

## **GRUPO BIMBO REPORTS FIRST QUARTER 2006 RESULTS**

### **Highlights from the quarter:**

- *Sales rose 7.9%, driven by growth in all operations.*
- *Operating income, which grew 5.1%, was impacted by the rise in certain raw material prices, which was partially offset by the decline in operating expenses.*
- *Majority net income rose 13.6%, primarily as a result of a significant reduction in the comprehensive cost of financing.*

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**Mexico City, April 26, 2006 - Grupo Bimbo S.A. de C.V. ("Grupo Bimbo" or "the Company") (BMV: BIMBO) today reported its results for the first quarter of 2006.\***

In the first quarter of the year, sales grew by 7.9% with respect to the year ago period. This is attributable to the integration of recently acquired operations, as well as solid growth in the United States and Latin America operations.

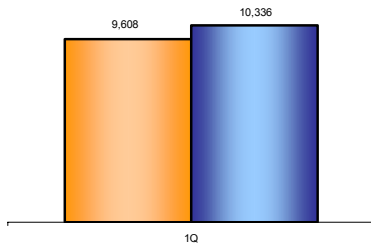
In comparison to the first quarter of 2005, operating income and EBITDA rose 5.1% and 2.3%, respectively. These results reflect a slower rate of growth with respect to previous quarters, which is due to increases in certain raw material prices, packaging and energy, as well as in indirect production costs in Mexico and Latin America operations. On the other hand, operating expenses continue to show a favorable trend as a result of ongoing benefits provided by the information systems and control of administrative expenses.

Majority net income rose 13.6% due primarily to a reduction in the comprehensive cost of financing. Excluding extraordinary income recorded in the first quarter of last year, majority net income in the current period would have risen 17.7%.

\* Figures included in this document are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in Mexico, and are expressed in constant pesos as of March 31, 2006.

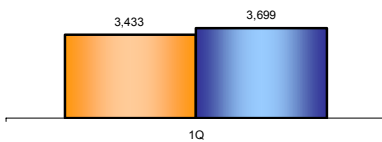
### Mexico

(millions of pesos)



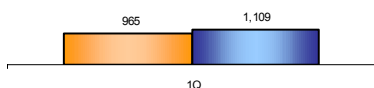
### United States

(millions of pesos)



### Latin America

(millions of pesos)



2005 2006

## Net Sales

Net Sales	1Q06	1Q05	% Change
Mexico	10,336	9,608	7.6
United States	3,699	3,433	7.7
Latin America	1,109	965	15.0
<b>Consolidated</b>	<b>14,776</b>	<b>13,692</b>	<b>7.9</b>

Note: Figures expressed in millions of pesos. Consolidated results do not include Inter-company transactions.

### Mexico

In the first quarter of 2006, sales grew by 7.6% as a result of: i) the integration of El Globo and Chocolates la Corona operations, whose results began to be consolidated in August and September of 2005, respectively, and ii) the continued favorable trend in recently launched products and in the pastries, cookies, buns, tostadas and salted snacks categories. Excluding acquisitions, sales for the quarter would have risen 3.2%.

### United States

Sales in this region showed solid growth of 11.7% in dollar terms and 7.7% in pesos. To a large extent, this performance is directly related to greater sales volumes and a better product mix. It is also important to mention that results in the quarter reflect the price increases implemented in mid-quarter in each region where the Company operates.

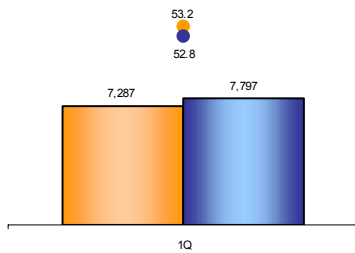
Once again, Mexican branded goods performed remarkably as a result of geographic expansion and the increase in routes. Likewise, it is important to mention that volumes for *Oroweat* and *Mrs. Baird's* brands benefited from recently launched products, such as *Oroweat Honey Fiber Whole Grain* and *Mrs. Baird's Whole Grain White Bread*.

### Latin America

In this region, sales also demonstrated a healthy growth rate of 15.0% with respect to the same period of 2005. Operations in Brazil, Chile and Venezuela had the most notable results.

The increase in sales was driven by the 24,000 new clients added during the first three months of the year. It is important to highlight that more than 40% of the growth in the region was due to operations in Brazil.

### Gross Profit



### Gross Profit

Gross profit represented 52.8% of sales, a 0.5 percentage point decline with respect to the year ago period. This is due to the effect of higher prices in some of the Company's main raw materials, among which stand out in particular: wheat flour, packaging, sugar, potatoes and energy. This effect was reflected in the 0.9 and 2.2 percentage point reductions recorded in the Mexico and Latin America operations, respectively. In the case of the United States, the increases were more than offset by the improvement in the product portfolio mix and the price increases implement in 2005 and the first quarter of this year.

