

## **GRUPO BIMBO REPORTS THIRD QUARTER 2007 RESULTS**

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

- *Net sales totaled Ps. 17.9 billion, a solid increase of 6.7%, driven by steady growth in Mexico and the U.S., and strong gains in Latin America*
- *Despite gross margin pressure, operating income and EBITDA increase 9.7% and 11.5% respectively, mainly due to a better sales mix, pricing actions and lower administrative expenses*
- *Operating margin expands 0.3 pp, while net margin grows by 0.6 pp, mainly due to lower financing costs*

### **Investor Relations Contacts**

Armando Giner  
Tel: (5255) 5268-6924  
[aginer@grupobimbo.com](mailto:aginer@grupobimbo.com)

Andrea Amozurrutia  
Tel: (5255) 5268-6962  
[aamozurrutia@grupobimbo.com](mailto:aamozurrutia@grupobimbo.com)

**Mexico City, October 25, 2007. Grupo Bimbo S.A.B. de C.V. (“Grupo Bimbo” or “the Company”) (BMV: BIMBO)** today reported its results for the third quarter ended September 30, 2007.\*

A solid pace of growth in the quarter, with outstanding results in Latin America, led to a 6.7% rise in net sales from the year ago period, to Ps. 17.9 billion. This is attributable to steady volume gains and a better sales mix, as well as to pricing actions taken across all regions to offset the price escalation of the Company’s key raw materials.

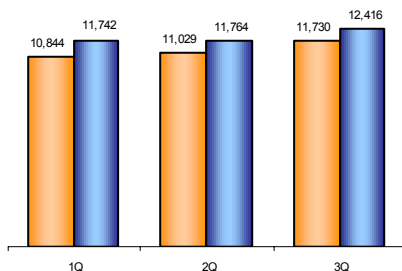
Due to fluctuations in the international commodity markets, the Company continues to experience higher prices of wheat, oils and dairy when compared to the previous year’s levels. This resulted in continued pressure on the gross margin, which declined by 10 basis points year over year. However, a more efficient sales mix, selective pricing actions, and tighter controls of administrative expenses led to a 30 basis point improvement in the operating margin, to 10.3%.

Mainly as a result of higher sales and operating income and a decrease in financing costs, net majority income rose 18.3% year over year, with a 0.6 percentage point expansion in the net margin, to 6.6%.

\* Figures included in this document are prepared in accordance with Mexican Financial Reporting Standards, and are expressed in constant pesos as of September 30, 2007.

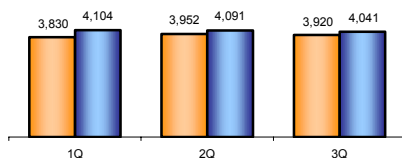
### Mexico

(millions of pesos)



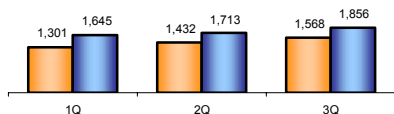
### United States

(millions of pesos)



### Latin America

(millions of pesos)



2006 2007

## Net Sales

3Q07	3Q06	% Change	Net Sales	9M07	9M06	% Change
12,416	11,730	5.9	Mexico	35,922	33,603	6.9
4,041	3,920	3.1	United States	12,237	11,702	4.6
1,856	1,568	18.4	Latin America	5,214	4,301	21.2
<b>17,914</b>	<b>16,785</b>	<b>6.7</b>	<b>Consolidated</b>	<b>52,238</b>	<b>48,344</b>	<b>8.1</b>

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

### Mexico

Net sales rose 5.9% in the quarter to Ps. 12.4 billion as a result of the following factors: higher overall volumes, ongoing product launches, and a better sales mix due mainly to selective price increases and better management of inventories at the point of sale. Sliced bread and sweet baked goods led category growth, while the non-traditional channels continued to register the highest growth rate, as per plan. On a cumulative basis, net sales in Mexico increased 6.9%, reflecting steady volume gains and higher average product prices, due to the pricing actions taken during the last twelve months.

