grupo Bimbo commits it to contribute towards the full development of its associates and the community that it provides service to

*Commitment*  
SOCIAL RESPONSIBILITY

*School visit to the  
"Papalote" Children's  
Museum in Mexico City,  
SPONSORED  
BY GRUPO BIMBO*

EXECUTIVE *committee*

(STANDING, LEFT TO RIGHT)

Guillermo Quiroz Abed  
*Chief Financial Officer*

Dick Bay  
*Executive Vice President,  
Central Region Operations,  
Bimbo Bakeries USA*

Rosalío Rodríguez Rosas  
*Vice President of Operations,  
Bimbo, S.A. de C.V.*

Fernando Sotomayor Saad  
*New Business Vice President*

Gabino Gómez Carbajal  
*President  
Latin American Division*

Alberto Díaz Rodríguez  
*Vice President  
Latin American Division*

Juan Muldoon Barrena  
*President, Bimbo Bakeries USA*

Pablo Elizondo Huerta  
*Vice President, Corporate Projects  
Bimbo, S.A. de C.V.*

(SEATED, LEFT TO RIGHT)

Javier Millán Dehesa  
*Human Resources  
Vice President*

Javier González Franco  
*President, Barcel Division*

Lorenzo Sendra Mata  
*Commercial President,  
Bimbo, S.A. de C.V.*

Daniel Servitje Montull  
*Chief Executive Officer*

Rafael Vélez Valadez  
*President, Bimbo S.A. de C.V.*

Joe Dangelmaier  
*Executive Vice President,  
Western Region Operations,  
Bimbo Bakeries USA*

Reynaldo Reyna Rodríguez  
*Corporate President*

Miguel Ángel Espinoza  
Ramírez  
*Commercial Vice President,  
Bimbo S.A. de C.V.*

■ The following analysis should be read in conjunction with the Consolidated Financial Results and the accompanying Notes to the Consolidated Statements included in the annual report, which were prepared according to Generally Accepted Accounting Principles in Mexico. Financial information is expressed in millions of constant pesos as of December 31, 2001, unless otherwise specified.

### *A) Results of Operations*

The following table is a summary of key financials from Grupo Bimbo, S.A. de C.V. Consolidated Financial Statements, for the indicated periods:

	<i>2001</i>	<i>(%)</i>	<i>2000</i>	<i>(%)</i>	<i>change</i> <i>(%)</i>
Net Sales	33,855	100.0	32,008	100.0	5.8
Cost of Sales	14,673	43.3	13,939	43.5	5.3
Gross Profit	19,182	56.7	18,069	56.5	6.2
Operating Expenses	15,905	47.0	14,635	45.7	8.7
Operating Income	3,277	9.7	3,434	10.7	(4.6)
Integral Financing Result	(311)	(0.9)	(74)	(0.2)	n.a.
Other Expenses, Net	(436)	(1.3)	(103)	(0.3)	n.a.
Majority Net Income before Extraordinary Items	2,529	7.5	3,257	10.2	(22.3)
Net Income applicable to minority stockholders	27	0.1	29	0.1	(6.9)
Net Income applicable to majority stockholders	1,476	4.4	1,976	6.2	(25.3)
Operating Income plus Depreciation and Amortization (EBITDA)	4,619	13.6	4,658	14.5	(0.8)
Cash and Marketable Securities	762		4,465		(82.9)
Property, Plant and Equipment, Net	13,787		13,647		1.0
Total Assets	22,331		25,035		(10.8)
Bank Loans and Current Portion of Long-Term Debt	381		1,446		(73.7)
Long-Term Debt	4,552		2,704		68.3
Total Liabilities	9,759		9,079		7.5
Total Stockholders' Equity	12,572		15,956		(21.2)
Net Debt / EBITDA	0.90		(0.07)		
Net Debt / Total Stockholders' Equity	0.33		(0.02)		
Majority Net Income / Majority Stockholders' Equity	12.0%		12.6%		
Earning Per share	1.12		1.39		
Weighted Average Shares Outstanding (000's)	1,321,642		1,418,711		



## Comparative Analysis for the Years ended December 31, 2001 and 2000

### Net Sales

The Consolidated Net Sales increased to Ps. 33,855 million, an increase of 5.8% compared to the Ps. 32,008 million reported for 2000.

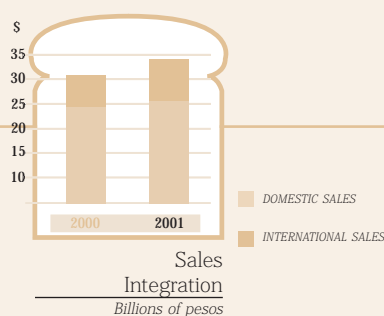
This growth is a combined result of a better performance from the operations in Mexico and Latin America, price increases in the main product lines during the year, as well as additional income generated from the Company's acquisitions made in Brazil and Costa Rica, during March and November, respectively.

In Mexico, operations increased 4.7%. The bakery and salted snacks divisions were the strongest performers in 2001, due to the success of new product launchings as well as price increases throughout the year.

The candy and chocolate divisions suffered less favorable results, due to a contraction in the snacks market as well as more competition in that sector.

In the United States, net sales decreased 1.7% compared to 2000. However, in dollar terms, this division experienced an increase in sales of 0.5%.

Sales performance in the United States division was mixed. In Texas, there was a better performance due to new distribution channels and more effective channel segmentation. However, in California, there were decreased sales due to the cancellation of less profitable accounts as well as the process of consolidating some routes. In Latin America, net sales increased 37.5%, of which, approximately two-thirds stem from the operations in Brazil and Costa Rica.



Following are Sales by region:

	2001	2000	Change
Mexico	\$ 25,520	\$ 24,363	4.7%
United States	\$ 5,458	\$ 5,552	(1.7%)
Latin America	\$ 2,877	\$ 2,093	37.5%
Total	\$ 33,855	\$ 32,008	5.8%

### Cost of Sales

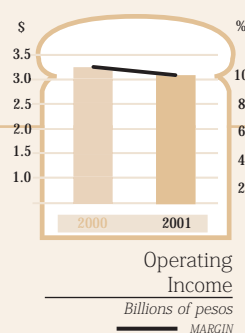
As a percentage of sales, Cost of Sales decreased 0.2 percentage points during 2001, reaching 43.3%. This decrease was primarily due to the appreciation of the peso versus the dollar and the relative decrease in the cost of some raw materials.

### Operating Expenses

During the year, the Company undertook several efforts and initiatives in order to improve its operating efficiency. This resulted in additional, non-recurring expenses, which caused this amount to increase 1.3 percentage points during 2001, to 47.0% over sales.

The initiatives mentioned in the previous paragraph include, among others, the implementation of Oracle's ERP (Enterprise Resource Planning), the restructuring of the United States and Mexico operations, the addition of distribution routes in Brazil, payments for various consulting services and advertising expenses for new product launchings related to such brands as the NFL (National Football League) and the NBA (National Basketball Association) in the United States.

With regards to the ERP implementation process, to date four of the Company's plants in Mexico are operating under this new platform. As of January 1, 2002, the ERP implementation in Brazil was completed.



As was scheduled, all of the Company's operations are expected to complete this process during 2002, which will offer an improved and more reliable management of information, allowing Grupo Bimbo to strengthen revenues and lower expenses.

### Operating Income

In 2001, operating income reached 9.7% of sales. As a result of the operating expenses, mentioned previously, operating margin decreased 1.0 percentage points compared to 2000.

	2001	% of sales	2000	% of sales
Mexico	\$ 3,458	13.5	\$ 3,565	14.6
United States	\$ (46)	(0.8)	\$ (79)	(1.4)
Latin America	\$ (135)	(4.7)	\$ (52)	(2.5)
Total	\$ 3,277	9.7	\$ 3,434	10.7

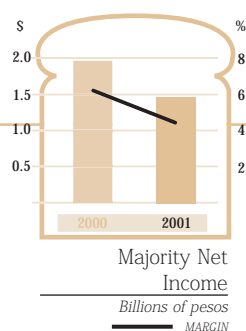
### EBITDA

The Company's ability to generate cash flow continues at a strong and stable rate, as may be observed by the EBITDA margin, which during 2001 was 13.6% of net sales.

