

GRUPO BIMBO REPORTS SECOND QUARTER AND FIRST SIX MONTHS RESULTS FOR 2003

2Q03 Financial Highlights:

- *Net sales remained practically unchanged compared to the previous year, due to a good performance in Mexico, and declines in the United States and Latin America.*
- *Operating income decreased 11.3%, due to cost increases for the main raw materials used by the Company.*
- *Net income increased 76.0%, mainly due to a lower integral cost of financing.*

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Mexico City, July 23, 2003 - Grupo Bimbo S.A. de C.V., (“Grupo Bimbo” or “the Company”) (BMV: BIMBOA), announced today its results for the second quarter and first half for the periods ended June 30, 2003.*

During the second quarter of 2003, Grupo Bimbo’s results continued to be unfavorable compared to the same quarter of the previous year. This was due to efforts made for concluding the various transformation projects in which the Company has been immersed during the preceding quarters and higher costs for the Company’s mainly-used raw materials. However, compared to the first quarter of 2003, there has been some improvement from the implementation progress of these projects.

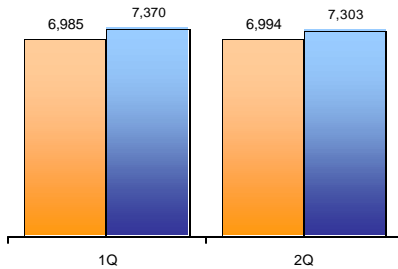
Net sales remained essentially flat compared to the previous year, due to a combination of the continued strong performance of the Mexican business and the declines in the United States and Latin American operations. It is worth mentioning that while revenues from the U.S. continued to be affected by the discounts granted to independent operators (IOs) in Texas, the contraction of the Latin America business is due to the difficult economic situation experienced by most of the countries in that region.

Operating margin was 5.6%, only 0.7 percentage points below the figure reported in the same period of 2002. This indicates that the negative effects from the commercial and technological transformation projects started to level-off and some of the benefits begin to be evident.

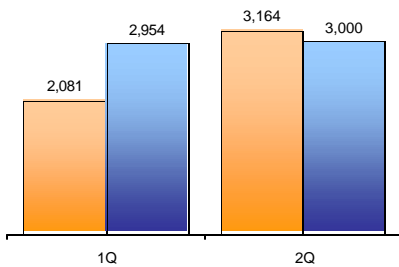
Finally, net majority income for the quarter increased significantly by 76.0%, resulting in a net margin of 2.0%, 0.9 percentage points higher than reported in the second quarter of 2002. This was mainly driven by a lower integral cost of financing.

* Figures throughout this document are prepared according to Mexican Generally Accepted Accounting Principles (GAAP) and are expressed in constant pesos as of June 30, 2003.

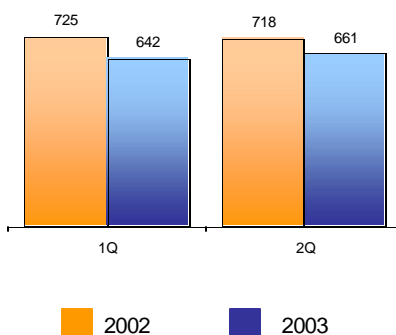
Mexico (millions of pesos)



United States (millions of pesos)



Latin America (millions of pesos)



Net Sales

2Q02	2Q03	% Change		1H02	1H03	% Change
6,994	7,303	4.4	Mexico	13,979	14,673	5.0
3,164	3,000	(5.2)	United States	5,246	5,953	13.5
718	661	(8.0)	Latin America	1,443	1,303	(9.7)
10,759	10,717	(0.4)	Consolidated	20,452	21,569	5.5

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

Mexico

Compared to the previous year, domestic sales continued demonstrating a solid performance. Net sales increased 4.4% and 5.0% for the second quarter and first half periods, respectively, due to a combination of higher volumes, and to a lesser degree, the price increases that took place during the second half of 2002.

Regarding volumes, the Company continues to focus on satisfying consumer preferences, launching new products as well as marketing and advertising campaigns that support already-existing products, even those with high brand recognition. Likewise, the initiatives aimed at increasing product distribution efficiency have contributed to a better volume allocation. In this regard, the performance of the bakery and salty snacks divisions remained outstanding, while the confectionary division continues to face a contracting market, while maintaining its market share.

