

## GRUPO BIMBO REPORTS THIRD QUARTER 2008 RESULTS

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

- *Net sales rise a healthy 12% to Ps. 20.6 billion, with growth across all regions.*
- *Operating income rises 8% from 3Q07 despite continued pressure from raw material costs.*
- *US operations return to profitability and register a year over year margin expansion of 0.3 pp.*
- *Net majority income rises 9% from 3Q07, while margin declines only 0.2 pp.*

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**Mexico City, October 23, 2008 – 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, 2008.\*

Net sales totaled Ps. 20.6 billion, a solid 12.1% increase over the third quarter of last year, reflecting higher average prices and a better product mix across every operation. Double-digit sales growth was driven by an 11.2% increase in Mexico and 32.9% in Latin America.

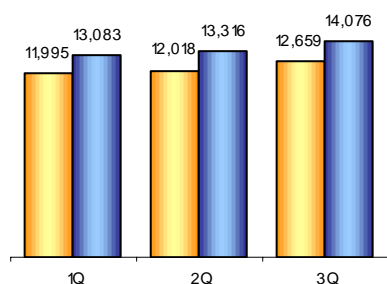
Input costs for several of the Company's key raw materials, while easing from the second quarter of the year, continued to put significant pressure on the gross margin, which declined by 2.3 percentage points year over year, to 51.7%. However, significant expense reduction efforts and efficiency improvements in distribution and administration helped limit the decline in the operating margin to only 0.4 percentage points, to 10.1%.

Net majority income grew 9.0%, while the margin registered only a 0.2 percentage point reduction in the quarter, to 6.6%, resulting from the aforementioned pressure on the operating results.

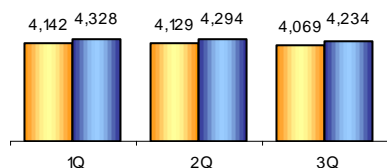
As of September 30, 2008, the Company's cash position totaled Ps. 6.6 billion, which reflected a US\$475 million drawdown in July of a committed revolving credit facility. The funds were secured mainly in anticipation of the August maturity date of a local bond and the advanced process of the restructuring of Compañía de Alimentos Fargo (“Fargo”).

\*Figures included in this document are prepared in accordance with Mexican Financial Reporting Standards (NIF). Figures corresponding to 2007 are expressed in constant pesos as of December 31, 2007, while those corresponding to 2008 are expressed in nominal terms.

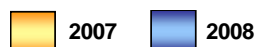
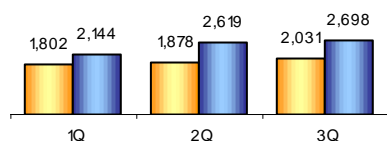
### Mexico (millions of pesos)



### United States (millions of pesos)



### Latin America (millions of pesos)



## Net Sales

3T08	3T07	% Change	Net Sales	9M08	9M07	% Change
14,076	12,659	11.2	Mexico	40,474	36,672	10.4
4,234	4,069	4.0	United States	12,856	12,341	4.2
2,698	2,031	32.9	Latin America	7,461	5,711	30.6
<b>20,567</b>	<b>18,353</b>	<b>12.1</b>	<b>Consolidated</b>	<b>59,465</b>	<b>53,565</b>	<b>11.0</b>

Note: Figures expressed in millions of pesos. Consolidated results exclude inter-company transactions.

### Mexico

Net sales rose 11.2% in the quarter to Ps. 14.1 billion, mainly reflecting higher average prices and successful new product launches. The cookie, salty snacks, dry goods, tortilla and tostada categories registered the greatest sales growth in the quarter, while the convenience store channel remained the fastest growing in the period. On a cumulative basis, sales in Mexico increased 10.4%, reflecting higher average product prices, new product launches and stable volumes.

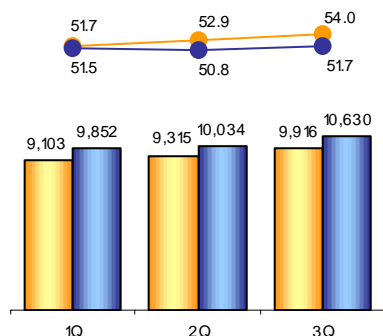
### United States

Net sales registered a 4.0% increase in the quarter, and 4.2% for the first nine months of the year in peso terms, while dollar sales increased 10.0% and 8.6%, respectively. Performance in the quarter benefited from several pricing actions taken over the past 12 months. The Oroweat, Thomas' and Mrs. Baird's brands grew most significantly, while the Hispanic brands outperformed on a volume basis. Sales growth for the first nine months was driven by higher average prices, greater penetration of Hispanic brands, and growth among national retailers.