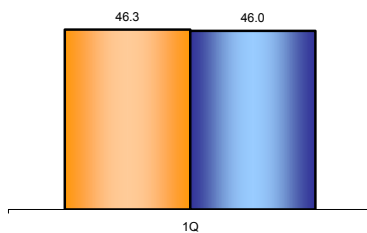
In terms of cost of sales, it is important to highlight that due to investments related to the expansion of production capacity announced for all of our operations this year, increases were recorded for installation and modernization expenses for production lines, primarily in Mexico and Latin America.

Gross Margin (%)	1Q06	1Q05	Change pp
Mexico	54.3	55.2	(0.9)
United States	46.1	45.2	0.9
Latin America	42.8	45.1	(2.2)
<b>Consolidated</b>	<b>52.8</b>	<b>53.2</b>	<b>(0.5)</b>

Note: Consolidated results do not include inter-company transactions.

### Operating Expenses

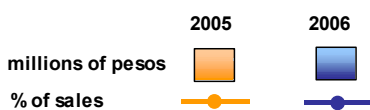
(% of net sales)



### Operating Expenses

Operating expenses represented 46.0% of sales, or 0.3 percentage points less than in the same period of 2005. This is a reflection of the benefits that continue to be obtained from the information systems, as well as from the control on administrative expenses.

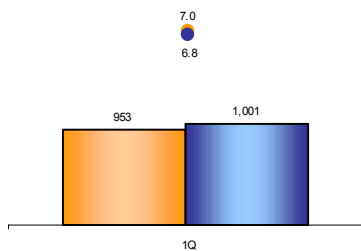
In the case of international operations, the reduction in operating expenses as a percentage of sales is even more important given the increase in distribution routes, derived from sales volume growth during the quarter and higher fuel costs since the second quarter of last year. In Mexico, these benefits were offset by an increase in third-party distribution costs that were necessary to meet the demand for products in our snack operations, as well as by advertising expenses for the most important brands.



## Operating Income

Despite higher raw material prices and indirect production expenses, primarily in Mexico and Latin America, operating income grew 5.1% compared to the first quarter of last year. The operating margin was 6.8% of sales, 0.2 percentage points less than that achieved during the same period of 2005.

### Operating Income

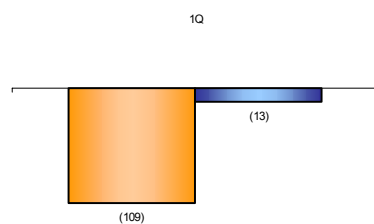


Operating Margin (%)	1Q06	1Q05	Change pp
Mexico	9.4	10.4	(1.0)
United States	1.1	(1.0)	2.2
Latin America	(1.0)	(0.9)	(0.1)
<b>Consolidated</b>	<b>6.8</b>	<b>7.0</b>	<b>(0.2)</b>

Note: Figures expressed in millions of pesos. Consolidated results do not include inter-company transactions.

In the case of international operations, it is worth emphasizing, that on the one hand, the United States continued to strengthen its positive trend on the operating level, primarily as a result of significant sales growth. On the other hand, despite the strong impact of higher prices in certain raw materials and indirect production costs, results in Latin America were similar to the year ago period due to lower operating expenses.

### Comprehensive Cost of Financing



## Comprehensive Cost of Financing

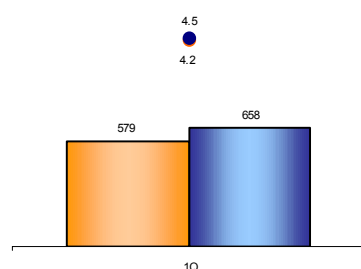
The comprehensive cost of financing in the quarter was only \$13 million, whereas in the same period last year, it totaled \$109 million. This reduction is essentially due to: i) a decrease in the amount of interest paid, which is largely due to the fact that in the first quarter of 2005, a charge of \$72 million was recorded, generated by the adoption of GAAP Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", and ii) a higher monetary gain.

## Other Income and Expenses

In the first three months of 2006, this line item registered a net gain of \$19 million, which compares favorably to the \$6 million gain in the same period of 2005. This difference is primarily due to the income generated by the sale, in March of this year, of Grupo Bimbo's share of Agusa, S.A. de C.V., a packaging company.



## Net Majority Income



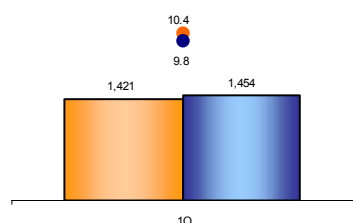
## Net Majority Income

Majority net income in the quarter totaled \$658 million, 13.6% more than in the year ago period. The net margin was 4.5%, 0.3 percentage points more than the 2005 figure. This expansion is fundamentally due to the reduction in the comprehensive cost of financing, which more than offset the slight decline in operating margin.