	2001	% of sales	2000	% of sales
Mexico	\$ 4,435	17.4	\$ 4,468	18.3
United States	\$ 128	2.3	\$ 105	1.9
Latin America	\$ 56	2.0	\$ 85	4.1
Total	\$ 4,619	13.6	\$ 4,658	14.5

### Integral Financing Result

During 2001, Integral Financing Result reached Ps. 311 million (less than 1.0% of sales) compared to Ps. 74 million in 2000. This increase was primarily due to the substantial change in the Company's net debt levels, due to the share repurchase and the acquisitions in Brazil and Costa Rica.



Although these transactions have increased the Company's debt levels, they have also optimized return on equity.

### Other Expenses, Net

The changes in Other Expenses, Net are primarily due to extraordinary, non-recurring charges. Among these are the changes in the methodology for calculating subsidies applicable to employee salaries as well as provisions in the U.S. operations related to future asset sales and the closing and relocation of two plants. During 2001, there was a loss of Ps. 436 million compared to a loss of Ps. 103 reported for 2000. (Different number than 4Q01 PR)

### Majority Net Income

As a result of the previously mentioned, Net Majority Income during 2001 decreased 25.3% compared to 2000.

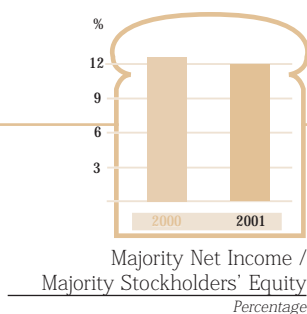
Earnings per Share reached Ps. 1.12, 19.4 % lower than in 2000.

### B) Financial Structure

During 2001, the Company's financial structure changed significantly resulting in a lower cost of capital. The share repurchase and the acquisitions in Brazil and Costa Rica affected leverage levels; measured as net debt of shareholders' equity, this figure reached 0.33 in 2001 versus (0.02) in 2000.

### C) Recent Events

2001 was a year of sustained sales growth, as well as of intense activity to consolidate Grupo Bimbo's presence in the regions in which it participates, and making its operations more efficient.



With these objectives, during the second half of 2001, we focused our efforts in the reorganization of the Mexican operation. Thus, on January 1, 2002, all operating subsidiaries in this region were merged into two large companies: Bimbo, S.A. de C.V. and Barcel, S.A. de C.V. The first includes all of the bakery operations, while the second one includes all of the salted snacks, candies and chocolates divisions. With this, the Company expects to optimize its operations in Mexico, as well as to take advantage of our installed capacity and distribution network.

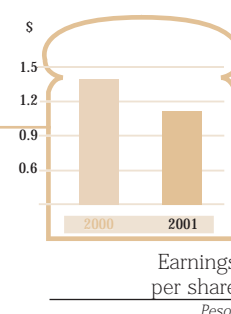
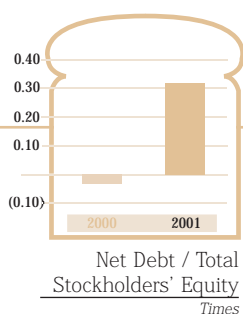
Additionally, in March of 2001, Grupo Bimbo acquired for an amount of US\$ 63.5 million, Plus Vita, one of the largest baked goods companies in Brazil, allowing us to participate in one of the most important markets in the Americas and to strengthen our presence in that region.

In the last quarter of the year, Grupo Bimbo acquired the baking assets of Gruma, S.A. de C.V. in Mexico and Costa Rica, which enabled us to consolidate our presence in Costa Rica, as well as to develop a new frozen bread project in Mexico. This acquisition reached US\$ 70 million.

In order to increase shareholder value during August 2001, we were able to complete one of the most important projects of the year, the share repurchase offer. This allowed the Company to reach its goal of offering its shareholders the option to choose between selling their shares at a premium and obtaining immediate liquidity or maintaining their investment and participating in Grupo Bimbo's future results. In conclusion, 238,803,031 shares were acquired at a price of Ps. 17.25 per share.

As part of the strategy to reduce cost of capital, during October, the Company's debt was restructured, with the completion of a syndicated loan in the amount of US\$ 400 million. This enabled the Company to maintain higher financial flexibility with an improved Company debt profile. This operation was clear evidence of the confidence that the international financial sector has deposited in the strengths and strategies of Grupo Bimbo.

During the first quarter of 2002, Grupo Bimbo acquired the baking operations in the Western United States, belonging to George Weston Ltd. for a total purchase price of US\$ 610 million. This operation offers Grupo Bimbo access to leading U.S. brands and products, such as Oroweat, Entenmann's, Thomas' and Boboli, this consolidating its presence in the U.S. market. ■





# FINANCIAL *statements*

**32** Examiner's Report

**33** Auditor's Report

**34** Consolidated Balance Sheets

**35** Consolidated Statements of Income

**36** Consolidated Statements of Stockholder's Equity

**38** Consolidated Statements of Changes in Financial Position

**39** Notes to Consolidated Financial Statements

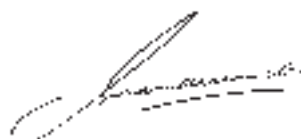
To the Stockholders of  
Grupo Bimbo, S.A. de C.V.

As shareholder examiner and in compliance with Article 166 of the Mexican Corporate Law and the bylaws of Grupo Bimbo, S.A. de C.V., I submit my opinion regarding the accuracy, sufficiency and fairness of the financial information presented to you by the Board of Directors concerning the Company's operations for the year ended December 31, 2001.

I have attended the meetings of the Shareholders and Board of Directors to which I have been invited, and I have obtained from the directors and management all of the information relative to the operations, documents and records that I deemed necessary. My audit was performed in accordance with the auditing standards generally accepted in Mexico.

I have also audited the individual and consolidated balance sheets of the Company as of December 31, 2001, and the related statements of income, shareholders' equity and changes in financial position for the year ended, which are hereby submitted for your information and approval. In submitting this report, I have also relied on the report issued on such financial statements by Ruiz, Urquiza y Cía., S.C., independent auditors of the Company.

In my opinion, the accounting and reporting policies and criteria followed by the Company and considered by management to prepare and present the financial information are appropriate and sufficient and were applied on a basis consistent with that of the preceding year; therefore, the financial information presented by management accurately, sufficiently and fairly presents the financial position of Grupo Bimbo, S.A. de C.V. as of December 31, 2001, and the results of its operations, the changes in its shareholders' equity and the changes in its financial position for the year then ended, in accordance with the accounting principles generally accepted in Mexico.



CPC Juan Mauricio Gras Gas  
Shareholder Examiner

March 4, 2002

(Translation of a report originally issued in Spanish)  
(See Note 1 to the financial statements)

To the Stockholders of  
Grupo Bimbo, S.A. de C.V.

We have audited the accompanying consolidated balance sheets of GRUPO BIMBO, S.A. DE C.V. AND SUBSIDIARIES as of December 31, 2001, 2000 and 1999, and the related consolidated statements of income, stockholders' equity and changes in financial position for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of 8%, 6% and 7% in 2001, 2000 and 1999, respectively, and total revenues of 7%, 8% and 10% in 2001, 2000 and 1999, respectively, of the related consolidated totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in Mexico. Those standards require that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement and that they are prepared in conformity with accounting principles generally accepted in Mexico. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

As mentioned in Note 4, beginning January 1, 2000 the companies adopted the regulations of the new Bulletin D-4, "Accounting for Income and Asset Taxes and Employee Profit Sharing", issued by the Mexican Institute of Public Accountants. Bulletin D-4 requires the recognition of a long term deferred income tax asset or liability based on the cumulative effect of temporary differences between the book and tax bases of assets and liabilities as of the balance sheet date. The net initial cumulative effect of the adoption of this bulletin was to recognize a long-term liability for deferred income taxes of \$1,776,820,000, affecting shareholders' equity. In addition the provision for income taxes as of December 31, 2001 and 2000 decreased by \$100,926,000 and \$330,975,000, respectively, due to the deferred effects of the year.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grupo Bimbo, S.A. de C.V. and Subsidiaries as of December 31, 2001, 2000 and 1999, and the results of their operations, the changes in their stockholders' equity and the changes in their financial position for the years then ended, in conformity with accounting principles generally accepted in Mexico.