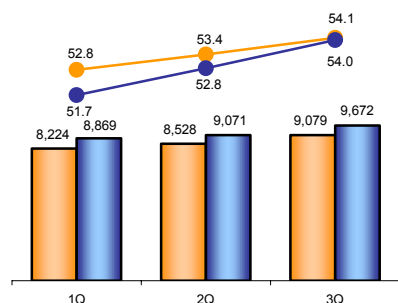
### United States

During the quarter, net sales registered a 3.1% increase in peso terms, and 5.0% in dollar terms, driven by higher volumes and prices for select brands, as well as new product launches. Additionally, top line performance reflected strong volume growth in Mexican brands, as well as the ongoing optimization of the product portfolio. In the first nine months of the year, sales rose 4.6% and 6.8% in peso and dollar terms, respectively, with growth across the entire portfolio.

### Latin America

Despite a tougher basis of comparison, net sales in the region continued to grow at double digit rates, rising 18.4% and 21.2% in the quarter and nine months, respectively. Growth was strong across the entire region, with outstanding results in Colombia and Venezuela. Performance was driven by new product launches and higher average prices, combined with the ongoing aggressive market penetration strategy that resulted in 26,500 new customers added in the quarter. Additionally, third quarter results reflect incremental revenues for small acquisitions made in the region at the end of the previous quarter. Excluding these results, net sales would have increased 12.6% and 17.3% in the quarter and in the nine-month period, respectively.

### Gross Profit



### Gross Profit

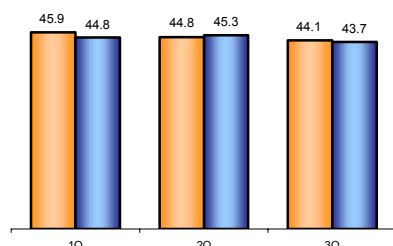
During the quarter, the consolidated gross margin declined by only 0.1 percentage point, to 54.0%. The primary driver of the 7.0% increase in the cost of goods sold was higher year over year prices for commodities such as wheat, oils and dairy. This was somewhat offset, however, by the pricing actions taken during the last twelve months and the improvement of the sales mix, as well as lower indirect production costs in Mexico and a reduction in labor cost in the U.S. operation. It is important to note that the latter operation has been reallocating some production capacity to more profitable SKUs, an initiative that is expected to continue having a beneficial impact in the coming quarters. In Latin America, however, strong top line growth was not sufficient to offset the impact of higher raw materials prices and temporarily higher indirect costs, mainly related to the integration of new operations.

For the first nine months of the year, the consolidated gross margin was 52.9%, a 0.5 percentage point decline when compared to 2006.

3Q07	3Q06	Change pp	Gross Margin (%)	9M07	9M06	Change pp
56.4	56.1	0.3	Mexico	54.7	55.2	(0.5)
46.3	45.7	0.6	United States	46.4	46.2	0.2
42.9	45.1	(2.2)	Latin America	43.9	43.6	0.3
<b>54.0</b>	<b>54.1</b>	<b>(0.1)</b>	<b>Consolidated</b>	<b>52.9</b>	<b>53.4</b>	<b>(0.5)</b>

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

### Operating Expenses (% of net sales)



### Operating Expenses

Operating expenses represented 43.7% of net sales in the quarter, a 0.4 percentage point improvement from the year ago period. This is primarily attributable to a more efficient sales mix and lower administrative expenses across all regions, a result of the Company's efforts to offset gross margin pressure. Distribution expenses were virtually unchanged from the year ago period as a percentage of net sales, despite the investments, currently in process, to streamline the distribution network in Mexico, and to expand it in the United States and Latin America. It is important to note that, in the latter, higher sales more than offset the expenses related to the aggressive expansion.

On a cumulative basis, operating expenses as a percentage of net sales registered a year-over-year decline of 0.4 percentage points, to 44.6%, reflecting a combination of a better sales mix in all regions and a decrease in administrative expenses that more than offset the higher investment in distribution.



## Operating Income

Operating income rose 9.7% in the quarter, with a 0.3 percentage point expansion in the margin, to 10.3%, driven by higher sales, an improved sales mix and lower administrative expenses. It is important to note that this improvement was largely driven by performance in the international operations, where the margin expanded by 0.7 percentage points in both the U.S. and Latin America.