United States

Net sales declined 5.2% compared to the second quarter of 2002 due to the apparent reduction in revenues from discounts granted to the IOs in Texas. Despite the depressed bakery market, however, sales in the region increased 1.6% compared to the first quarter of this year, due to better volumes and selective price increases in our products.

For the first half of the year, net sales grew 13.5% as a result of the integration of the U.S. operations acquired in March 2002. It is important to highlight that Grupo Bimbo continues to actively launch new products as well as to support the imports of its Mexican brands in order to strengthen the Company's presence within the Hispanic population in this region. So far this year, sales of Mexican brands in the region have increased over 20%.

Latin America

Net sales decreased 8.0% compared to the second quarter of 2002 and 9.7% compared to the first half of the previous year. The main reason for this performance continues to be the adverse economic environment, which has in turn affected consumption in most of the countries in the region. However, the second quarter already reflects a slight recovery versus the first three months of this year.

During the quarter, the Venezuelan and Brazilian operations were the most affected. In Venezuela, the main reason for the decline continues to be the difficult economic, political and social situation that the country is currently facing; while in the case of Brazil, the Company has taken certain measures to counteract the effects of the economic environment, such as closing some distribution centers and reviewing the portfolio of clients.

With respect to Argentina, there was a slight recovery during this quarter, mainly resulting from the introduction and re-launching of some products, aggressive promotion and advertising campaigns and exports to other Company operations in other regions.

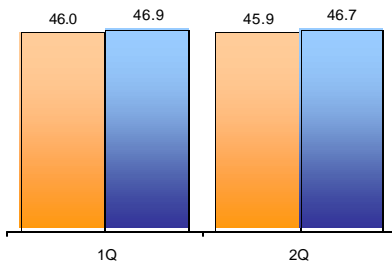
Cost of Goods Sold

During the second quarter, cost of goods sold represented 46.7% of net sales, 0.8 percentage points higher than was reported in the same period of the previous year. For the first half of the year, this represented an increase of 0.9 percentage points, continuing to reflect higher costs for some raw materials. While raw material costs declined versus the first quarter of 2003, they continued to compare unfavorably to costs during the second quarter of 2002. Among the most outstanding price increases experienced during the quarter were those for cocoa, fruit preserves and packaging.

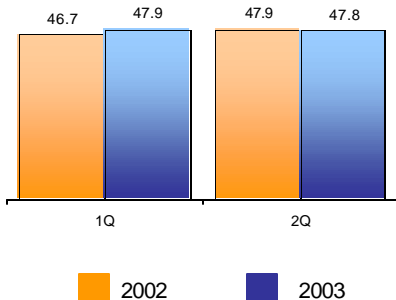
On the other hand, as a result of the conversion of the distribution routes in Texas, the proportion of cost of goods sold in the United States continues to increase resulting from the apparent reductions in revenues. Excluding this effect, the increase in cost of goods sold in this region was attributed to, as was the case in Mexico and Latin America, the trend in the international prices for most of the main raw materials used by the Company.

In Latin America, the proportion of cost of goods sold to net sales increased across most of the countries in the region. The most affected was the Venezuelan operation, which experienced shortages in some raw materials as well as expenses for employee lay-offs in the production department.

Cost of Goods Sold
(% of Sales)



Operating Expenses
(% of Sales)



Operating Expenses

Expenses related to the commercial and technological transformation projects in which the Company has been involved for the past three years, leveled off enabling a reduction in operating expenses of 0.1 percentage points, from 47.9% during the second quarter of 2002 to 47.8% of net sales during this quarter. This is particularly important because this line item has been the most affected by the previously-mentioned projects, and thus has been the main contributor to the decline of the Company's operating margins.

The rise in operating expenses was due to an increase in distribution and sales expenses, which was offset by a decline in administrative expenses.

Distribution and sales expenses increased due to greater expenditures related to the segmentation and specialization of the distribution network. The above were partially offset by the conversion of routes to independent distributors – which is meant to increase the efficiency of and optimize this line item – in some of our operations outside of Mexico. However, in the U.S., we have not yet been able to take advantage of the full benefits of this structure due to implementation delays.

On the other hand, administrative expenses declined due to a reduction of approximately 1,300 employees. This is a reflection of both cost reduction efforts as well as the current stage of the transformation projects. This reduction was able to offset a reclassification related to the PEARL project and the integration of the U.S. operations, previously registered under Other Expenses.