### Latin America

Net sales rose a strong 32.9% in the quarter, and 30.6% on a cumulative basis, with gains registered across the region as a result of the integration of new operations, volume growth, higher average product prices and new product launches. Performance was strongest in Argentina, Brazil, Colombia and Uruguay. Excluding acquisitions, sales growth in the third quarter and nine months would have been 17.5% and 17.9%, respectively.

### Gross Profit



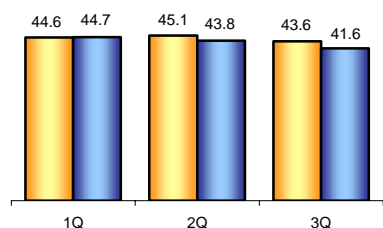
### Gross Profit

Significant escalation mainly in the price of wheat flour, particularly in the first two months of the quarter, led raw material costs to rise at nearly double the rate of sales. However, indirect production and labor costs declined in every region. As a result, gross margin in the quarter declined by 2.3 percentage points, to 51.7%. The impact on a cumulative basis was somewhat lesser; the margin declined 1.6 percentage points to 51.3%, due to a combination of a more efficient sales mix and higher average prices, as well as lower indirect and labor costs as a proportion of sales compared to the first nine months of 2007.

3T08	3T07	Change pp	Gross Margin (%)	9M08	9M07	Change pp
54.0	56.4	(2.4)	Mexico	53.5	54.7	(1.2)
44.7	46.3	(1.6)	United States	44.2	46.4	(2.2)
42.3	43.5	(1.2)	Latin America	42.4	44.4	(2.0)
<b>51.7</b>	<b>54.0</b>	<b>(2.3)</b>	<b>Consolidated</b>	<b>51.3</b>	<b>52.9</b>	<b>(1.6)</b>

Note: Consolidated results exclude inter-company transactions.

### Operating Expenses (% of net sales)



### Operating Expenses

Operating expenses, as a percentage of sales, declined 2.0 percentage points to 41.6% in the quarter as a result of the Company's significant efforts to contain distribution and administrative expenses. Every region successfully reduced operating expenses as a percentage of sales, despite the continued expansion of the distribution network in the U.S. and Latin America, as well as the integration of new acquisitions in the latter. Similarly, on a cumulative basis, operating expenses registered a year-over-year decline of 1.1 percentage points, to 43.3%.

### Operating Income

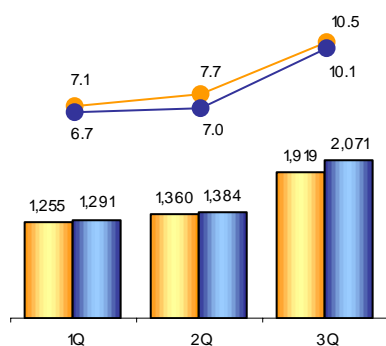
Operating income rose 7.9% in the quarter as a result of gains in every region. Higher average product prices and the important containment of costs and expenses helped to offset some pressure from higher raw material prices, which limited the decline in operating margin to only 0.4 percentage points, to 10.1%. On a cumulative basis, operating income rose 4.7%, while the margin declined by 0.5 percentage points, to 8.0%.

3T08	3T07	% Change	Operating Income	9M08	9M07	% Change
1,940	1,788	8.5	Mexico	4,470	4,134	8.1
63	47	34.0	United States	44	197	(77.5)
103	85	22.4	Latin America	253	203	24.4
<b>2,071</b>	<b>1,919</b>	<b>7.9</b>	<b>Consolidated</b>	<b>4,747</b>	<b>4,534</b>	<b>4.7</b>

Note: Figures expressed in millions of pesos. Consolidated results exclude inter-company transactions.



### Operating Income



On a regional basis, the margin in Mexico registered a 0.3 percentage point decline in the quarter and nine months, as a result of higher year-over-year costs for raw materials, mainly wheat flour, which could not be fully offset by the strict cost and expense controls, pricing actions or the decline in the cost of certain raw materials over the period.

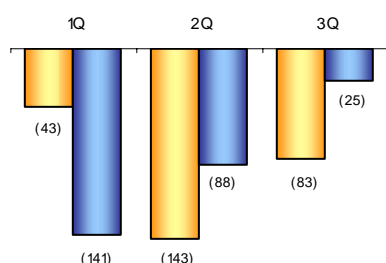
In the United States, however, the return to profitability this quarter at a level that exceeded even last year's performance was driven by the double-digit rise in operating income, a better sales mix, and the important reduction in operating expenses on a percentage basis. The 0.3 percentage point expansion in the margin, to 1.5%, during the recent three month period helped minimize the erosion from the second quarter that resulted from cost escalation.

The margin in Latin America declined in the quarter and nine months by 0.4 and 0.2 percentage points, respectively, due to marked increases in key raw material prices. Performance in countries such as Argentina, Brazil and Colombia, however, generated important margin gains. It is important to highlight that, despite the margin contraction, Latin America achieved the highest operating income in its history during the quarter.