March 4, 2002



## CONSOLIDATED *balance sheets*

### *Grupo Bimbo, S.A. de C.V. and Subsidiaries*

Consolidated balance sheets as of December 31, 2001, 2000 and 1999

Expressed in thousands of Mexican pesos with purchasing power as of December 31, 2001

Translation of financial statements originally issued in Spanish

<b>Assets</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>Current assets:</b>			
Cash and marketable securities	\$ 761,710	\$ 4,465,016	\$ 2,544,641
Notes and accounts receivable	3,011,566	2,368,668	2,377,831
Account receivable from sale of subsidiary	—	—	1,048,677
Inventories	719,861	725,100	811,067
Prepayments	76,865	67,875	34,215
Total current assets	4,570,002	7,626,659	6,816,431
<b>Investment in shares of associated companies and debentures</b>	616,327	540,248	606,738
<b>Property, plant and equipment</b>	13,787,186	13,647,351	13,757,193
<b>Goodwill</b>	2,549,278	2,651,966	3,035,046
<b>Other assets</b>	808,258	568,884	526,781
Total assets	\$ 22,331,051	\$25,035,108	\$ 24,742,189
<b>Liabilities and stockholders' equity</b>			
<b>Current liabilities:</b>			
Bank loans and current portion of long-term debt	\$ 381,202	\$ 1,446,054	\$ 728,315
Accounts payable to suppliers	1,600,881	1,359,706	1,349,924
Other accounts payable and accrued liabilities	1,498,848	1,555,241	1,535,059
Related companies	—	180,274	68,297
Income taxes	—	—	123,826
Employee profit sharing	299,963	339,903	320,225
Total current liabilities	3,780,894	4,881,178	4,125,646
<b>Long-term accrued income taxes</b>	14,547	14,790	49,580
<b>Deferred income taxes</b>	1,411,162	1,479,369	—
<b>Long-term debt</b>	4,552,129	2,703,784	4,063,295
Total liabilities	9,758,732	9,079,121	8,238,521
<b>Stockholders' equity:</b>			
Capital stock	6,209,478	6,603,055	6,609,539
Reserve for repurchase of shares	743,591	139,704	196,376
Retained earnings	10,848,588	14,027,362	12,280,097
Cumulative initial effect of deferred income taxes	(1,776,820)	(1,776,820)	—
Cumulative restatement effect	(3,716,853)	(3,335,387)	(2,970,824)
Total majority stockholder's equity	12,307,984	15,657,914	16,115,188
Minority interest	264,335	298,073	388,480
Total stockholders' equity	12,572,319	15,955,987	16,503,668
	\$ 22,331,051	\$25,035,108	\$ 24,742,189

The accompanying notes are an integral part of these consolidated balance sheets.

# CONSOLIDATED *statements of income*

## **Grupo Bimbo, S.A. de C.V. and Subsidiaries**

For the years ended December 31, 2001, 2000 and 1999

Expressed in thousands of Mexican pesos with purchasing power as of December 31, 2001

(Except for earnings per share)

Translation of financial statements originally issued in Spanish

	2001	2000	1999
<b>Net sales</b>	\$ 33,855,329	\$ 32,007,814	\$ 31,187,871
<b>Cost of sales</b>	14,673,320	13,938,983	14,010,803
Gross profit	19,182,009	18,068,831	17,177,068
<b>Operating expenses:</b>			
Distribution and selling	13,412,655	12,522,470	12,196,628
Administrative	2,492,617	2,112,428	1,710,721
	15,905,272	14,634,898	13,907,349
Operating income	3,276,737	3,433,933	3,269,719
<b>Integral financing result:</b>			
Interest expense, net	(209,219)	(12,442)	(257,812)
Exchange (loss) gain, net	(153,290)	(65,701)	112,283
Gain from monetary position	51,074	4,136	542,203
	(311,435)	(74,007)	396,694
<b>Other expenses, net</b>	(436,072)	(102,889)	(184,908)
<b>Gain from sale of subsidiaries</b>	—	—	151,019
Income before provisions	2,529,230	3,257,037	3,632,504
<b>Provisions for:</b>			
Income taxes	862,932	1,286,662	961,875
Deferred income taxes	(100,926)	(330,975)	—
Employee profit sharing	301,610	344,483	346,942
	1,063,616	1,300,170	1,308,817
Income before equity in results of associated companies	1,465,614	1,956,867	2,323,687
<b>Equity in results of associated companies</b>	37,567	48,060	44,673
Net income for the year	\$ 1,503,181	\$ 2,004,927	\$ 2,368,360
<b>Net income applicable to:</b>			
Majority stockholders	\$ 1,476,392	\$ 1,975,752	\$ 2,309,490
Minority stockholders	26,789	29,175	58,870
	\$ 1,503,181	\$ 2,004,927	\$ 2,368,360
<b>Earnings per share</b>	\$ 1.12	\$ 1.39	\$ 1.65
<b>Earnings per share from sale of subsidiaries</b>	\$ —	\$ —	\$ 0.10
<b>Weighted average number of outstanding shares, (000's)</b>	1,321,642	1,418,711	1,401,553

The accompanying notes are an integral part of these consolidated statements.

# CONSOLIDATED STATEMENTS *of stockholders' equity*

## *Grupo Bimbo, S.A. de C.V. and Subsidiaries*

For the years ended December 31, 2001, 2000 and 1999

Expressed in thousands of Mexican pesos with purchasing power as of December 31, 2001

Translation of financial statements originally issued in Spanish

	Capital Stock	Reserve for Repurchase of Shares
<b>Balances as of December 31, 1998</b>	<b>\$ 5,321,684</b>	<b>\$ 50,663</b>
Increase in capital stock	1,287,855	—
Transfer from retained earnings to the reserve for repurchase of shares	—	145,713
Dividends paid to minority stockholders	—	—
Decrease in minority interest	—	—
<b>Balances before comprehensive income</b>	<b>6,609,539</b>	<b>196,376</b>
Net income for the year	—	—
Restatement effect of the year	—	—
Translation effect of the year	—	—
<b>Balances as of December 31, 1999</b>	<b>6,609,539</b>	<b>196,376</b>
Dividends paid	—	—
Dividends paid to minority stockholders	—	—
Transfer from retained earnings to the reserve for repurchase of shares	(6,484)	(56,672)
Cumulative initial effect of deferred income taxes	—	—
<b>Balances before comprehensive income</b>	<b>6,603,055</b>	<b>139,704</b>
Net income for the year	—	—
Restatement effect of the year	—	—
Translation effect of the year	—	—
<b>Balances as of December 31, 2000</b>	<b>6,603,055</b>	<b>139,704</b>
Transfer from retained earnings to the reserve for repurchase of shares	—	4,407,930
Dividends paid	—	—
Dividends paid to minority stockholders	—	—
Decrease in capital for repurchase of shares	(393,577)	(3,804,043)
Decrease in minority interest	—	—
<b>Balances before comprehensive income</b>	<b>6,209,478</b>	<b>743,591</b>
Net income for the year	—	—
Restatement effect of the year	—	—
Translation effect of the year	—	—
<b>Balances as of December 31, 2001</b>	<b>\$ 6,209,478</b>	<b>\$ 743,591</b>

The accompanying notes are an integral part of these consolidated statements.



Retained Earnings	Cumulative Initial Effect of Deferred Income Taxes	Cumulative Restatement Effect	Minority Interest	Total Stockholders' Equity
\$ 10,144,011	\$ —	\$(2,084,899)	\$ 566,290	\$ 13,997,749
(27,691)	—	—	—	1,260,164
(145,713)	—	—	—	—
—	—	—	(42,460)	(42,460)
—	—	—	(89,902)	(89,902)
9,970,607	—	(2,084,899)	433,928	15,125,551
2,309,490	—	—	58,870	2,368,360
—	—	(439,902)	(104,318)	(544,220)
—	—	(446,023)	—	(446,023)
12,280,097	—	(2,970,824)	388,480	16,503,668
(228,487)	—	—	—	(228,487)
—	—	—	(47,272)	(47,272)
—	—	—	—	(63,156)
—	(1,776,820)	—	(38,114)	(1,814,934)
12,051,610	(1,776,820)	(2,970,824)	303,094	14,349,819
1,975,752	—	—	29,175	2,004,927
—	—	(712,594)	(34,196)	(746,790)
—	—	348,031	—	348,031
14,027,362	(1,776,820)	(3,335,387)	298,073	15,955,987
(4,407,930)	—	—	—	—
(247,236)	—	—	—	(247,236)
—	—	—	(21,496)	(21,496)
—	—	—	—	(4,197,620)
—	—	—	(42,258)	(42,258)
9,372,196	(1,776,820)	(3,335,387)	234,319	11,447,377
1,476,392	—	—	26,789	1,503,181
—	—	216,239	3,227	219,466
—	—	(597,705)	—	(597,705)
\$ 10,848,588	\$ (1,776,820)	\$ (3,716,853)	\$ 264,335	\$ 12,572,319

