

GRUPO BIMBO REPORTS SECOND QUARTER 2006 RESULTS

Highlights from the quarter:

- Operating income rose 7.7% despite the increase in key raw material prices.
- Net majority income rose 32.7% as a result of lower comprehensive cost of financing and an increase in other non-operating income.

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Mexico City, July 26, 2006. Grupo Bimbo S.A. de C.V. (“Grupo Bimbo” or “the Company”) (BMV: BIMBO) today reported its results for the second quarter of 2006.*

Sales grew 9.5% in the second quarter, recovering their 2005 trend. This growth stemmed from positive results in each region where the Company operates. Of note is that 3.0 percentage points of this increase is attributable to the integration of the El Globo, La Corona, Los Sorchantes and Panrico Beijing new operations that were acquired in the past twelve months.

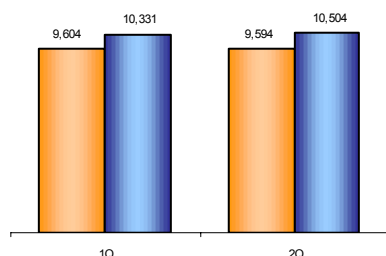
In comparison with the same quarter of last year, operating income and EBITDA registered increases of 7.7% and 5.4%, respectively. Although these gains reflect the decrease in operating expenses, they were not able to entirely offset the ongoing impact of higher prices in some of the Company’s most important raw materials, such as wheat flour, sugar, potatoes, packaging and fuel.

Net majority income showed solid growth of 32.7%, primarily due to a 47.3% decrease in the comprehensive financing cost, and to a lesser extent, other non-operating income items.

* 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 June 30, 2006.

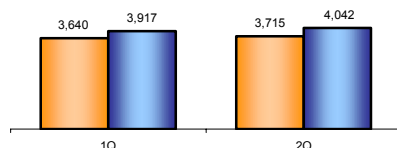
Mexico

(millions of pesos)



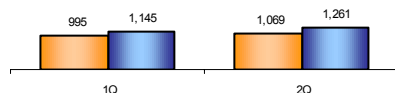
United States

(millions of pesos)



Latin America

(millions of pesos)



2005 2006

Net Sales

2Q06	2Q05	% Change	Net Sales	6M06	6M05	% Change
10,504	9,594	9.5	Mexico	20,836	19,198	8.5
4,042	3,715	8.8	United States	7,959	7,355	8.2
1,261	1,069	18.0	Latin America	2,407	2,064	16.6
15,385	14,049	9.5	Consolidated	30,411	27,975	8.7

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

Mexico

Sales grew 9.5% this quarter and 8.7% on a cumulative basis, as a result of: i) greater sales volume in almost every product category and sales channel; ii) higher prices implemented during the quarter in the baking and snack divisions, and iii) the integration of El Globo and Chocolates La Corona, as well as the recently acquired operations in China. Excluding the results of these acquisitions, organic growth in the quarter and year to date would have been 5.3% and 4.3%, respectively.

It is important to note that due to the small scale of operations in China, those results are incorporated in Mexico. Results from that operation were consolidated into the Company's figures as of April 20 of this year.

United States

Sales registered solid 8.8% growth this quarter, and 8.2% on a cumulative basis. This continues to reflect a combination of greater sales volume and higher prices implemented in the first quarter of the year.

It is important to highlight that these results are due to the Company's successful marketing strategies. Brands showing the greatest advances were Oroweat, Mrs. Baird's and Bimbo. In addition, the Company continued to expand the number of distribution routes in the eastern region of the country, and enhanced the product portfolio in each region where it operates.

Latin America

Sales grew 18.0% this quarter and 16.6% on a cumulative basis, with operations in Brazil, Chile and Colombia delivering the most notable results.

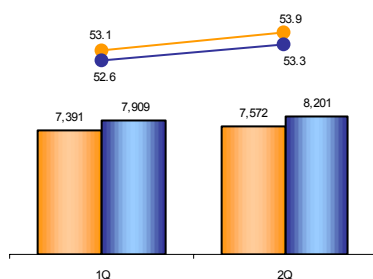
These increases were due to: i) client development strategies in each of the operations, resulting in the integration of more than 19,000 new clients in the quarter, and ii) the Company's efforts to market a greater variety of products to consumers in the region.