Net Majority Margin (%)	1Q06	1Q05	Change pp
Consolidated	4.5	4.2	0.3

Excluding the extraordinary net income in the first quarter of last year, majority net income would have registered a 17.7% increase, and as such, the net margin expansion would have been 0.4 percentage points.

## EBITDA



## Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA in the quarter rose to \$1,454 million, 2.3% more than in the first quarter of 2005. EBITDA margin was 9.8%, which represented a decrease of 0.6 percentage points.

EBITDA Margin (%)	1Q06	1Q05	Change pp
Mexico	12.5	13.8	(1.3)
United States	3.2	1.5	1.7
Latin America	3.9	5.0	(1.1)
Consolidated	9.8	10.4	(0.6)

Note: Figures expressed in millions of pesos. Consolidated results do not include inter-company transactions.

With respect to international operations, the United States registered EBITDA of 3.2%, while in Latin America this figure was 3.9%.



## **Financial Structure**

The Company's net debt continued to decrease in the first quarter of 2006, totaling \$3,458 million, 17.4% less than in the same period of last year. When compared to net debt at year-end 2005, the decrease was 18.8%. These indicators are, above all, the result of The Company's strong cash generation.

Similarly, the ratio of net debt to shareholders' equity improved from 0.23 times in the first quarter of 2005 to 0.17 times at the end of March 2006.

## **Recent Announcements**

- On March 24 2006, Grupo Bimbo announced an agreement to acquire the Beijing Panrico Food Processing Center, a subsidiary of the Spanish company Panrico, S.A., located in the People's Republic of China, in a transaction totaling 9.2 million euros for 98% of the share capital and the assumption of 1.3 million euros in debt.

The transaction is expected to close within the next two months, once the required filings and approvals have been completed.

### **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 more than 70 plants and 900 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, salted snacks and confectionery products, among others.

Grupo Bimbo produces over 5,000 products and has one of the most extensive direct distribution networks in the world, with more than 30,000 routes and 81,000 employees.

Grupo Bimbo's shares have traded on the Mexican Stock Exchange since 1980 under the ticker symbol BIMBO.

### **Note on Forward-Looking Statements**

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 those expressed on these 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	2005										2006	
	MILLIONS OF CONSTANT MEXICAN PESOS AS OF MARCH 31 <sup>st</sup> , 2006											
	1Q	%	2Q	%	3Q	%	4Q	%	ACCUM	%	1Q	%
<b>NET SALES</b>	13,692	100.0	13,808	100.0	14,562	100.0	15,052	100.0	57,114	100.0	14,776	100.0
<b>MEXICO</b>	9,608	70.2	9,596	69.5	10,272	70.5	10,772	71.6	40,247	70.5	10,336	69.9
<b>UNITED STATES</b>	3,433	25.1	3,505	25.4	3,555	24.4	3,526	23.4	14,018	24.5	3,699	25.0
<b>LATIN AMERICA</b>	965	7.0	1,037	7.5	1,068	7.3	1,119	7.4	4,188	7.3	1,109	7.5
<b>COST OF GOODS SOLD</b>	6,405	46.8	6,346	46.0	6,618	45.4	6,945	46.1	26,313	46.1	6,979	47.2
<b>GROSS PROFIT</b>	7,287	53.2	7,462	54.0	7,944	54.6	8,108	53.9	30,801	53.9	7,797	52.8
<b>MEXICO</b>	5,300	55.2	5,361	55.9	5,797	56.4	6,000	55.7	22,457	55.8	5,615	54.3
<b>UNITED STATES</b>	1,553	45.2	1,634	46.6	1,666	46.9	1,615	45.8	6,469	46.1	1,707	46.1
<b>LATIN AMERICA</b>	435	45.1	466	45.0	481	45.0	493	44.1	1,875	44.8	475	42.8
<b>OPERATING EXPENSES</b>	6,334	46.3	6,259	45.3	6,522	44.8	6,441	42.8	25,557	44.7	6,796	46.0
<b>OPERATING INCOME</b>	953	7.0	1,203	8.7	1,422	9.8	1,666	11.1	5,244	9.2	1,001	6.8
<b>MEXICO</b>	996	10.4	1,141	11.9	1,362	13.3	1,619	15.0	5,118	12.7	970	9.4
<b>UNITED STATES</b>	(35)	(1.0)	53	1.5	48	1.4	12	0.3	78	0.6	42	1.1
<b>LATIN AMERICA</b>	(9)	(0.9)	9	0.8	12	1.1	36	3.2	48	1.1	(11)	(1.0)
<b>INTEGRAL COST OF FINANCING</b>	109	0.8	172	1.2	107	0.7	(31)	(0.2)	358	0.6	13	0.1
<b>INTEREST PAID (NET)</b>	207	1.5	150	1.1	152	1.0	122	0.8	631	1.1	127	0.9
<b>EXCHANGE (GAIN) LOSS</b>	(58)	(0.4)	33	0.2	15	0.1	(11)	(0.1)	(21)	(0.0)	(20)	(0.1)
<b>MONETARY (GAIN) LOSS</b>	(39)	(0.3)	(11)	(0.1)	(60)	(0.4)	(142)	(0.9)	(252)	(0.4)	(94)	(0.6)
<b>OTHER EXPENSES (INCOME) NET</b>	6	0.0	18	0.1	(25)	(0.2)	(138)	(0.9)	(139)	(0.2)	19	0.1
<b>PROVISION FOR TAXES AND PROFIT SHARING</b>	281	2.1	424	3.1	522	3.6	647	4.3	1,875	3.3	339	2.3
<b>EQUITY IN RESULTS OF ASSOCIATED COMPANIES</b>	5	0.0	18	0.1	13	0.1	22	0.1	58	0.1	3	0.0
<b>MINORITY INTEREST</b>	14	0.1	18	0.1	16	0.1	27	0.2	76	0.1	13	0.1
<b>MAJORITY NET INCOME AFTER EXTRAORDINARY CHARGES</b>	559	4.1	624	4.5	764	5.2	907	6.0	2,854	5.0	658	4.5
<b>EXTRAORDINARY EXPENSE (INCOME) NET</b>	20	0.1	0	0.0	(11)	(0.1)	0	0.0	9	0.0	0	0.0
<b>EFFECT OF CHANGE IN ACCOUNTING NET</b>	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>NET MAJORITY INCOME</b>	579	4.2	624	4.5	753	5.2	907	6.0	2,864	5.0	658	4.5
<b>EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>	1,421	10.4	1,668	12.1	1,877	12.9	2,177	14.5	7,143	12.5	1,454	9.8
<b>MEXICO</b>	1,323	13.8	1,471	15.3	1,688	16.4	1,944	18.0	6,425	16.0	1,293	12.5
<b>UNITED STATES</b>	50	1.5	134	3.8	125	3.5	185	5.2	493	3.5	118	3.2
<b>LATIN AMERICA</b>	48	5.0	63	6.1	64	6.0	48	4.3	224	5.4	43	3.9