# CONSOLIDATED STATEMENTS *of changes in financial position*

## *Grupo Bimbo, S.A. de C.V. and Subsidiaries*

For the years ended December 31, 2001, 2000 and 1999

Expressed in thousands of Mexican pesos with purchasing power as of December 31, 2001

Translation of financial statements originally issued in Spanish

	2001	2000	1999
<b>Operations:</b>			
Results-			
Net income for the year	\$ 1,503,181	\$ 2,004,927	\$ 2,368,360
Add (deduct)- Items which did not require (generate) cash-			
Depreciation and amortization	1,341,875	1,223,775	1,171,946
Goodwill amortization	163,936	212,752	176,250
Equity in results of associated companies, net of dividends received	(37,567)	(46,806)	(42,512)
Employee benefits	38,131	(16,428)	(39,787)
Long-term accrued income taxes	243	(34,790)	49,580
Deferred income taxes	(100,926)	(323,431)	—
Net resources obtained from results	2,908,873	3,019,999	3,683,837
Net resources generated by operating working capital	(990,646)	(313,927)	(138,337)
Increase (decrease) in accounts receivable from sale of subsidiary	—	1,048,677	(1,048,677)
Net resources generated by operations	1,918,227	3,754,749	2,496,823
<b>Financing activities:</b>			
(Decrease) increase in bank loans and long-term debt in real terms	852,299	(350,594)	(346,142)
Decrease in bank loans and long-term debt due to restatement to constant Mexican pesos	(68,806)	(291,178)	(444,631)
Dividends paid	(268,732)	(275,759)	(42,460)
(Decrease) increase in capital stock	(393,577)	(6,484)	1,260,164
Decrease in reserve for repurchase of shares	(3,804,043)	(56,672)	—
Decrease in minority interest	(42,258)	—	(89,902)
	(3,725,117)	(980,687)	337,029
<b>Investing activities:</b>			
Debentures convertible into capital stock	—	(90,927)	—
Decrease (increase) in investment in shares	(82,092)	204,223	(23,735)
Additions to property, plant and equipment, less net book value of retirements	(1,481,710)	(1,111,634)	(1,992,790)
Cost of property, plant and equipment of the sold subsidiary	—	—	996,890
Net increase in other assets	(277,505)	(25,677)	(72,401)
Increase (decrease) in goodwill	(55,109)	170,328	(40,851)
	(1,896,416)	(853,687)	(1,132,887)
Net increase (decrease) in cash and marketable securities	(3,703,306)	1,920,375	1,700,965
<b>Cash and marketable securities:</b>			
At beginning of the year	4,465,016	2,544,641	843,676
At end of the year	\$ 761,710	\$ 4,465,016	\$ 2,544,641

The accompanying notes are an integral part of these consolidated statements.

## NOTES TO *consolidated financial statements*

### **Grupo Bimbo, S.A. de C.V. and Subsidiaries**

For the years ended December 31, 2001, 2000 and 1999

Expressed in thousands of Mexican pesos with purchasing power as of December 31, 2001

Translation of financial statements originally issued in Spanish

### **1 Explanation added for translation into English:**

These financial statements have been translated into English for use outside of Mexico and are presented on the basis of accounting principles generally accepted in Mexico. Certain accounting practices applied by the Company that conform with accounting principles generally accepted in Mexico may not conform with accounting principles generally accepted in the country of use.

### **2 Principal activities and significant events:**

#### **Principal activities-**

Grupo Bimbo, S.A. de C.V. ("Bimbo" or "the Company") and its subsidiaries are engaged mainly in the production, distribution and sale of bread, cookies, cake, candy, chocolates, snacks, tortillas and processed food.

The Company operates within different geographic areas: Mexico, the United States of America (U.S.) and Central and South America ("OLA").

#### **Significant event-**

In March 2001, Bimbo acquired 100% of the shares of Plus Vita Alimentos, LTD, Plus Vita Participaciones, LTD and Van Mills Productos Alimenticios, LTD, controlled by Bimbo Do Brasil, LTD; companies established in Brazil and engaged in baking breads and cakes. From the date of acquisition through December 31, 2001, the amount of net sales, operating loss, net loss for the year and total assets of this company amounted to \$571,554, \$(76,468), \$(101,521) and \$648,506, respectively. Likewise, this transaction generated goodwill of \$230,191.

### **3 Basis of consolidation:**

The accompanying consolidated financial statements include the financial statements of the Company and subsidiaries in which it exercises control over management, divided into the following three business divisions:

- Bakeries
- Snack and candy manufacturing companies
- Agro-industrial and other companies (until December 23, 1999)

During 2001, the Company carried out a series of spin-offs and mergers as part of a restructuring process. As a result, since January 1, 2002, the bread products division and the snack and candy division were transferred to Bimbo de México, S.A. de C.V. and Barcel, S.A. de C.V., respectively (recently created companies).

During 2001, 2000 and 1999 the net sales of the Mexican Bimbo and Marinela lines, which are part of the bakeries division, represented approximately 64%, 63% and 60%, respectively, of consolidated net sales.

The financial statements of foreign subsidiaries are restated based on the inflation rate of the countries in which they operate, in accordance with the procedures described below, and are translated at the exchange rate at yearend.

Equity in earnings and changes in equity of subsidiaries that were acquired or sold during the year were included in the financial statements from or up to the date of the transactions and were restated in terms of the purchasing power of the Mexican peso at yearend.

All significant intercompany transactions and balances have been eliminated in consolidation.

### **4 Significant accounting policies:**

The accounting policies followed by the companies are in conformity with accounting principles generally accepted in Mexico, which require that management make certain estimates and use certain assumptions to determine the valuation of some items included in the financial statements and make the required disclosures therein. While the estimates and assumptions used may differ from their final effect, management believes that they were adequate under the circumstances. The significant accounting policies are as follows:



**(a) Changes in accounting policies-**

- 1) As of January 1, 2000 the companies adopted the regulations of new Bulletin D-4, "Accounting for Income and Asset Taxes and Employee Profit Sharing", issued by the Mexican Institute of Public Accountants. Consequently, a long term deferred income tax asset or liability is recognized, based on the cumulative effect of temporary differences between the book and tax bases of assets and liabilities as of the balance sheet date. The initial net cumulative effect of adopting this bulletin was the recognition of a long-term deferred liability of \$1,776,820 that was charged to stockholders' equity. In addition, the provision for income and asset taxes for the year ended December, 31, 2001 and 2000, decreased by \$100,926, and \$330,975 respectively, due to the deferred effects of the year.

Up until December 31, 1999, the companies recognized, by means of the liability method, the future effects of income taxes and employee profit sharing related to the cumulative temporary differences between book and taxable income, which arose from specific items whose turnaround period could be determined and that were not expected to be replaced by items of a similar nature and amount. Since there were no significant nonrecurring temporary differences with these characteristics, the companies did not record any deferred income tax or employee profit sharing assets or liabilities in prior years.

- 2) In 2001, the new Bulletin C-2, "Financial Instruments", went into effect. This bulletin establishes the methodology for valuing and recording financial instruments, and requires recognition of all the valuation effects of the contracted financial instruments on the balance sheet as either assets or liabilities, affecting the integral financing result. The cumulative effect of the valuation of financial instruments at the beginning of the year was not significant; therefore, no effect was recorded.

During the year, effects from the valuation of financial instruments were recorded under the new guidelines of this bulletin, which were not material given that the existing contracts only cover the prices of raw materials and supplies.

**(b) Basis of translation of financial statements-**

The accounting records of the foreign companies located in the United States of America (U.S.) and Latinamerica (OLA), which represented 25%, 24% and 25% of consolidated net sales and 31%, 26% and 31% of total consolidated assets in 2001, 2000 and 1999, respectively, are maintained in their respective local currencies and are translated into Mexican pesos in accordance with Bulletin B-15, "Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations", issued by the Mexican Institute of Public Accountants, A.C. (MIPC), as follows:

- Adjust the local currency financial statements to conform with accounting principles generally accepted in Mexico including restatement using the inflation rate applicable for each country.
- All of the figures included in the balance sheet, except for capital stock, are translated using the exchange rate in effect at yearend. Capital stock is translated using the exchange rate as of the date of contribution. The statement of income accounts are translated using the exchange rate as of the closing of the period that is being reported. The translation effects are included under cumulative effect of restatement, which is shown in the statement of shareholders' equity.

