

GRUPO BIMBO, S.A. DE C.V.

YEAR-TO-DATE RESULTS FOR THE FIRST SIX MONTHS OF 2000

Millions of constant Mexican Pesos as June 30th, 2000

- ✓ **5.5% increase in net sales**
- ✓ **14.5% increase in operating profit (a 26.8% increase just in the 2nd quarter)**
- ✓ **7.9% increase in net majority income**
- ✓ **Strengthened financial structure by reducing net leverage to only 4.2%**

Net sales rose to \$15,178 million pesos during the first half of the year, 5.5% higher than the same period in 1999. This growth was achieved despite of the absence of revenues from the Agro-Industrial Division, sold at the end of 1999, which would have added approximately 1.5 additional percentage points to the increase in sales. Split by region, sales grew 3.5% in Mexico, 14.7% in the United States and 3.8% in Central and South America.

In Mexico, the most dynamic organizations were Bimbo, Barcel and Ricolino. Marinela made a quick recovery after having started the year with a slight lag from the other divisions; it is important to mention that the Mexican operation was the most affected by the sale of the Agro-Industrial Division.

In the United States, the growth is explained by two factors: on the one hand, a higher presence of our brands and products in the markets of recent entry and, on the other, the homologation of the accounting cycles, from 28-day periods in 1999, to calendar months in 2000. If a comparison had been made using the same number of days, the estimated growth would have been 7.9%.

Results in Central and South America were in accordance with the economics of the countries where the Company has operations. Revenues increased, although at a relatively lower rate, due to persistent delay in the recovery of the purchasing power of the population in these regions.

The Cost of Sales continued its downward trend, decreasing 2.1 percentage points from 46.3% over net sales in the first half of 1999, to 44.2% in the same period of 2000, mainly due to lower prices of some raw materials. Consequently, gross margin increased from 53.7% to 55.8% respectively, the highest figure reached by the Company for a first half in the last 15 years.

Operating expenses increased 1.3 percentage points from 45.5% over net sales in the first half of 1999, to 46.8% in the same period this year. This increase is explained by a rise in advertising and promotion expenses, as part of the strategy to strengthen our products' image and the value of our brands, as well as, by the expenses related to implementing the new ERP (Enterprise Resources Planning) systems, begun some months ago.

As a result of the above, operating profit rose by 14.5% from \$1,186 million pesos in the first half of 1999 to \$1,458 million pesos in the same period in 2000 and the operating margin increased 0.7 percentage points from 8.2% to 8.9% respectively.

As to the Company's cash flow, it should be mentioned that, accumulated Ebitda for the first half of the year remained unchanged with respect to the same period last year, showing a marginal increase of 0.1 percentage points, to represent 12.8% over net sales.

As to the integral cost of financing, the defining factors were: i) a changing economic climate, particularly concerning the peso-dollar exchange rate; ii) a substantially lower net leverage level, with a subsequent reduction in net interest paid and iii) a decrease in the passive monetary position due to higher liquidity. This combination resulted in a sharp income reduction during the first half of 2000, compared to the same period in the previous year.

The combination of all the above lead to net majority income of \$710 million pesos in the first half of 2000, a 7.9% increase over the same period of 1999.

Finally, it should be stressed that the Company's financial structure was significantly strengthened due to its important cash flow generation, as well as a result of cashing the favourable balance from the sale of its Agro-Industrial Division. The leverage level, measured as net debt to equity, was reduced from 22.7% in the first half of 1999 to only 4.2% in the same period in 2000.

About Grupo BIMBO

Grupo BIMBO is one of the three largest baking companies in the world in terms of production and sales volume. It has a significant presence in almost all Latin American countries, and in several of those countries is considered as the market leader. With more than 61,000 employees, 77 plants and distributors and a broad array of more than 800 products, Bimbo maintains a strong presence in 16 countries in the Americas and Europe.

Grupo Bimbo, S.A. de C.V.
Year-to-date Results for the first six months of 2000

Millions of constant Mexican Pesos as June 30th, 2000

	1999		2000		Change
Sales					
Mexico	10,649	74%	11,021	73%	3.5%
USA	2,567	18%	2,945	19%	14.7%
LatAm	<u>1,168</u>	8%	<u>1,212</u>	8%	3.8%
Consolidated	<u><u>14,384</u></u>		<u><u>15,178</u></u>		5.5%
Operating Income					
Mexico	1,164	10.9%	1,461	13.3%	25.5%
USA	76	3.0%	(49)	-1.7%	-164.5%
LatAm	<u>(54)</u>	-4.6%	<u>(54)</u>	-4.5%	0.0%
Consolidated	<u><u>1,186</u></u>	8.2%	<u><u>1,358</u></u>	8.9%	14.5%
Ebitda					
Mexico	1,638	15.4%	1,858	16.9%	13.4%
USA	160	6.2%	56	1.9%	-65.0%
LatAm	<u>29</u>	2.5%	<u>30</u>	2.5%	3.4%
Consolidated	<u><u>1,827</u></u>	12.7%	<u><u>1,944</u></u>	12.8%	6.4%
Total Assets					
Mexico	15,563	66%	16,408	69%	5.4%
USA	5,189	22%	4,765	20%	-8.2%
LatAm	<u>2,674</u>	11%	<u>2,474</u>	10%	-7.5%
Consolidated	<u><u>23,426</u></u>		<u><u>23,647</u></u>		0.9%

Investor Relations

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