For the first six months, operating expenses increased 0.5 percentage points, mainly reflecting the Company's investments into commercial and technological transformation projects. So far this year, the efforts made in the commercial area have signified the opening of 1,200 new routes and the incorporation of over 140,000 clients. On the technological front, 67 operations have been incorporated into the ERP platform (91% completion rate) and the total number of hand helds (22,033 devices) have been installed.

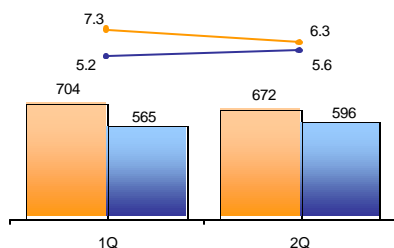
Operating Income

The healthy top-line performance as well as operating expense controls enabled operating income to reach Ps. 596 million, despite the increase in cost of goods sold. As a result, operating margin was 5.6%, 0.7 percentage points lower than was reported for the second quarter of 2002.

For the first half of the year, operating income reached Ps. 1,161 million, representing a margin of 5.4%, 1.3 percentage points below that reported during the first half of 2002. This was mainly a result of increases in cost of goods sold as well as operating expenses, which have affected all of our operations.

The operations that have most been affected by the aforementioned increases are the ones in the U.S., which, in addition to the Company's global projects, have had to face the adverse market conditions, the restructuring of the distribution area and the increase in labor costs.

Operating Income



2Q02	2Q03	% Change		1H02	1H03	% Change
651	738	13.3	Mexico	1,515	1,442	(4.8)
76	(90)	N.A.	United States	65	(171)	N.A.
(81)	(52)	35.8	Latin America	(135)	(109)	19.3
672	596	(11.3)	Consolidated	1,376	1,161	(15.6)

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

It is important to highlight that while the results for the quarter and first half periods continue to be below those reported for the same periods of the previous year, the final stages of the transformation processes initiated 3 years ago, have translated into slight improvements, on an operating level, compared to the first quarter of this year.

Integral Cost of Financing

During the second quarter of 2003, integral cost of financing reached Ps. 167 million, 43.9% lower compared to the second quarter of 2002. This was primarily a result of an exchange rate gain from the appreciation of the Mexican peso versus the U.S. dollar during the quarter.

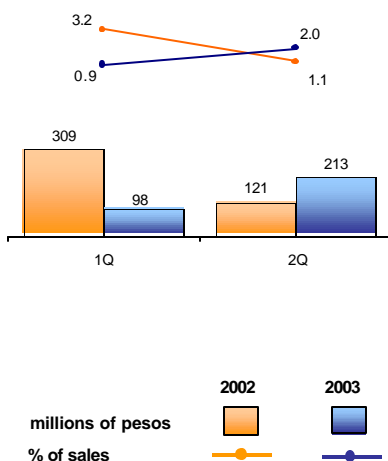
For the first half of the year, integral cost of financing reached Ps. 424 million, compared to Ps. 273 million reported in the same period of 2002. This increase was mainly the result of higher interest expenses from the incorporation of the debt used to finance the U.S. acquisition in March 2002.

Other Income and Expenses

During the quarter, the Company registered a net expense in the amount of Ps. 52 million corresponding to the amortization of goodwill for the brands acquired in the U.S. and Brazil. This was partially offset by the reclassification to operating expenses related to expenditures for the PEARL project and the integration of the U.S. operations, mentioned previously.

For the first six months, the Company registered a net expense of Ps. 152 million, most of which corresponded to the amortization mentioned in the preceding paragraph, and that declined 39.1% compared to 2002, due to the creation in March 2002 of the reserve for the integration of the U.S. operations.

Net Majority Income (millions of Pesos)



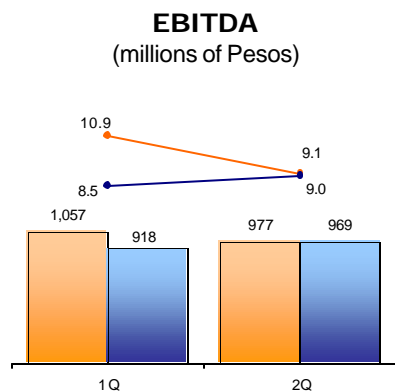
Net Majority Income

Net majority income reached Ps. 213 million for the quarter, 76.0% higher compared to the figure reported in the same period of 2002, resulting in a net margin of 2.0%. This was due to decreases in the integral cost of financing and other expenses, which together were able to offset the decline in operating income.