3Q07	3Q06	% Change	Operating Income	9M07	9M06	% Change
1,729	1,616	7.0	Mexico	3,974	3,942	0.8
46	17	> 100	United States	192	159	20.3
68	46	46.1	Latin America	160	7	> 100
<b>1,842</b>	<b>1,680</b>	<b>9.7</b>	<b>Consolidated</b>	<b>4,326</b>	<b>4,110</b>	<b>5.3</b>

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

It is important to mention that in the coming quarters, these factors may have an opposite affect on the Company's operating performance. While operating improvements will continue, raw material prices will be higher than those registered during the first nine months of the year.

3Q07	3Q06	Change pp	Operating Margin (%)	9M07	9M06	Change pp
13.9	13.8	0.1	Mexico	11.1	11.7	(0.6)
1.1	0.4	0.7	United States	1.6	1.4	0.2
3.7	3.0	0.7	Latin America	3.1	0.2	2.9
<b>10.3</b>	<b>10.0</b>	<b>0.3</b>	<b>Consolidated</b>	<b>8.3</b>	<b>8.5</b>	<b>(0.2)</b>

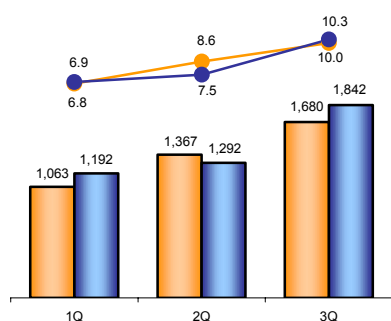
Note: Consolidated results do not include inter-company transactions.

For the first nine months of the year, operating income rose 5.3%, with a 0.2 percentage point decline in the margin, to 8.3%. This was the cumulative result of increases in the cost of goods sold and distribution expenses, mainly in Mexico.

On a regional basis, operating margin in Mexico remained stable in the quarter due to a better sales mix, higher prices and the control of administrative expenses, which combined, offset the impact of higher raw material prices. In the nine month period, however, these savings were not sufficient to offset gross margin pressure, and despite the 0.8% increase in operating income, the margin declined by 0.6 percentage points to 11.1%.

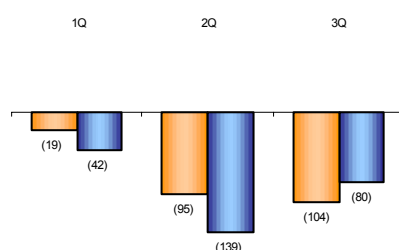
In the U.S. operation, a more favorable product mix and higher prices, as well as lower labor costs and administrative expenses generated a strong 166.1% rise in operating income, with a 0.7 percentage point gain in the margin to 1.1%. Year to date, operating income rose 20.3%, equivalent to a 0.2 percentage point improvement in the margin, which was 1.6%.

### Operating Income

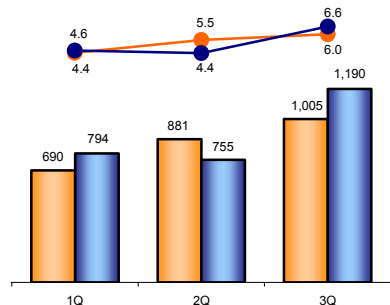


Despite the gross margin contraction in the quarter, the operating margin in Latin America expanded by 0.7 percentage points, to 3.7%, benefiting from lower operating expenses on a percentage basis, with strong performance in Venezuela and the continued reduction of losses in Argentina worth noting. As a result, operating income rose 46.1%. On a cumulative basis, operating income rose from Ps. 7 million in the year ago period, to Ps. 160 million in the first nine months of 2007, resulting in a 2.9 percentage point improvement in the margin, to 3.1%.

### Comprehensive Financing Result



### Net Majority Income



### Comprehensive Financing Result

Comprehensive financing cost decreased by 22.8% to Ps. 80 million in the third quarter of 2007, from Ps. 104 million registered in the same quarter of last year, due mainly to lower net interest expense reflecting the decline in the Company's debt level. On a cumulative basis, however, exchange losses over the nine month period led to a 19.5% rise in the financial cost, to Ps. 261 million.