Gross Profit

Gross profit represented 53.3% of sales in the quarter, 0.6 percentage points less than in the year ago period. On a cumulative basis, gross profit was 53.0%, a 0.5 percentage point reduction compared to the first half of 2005.

As in the first quarter, pressure on gross profit continued to come from higher prices in some of the Company's key raw materials, such as wheat flour, sugar, potatoes, packaging and fuel, as well as depreciation in the Mexican peso.

Gross Profit



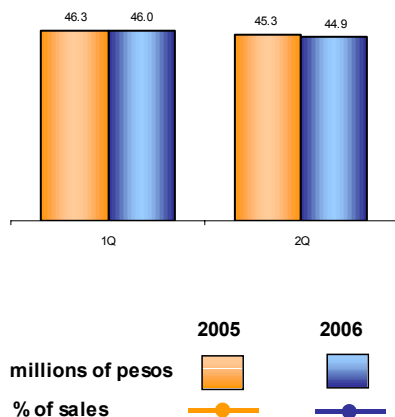
2Q06	2Q05	Change pp	Gross Margin (%)	6M06	6M05	Change pp
55.0	55.9	(0.9)	Mexico	54.7	55.5	(0.8)
46.7	46.6	0.1	United States	46.4	45.9	0.5
42.2	45.0	(2.8)	Latin America	42.5	45.0	(2.5)
53.3	53.9	(0.6)	Consolidated	53.0	53.5	(0.5)

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

In the quarter, gross profit in Mexico declined by 0.9 percentage points due to higher raw material prices and expenses associated with the installation of new production lines. Likewise, Latin American operations reported a 2.8 percentage point decrease in gross profit, explained by both higher raw material prices and labor costs, primarily in the Argentina and Venezuela operations.

As far as operations in the United States, although the price of raw materials rose, this was offset not only by product pricing increases implemented during the first quarter of the year, but also by good sales performance that absorbed fixed costs. As a result, the gross margin rose to 46.7%, nearly the same as in the year ago period.

Operating Expenses (% of net sales)

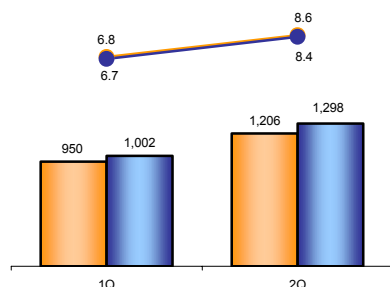


Operating Expenses

Operating expenses in the quarter and the first six months of the year represented 44.9% and 45.4% of sales, respectively. In both cases this was a 0.4 percentage point reduction from the same periods of 2005. This was, in large part, the result of benefits derived from the synergies generated by the combination of IT systems and the distribution network, and to a lesser extent, by the absorption of fixed expenses derived from higher sales in all the operations.

In the United States operations, it is important to note the reduction in operating expenses despite the increase in distribution routes, fuel prices and labor costs. However, in Latin America, the above mentioned factors were not offset and were additionally affected by an extraordinary charge related to the non-cash write-off of certain assets.

Operating Income



Operating Income

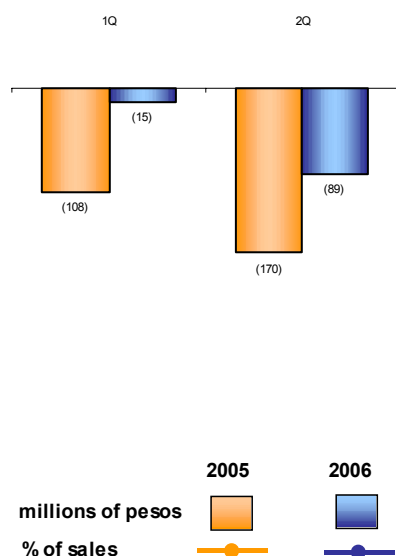
Operating margin in the quarter was 8.4%, or 0.2 percentage points less than in the year ago period. On a cumulative basis, the margin was 7.6%, that is, 0.1 percentage points lower than in the first half of 2005. These declines reflected the higher cost of sales that were not offset by the reduction in operating expenses.