Since the operations of Mrs. Baird's Bakeries, Inc. represents a "foreign entity" as defined by Bulletin B-15, the Company has designated the net investment in this foreign subsidiary as an economic hedge of

the related financing obtained in U.S. dollars and used to acquire this subsidiary. Accordingly, the related foreign exchange gains (losses) in Mexican pesos, which amounted to (\$57,175), \$(13,397) and \$74,227 in 2001, 2000 and 1999, respectively, were recorded as a (charge) credit to the cumulative translation effect and the related monetary gain on the debt was recorded using the inflation index of the United States of America, in accordance with the guidelines of Bulletin B-15.

**(c) Recognition of the effects of inflation in the financial information-**

The companies restate all of their financial statements in terms of the purchasing power of the Mexican peso as of the end of the latest period, thereby comprehensively recognizing the effects of inflation. Accordingly, the accompanying financial statements of the prior years have been restated in terms of Mexican pesos as of December 31, 2001. The prior year amounts presented herein differ from those originally reported in terms of Mexican pesos of the corresponding years. Consequently, all financial statement amounts are comparable, both for the current and the prior years, since all are stated in terms of Mexican pesos with the same purchasing power.

The rates of inflation (deflation) of the countries in which the Company operates are as follows:

	%		
	December 31		
	<i>2001</i>	<i>2000</i>	<i>1999</i>
Argentina	(1.62)	(0.73)	(1.80)
Brazil	7.67	—	—
Colombia	7.64	8.70	9.23
Costa Rica	10.96	10.25	10.11
Chile	2.64	4.53	2.60
United States of America	1.55	3.37	3.00
Salvador	1.42	4.29	5.60
Guatemala	9.18	5.08	8.00
Honduras	12.91	6.10	14.06
Peru	(0.13)	3.73	5.50
Mexico	4.40	8.96	12.31
Uruguay	3.59	5.05	(0.34)
Venezuela	12.29	13.40	20.00

To recognize the effects of inflation in terms of Mexican pesos with purchasing power as of yearend, the procedures were as follows:

- **Balance sheet:**

Inventories are valued at average cost which is similar to net replacement value, which does not exceed realizable value.

Property, plant and equipment are originally recorded at acquisition or production cost, and restated using factors derived from the National Consumer Price Index (NCPI). Depreciation is computed based on the estimated useful lives of the corresponding assets, on their restated values.

Prepaid advertising expenses are restated by applying factors derived from the NCPI, from the date of payment through maturity or yearend.

Goodwill is restated using a factor derived from the inflation rate of the country in which the Company has the investment, from the date of acquisition of the related subsidiaries and associated companies.

Stockholders' equity and other nonmonetary items are restated using a factor derived from the NCPI cumulative from the date of contribution or generation.

- **Statement of income:**

Revenues and expenses that are associated with a monetary item are restated from the month in which they arise through yearend, based on factors derived from the NCPI.

Costs and expenses associated with nonmonetary items are restated as follows:

- Cost of sales is restated based on the replacement costs at the time of sale.
- Depreciation is calculated on the restated value of the corresponding property, plant and equipment.
- Expenses associated with nonmonetary items are restated through yearend, as a function of the restatement of the nonmonetary asset that is being consumed or sold.

The gain from monetary position, which represents the erosion of the purchasing power of monetary items caused by inflation, is determined by applying to net monetary assets or liabilities at the beginning of the month the inflation factor derived from the NCPI of each country and is restated through yearend with the corresponding factor.

- **Other statements:**

The cumulative restatement effect presented in the statement of stockholders' equity is comprised mainly of the gain or loss from holding nonmonetary assets, which represents the change in the specific price level of the inventories, investment in shares of associated companies and property, plant and equipment of foreign subsidiaries and their effect on the results of operations as compared to the NCPI. As well, it includes the cumulative translation effect.

The statement of changes in financial position presents the changes in constant Mexican pesos, according to the financial position at the prior yearend, restated to Mexican pesos as of the end of the latest yearend.

**(d) Marketable securities-**

Marketable securities are primarily short-term money market investments, bank deposits and bank acceptances valued at market (cost plus accrued interest).

**(e) Investment in shares of associated companies and debentures-**

The Company has long-term investments in shares of associated companies and others, which have been recorded using the equity method, likewise debentures convertible into capital stock, which are valued at cost.

**(f) Goodwill-**

Goodwill resulting from acquisitions made by the Company at prices greater than the book value of the related companies is amortized, over a period of 20 years, the term over which management expects that additional benefits will be generated by these investments. The amounts amortized in 2001, 2000 and 1999 were \$163,936, \$212,765 and \$176,250, respectively, and are included in the statement of income in other expenses.

As of December 31, 2001, goodwill resulted mainly from the acquisition of foreign subsidiaries, the most important being: Mrs. Baird's Bakeries, Inc, Productos de Leche Coronado, S.A. de C.V., and Plus Vita, Ltd.

**(g) Income taxes and employee profit sharing-**

The companies record the deferred income asset tax and employee profit sharing effects, based on the cumulative effect of the temporary differences between assets and liabilities for book and tax purposes as of the balance sheet date, as a long-term asset or liability, at the tax rate estimated to be applicable at the time of reversal. Deferred employee profit sharing has been calculated taking into consideration the temporary differences of the year, which are likely to result in a liability or benefit. As of December 31, 2001 there are no items with these characteristics.

**(h) Employee benefits-**

Under Mexican labor law, most of the subsidiaries are liable for separation payments and seniority premiums to employees terminating under certain circumstances.



The companies record their liabilities from seniority premiums, pensions and indemnity payments as they accrue, using actuarial calculations based on the projected unit credit method, using real interest rates and making the contributions to the trust on the same basis. Accordingly, the liability is being accrued, which at present value will cover the obligation from benefits projected to the estimated retirement date of the companies' employees.

Severance payments to involuntarily terminated employees are charged to results in the period in which they are made.

**(i) Revenue recognition-**

Revenue is recognized when the products are shipped to the client.

**(j) Integral financing result-**

The integral financing result includes all financial revenues and expenses, such as interest income and expense, exchange gains or losses and gains or losses from monetary position as they occur or accrue.

Transactions in foreign currency are recorded at the exchange rate as of the date of the transaction and assets and liabilities in foreign currency are adjusted to the exchange rate as of yearend, as part of the integral financing result.

The gain or loss from monetary position, which represents the erosion of the purchasing power of monetary items caused by inflation, is determined by applying to net monetary assets or liabilities at the beginning of each month the factor of inflation derived from the NCPI and is restated through yearend with the corresponding factor.

**(k) Earnings per share-**

Basic earnings per share has been computed each year by dividing the net majority income from continuing operations for the year by the weighted-average number of shares outstanding during the year.

The effect per share from the gain on the sale of the subsidiaries is computed by dividing the underlying gain by the weighted-average number of shares outstanding.

**(l) Comprehensive income-**

The items that comprise "comprehensive income" are presented in the statement of changes in stockholders' equity which is comprised of the net income of the year plus any gain or loss, that according to specific regulations is presented directly in stockholders' equity, such as the restatement and translation effects of the year.

**(m) Financial instruments-**

Bulletin C-2 "Financial Instruments", requires that all the effects of contracted financial instruments be recorded as assets or liabilities. The financial instruments that have been designated and that function effectively as hedging against the effects of certain risks or other financial instruments, will affect the assets or liabilities or transactions or corresponding risks when they are realized, settled or occur, respectively. The majority of financial instruments contracted for these purposes are valued at market and affect the integral financing result in each accounting period. Financial instruments issued to finance the Company's operations are maintained at their nominal value, recording the corresponding interest separately.

