

GRUPO BIMBO REPORTS THIRD QUARTER AND FIRST NINE -MONTH RESULTS FOR 2003

3Q03 Financial Highlights:

- *Net sales solidly increased 6.2% compared to 2Q03, mainly due to favorable volumes in Mexico.*
- *Operating income reached its highest annual level reaching Ps. 949 million, an increase of 59.2% compared to 2Q03.*
- *Net income increased 52.9% versus 2Q03, mainly due to a higher operating income.*

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Mexico City, October 23, 2003 - Grupo Bimbo S.A. de C.V., (“Grupo Bimbo” or “the Company”) (BMV: BIMBOA), announced today its results for the third quarter and nine-month periods ended September 30, 2003.*

During the third quarter of 2003, the Company’s net sales continued to perform solidly, combined with a substantial recovery in operating income. The improvement in operating results was due to the conclusion of the most critical stage of the Company’s technological, operating and commercial transformation projects in which the Company has been immersed for the past three years.

Net sales maintained the growth trend that they have been experiencing for the first six months of this year, mainly due to the continued strong performance of volumes in Mexico. Additionally, this was the first quarter in which net sales in the U.S. slightly increased compared to the same period of the previous year, since the rollout of the independent operators’ project (IO’s).

On the other hand, at the operating level, the Company concluded the most capital-intensive phase of its transformation projects, which yielded the expected cost benefits. During the third quarter of the year, the Company reported its highest operating margin for 2003, reaching 8.2%, only 0.4 percentage points below that reported in the same quarter of 2002. Likewise, operating income experienced a 59.2% increase, and operating margin grew 2.8 percentage points in relation to the second quarter of 2003.

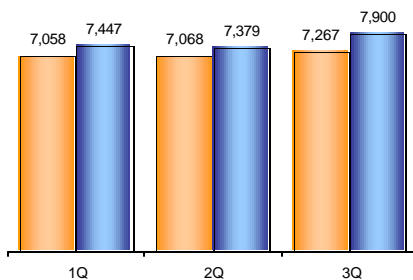
Finally, the third quarter net margin also reached its highest annual level and was even above that reported during the third quarter of 2002. This was mainly the result of the improvement in the operating margin and a decrease in the integral cost of financing.

Net Sales

3Q02	3Q03	% Change	Net Sales	9M02	9M03	% Change
7,267	7,900	8.7	Mexico	21,394	22,726	6.2
3,170	3,205	1.1	United States	8,673	9,452	9.0
762	753	(1.2)	Latin America	2,258	2,106	(6.7)
11,006	11,648	5.8	Consolidated	31,913	33,710	5.6

Note: Figures are expressed in millions of pesos. Inter-regional sales are excluded from the consolidated figure calculations.

Mexico
(millions of pesos)



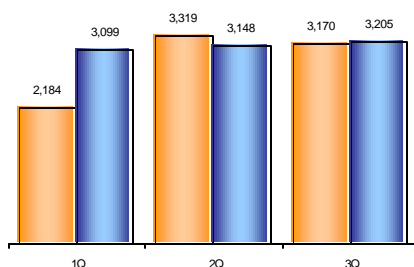
Mexico

Net sales continued to demonstrate a strong growth tendency, registering the seventh consecutive quarter of improvement. The increases for the quarter and for the nine-month periods were 5.8 and 5.6%, respectively, supported by strong volume performance.

With respect to the bakery division, most of the product categories performed positively compared to the previous year, particularly sweet rolls, cakes, cookies, wheat tortillas and cereal bars. This resulted from product launching activity, the extended shelf life for certain products and the efforts to capture a higher number of clients via specializing the distribution networks.

In the snacks division, Barcel continues to enjoy the benefits of the introduction and consolidation of its distinct products, as well as various initiatives in the marketing and distribution areas, Ricolino, however, continues to face a depressed market.

United States
(millions of pesos)



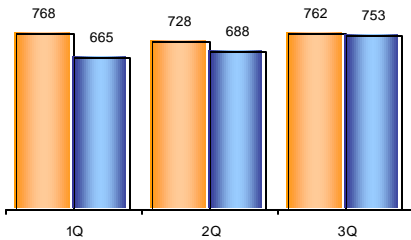
United States

Net sales for the quarter posted a slight increase of 1.1%, and 9.0% for the nine-month period. This quarterly growth stands out due to the weak figures experienced in the baking industry in previous quarters, as well as the increase in the number of routes operated by independent distributors compared to September 2002 and its subsequent impact on revenues.