2Q06	2Q05	Change pp	Operating Margin (%)	6M06	6M05	Change pp
11.7	11.9	(0.2)	Mexico	10.5	11.1	(0.6)
2.5	1.5	1.0	United States	1.8	0.3	1.5
(2.3)	0.9	(3.2)	Latin America	(1.7)	0.0	(1.7)
8.4	8.6	(0.2)	Consolidated	7.6	7.7	(0.1)

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

With respect to international operations, it is worth noting that the United States continued to consolidate its positive trend on the operating level, registering a 2.5% margin in the quarter and 1.8% on a cumulative basis, implying expansions of 1.0 and 1.5 percentage points, respectively, compared to the year ago periods. On the other hand, in Latin America, the change in trend in the operating results is primarily explained by the impact of higher raw material prices, as well as by the aforementioned extraordinary charge. Excluding the extraordinary charge, operating margin would have been -1.8%.

Comprehensive Cost of Financing



Comprehensive Cost of Financing

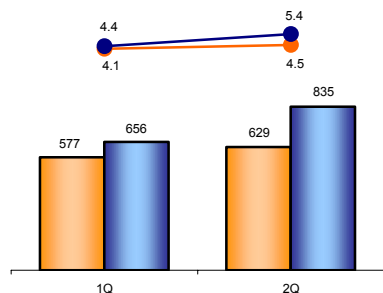
The comprehensive cost of financing in the quarter was only Ps. 89 million, 47.3% less than in the year ago period. On a cumulative basis, it totaled Ps. 104 million, 62.5% lower than the figure reported in June 2005. These reductions are primarily due to: i) lower interest payments, mainly explained by the charge taken in the first quarter of 2005 for the adoption of Mexican GAAP Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", and ii) a higher monetary gain.

Other Income and Expenses

Other income of Ps. 56 million was registered in the quarter, and Ps. 73 million on a cumulative basis, which compare favorably to the figures reported in the previous year. This is attributable, on one hand, to a net gain derived from a judicial ruling in favor of Grupo Bimbo regarding the 100% deductibility of labor related expenses in fiscal years 2003, 2004 and 2005, which was recorded in the second quarter, and on the other hand to income

generated by the sale of Grupo Bimbo's share in Agusa, S.A. de C.V. as reported in the first quarter.

Net Majority Income



Net Majority Income

Net majority income totaled Ps. 835 million, 32.7% greater than in the year ago period, while the net margin was 5.4%, 0.9 percentage points greater than in the second quarter of 2005.

On a cumulative basis, net majority income grew 23.6% compared to the first half of the previous year, while the margin increased 0.6 percentage points to 4.9%.

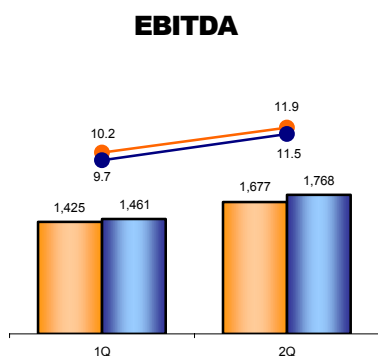
These gains were mainly the result of the reduction in the comprehensive cost of financing and the increase in other non-operating income. Combined, both figures more than offset the decline in operating margin.

2Q06	2Q05	Change pp	Net Majority Margin (%)	6M06	6M05	Change pp
5.4	4.5	0.9	Consolidated	4.9	4.3	0.6

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

EBITDA continued to show favorable comparisons versus the previous year. In the quarter and on a cumulative basis, EBITDA increased by 5.4% and 4.1%, respectively, as compared to the year ago periods.

EBITDA margin was 11.5% in the quarter, 0.4 percentage points lower than in the previous year. Likewise, in the first half of the year, the margin was 10.6%, 0.5 percentage points lower than in 2005. These declines were mainly attributable to the increase in the Company's cost of goods sold.