### Net Majority Income

Net majority income totaled Ps. 1.2 billion in the third quarter, an 18.3% increase from the year ago period. Net margin was 6.6%, a 0.6 percentage point expansion from the same period of 2006. This mainly reflects the gain in operating income and lower financing costs during the period.

3Q07	3Q06	Change pp	Net Majority Margin (%)	9M07	9M06	Change pp
6.6	6.0	0.6	Consolidated	5.2	5.3	(0.1)

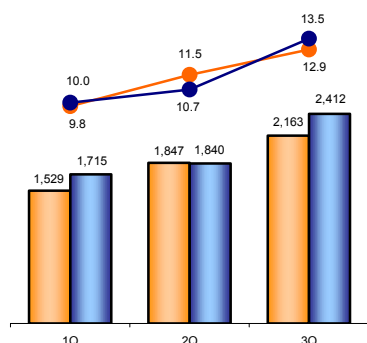
On a cumulative basis, net income rose 6.3% to Ps. 2.7 billion. The 0.1 percentage point reduction in the margin to 5.2% was due to the decline in the operating margin and extraordinary income registered in the second quarter of 2006 related to a favorable judicial ruling, and in the first quarter of 2006 for the sale of the Company's share in Agusa.

### Operating Income plus Depreciation and Amortization (EBITDA)

EBITDA rose 11.5% quarter over quarter to Ps. 2.4 billion, while EBITDA margin improved by 0.6 percentage points to 13.5%. This was largely the result of gains in the operating margin. On a cumulative basis, EBITDA rose 7.7% to Ps. 6.0 billion, with an 11.4% margin, implying a 0.1 percentage point decline year over year. The absolute gain was attributable to increases in all regions, generating strong margin improvement particularly in the case of Latin America, where EBITDA margin expanded by 3.0 percentage points.



### EBITDA



3Q07	3Q06	% Change	EBITDA	9M07	9M06	% Change
2,124	1,959	8.4	Mexico	5,127	4,945	3.7
132	98	34.1	United States	444	396	12.1
157	106	49.0	Latin America	396	196	101.8
<b>2,412</b>	<b>2,163</b>	<b>11.5</b>	<b>Consolidated</b>	<b>5,967</b>	<b>5,538</b>	<b>7.7</b>

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

3Q07	3Q06	Change pp	EBITDA Margin (%)	9M07	9M06	Change pp
17.1	16.7	0.4	Mexico	14.3	14.7	(0.4)
3.3	2.5	0.8	United States	3.6	3.4	0.2
8.5	6.7	1.8	Latin America	7.6	4.6	3.0
<b>13.5</b>	<b>12.9</b>	<b>0.6</b>	<b>Consolidated</b>	<b>11.4</b>	<b>11.5</b>	<b>(0.1)</b>

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

## Financial Structure

The Company's cash position was Ps. 3.8 billion on September 30, 2007, compared to Ps. 6.3 billion registered in the third quarter of 2006. This mainly reflects a Ps. 2.8 billion paydown of local debt and a Ps. 470 million dividend payment, both registered in the second quarter of 2007. The Company's net debt position totaled Ps. 1.9 billion, 26.4% lower than in September of 2006, while the net debt to stockholders' equity ratio declined to 0.07 times from 0.12 times.