For the first six months of 2003, net majority income was Ps. 312 million, 27.5% lower than the figure registered in 2002. Net margin for the first half of the year was 1.4%, 0.7 percentage points lower than the figure registered in the previous year, mainly due to the contraction in the operating income.

EBITDA

Despite the significant amount of resources required by the projects in which the Company has been immersed, cash flow remained at solid levels. In the second quarter of the year, EBITDA reached Ps. 969 million, representing a margin of 9.0%; while for the first six months, EBITDA reached Ps. 1,887 million, or 8.7% of net sales.



2Q02	2Q03	% Change		1H02	1H03	% Change
891	1,000	12.2	Mexico	2,000	1,944	(2.8)
136	(14)	N.A.	United States	169	(17)	N.A.
(76)	(17)	77.6	Latin America	(68)	(40)	41.2
977	969	(0.8)	Consolidated	2,034	1,887	(7.2)

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

Financial Structure

As a result of the multi-tiered long-term debt structure and the continued strength of the Company's cash flow generation, Grupo Bimbo's financial structure remains at solid levels. As of the second quarter of this year, the Company had a Net Debt to Shareholders Equity ratio of 0.65x, slightly lower than the one registered in the previous quarter.

Recent Events

- On June 22, Grupo Bimbo announced that it acquired a minority interest in a consortium led by Mexican entrepreneur Mr. Fernando Chico Pardo. This consortium recently acquired certain property and debt rights of the Argentine food company, *Compañía de Alimentos Fargo, S.A.*, and plans to undertake a financial and operating restructure. Grupo Bimbo's stake represents 30% of the capital stock of this consortium.
- On June 5, 2003, Grupo Bimbo announced that together with Grupo Arteva, S. de R.L. ("Arteva"), it agreed to sell Novacel, S.A. de C.V. ("Novacel"), a company dedicated to the production of flexible packaging, for a total of U.S. \$90 million, to Pechiney Plastic Packaging, a subsidiary of the French global leader in packaging solutions, Pechiney. Prior to this sale, the Company owned 41.8% of the capital stock, while Arteva owned the remaining share.

This divestiture is subject to authorization by the proper authorities and is in line with the Company's strategy of focusing on its core businesses aimed at the final consumer. Grupo Bimbo and Pechiney entered into a long-term supply contract whereby Novacel will continue providing a key portion of the Company's flexible packaging needs.