2Q06	2Q05	Change pp	EBITDA Margin (%)	6M06	6M05	Change pp
14.8	15.3	(0.5)	Mexico	13.7	14.5	(0.9)
4.5	3.8	0.6	United States	3.8	2.6	1.2
2.7	6.1	(3.4)	Latin America	3.2	5.6	(2.4)
11.5	11.9	(0.4)	Consolidated	10.6	11.1	(0.5)

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

2004 2005
 millions of pesos
 % of sales

Financial Structure

At the close of the second quarter, the Company's net debt totaled Ps. 3,353 million, an 8.6% reduction with respect to June 2005. The net debt to shareholders' equity ratio declined to 0.15 times, compared to 0.19 times in the second quarter of 2005. This continues to reflect the Company's strong cash flow generation, which totaled Ps. 5.1 billion as of the end of June.

Recent Announcements

- Grupo Bimbo today announced the creation of a strategic alliance with Grupo Industrial Lala, S.A. de C.V. ("Grupo Lala"), named "Innovación en Alimentos, S.A. de C.V." ("Innovation in Foods"), in which both companies hold a 50% share and whose objective is to create high value-added brands, categories and businesses in the Mexican food sector.

Through this new company, Grupo Bimbo and Grupo Lala will leverage their production and distribution capacities as well as the experience acquired in their respective industries.

- On June 19, 2006, Grupo Bimbo announced an agreement to acquire certain assets and brands of the "El Molino" pastry chain in a transaction totaling Ps. 42 million. The agreement closed in the same month.

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 16 countries throughout the Americas, Europe and Asia. 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 31,000 routes and 83,000 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									
	1Q	%	2Q	%	3Q	%	4Q	%	ACCUM	%	1Q	%	2Q	%	ACCUM	%
MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30 th , 2006																
NET SALES	13,926	100.0	14,049	100.0	14,806	100.0	15,296	100.0	58,078	100.0	15,026	100.0	15,385	100.0	30,411	100.0
MEXICO	9,604	69.0	9,594	68.3	10,270	69.4	10,768	70.4	40,236	69.3	10,331	68.8	10,504	68.3	20,836	68.5
UNITED STATES	3,640	26.1	3,715	26.4	3,768	25.4	3,737	24.4	14,861	25.6	3,917	26.1	4,042	26.3	7,959	26.2
LATIN AMERICA	995	7.1	1,069	7.6	1,101	7.4	1,154	7.5	4,319	7.4	1,145	7.6	1,261	8.2	2,407	7.9
COST OF GOODS SOLD	6,535	46.9	6,477	46.1	6,750	45.6	7,080	46.3	26,843	46.2	7,117	47.4	7,184	46.7	14,301	47.0
GROSS PROFIT	7,391	53.1	7,572	53.9	8,056	54.4	8,215	53.7	31,235	53.8	7,909	52.6	8,201	53.3	16,110	53.0
MEXICO	5,297	55.1	5,359	55.9	5,794	56.4	5,996	55.7	22,446	55.8	5,611	54.3	5,780	55.0	11,391	54.7
UNITED STATES	1,646	45.2	1,733	46.6	1,766	46.9	1,712	45.8	6,857	46.1	1,808	46.1	1,889	46.7	3,697	46.4
LATIN AMERICA	448	45.0	481	45.0	496	45.0	507	43.9	1,932	44.7	490	42.8	532	42.2	1,022	42.5
OPERATING EXPENSES	6,441	46.3	6,367	45.3	6,632	44.8	6,549	42.8	25,989	44.7	6,907	46.0	6,903	44.9	13,810	45.4
OPERATING PROFIT	950	6.8	1,206	8.6	1,424	9.6	1,666	10.9	5,246	9.0	1,002	6.7	1,298	8.4	2,300	7.6
MEXICO	995	10.4	1,140	11.9	1,361	13.2	1,618	15.0	5,114	12.7	967	9.4	1,228	11.7	2,195	10.5
UNITED STATES	(37)	(1.0)	56	1.5	51	1.4	12	0.3	83	0.6	45	1.1	100	2.5	144	1.8
LATIN AMERICA	(8)	(0.8)	9	0.9	13	1.1	36	3.1	49	1.1	(11)	(1.0)	(30)	(2.3)	(41)	(1.7)
INTEGRAL COST OF FINANCING	(108)	(0.8)	(170)	(1.2)	(108)	(0.7)	27	0.2	(359)	(0.6)	(15)	(0.1)	(89)	(0.6)	(104)	(0.3)
INTEREST PAID (NET)	(209)	(1.5)	(146)	(1.0)	(151)	(1.0)	(135)	(0.9)	(641)	(1.1)	(126)	(0.8)	(121)	(0.8)	(246)	(0.8)
EXCHANGE (GAIN) LOSS	60	0.4	(34)	(0.2)	(18)	(0.1)	11	0.1	19	0.0	20	0.1	17	0.1	37	0.1
MONETARY (GAIN) LOSS	41	0.3	11	0.1	61	0.4	151	1.0	264	0.5	91	0.6	14	0.1	105	0.3
OTHER EXPENSES (INCOME) NET	5	0.0	18	0.1	(24)	(0.2)	(137)	(0.9)	(138)	(0.2)	17	0.1	56	0.4	73	0.2
PROVISION FOR TAXES AND PROFIT SHARING	281	2.0	424	3.0	521	3.5	643	4.2	1,870	3.2	339	2.3	423	2.7	761	2.5
EQUITY IN RESULTS OF ASSOCIATED COMPANIES	5	0.0	18	0.1	13	0.1	22	0.1	58	0.1	3	0.0	10	0.1	13	0.0
MINORITY INTEREST	14	0.1	18	0.1	16	0.1	27	0.2	76	0.1	13	0.1	18	0.1	31	0.0
MAJORITY NET INCOME AFTER EXTRAORDINARY CHARGES	557	4.0	629	4.5	767	5.2	909	5.9	2,862	4.9	656	4.4	835	5.4	1,491	4.9
EXTRAORDINARY EXPENSE (INCOME) NET	20	0.1	0	0.0	(11)	(0.1)	0	0.0	9	0.0	0	0.0	0	0.0	0	0.0
EFFECT OF CHANGE IN ACCOUNTING NET	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
NET MAJORITY INCOME	577	4.1	629	4.5	756	5.1	909	5.9	2,872	4.9	656	4.4	835	5.4	1,491	4.9
EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)	1,425	10.2	1,677	11.9	1,885	12.7	2,188	14.3	7,174	12.4	1,461	9.7	1,768	11.5	3,229	10.6
MEXICO	1,322	13.8	1,470	15.3	1,687	16.4	1,943	18.0	6,421	16.0	1,292	12.5	1,554	14.8	2,846	13.7
UNITED STATES	53	1.5	142	3.8	132	3.5	196	5.2	523	3.5	125	3.2	180	4.5	305	3.8
LATIN AMERICA	50	5.0	65	6.1	66	6.0	49	4.3	231	5.4	44	3.9	34	2.7	78	3.2