3T08	3T07	Change pp	Operating Margin (%)	9M08	9M07	Change pp
13.8	14.1	(0.3)	Mexico	11.0	11.3	(0.3)
1.5	1.2	0.3	United States	0.3	1.6	(1.3)
3.8	4.2	(0.4)	Latin America	3.4	3.6	(0.2)
<b>10.1</b>	<b>10.5</b>	<b>(0.4)</b>	<b>Consolidated</b>	<b>8.0</b>	<b>8.5</b>	<b>(0.5)</b>

Note: Consolidated results exclude inter-company transactions.

### Comprehensive Financing Result



### Comprehensive Financing Result

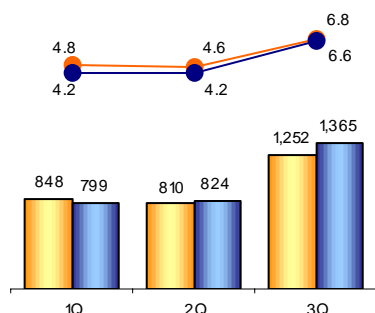
On a cumulative basis, comprehensive financing costs declined 5.6%, to Ps. 254 million, mainly as a result of: i) the lower interest expense related to the lower average debt level when compared to last year, and the benefit from the interest rate swaps linked to the current debt; and ii) the positive effect of the financial FX derivative instruments obtained in order to hedge the Company's regular operations.

### Net Majority Income

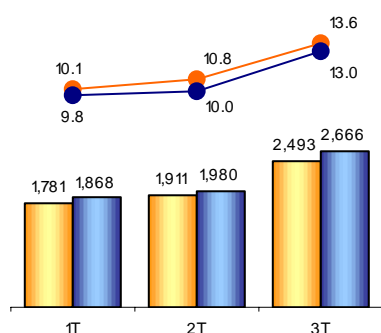
Net majority income totaled Ps. 1.4 billion in the third quarter, a 9.0% increase from the year ago period, while net margin declined by only 0.2 percentage points, to 6.6%, as a result of pressure on the gross margin. On a cumulative basis, net income rose 2.7% to Ps. 3.0 billion, with a 0.4 percentage point decline in the margin to 5.0%.



### Net Majority Income



### EBITDA



3T08	3T07	Change pp	Net Majority Margin (%)	9M08	9M07	Change pp
6.6	6.8	(0.2)	Consolidated	5.0	5.4	(0.4)

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

In the quarter, EBITDA margin declined by 0.6 percentage points to 13.0% as a result of the lower operating margin, while EBITDA rose 7.0% to Ps. 2.7 billion. In the first nine months of the year, EBITDA margin declined 0.5 percentage points to 11.0%, while EBITDA rose 5.3%.

3T08	3T07	% Change	EBITDA	9M08	9M07	% Change
2,351	2,183	7.7	Mexico	5,699	5,287	7.8
147	132	10.8	United States	296	448	(33.8)
204	178	14.5	Latin America	539	449	20.1
<b>2,666</b>	<b>2,493</b>	<b>7.0</b>	<b>Consolidated</b>	<b>6,515</b>	<b>6,184</b>	<b>5.3</b>

Note: Figures expressed in millions of pesos. Consolidated results exclude inter-company transactions.

3T08	3T07	Change pp	EBITDA Margin (%)	9M08	9M07	Change pp
16.7	17.2	(0.5)	Mexico	14.1	14.4	(0.3)
3.5	3.3	0.2	United States	2.3	3.6	(1.3)
7.5	8.8	(1.3)	Latin America	7.2	7.9	(0.7)
<b>13.0</b>	<b>13.6</b>	<b>(0.6)</b>	<b>Consolidated</b>	<b>11.0</b>	<b>11.5</b>	<b>(0.5)</b>

Note: Consolidated results exclude inter-company transactions.

### Financial Structure

As of September 30, 2008, the Company's cash position was Ps. 6.6 billion, compared to the Ps. 3.9 billion registered in the third quarter of 2007. The increase is mainly due to the drawdown in July 2008 of the remaining US\$475 million of a US\$600 million committed revolving credit facility that the Company contracted in June 2004. This decision took place in advance of: i) the maturity of the fourth issuance of a local bond in the amount of Ps. 1.9 billion; ii) the acquisition pipeline at the time of the drawdown, which included the final stage of the restructuring process of Fargo in Argentina; and iii) conditions in the financial markets since that date.

Net debt was Ps. 2.7 billion, 35.0% higher than in September of 2007, while the net debt to stockholders' equity ratio was 0.09 times, compared to 0.07 times in the year ago period.



## Recent Events

On October 10, 2008, the Company announced the following:

“Grupo Bimbo announced to investors that the sole purpose of its Derivatives Policy is to minimize the volatility and provide greater certainty for the Company’s results, thus its objectives are exclusively for hedging, and not speculation.