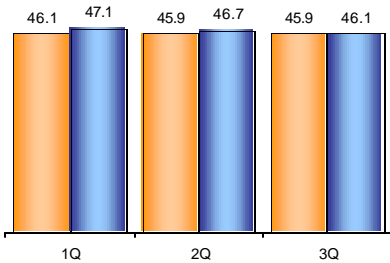
Furthermore, the growth in net sales corresponds to the favorable results obtained in the western region of our operations due to higher volumes as well as selective price increases that were implemented during the quarter. In addition, ongoing efforts to place products with Mexican brands in areas with a high concentration of Hispanic-Americans continues to yield outstanding results, such that Bimbo and Marinela alone have reported increases of over 30% so far this year.

■ 2002 ■ 2003

Latin America (millions of pesos)



Cost of Goods Sold (% of sales)



■ 2002 ■ 2003

Latin America

Net sales in this region continue to experience lower decreases compared to previous quarters, reporting a reduction of only 1.2% for the July-September period, compared to the same quarter of the previous year. For the nine-month period, this decline reached 6.7%.

Grupo Bimbo reached its highest revenue levels for 2003 in all of the countries in which it operates. The results obtained in Brazil, Chile and Colombia stand out in particular, from the combination of higher sales volumes and certain price increases, which were supported by improved economic conditions. However, the only operations that continue to perform unfavorably compared to the previous year are Venezuela and Argentina. In the case of Venezuela, the worsening economic crisis was the main cause, while in Argentina, it was due to the process of selling distribution routes to third parties.

Cost of Goods Sold

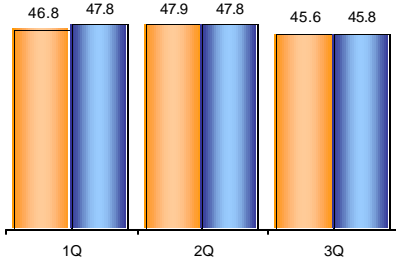
During the third quarter, cost of goods sold represented 46.1% of net sales, only 0.2 percentage points higher than was reported in the same period of the previous year. On an accumulated basis, this increase was 0.6 percentage points. The above was the result of higher costs for labor and certain raw materials, such as wheat, soy bean oil and sugar, when compared to those registered in 2002.

It is important to note that Mexico is the only operation that reflects an increase compared to 2002, due to the combined effects of higher raw material and labor costs and the depreciation of the exchange rate during the quarter.

The U.S. and Latin America, however, reported the lowest levels of cost of goods sold for the year. In both cases, the improvements were mainly because of higher efficiency levels and, to a lesser degree, price increases implemented during the quarter. It is important to note that the previously-mentioned efficiency improvement offset the proportionate cost increases in the western region of the U.S. as a result of the IO project in Texas as well as a charge related to the annual adjustment to Workers Compensation.

Thus, if we compare cost of goods for the third quarter to that of the second quarter of 2003, this line item decreased 0.6 percentage points. This resulted from a higher absorption of fixed costs derived from volume increases, improved efficiencies in all of our operations and the stabilization of raw material costs experienced during this year.

Operating Expenses (% of sales)



Operating Expenses

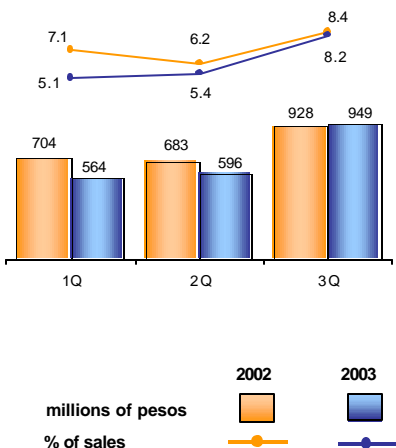
Upon the conclusion of the most capital intensive phase of the Company's transformation projects, operating expenses for the quarter continued their downward trend. During the quarter, operating expenses represented 45.8% of net sales, which is an increase of only 0.1 percentage points when compared to the same period of 2002. However, if we compare this line item to the one reported in the second quarter of 2003, it experienced an important reduction of 2.0 percentage points. For the nine-month period, the increase was 0.4 percentage points.