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 950 distribution centers strategically located in 14 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, 72,000 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	2002						2003									
	1 Q	%	2 Q	%	3 Q	%	4 Q	%	ACCUM	%	1 Q	%	2 Q	%	ACCUM	%
(MILLIONS OF CONSTANT MEXICAN PESOS AS JUNE 30 th , 2003)																
NET SALES	9,693	100.0	10,759	100.0	10,753	100	11,197	100	42,403	100.0	10,852	100.0	10,717	100.0	21,569	100.0
MEXICO	6,985	72.1	6,994	65.0	7,191	67	7,729	69	28,900	68.2	7,370	67.9	7,303	68.1	14,674	68.0
UNITED STATES	2,081	21.5	3,164	29.4	3,022	28	2,892	26	11,160	26.3	2,954	27.2	3,000	28.0	5,953	27.6
LATIN AMERICA	725	7.5	718	6.7	731	7	726	6	2,901	6.8	642	5.9	661	6.2	1,303	6.0
									0.0							
COST OF GOODS SOLD	4,460	46.0	4,936	45.9	4,928	46	5,425	48	19,749	46.6	5,093	46.9	5,003	46.7	10,096	46.8
GROSS PROFIT	5,233	54.0	5,824	54.1	5,825	54	5,772	52	22,654	53.4	5,759	53.1	5,714	53.3	11,473	53.2
OPERATING EXPENSES	4,529	46.7	5,151	47.9	4,904	46	5,123	46	19,707	46.5	5,194	47.9	5,118	47.8	10,312	47.8
OPERATING INCOME	704	7.3	672	6.3	921	9	650	6	2,947	6.9	565	5.2	596	5.6	1,161	5.4
MEXICO	863	8.9	651	6.1	1,003	9	736	7	3,252	7.7	704	6.5	738	6.9	1,442	6.7
UNITED STATES	(11)	(0.1)	76	0.7	27	0	(61)	(1)	31	0.1	(82)	(0.8)	(90)	(0.8)	(171)	(0.8)
LATIN AMERICA	(54)	(0.6)	(81)	(0.7)	(84)	(1)	(78)	(1)	(297)	(0.7)	(57)	(0.5)	(52)	(0.5)	(109)	(0.5)
INTEGRAL COST OF FINANCING	(24)	(0.2)	298	2.8	321	3	111	1	705	1.7	257	2.4	167	1.6	424	2.0
INTEREST PAID (NET)	59	0.6	328	3.0	265	2	32	0	684	1.6	255	2.4	252	2.3	507	2.4
EXCHANGE (GAIN) LOSS	23	0.2	(21)	(0.2)	121	1	217	2	341	0.8	99	0.9	(75)	(0.7)	25	0.1
MONETARY (GAIN) LOSS	(106)	(1.1)	(10)	(0.1)	(66)	(1)	(138)	(1)	(319)	(0.8)	(98)	(0.9)	(10)	(0.1)	(108)	(0.5)
OTHER EXPENSES & (INCOME)	175	1.8	74	0.7	124	1	102	1	475	1.1	100	0.9	52	0.5	154	0.7
PROVISION FOR TAXES AND PROFIT SHARING	252	2.6	192	1.8	172	2	209	2	826	1.9	101	0.9	178	1.7	279	1.3
EQUITY IN RESULTS OF ASSOCIATED COMPANIES	(10)	(0.1)	(15)	(0.1)	(22)	(0)	(7)	(0)	(54)	(0.1)	2	0.0	(18)	(0.2)	(16)	(0.1)
MINORITY INTEREST	1	0.0	3	0.0	14	0	12	0	30	0.1	8	0.1	4	0.0	11	0.1
		0.0		0.0		0		0		0.0		0.0		0.0		0.0
NET MAJORITY INCOME	309	3.2	121	1.1	313	3	221	2	964	2.3	98	0.9	213	2.0	311	1.4
EBITDA	1,057	10.9	977	9.1	1,320	12	1,005	9	4,360	10.3	918	8.5	969	9.0	1,887	8.7
MEXICO	1,109	11.4	891	8.3	1,246	12	1,025	9	4,271	10.1	944	8.7	1,000	9.3	1,944	9.0
UNITED STATES	33	0.3	136	1.3	155	1	(41)	(0)	284	0.7	(3)	(0.0)	(14)	(0.1)	(16)	(0.1)
LATIN AMERICA	8	0.1	(76)	(0.7)	(56)	(1)	(31)	(0)	(155)	(0.4)	(23)	(0.2)	(17)	(0.2)	(41)	(0.2)



CONSOLIDATED BALANCE SHEET	2002	2003	% CHANGE
<small>(MILLIONS OF CONSTANT MEXICAN PESOS AS JUNE 30th, 2003)</small>			
TOTAL ASSETS	31,724	30,865	(2.7)
MEXICO	17,099	16,334	(4.5)
UNITED STATES	11,946	12,040	0.8
LATIN AMERICA	2,678	2,491	(7.0)
CURRENT ASSETS	6,646	6,198	(6.7)
PROPERTY, PLANT AND EQUIPMENT (NET)	16,104	15,749	(2.2)
TOTAL LIABILITIES	17,964	16,643	(7.4)
SHORT-TERM BANK LOANS	3,583	476	(86.7)
LONG-TERM BANK LOANS	8,658	10,547	21.8
STOCKHOLDERS' EQUITY	13,760	14,222	3.4

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION	2002	2003
<small>(MILLIONS OF CONSTANT MEXICAN PESOS AS JUNE 30th, 2003)</small>		
CONSOLIDATED NET INCOME	435	323
+ (-) ITEMS NOT REQUIRING CASH	606	762
NET RESOURCES OBTAINED FROM RESULTS	1,041	1,086
WORKING CAPITAL FLOW	(1,393)	(196)
NET RESOURCES GENERATED BY OPERATIONS	(352)	889
EXTERNAL FINANCING	6,862	(752)
INTERNAL FINANCING	(310)	(247)
TOTAL SOURCES OF CASH	6,551	(999)
INVESTMENTS	(5,593)	(512)
NET INCREASE (DECREASE) IN CASH AND MARKETABLE SECURITIES	266	(622)
CASH AND MARKETABLE SECURITIES AT THE BEGINNING OF THE YEAR	831	2,345
CASH AND MARKETABLE SECURITIES AT THE END OF THE YEAR	1,096	1,723