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



BALANCE SHEET			
MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30th, 2006			
	2005	2006	% Change
TOTAL ASSETS	36,047	40,414	12.1
MEXICO	22,523	25,480	13.1
UNITED STATES	10,511	11,130	5.9
LATIN AMERICA	3,013	3,804	26.2
CURRENT ASSETS	9,818	11,286	15.0
PROPERTY, PLANT AND EQUIPMENT NET	17,815	19,209	7.8
TOTAL LIABILITIES	17,209	18,476	7.4
SHORT TERM BANK LOANS	169	3,115	1,748.4
LONG TERM BANK LOANS	8,402	5,322	(36.7)
STOCKHOLDERS' EQUITY	18,838	21,937	16.5

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION		
MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30th, 2006		
	2005	2006
CONSOLIDATED NET INCOME	1,239	1,521
+ (-) ITEMS NOT REQUIRING CASH	1,005	1,229
NET RESOURCES OBTAINED FROM RESULTS	2,244	2,750
WORKING CAPITAL FLOW	244	(484)
NET RESOURCES GENERATED BY OPERATIONS	2,488	2,266
EXTERNAL FINANCING	(208)	112
INTERNAL FINANCING	(347)	(365)
TOTAL SOURCES OF CASH	(555)	(253)
INVESTMENTS	1,024	(1,129)
NET INCREASE (DECREASE) IN CASH AND MARKETABLE SECURITIES	909	884
CASH AND MARKETABLE SECURITIES AT THE BEGINNING OF THE YEAR	4,021	4,200
CASH AND MARKETABLE SECURITIES AT THE END OF THE YEAR	4,930	5,083