The slight increase in operating expenses during the quarter is a result of the Company's efforts to reduce distribution and selling expenses and to stabilize administrative expenses. It is important to note that the performance of the distribution and selling expenses has been able to improve, despite the opening of a large number of routes during the year in order to specialize the distribution network. The factors that caused the improvement levels include: a better absorption of expenses related to increased volumes, the progress made in consolidating the transportation of Bimbo and Barcel products, the restructuring of routes and, finally, the consolidation of distribution centers in all of our operations.

Likewise, in the U.S., distribution and selling expenses reflected moderate improvements from the sale of routes to third-parties, despite: i) the proportionate amount in the annual adjustment for Workers Compensation for employees located in the administrative and selling areas, ii) the opening of routes dedicated to imported products, and iii) an increase of promotional and advertising activity for certain products, for example, the recent announcement that *Oroweat* will be the official bread supplier of the U.S. Olympic team.

In Latin America, all of the operations experienced significant reductions, as a result of certain initiatives, such as an improved distribution of advertising expenses, the consolidation of distribution centers and the segmentation and third-party management of routes.

Operating Income



Operating Income

The outstanding top-line performance and the conclusion of the most capital-intensive phase of the technological, operating and commercial transformation projects in which the Company has been involved in for the past three years caused a substantial improvement in operating income compared to the last four quarters. Operating income for the quarter reached Ps. 949 million, which represents an operating margin of 8.2%. Compared to the second quarter period of this year, operating income significantly increased 59.2%.

For the nine-month period, operating income was Ps. 2,109 million, representing a 6.3% margin, only 1.0 percentage point lower than that reported for the third

quarter of 2002. The above was primarily a result of the increase in cost of goods sold reported beginning in the fourth quarter of 2002 and the impact of the increased level of resources set aside for the Company's transformation projects during the most intensive phase of its implementation.

3Q02	3Q03	% Change	Operating Income	9M02	9M03	% Change
1,012	984	(2.8)	Mexico	2,541	2,440	(4.0)
28	(21)	N.A.	United States	97	(201)	N.A.
(88)	(14)	(84.4)	Latin America	(228)	(130)	(42.9)
928	949	2.3	Consolidated	2,315	2,109	(8.9)

Note: Figures are expressed in millions of pesos. Inter-regional operating income is excluded from the consolidated figure calculations.

It is important to note that results for all of the divisions improved compared to the first two quarters of 2003. In Mexico, operating income reached its highest annual level, while in the U.S. and Latin America, the Company reported its lowest losses for the year.

Particularly in the U.S., the improvement in operating income compared to the first six months of the year, was mainly due to the decrease in cost of goods sold, mentioned previously, as well as the initial benefits derived from the sale of distribution routes to third parties in the Texas area. Together, the above more than offset the US\$ 3.2 million charge related to the annual adjustment to Workers Compensation, which affected both cost of goods sold and operating expenses.

In Latin America, the decreased losses resulted from higher volumes and the efforts aimed at maximizing the previously-mentioned distribution and selling expenses, as well as improved economic conditions in most of the countries in which Grupo Bimbo operates.

It is worth mentioning that while the most capital-intensive phases have ended, the Company must still achieve the full benefits of the projects in progress, which includes the adjustment and consolidation of the full potential of the implemented information systems and increasing the efficiency of the distribution network, among others. In addition, in the United States, there is currently a high degree of competition in a still-depressed market with high labor costs; while in Latin America, the bakery market remains underdeveloped and economic conditions continue to be highly volatile.

Integral Cost of Financing

During the third quarter of 2003, integral cost of financing reached Ps. 209 million, 36% lower than reported for the same period of 2002. For the nine-month period, integral cost of financing was Ps. 643 million, 1.2% below that

reported for the same period of 2002. The aforementioned decreases were mainly due to an increase in the amount of interest gained from a higher cash position and lower debt levels reached during the quarter.

Other Income and Expenses

During the third quarter, the Company reported a net expense in the amount of Ps. 130 million, nearly the same figure reported during the same period of 2002. For the accumulated period, net expense was Ps. 288 million, 27.5% less than the figure reported for the same period of last year.