### 5 Transactions and foreign currency position:

At December 31, 2001, 2000 and 1999 the exchange rate was \$9.1423, \$9.5997 and \$9.5222 Mexican pesos per U.S. dollar, respectively, and foreign currency denominated assets and liabilities of those subsidiaries located in Mexico amount to:

	Thousands of U.S. Dollars		
	2001	2000	1999
Current assets	170,668	250,046	232,407
Liabilities-			
Current	(24,943)	(135,863)	(30,265)
Long-term	(480,800)	(252,600)	(404,400)
	(505,743)	(388,463)	(434,665)
Net foreign currency liability position	(335,075)	(138,417)	(202,258)
Equivalent in thousands of Mexican pesos	\$ (3,063,356)	\$ (1,328,762)	\$ (1,925,941)

At December 31, 2001, OLA has a long-term liability position in foreign currency with respect to the country in which it operates in the amount of 17.46 million U.S. dollars, equivalent to \$159,627.

The principal transactions in foreign currency carried out by the companies, excluding foreign subsidiaries' sales and the exports between companies, which were eliminated in the consolidation process, are as follows:

	Thousands of U.S. Dollars		
	2001	2000	1999
Sales	6,957	35,147	39,631
Purchases other than fixed assets	(26,999)	(38,114)	(129,152)
Interest expense, net	(19,231)	(52,117)	(21,664)
Other expenses	(30,572)	(31,870)	(12,668)
	(69,845)	(86,954)	(123,853)
Equivalent in thousands of Mexican pesos	\$ (650,976)	\$ (823,856)	\$ (1,201,371)

At March 4, 2002, the unaudited foreign exchange position is similar to that at yearend, and the exchange rate was \$9.0957 Mexican pesos per U.S. dollar.

### 6 Notes and accounts receivable:

	2001	2000	1999
Trade and agencies, net	\$ 1,269,706	\$ 1,282,313	\$ 1,359,882
Notes receivable	84,148	123,624	215,393
Recoverable taxes	1,231,174	616,166	179,638
Sundry debtors	419,190	343,029	568,734
Molino Montserrat, S.A. de C.V., related party	—	—	50,775
Officers and employees	7,348	3,536	3,409
	\$ 3,011,566	\$ 2,368,668	\$ 2,377,831

**7 Inventories:**

	<b>2001</b>	<b>2000</b>	<b>1999</b>
Raw materials, net	\$ 215,235	\$ 165,425	\$ 238,901
Orders-in-process	17,928	18,312	43,882
Finished products	251,220	203,765	185,747
Containers and wrapping	145,835	158,335	185,796
Raw materials-in-transit	21,674	113,488	32,342
Advances to suppliers	33,612	19,605	84,817
Other	34,357	46,170	39,582
	<b>\$ 719,861</b>	<b>\$ 725,100</b>	<b>\$ 811,067</b>

**8 Property, plant and equipment:**

	<b>2001</b>	<b>2000</b>	<b>1999</b>
Buildings	\$ 4,564,716	\$ 4,510,900	\$ 4,297,175
Manufacturing equipment	10,904,063	10,517,180	10,052,979
Vehicles	4,454,266	4,542,474	4,633,071
Molds	340,311	383,901	399,678
Machine shop equipment	423,037	313,445	273,769
Office equipment	203,805	202,078	212,054
Computer equipment	626,820	371,139	302,107
Freezers	1,953	846	18,971
	<b>21,518,971</b>	<b>20,841,963</b>	<b>20,189,804</b>
Less- Accumulated depreciation	<b>(9,665,329)</b>	<b>(9,076,307)</b>	<b>(8,271,393)</b>
	<b>11,853,642</b>	<b>11,765,656</b>	<b>11,918,411</b>
Land	1,359,072	1,466,282	1,423,856
Construction-in-progress and machinery-in-transit	574,472	415,413	414,926
	<b>\$ 13,787,186</b>	<b>\$ 13,647,351</b>	<b>\$ 13,757,193</b>

The average annual depreciation rates that were applied in 2001, are as follows:

	<b>%</b>
Buildings	6
Manufacturing equipment	11
Vehicles	14
Molds	34
Machine shop equipment	3
Office equipment	2
Computer equipment	38
Freezers	8



### 9 Related-party transactions and balances:

The companies had the following significant transactions with related parties:

	2001	2000	1999
<b>Revenues from-</b>			
Sale of raw materials and finished products	\$ 12	\$ 14,751	\$ 6,711
Sale of trade marks	—	—	77,405
Interest	407	29,785	3,196
Rent	—	1,147	—
Other	805	6,432	3,638
	\$ 1,224	\$ 52,115	\$ 90,950
<b>Expenses for-</b>			
Purchases of raw materials and finished products	\$ 1,054,201	\$ 886,935	\$ 46,604
Interest	190	9,276	4,437
Other	2,045	123,061	—
	\$ 1,056,436	\$ 1,019,272	\$ 51,041

The net intercompany payable balances are as follows:

	2001	2000	1999
Frexport, S.A. de C.V.	\$ 15,593	\$ 13,971	\$ 41,269
Bimabel, S.A. de C.V.	3,594	76,438	20,293
Molino San Vicente de Paul, S.A. de C.V.	—	5,046	6,735
Molino Montserrat, S.A. de C.V.	—	60,940	—
Grupo Altex, S.A. de C.V.	41,076	23,698	—
Other	—	181	—
	\$ 60,263	\$ 180,274	\$ 68,297

### 10 Bank loans and long-term debt:

At December 31, 2001, the Company's bank loans are as follows:

Syndicated loans	\$ 3,656,920
Direct loans	895,091
Mortgage loans	118
	\$ 4,552,129

The maturities of long-term debt as of December 31, 2001 is as follows:

<b>DUE IN</b>	
2003	\$ 232,349
2004	1,782,851
2005	1,116,155
2006	1,312,895
2007 and thereafter	107,879
	\$ 4,552,129

### Syndicated loans-

On October 11, 2001, the Company signed a loan contract (syndicated loan) for 400 million U.S. dollars, with the participation of the Chase Manhattan Bank as the administrating agent and ING Barings (U.S.) Capital LLC, as the syndicated agent. The loan will be payable in five semiannual installments beginning on October 16, 2004, with quarterly interest payments at LIBOR plus 0.95% up to October 15, 2004, plus 1% up to October 15, 2005 and 1.05% up to October 15, 2006.

The syndicated loan contract establishes a series of obligations for the companies participating in the loan, the most significant of which compliance with certain minimum consolidated financial ratios, relative to the net value of shareholders' equity, debt coverage and total debt to net profit for the year and restrictions on the payment of dividends, which to date have been complied with.

### Direct loans-

On February 2, 1996, the Company contracted financing with IFC for 140 million U.S. dollars, made up of 3 promissory notes. Promissory notes "A" and "B" bear a fixed interest rate of 8.74% and promissory note "C" a variable 6-month LIBOR, payable semiannually. The financing term is 12 years through 11 annual principal payments beginning in February 1998 for promissory notes "A" and "B" and 10 years for promissory note "C", which is payable at the end of the contract in one payment.

Some subsidiaries have entered into financial lease and direct loan agreements for \$156,509, repayable through 2008, bearing interest at the equivalent of the highest rate yielded by various financial instruments.

The loan contracts establish obligations for the companies participating in the loan. In addition, they require maintaining, based on the consolidated financial statements, certain financial ratios and proportions. To date the Company has complied with all of the obligations established in the loans contracts.

## 11 Employee benefits:

### Mexico-

The employee benefit obligation relates to the pension plan, which will cover the pension (or severance payment) and seniority premiums due upon retirement. The amount resulting from the actuarial calculations prepared by external actuaries is being funded using the projected unit credit method. Below is a breakdown of this obligation:

	2001	2000	1999
Projected benefit obligation (PBO)	\$ (2,159,875)	\$ (1,875,121)	\$ (1,663,054)
Plan assets	2,733,949	2,403,607	2,722,845
Excess of plan assets over projected benefit obligation	574,074	528,486	1,059,791
Initial transition liability to be amortized	(487,118)	(528,722)	(546,035)
Unamortized actuarial losses	440,358	510,523	(68,160)
Prepayment, included in other assets	\$ 527,314	\$ 510,287	\$ 445,596

At December 31, 2001, the amount accrued for the obligation from present services (equivalent to the PBO without projecting salaries to the date of retirement) amounted to \$1,771,835.

The prepayment resulting from the plan assets exceeding the projected liabilities at December 31, 2001 is recognized in results over the estimated remaining work life of the employees.