### **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 800 distribution centers strategically located in 18 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 34,000 routes and 87,000 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.B. 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	2006						2007												
	1Q	%	2Q	%	3Q	%	4Q	%	ACCUM	%	1Q	%	2Q	%	3Q	%	ACCUM	%	
MILLIONS OF CONSTANT MEXICAN PESOS AS OF SEPTEMBER 30 <sup>th</sup> , 2007																			
<b>NET SALES</b>	15,589	100.0	15,971	100.0	16,785	100.0	17,118	100.0	65,463	100.0	17,152	100.0	17,172	100.0	17,914	100.0	52,238	100.0	
<b>MEXICO</b>	10,844	69.6	11,029	69.1	11,730	69.9	11,843	69.2	45,446	69.4	11,742	68.5	11,764	68.5	12,416	69.3	35,922	68.8	
<b>UNITED STATES</b>	3,830	24.6	3,952	24.7	3,920	23.4	3,978	23.2	15,680	24.0	4,104	23.9	4,091	23.8	4,041	22.6	12,237	23.4	
<b>LATIN AMERICA</b>	1,301	8.3	1,432	9.0	1,568	9.3	1,682	9.8	5,983	9.1	1,645	9.6	1,713	10.0	1,856	10.4	5,214	10.0	
<b>COST OF GOODS SOLD</b>	7,365	47.2	7,442	46.6	7,705	45.9	8,038	47.0	30,551	46.7	8,283	48.3	8,101	47.2	8,242	46.0	24,626	47.1	
<b>GROSS PROFIT</b>	8,224	52.8	8,528	53.4	9,079	54.1	9,080	53.0	34,911	53.3	8,869	51.7	9,071	52.8	9,672	54.0	27,612	52.9	
<b>MEXICO</b>	5,893	54.3	6,074	55.1	6,583	56.1	6,491	54.8	25,040	55.1	6,232	53.1	6,415	54.5	7,003	56.4	19,650	54.7	
<b>UNITED STATES</b>	1,768	46.2	1,847	46.7	1,790	45.7	1,856	46.7	7,261	46.3	1,904	46.4	1,896	46.3	1,872	46.3	5,672	46.4	
<b>LATIN AMERICA</b>	561	43.1	607	42.4	706	45.1	733	43.6	2,608	43.6	733	44.6	760	44.3	796	42.9	2,289	43.9	
<b>OPERATING EXPENSES</b>	7,161	45.9	7,161	44.8	7,399	44.1	7,228	42.2	28,949	44.2	7,677	44.8	7,779	45.3	7,829	43.7	23,286	44.6	
<b>OPERATING PROFIT</b>	1,063	6.8	1,367	8.6	1,680	10.0	1,852	10.8	5,962	9.1	1,192	6.9	1,292	7.5	1,842	10.3	4,326	8.3	
<b>MEXICO</b>	1,026	9.5	1,300	11.8	1,616	13.8	1,695	14.3	5,637	12.4	1,084	9.2	1,161	9.9	1,729	13.9	3,974	11.1	
<b>UNITED STATES</b>	45	1.2	97	2.5	17	0.4	77	1.9	236	1.5	62	1.5	85	2.1	46	1.1	192	1.6	
<b>LATIN AMERICA</b>	(9)	(0.7)	(30)	(2.1)	46	3.0	41	2.4	48	0.8	47	2.8	46	2.7	68	3.7	160	3.1	
<b>OTHER (EXPENSES) INCOME NET</b>	(35)	(0.2)	(20)	(0.1)	(30)	(0.2)	(222)	(1.3)	(307)	(0.5)	(35)	(0.2)	(66)	(0.4)	(64)	(0.4)	(165)	(0.3)	
<b>COMPREHENSIVE FINANCING RESULT</b>	(19)	(0.1)	(95)	(0.6)	(104)	(0.6)	(79)	(0.5)	(297)	(0.5)	(42)	(0.2)	(139)	(0.8)	(80)	(0.4)	(261)	(0.5)	
<b>INTEREST PAID (NET)</b>	(134)	(0.9)	(129)	(0.8)	(137)	(0.8)	(109)	(0.6)	(509)	(0.8)	(155)	(0.9)	(102)	(0.6)	(93)	(0.5)	(350)	(0.7)	
<b>EXCHANGE (GAIN) LOSS</b>	21	0.1	19	0.1	(41)	(0.2)	(101)	(0.6)	(102)	(0.2)	5	0.0	(46)	(0.3)	(38)	(0.2)	(79)	(0.2)	
<b>MONETARY (GAIN) LOSS</b>	93	0.6	15	0.1	74	0.4	132	0.8	313	0.5	108	0.6	9	0.1	51	0.3	168	0.3	
<b>EQUITY IN RESULTS OF ASSOCIATED COMPANIES</b>	3	0.0	11	0.1	22	0.1	1	0.0	37	0.1	3	0.0	12	0.1	24	0.1	39	(0.0)	
<b>EXTRAORDINARY CHARGES</b>	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
<b>INCOME BEFORE TAXES</b>	1,012	6.5	1,263	7.9	1,568	9.3	1,553	9.1	5,395	8.2	1,118	6.5	1,099	6.4	1,722	9.6	3,939	7.5	
<b>INCOME TAXES</b>	308	2.0	364	2.3	537	3.2	490	2.9	1,699	2.6	308	1.8	325	1.9	500	2.8	1,133	2.2	
<b>PROFIT BEFORE DISCONTINUED OPERATIONS</b>	703	4.5	900	5.6	1,031	6.1	1,063	6.2	3,696	5.6	810	4.7	775	4.5	1,222	6.8	2,806	5.4	
<b>NET MINORITY INCOME</b>	14	0.1	18	0.1	25	0.1	35	0.2	92	0.1	16	0.1	20	0.1	32	0.2	68	0.0	
<b>NET MAJORITY INCOME</b>	690	4.4	881	5.5	1,005	6.0	1,028	6.0	3,604	5.5	794	4.6	755	4.4	1,190	6.6	2,739	5.2	
<b>EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>	1,529	9.8	1,847	11.6	2,163	12.9	2,394	14.0	7,933	12.1	1,715	10.0	1,840	10.7	2,412	13.5	5,967	11.4	
<b>MEXICO</b>	1,354	12.5	1,632	14.8	1,959	16.7	2,059	17.4	7,004	15.4	1,455	12.4	1,548	13.2	2,124	17.1	5,127	14.3	
<b>UNITED STATES</b>	122	3.2	176	4.5	98	2.5	183	4.6	579	3.7	143	3.5	169	4.1	132	3.3	444	3.6	
<b>LATIN AMERICA</b>	51	4.0	39	2.7	106	6.7	112	6.7	308	5.2	116	7.1	122	7.1	157	8.5	396	7.6	