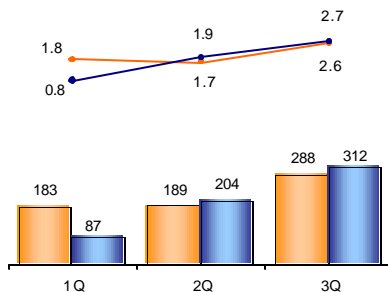
These results were the combination of the amortization of goodwill related to the brands acquired in Brazil and the United States as well as the profit derived from the sale of Grupo Bimbo's stake in Novacel, a flexible packaging company, in August 2003. It is important to note that in March 2002, the Company created a reserve for the integration of the U.S. operations, which explains the reduction for the accumulated period.

Net Majority Income

Primarily as a result of the Company's increase in operating income and the reduction in the integral cost of financing, net majority income for the quarter reached Ps. 312 million, which represented a margin of 2.7%. As was the case for the operating margin, this indicator was also the highest for the year.

For the first nine months of the year, net majority income was Ps. 604 million, 8.3% lower compared to the same period of 2002. The net margin during this same period was 1.8%, only 0.3 percentage points less than reported for the same period of 2002, mainly due to lower operating income for the first nine-month period.

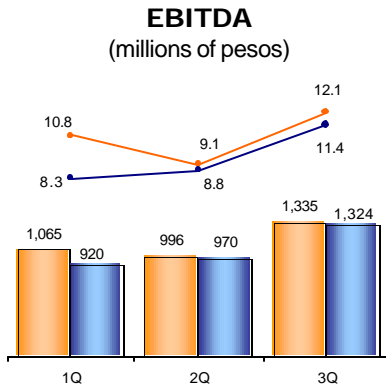
Net Majority Income
(millions of pesos)



3Q02	3Q03	% Change	Net Majority Income	9M02	9M03	% Change
288	312	8.3	Consolidated	659	604	(8.3)

Note: Figures are expressed in millions of pesos. Inter-regional net majority income is excluded from the consolidated figure calculations.





EBITDA

EBITDA maintained the same trend as the aforementioned quarterly results and achieved its highest levels in the past four quarters, reaching Ps. 1,324 million, which represented a margin of 11.4%. For the first nine months, EBITDA amounted to Ps. 3,214 million, or 9.5% of net sales.

In addition, if we compare third quarter EBITDA to that of the second quarter, this line item significantly grew 36.5%, which implies a margin increase of 2.6 percentage points, confirming the expected results upon completing the most capital-intensive stage of the Company's transformation project.

3Q02	3Q03	% Change	EBITDA	9M02	9M03	% Change
1,262	1,235	(2.1)	Mexico	3,293	3,198	(2.9)
157	58	(63.1)	United States	330	34	(89.7)
(59)	31	(152.5)	Latin America	(133)	(17)	(87.2)
1,355	1,324	(0.8)	Consolidated	3,396	3,214	(5.4)

Note: Figures are expressed in millions of pesos. Inter-regional EBITDA is excluded from the consolidated figure calculations.

Financial Structure

As a result of the Company's solid cash flow generation, for the third quarter of 2003, net debt significantly decreased 21.0% compared to the figure reported in September 2002. This is the combined result of a 46.2% increase in cash levels and a 15.0% reduction in the total debt compared to the same period of the previous year, which mainly resulted from two prepayment transactions for US\$63 million and US\$62 million, in March and September, respectively.

Thus, the Company reported a Net Debt to EBITDA ratio of 1.8x for the third quarter of 2003, the lowest for the past seven quarters and an improvement compared to the 2.2x reported on September 2002.

Recent Events

- On September 22nd, Grupo Bimbo announced the pre-payment of US\$ 62 million for a Syndicated Loan, which was scheduled to mature on October 2004.

With this transaction, Grupo Bimbo was able to further reduce its leverage levels at an earlier-than-expected date. Grupo Bimbo's debt is comprised of orderly maturities distributed long-term.