Inter-regional sales are excluded from the consolidated figure operations

Regional percentages of Gross Profit, Operating Profit and EBITDA are calculated as a percentage of sales of each operation





<b>BALANCE SHEET</b>			
MILLIONS OF CONSTANT MEXICAN PESOS AS OF MARCH 31th, 2006	2005	2006	% Change
<b>TOTAL ASSETS</b>	<b>35,555</b>	<b>38,796</b>	<b>9.1</b>
<b>MEXICO</b>	22,668	25,191	11.1
<b>UNITED STATES</b>	9,923	10,236	3.2
<b>LATIN AMERICA</b>	2,964	3,369	13.6
<b>CURRENT ASSETS</b>	9,748	10,636	9.1
<b>PROPERTY, PLANT AND EQUIPMENT NET</b>	17,379	18,727	7.8
<b>TOTAL LIABILITIES</b>	<b>17,227</b>	<b>17,938</b>	<b>4.1</b>
<b>SHORT TERM BANK LOANS</b>	210	320	52.2
<b>LONG TERM BANK LOANS</b>	8,448	8,013	(5.2)
<b>STOCKHOLDERS' EQUITY</b>	<b>18,328</b>	<b>20,858</b>	<b>13.8</b>

<b>CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION</b>		
MILLIONS OF CONSTANT MEXICAN PESOS AS OF MARCH 31th, 2006	2005	2006
<b>CONSOLIDATED NET INCOME</b>	<b>671</b>	<b>594</b>
+ (-) ITEMS NOT REQUIRING CASH	218	223
<b>NET RESOURCES OBTAINED FROM RESULTS</b>	<b>890</b>	<b>817</b>
WORKING CAPITAL FLOW	41	288
<b>NET RESOURCES GENERATED BY OPERATIONS</b>	<b>930</b>	<b>1,105</b>
EXTERNAL FINANCING	24	(128)
INTERNAL FINANCING	-	-
<b>TOTAL SOURCES OF CASH</b>	<b>24</b>	<b>(128)</b>
<b>INVESTMENTS</b>	<b>(241)</b>	<b>(440)</b>
NET INCREASE (DECREASE) IN CASH AND MARKETABLE SECURITIES	713	538
CASH AND MARKETABLE SECURITIES AT THE BEGINNING OF THE YEAR	4,162	3,934
CASH AND MARKETABLE SECURITIES AT THE END OF THE YEAR	4,875	4,472