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 SEPTEMBER 30th, 2007			
	2006	2007	% Change
<b>TOTAL ASSETS</b>	<b>43,465</b>	<b>43,367</b>	<b>(0.2)</b>
<b>MEXICO</b>	27,979	26,497	(5.3)
<b>UNITED STATES</b>	10,952	11,272	2.9
<b>LATIN AMERICA</b>	4,534	5,599	23.5
<b>CURRENT ASSETS</b>	12,974	10,810	(16.7)
<b>PROPERTY, PLANT AND EQUIPMENT NET</b>	20,480	22,305	8.9
<b>TOTAL LIABILITIES</b>	<b>19,610</b>	<b>16,673</b>	<b>(15.0)</b>
<b>SHORT TERM BANK LOANS</b>	3,445	2,266	(34.2)
<b>LONG TERM BANK LOANS</b>	5,470	3,433	(37.2)
<b>STOCKHOLDERS' EQUITY</b>	<b>23,855</b>	<b>26,694</b>	<b>11.9</b>

<b>CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION</b>		
MILLIONS OF CONSTANT MEXICAN PESOS AS OF SEPTEMBER 30th, 2007		
	2006	2007
<b>CONSOLIDATED NET INCOME</b>	<b>2,634</b>	<b>2,806</b>
+ (-) ITEMS NOT REQUIRING CASH	1,666	1,959
<b>NET RESOURCES OBTAINED FROM RESULTS</b>	<b>4,300</b>	<b>4,765</b>
WORKING CAPITAL FLOW	(576)	(728)
<b>NET RESOURCES GENERATED BY OPERATIONS</b>	<b>3,724</b>	<b>4,037</b>
EXTERNAL FINANCING	172	(2,712)
INTERNAL FINANCING	(382)	(473)
<b>TOTAL SOURCES OF CASH</b>	<b>(210)</b>	<b>(3,185)</b>
<b>INVESTMENTS</b>	<b>(1,583)</b>	<b>(2,688)</b>
NET INCREASE (DECREASE) IN CASH AND MARKETABLE SECURITIES	1,931	(1,836)
CASH AND MARKETABLE SECURITIES AT THE BEGINNING OF THE YEAR	4,341	5,590
CASH AND MARKETABLE SECURITIES AT THE END OF THE YEAR	6,272	3,754