- On August 19th, Grupo Bimbo announced that, together with its joint owner Grupo Arteva, S.A. de C.V. (“Arteva”), it completed the sale of Novacel, S.A. de C.V. (“Novacel”) for a total of US \$90 million, to Pechiney Plastic Packaging. Grupo Bimbo owned 41.8% of the capital stock, while Arteva owned the remaining stake.
- On July 22nd, Grupo Bimbo announced that it acquired a minority interest in a consortium led by Mexican entrepreneur Mr. Fernando Chico Pardo.

This consortium acquired certain property and debt rights of the Argentine food company, *Compañía de Alimentos Fargo, S.A.*, and plans to undertake its financial and operating restructure. Grupo Bimbo’s stake represents 30% of the capital stock of this consortium.

Company Description:

Grupo Bimbo is one of the largest baking companies in the world in terms of production and sales volume. As the market leader in the Americas, Grupo Bimbo has over 75 plants and over 950 distribution centers strategically located in 15 countries throughout the Americas and Europe. Its main product lines include sliced bread, buns, cookies, snack cakes, pre-packaged foods, tortillas, salty snacks and confectionery products, among others.

Grupo Bimbo has one of the most extensive direct distribution networks in the world with a fleet of over 29,000 vehicles, 71,000 employees and over 3,600 products.

Grupo Bimbo’s shares have been trading on the Mexican Stock Exchange since 1980 under the ticker symbol BIMBOA.

Note on Forward-Looking Estimates

This announcement contains certain statements regarding the expected financial and operating performance of Grupo Bimbo, S.A. de C.V., which are based on current financial information, operating levels, and market conditions, as well as on estimations of the Board of Directors of the Company related to possible future events. The results of the Company may differ in regards with that exposed on the statements, due to different factors, that are beyond the Company’s control, such as: adjustments in price levels, variations in the costs of its raw materials, changes in laws and regulations, or economic or political conditions not foreseen in the countries where the Company operates. Therefore, the Company is not responsible for such differences in the information and suggests that readers review such statements prudently. Moreover, the Company will not undertake any obligation to publicly release any revisions to the statements due to variations of such factors after the date of this press release.