The cost of employee benefits for the years ended December 31, 2001, 2000 and 1999 is as follows:

	<i>2001</i>	<i>2000</i>	<i>1999</i>
Service costs for the year	\$ 130,042	\$ 119,254	\$ 106,059
Financial cost for the year	95,986	85,288	70,478
Amortization of actuarial losses, net	10,860	(23,715)	(23,425)
Amortization of transition liability	(22,945)	(2,015)	(4,342)
	213,943	178,812	148,770
Less- Return on plan assets	(175,812)	(195,240)	(188,557)
Net effect of the year	\$ 38,131	\$ (16,428)	\$ (39,787)

The assumptions used in the actuarial computations during 2001, 2000 and 1999 are as follows:

	<i>2001</i>	<i>2000</i>	<i>1999</i>
			%
Interest rate	5.0	5.0	5.0
Investment return rate	4.5	7.0	7.0
Salary increase rate	1.5	1.5	1.5

The changes in the prepayment were as follows:

	<i>2001</i>	<i>2000</i>	<i>1999</i>
Beginning balance	\$ 510,287	\$ 445,596	\$ 370,798
Net effect of the year	(38,131)	16,428	39,787
Contributions to the fund	18,349	35,476	18,999
Changes in assumptions	36,809	12,787	16,012
Ending balance	\$ 527,314	\$ 510,287	\$ 445,596

The changes in the plan assets were as follows:

	<i>2001</i>	<i>2000</i>	<i>1999</i>
Beginning balance	\$ 2,403,607	\$ 2,722,845	\$ 2,578,721
Contributions	18,349	35,476	18,999
Return on plan assets	175,812	195,240	188,557
Payments	(63,618)	(20,077)	(26,317)
Changes in assumptions	199,799	(529,877)	(37,115)
Ending balance	\$ 2,733,949	\$ 2,403,607	\$ 2,722,845

The amortization period for unamortized items as of December 31, 2001 is as follows:

Caption	Remaining Years	
	Seniority Premiums	Pension Plan
Transition liability	21.01	31.48
Changes in assumptions	20.69	28.72

#### Other countries-

As of December 31, 2001, the net liability for employee benefits in other countries was not significant.

## 12 Tax environment:

### In Mexico-

#### Income and asset tax regulations-

The companies established in Mexico are subject to income and asset taxes. Income taxes are computed taking into consideration certain taxable and deductible effects of inflation, such as depreciation calculated on restated asset values and the deduction of purchases in place of cost of sales, which permit the deduction of current costs, and taxable income is increased or reduced by the effects of inflation on certain monetary assets and liabilities through the inflationary component, which is similar to the gain or loss from monetary position. Until 2001, the income tax rate was 35%, with the obligation to pay this tax each year at a rate of 30% (transitorily 32% in 1999), with the remainder payable upon the distribution of earnings. This remainder was recorded as a long-term liability.

Beginning on 2002, the option to defer a portion of the income tax payment until dividends were distributed is eliminated. The income tax rates will be 35% in 2002, 34% in 2003, 33% in 2004 and 32% beginning in 2005.

Asset taxes are computed at an annual rate of 1.8% on the average of the majority of restated assets less certain liabilities, and the tax is paid only to the extent that it exceeds the income taxes of the period. On a consolidated basis the Company paid no asset taxes in 2001, 2000 or 1999. Any required payment of asset taxes is creditable against the excess of income taxes over asset taxes of the previous three and following 10 years.

#### Tax consolidation regulations-

The Company is authorized by the Mexican tax authorities to file a consolidated income and asset tax return only for the Mexican subsidiaries.

#### Book and tax result-

The income tax provision was determined based on the amount payable according to the consolidated tax result of the Mexican companies. The main differences between the book and tax result are depreciation on restated values, gain or loss from monetary position, inflationary component and the difference between cost of sales and inventory purchases.

#### Employee profit sharing-

Employee profit sharing is calculated on the basis of the individual results of each Mexican subsidiary and is determined based on taxable income that excludes the inflationary component and depreciation is based on historical rather than restated values.

### In other countries-

Foreign subsidiaries compute their income taxes based on their individual taxable income and in accordance with the specific tax regulations of each country. The provision for income taxes of foreign subsidiaries is not significant since most of them have tax losses. U.S. has authorization to file consolidated income and asset tax returns.

#### Deferred taxes-

The items comprising the deferred tax liability as at December 31, 2001 and 2000 were as follows:

	2001	2000
Allowances for the valuation of assets	\$ (21,980)	\$ (34,583)
Inventories	164,667	157,251
Property, plant and equipment	1,821,158	1,778,982
Other investments	(82,936)	(84,866)
Other reserves	23,569	(56,113)
Tax losses	(439,775)	(230,825)
Recoverable asset tax	(53,541)	(47,358)
Dividend tax	—	(3,119)
	\$ 1,411,162	\$ 1,479,369



The activity in the deferred tax liability during the year ended December 31, 2001 and 2000 are as follows:

	2001	2000
Initial cumulative effect		
of deferred taxes	\$ 1,479,369	\$ 1,665,689
Results from monetary position	57,163	137,111
Deferred income tax benefit	(100,926)	(323,431)
Recoverable asset tax	(24,444)	—
	\$ 1,411,162	\$ 1,479,369

As of December 31, 2001, the differences between the provision for income taxes at the official rate and the effective rate are as follows:

Income before taxes	\$ 2,529,230
Permanent differences-	
Loss from monetary position	(51,074)
Effect of the third amendment to B-10	(131,273)
Inflationary component	178,000
Non deductible expenses	48,000
Pension fund yields	(663,000)
OLA taxable income	118,000
Other taxable items	149,277
Tax basis	2,177,160
Tax rate	35%
Income tax provision	\$ 762,006

### 13 Stockholders' equity:

During a General Extraordinary Shareholder's Meeting held on April 27, 1999, the shareholders approved an increase in the fixed portion of capital stock of \$1,287,855 (\$1,073,160 nominal value), through the issuance of 54,200,000 shares, through a public offer. This increase in the fixed portion of capital stock originated expenses from the placement of shares of \$27,691 (\$23,215 at nominal value), which were applied to retained earnings, net of the income tax effect.

During a General Extraordinary Shareholders' Meeting held on August 10, 1999, the shareholders approved an increase in the reserve for repurchase of shares of \$145,713 (\$130,000 at nominal value), through the application of retained earnings.

During a General Ordinary Shareholders' Meeting held on July 6, 2001, the shareholders approved an increase in the reserve for purchase of shares of \$4,407,930 (\$4,300,000 at nominal value), through the application of retained earnings.

During 2001 and 2000 the Company purchased 242,045,931 and 3,665,000 of its own shares, respectively. This originated a decrease in capital stock and in the reserve for repurchase of shares of \$393,577 (\$386,239 at nominal value) and \$6,484 (\$5,847 at nominal value) and \$3,804,043 (\$3,733,114 at nominal value) and \$56,672 (\$52,322 at nominal value) respectively, which are being held in the treasury.

At December 31, 2001, the capital stock was made up of 1,175,889,069 shares fully subscribed and paid, corresponding to the fixed portion of capital stock.

The variable portion may not exceed ten times the amount of minimum fixed capital without right of withdrawal, and will be represented by Series "B" ordinary, nominative, no-par value shares and/or by limited-voting nominative, no par value shares, which will be denominated with the name of the series through which they are issued. At no time may limited-voting shares represent more than 25% of the overall capital stock.

Stockholders' equity is as follows:

	2001	2000	1999
<b>Capital stock-</b>			
Historical	\$ 1,907,202	\$ 2,293,441	\$ 2,299,288
Restatement	4,302,276	4,309,614	4,310,251
	\$ 6,209,478	\$ 6,603,055	\$ 6,609,539
<b>Retained earnings-</b>			
Historical	\$ 2,654,785	\$ 4,405,474	\$ 2,829,517
Legal reserve (historical)	377,500	286,500	188,000
Restatement	7,816,303	9,335,388	9,262,580
	\$ 10,848,588	\$ 14,027,362	\$ 12,280,097
<b>Reserve for repurchase of shares-</b>			
Historical	\$ 664,564	\$ 97,678	\$ 150,000
Restatement	79,027	42,026	46,376
	\$ 743,591	\$ 139,704	\$ 196,376

Dividends paid to majority stockholders in 2001 and 2000 are as follows:

Approved at the Stockholder' Meeting on:	Nominal Value		Restated as of December 31, 2001
	Mexican Pesos per Share	Total	
April 4, 2001	\$ 0.17	\$ 240,689	\$ 247,236
April 28, 2000	\$ 0.15	\$ 213,240	\$ 228,487

Beginning in 2002, income tax withholding on dividends was eliminated. If earnings for which no corporate tax has been paid are distributed, the tax must be paid upon distribution of the dividends. Consequently, the Company must keep a record of earnings subject to each tax rate. Earnings for which corporate taxes have been paid amounted to approximately \$10,131,700 as of December 31, 2001.