CONSOLIDATED INCOME STATEMENT <small>(MILLIONS OF CONSTANT MEXICAN PESOS AS SEPTEMBER 30th, 2003)</small>	2002						2003									
	1 Q	%	2 Q	%	3 Q	%	ACCUMULATED	%	1 Q	%	2 Q	%	3 Q	%	ACCUMULATED	%
NET SALES	9,911	100.0	10,996	100.0	11,006	100.0	31,913	100.0	11,096	100.0	10,966	100.0	11,648	100.0	33,710	100.0
MEXICO	7,058	71.2	7,068	64.3	7,267	66.0	21,394	67.0	7,447	67.1	7,379	67.3	7,900	67.8	22,726	67.4
UNITED STATES	2,184	22.0	3,319	30.2	3,170	28.8	8,673	27.2	3,099	27.9	3,148	28.7	3,205	27.5	9,452	28.0
LATIN AMERICA	768	7.8	728	6.6	762	6.9	2,258	7.1	665	6.0	688	6.3	753	6.5	2,106	6.2
COST OF GOODS SOLD	4,571	46.1	5,049	45.9	5,057	45.9	14,677	46.0	5,225	47.1	5,125	46.7	5,369	46.1	15,718	46.6
GROSS PROFIT	5,340	53.9	5,947	54.1	5,949	54.1	17,236	54.0	5,872	52.9	5,841	53.3	6,280	53.9	17,992	53.4
OPERATING EXPENSES	4,636	46.8	5,264	47.9	5,021	45.6	14,921	46.8	5,308	47.8	5,246	47.8	5,330	45.8	15,884	47.1
OPERATING INCOME	704	7.1	683	6.2	928	8.4	2,315	7.3	564	5.1	596	5.4	949	8.2	2,109	6.3
MEXICO	872	8.8	657	6.0	1,012	9.2	2,541	8.0	711	6.4	745	6.8	984	8.4	2,440	7.2
UNITED STATES	(11)	(0.1)	80	0.7	28	0.3	97	0.3	(86)	(0.8)	(94)	(0.9)	(21)	(0.2)	(201)	(0.6)
LATIN AMERICA	(60)	(0.6)	(80)	(0.7)	(88)	-0.8	(228)	(0.7)	(61)	(0.5)	(56)	(0.5)	(14)	(0.1)	(130)	(0.4)
INTEGRAL COST OF FINANCING	75	0.8	249	2.3	327	3.0	651	2.0	262	2.4	172	1.6	209	1.8	643	1.9
INTEREST PAID NET	59	0.6	328	3.0	265	2.4	652	2.0	261	2.4	257	2.3	194	1.7	712	2.1
EXCHANGE (GAIN) LOSS	23	0.2	(21)	(0.2)	121	1.1	124	0.4	99	0.9	(75)	(0.7)	109	0.9	133	0.4
MONETARY (GAIN) LOSS	(7)	(0.1)	(58)	(0.5)	(59)	-0.5	(124)	(0.4)	(98)	(0.9)	(10)	(0.1)	(94)	(0.8)	(201)	(0.6)
OTHER EXPENSES & (INCOME)	202	2.0	65	0.6	129	1.2	396	1.2	105	0.9	53	0.5	130	1.1	290	0.9
PROVISION FOR TAXES AND PROFIT SHARING	254	2.6	194	1.8	193	1.8	641	2.0	100	0.9	180	1.6	287	2.5	567	1.7
EQUITY IN RESULTS OF ASSOCIATED COMPANIES	(10)	(0.1)	(16)	(0.1)	(23)	-0.2	(48)	(0.2)	2	0.0	(18)	(0.2)	(2)	(0.0)	(19)	(0.1)
MINORITY INTEREST	0	0.0	2	0.0	13	0.1	16	0.0	8	0.1	5	0.0	13	0.1	25	0.1
NET MAJORITY INCOME	183	1.8	189	1.7	288	2.6	659	2.1	87	0.8	204	1.9	312	2.7	604	1.8
EBITDA	1,065	10.8	996	9.1	1,335	12.1	3,396	10.6	920	8.3	970	8.8	1,324	11.4	3,214	9.5
MEXICO	1,126	11.4	905	8.2	1,262	11.5	3,293	10.3	953	8.6	1,009	9.2	1,235	10.6	3,198	9.5
UNITED STATES	33	0.3	141	1.3	157	1.4	330	1.0	(6)	(0.1)	(18)	(0.2)	58	0.5	34	0.1
LATIN AMERICA	2	0.0	(76)	(0.7)	(59)	-0.5	(133)	(0.4)	(27)	(0.2)	(21)	(0.2)	31	0.3	(17)	(0.1)



CONSOLIDATED BALANCE SHEET	2002	2003	△ %
<small>(MILLIONS OF CONSTANT MEXICAN PESOS AS SEPTEMBER 30th, 2003)</small>			
TOTAL ASSETS	33,126	32,085	(3.1)
MEXICO	17,391	17,123	(1.5)
UNITED STATES	13,329	12,374	(7.2)
LATIN AMERICA	2,406	2,588	7.5
CURRENT ASSETS	7,015	7,013	(0.0)
PROPERTY, PLANT AND EQUIPMENT (NET)	16,313	15,906	(2.5)
TOTAL LIABILITIES	19,176	17,096	(10.8)
SHORT-TERM BANK LOANS	396	469	18.3
LONG-TERM BANK LOANS	11,958	10,030	(16.1)
STOCKHOLDERS' EQUITY	13,950	14,989	7.4

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION	2002	2003
<small>(MILLIONS OF CONSTANT MEXICAN PESOS AS SEPTEMBER 30th, 2003)</small>		
NET INCOME	675	629
+ (-) ITEMS NOT REQUIRING CASH	1,357	1,010
NET RESOURCES OBTAINED FROM RESULTS	2,031	1,639
WORKING CAPITAL FLOW	(766)	1,294
NET RESOURCES GENERATED BY OPERATIONS	1,265	2,933
EXTERNAL FINANCING	6,877	(1,250)
INTERNAL FINANCING	(312)	(247)
TOTAL SOURCES OF CASH	6,566	(1,497)
INVESTMENTS	(6,843)	(1,075)
NET INCREASE (DECREASE) IN CASH AND MARKETABLE SECURITIES	988	361
CASH AND MARKETABLE SECURITIES AT THE BEGINNING OF THE YEAR	846	2,319
CASH AND MARKETABLE SECURITIES AT THE END OF THE YEAR	1,833	2,680