Capital reductions will be subject to taxes on the excess of the reduction over the price-level adjusted paid in capital, in accordance with the formula prescribed by the income tax law.

The annual net income of the Company and the net income of some subsidiaries for 2001 is subject to the legal requirement that 5% thereof be transferred to a legal reserve each year until the reserve equals 20% of outstanding capital stock. This reserve may not be distributed to shareholders during the existence of the Company, except in the form of a stock dividend.

## 14 Financial instruments:

### (a) Currency "Swap"-

For purposes of reducing exposure to exchange risks, the Company contracted a currency "swap", in order to reduce the risks inherent to their debt. Such "swap" was contracted on August 15, 2001, expiring on August 15, 2002. Upon expiration, Bimbo will acquire the domestic amount for 150 million US dollars, at a price agreed to at the beginning of the transaction of \$9.0950 Mexican pesos per US dollar. During the term of this transaction, interest will be interchanged quarterly; the Company will pay a fixed rate in Mexican pesos of 13.07% and will receive LIBOR plus 0.85%.

Given the characteristics of this instrument, there is an asset of 150 million US dollars and a liability of \$1,364,250 (equivalent to the 150 million US dollars at \$9.0950 Mexican pesos per US dollar); the deposit rate is 13.07% and the loan rate is LIBOR plus 0.85% (fixed, including the spread). Therefore, the Company recorded the net interest paid on this instrument, amounting \$29,892, against the results for the year.

**(b) Long term debt-**

The carrying amount and fair value of the long-term debt as of December 31, 2001 are as follows:

	<b>2001</b>	
	<b>Book Value</b>	<b>Market Value</b>
Syndicated loans	\$ 3,671,366	\$ 3,820,807
Direct loans	921,112	946,678
Mortgage loans	122	126
	<b>\$ 4,592,600</b>	<b>\$ 4,767,611</b>

The fair values of the long-term debt and of the syndicated loan are based on the value of discounted cash flows. The discount rate is estimated using the actual rates offered for debt with similar maturities. The Company has not foreseen any significant refinancing activities, which could result in the settlement of any long-term debt at fair value.

**(c) Other financial instruments-**

At December 31, 2001, the companies have other financial instruments which are not significant due to their low transaction volume.

**15 Geographic segment information:**

The main data per geographical area for 2001, 2000 and 1999 are as follows:

	<b>2001</b>			
	<b>Mexico</b>	<b>U.S.</b>	<b>OLA</b>	<b>Total</b>
Net sales	\$ 25,519,601	\$ 5,458,463	\$ 2,877,265	\$ 33,855,329
Operating income (loss)	\$ 3,457,836	\$ (45,736)	\$ (135,363)	\$ 3,276,737
Net income (loss)	\$ 2,006,860	\$ (312,599)	\$ (191,080)	\$ 1,503,181
Depreciation and amortization	\$ 977,132	\$ 173,247	\$ 191,496	\$ 1,341,875
Operating income plus depreciation and amortization (EBITDA)	\$ 4,434,968	\$ 127,511	\$ 56,133	\$ 4,618,612
Total assets	\$ 15,587,507	\$ 3,942,915	\$ 2,800,629	\$ 22,331,051
Total liabilities	\$ 8,395,927	\$ 662,510	\$ 700,295	\$ 9,758,732

**2000**

	Mexico	U.S.	OLA	Total
Net sales	\$ 24,362,705	\$ 5,552,113	\$ 2,092,996	\$ 32,007,814
Operating income (loss)	\$ 3,564,757	\$ (79,132)	\$ (51,692)	\$ 3,433,933
Net income (loss)	\$ 2,513,578	\$ (430,171)	\$ (78,480)	\$ 2,004,927
Depreciation and amortization	\$ 903,168	\$ 184,043	\$ 136,564	\$ 1,223,775
Operating income plus depreciation and amortization (EBITDA)	\$ 4,467,925	\$ 104,911	\$ 84,872	\$ 4,657,708
Total assets	\$ 18,459,358	\$ 4,251,075	\$ 2,324,675	\$ 25,035,108
Total liabilities	\$ 7,830,785	\$ 569,207	\$ 679,129	\$ 9,079,121

**1999**

	Mexico	U.S.	OLA	Total
Net sales	\$ 23,974,409	\$ 5,268,655	\$ 1,944,807	\$ 31,187,871
Operating income (loss)	\$ 3,320,379	\$ 43,668	\$ (94,328)	\$ 3,269,719
Net income (loss)	\$ 2,629,586	\$ (115,262)	\$ (145,964)	\$ 2,368,360
Depreciation and amortization	\$ 784,943	\$ 232,725	\$ 154,278	\$ 1,171,946
Operating income plus depreciation and amortization (EBITDA)	\$ 4,105,322	\$ 276,393	\$ 59,950	\$ 4,441,665
Total assets	\$ 17,329,235	\$ 4,890,162	\$ 2,522,792	\$ 24,742,189
Total liabilities	\$ 6,913,886	\$ 704,677	\$ 619,958	\$ 8,238,521

**16 Subsequent event:**

On March 4, 2002, the Company acquired, through its subsidiary Bimbo Bakeries USA, Inc., the assets of the George Weston bread companies located in the western US for 610 million dollars. Such acquisition included five plants in the states of Texas, Colorado, California and Oregon, as well as the brand of bread Oroweat and a direct distribution system with about 1,300 routes. Also, with this transaction it has access to brands and products that are market leaders in the U.S. that are owned by George Weston such as: Entenmann's, Thomas' and Boboli. For this transaction, the Company obtained bridge financing from Bank of America, Citibank, ING Bank and JP Morgan Chase Bank.

**17 Reclassification of prior year financial statements:**

Certain amounts in the financial statements at December 31, 2000 and 1999 have been reclassified in order to conform to the presentation of the financial statements at December 31, 2001.



BOARD OF *directors*

(Better corporate  
practices code)

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Roberto Servitje Sendra

PR

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José Antonio Fernández Carbajal

R

José Luis González González

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PR

Mauricio Jorba Servitje

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Francisco Laresgoiti Hernández

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*Alternate Secretary*

Alberto Sepúlveda Cosío

PR: Patrimonial, Related

PI: Patrimonial, Independent

R: Related

I: Independent

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Board Member of:  
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Fomento Económico Mexicano  
(FEMSA)  
Rabobank International  
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**José Ignacio Mariscal Torroella**

CEO of Grupo Marhnos  
Chairman of IMDOSOC  
Board Member of:  
UNIPAC  
Fondo Posadas SINCA  
FINCOMUN  
Grupo Calidra

**Mauricio Jorba Servitje**

Manager of Grupo Bimbo  
Spain.  
Board Member of:  
VIDAX

**Francisco Laresgoiti Hernández**

CEO of Grupo Laresgoiti  
Board Member of:  
Fundación Mexicana  
para el Desarrollo Rural AC

**Víctor Milke Aúais**

CEO of Corporación  
Premium

**Claudio Terrein Decottignies**

President of Soger  
Chairman of the Board of Generali  
México Cia. de Seguros  
Board Member of:  
Invex Grupo Financiero  
Cementos Apasco  
Korn / Ferry Internacional  
Reaseguradora Patria

**Henry Davis Signoret**

President of Promotora DAC  
Board Member of:  
Nacional de Drogas I.A.P.  
Grupo Financiero IXE

**Raúl Obregón del Corral**

Corporate Director for Grupo BAL  
Board Member of:  
Industrias Peñoles  
Crédito Afianzador  
Grupo Palacio de Hierro  
Valores Mexicanos Casa de Bolsa  
Arrendadora Valmex

**Lorenzo Sendra Mata**

Commercial President  
of Bimbo S.A. de C.V.  
Chairman of the Board  
Proarce S.A. de C. V.  
Board Member of:  
NOVACEL  
Ronald McDonald Foundation  
Fomento de Nutrición y Salud

**Roberto Quiroz Montero**

Chairman of the Board  
and CEO of Servicios  
Administrativos Trébol  
Chairman of the Board of:  
Derivados Metal Orgánicos  
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