Given the high level of volatility and uncertainty in the global financial markets, Grupo Bimbo believes it is appropriate to report that as of today, the fair market value (mark-to-market) of its financial derivatives is a positive gain of close to \$300 million pesos.”

## 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 80 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 36,500 routes and 96,000 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		2007						2008											
		1Q	%	2Q	%	3Q	%	4Q	%	ACCUM	%	1Q	%	2Q	%	3Q	%	ACCUM	%
MILLIONS OF CONSTANT MEXICAN PESOS AS OF SEPTEMBER 30 <sup>th</sup> , 2008																			
<b>NET SALES</b>		17,592	100.0	17,620	100.0	18,353	100.0	19,063	100.0	72,628	100.0	19,132	100.0	19,766	100.0	20,567	100.0	59,465	100.0
<b>MEXICO</b>		11,995	68.2	12,018	68.2	12,659	69.0	13,050	68.5	49,722	68.5	13,083	68.4	13,316	67.4	14,076	68.4	40,474	68.1
<b>UNITED STATES</b>		4,142	23.5	4,129	23.4	4,069	22.2	4,224	22.2	16,565	22.8	4,328	22.6	4,294	21.7	4,234	20.6	12,856	21.6
<b>LATIN AMERICA</b>		1,802	10.2	1,878	10.7	2,031	11.1	2,215	11.6	7,925	10.9	2,144	11.2	2,619	13.2	2,698	13.1	7,461	12.5
<b>COST OF GOODS SOLD</b>		8,489	48.3	8,305	47.1	8,437	46.0	9,014	47.3	34,245	47.2	9,280	48.5	9,732	49.2	9,937	48.3	28,949	48.7
<b>GROSS PROFIT</b>		9,103	51.7	9,315	52.9	9,916	54.0	10,049	52.7	38,382	52.8	9,852	51.5	10,034	50.8	10,630	51.7	30,515	51.3
<b>MEXICO</b>		6,372	53.1	6,560	54.6	7,146	56.4	7,207	55.2	27,285	54.9	6,974	53.3	7,094	53.3	7,596	54.0	21,664	53.5
<b>UNITED STATES</b>		1,922	46.4	1,914	46.4	1,886	46.3	1,901	45.0	7,623	46.0	1,937	44.8	1,854	43.2	1,891	44.7	5,682	44.2
<b>LATIN AMERICA</b>		809	44.9	841	44.8	884	43.5	941	42.5	3,475	43.8	941	43.9	1,085	41.4	1,141	42.3	3,167	42.4
<b>OPERATING EXPENSES</b>		7,848	44.6	7,955	45.1	7,996	43.6	8,067	42.3	31,866	43.9	8,560	44.7	8,650	43.8	8,559	41.6	25,768	43.3
<b>OPERATING PROFIT</b>		1,255	7.1	1,360	7.7	1,919	10.5	1,982	10.4	6,516	9.0	1,291	6.7	1,384	7.0	2,071	10.1	4,747	8.0
<b>MEXICO</b>		1,133	9.4	1,213	10.1	1,788	14.1	1,836	14.1	5,970	12.0	1,180	9.0	1,350	10.1	1,940	13.8	4,470	11.0
<b>UNITED STATES</b>		63	1.5	87	2.1	47	1.2	9	0.2	206	1.2	17	0.4	(35)	(0.8)	63	1.5	44	0.3
<b>LATIN AMERICA</b>		58	3.2	60	3.2	85	4.2	96	4.3	299	3.8	94	4.4	55	2.1	103	3.8	253	3.4
<b>OTHER (EXPENSES) INCOME NET</b>		(37)	(0.2)	(67)	(0.4)	(68)	(0.4)	(230)	(1.2)	(402)	(0.6)	5	0.0	(121)	(0.6)	(166)	(0.8)	(283)	(0.5)
<b>COMPREHENSIVE FINANCING RESULT</b>		(43)	(0.2)	(143)	(0.8)	(83)	(0.4)	36	0.2	(232)	(0.3)	(141)	(0.7)	(88)	(0.4)	(25)	(0.1)	(254)	(0.4)
<b>INTEREST PAID (NET)</b>		(159)	(0.9)	(106)	(0.6)	(97)	(0.5)	(91)	(0.5)	(453)	(0.6)	(110)	(0.6)	(61)	(0.3)	(86)	(0.5)	(257)	(0.4)
<b>EXCHANGE (GAIN) LOSS</b>		1	0.0	(50)	(0.3)	(40)	(0.2)	(28)	(0.1)	(116)	(0.2)	(31)	(0.2)	(53)	(0.3)	37	0.2	(48)	(0.1)
<b>MONETARY (GAIN) LOSS</b>		115	0.7	13	0.1	54	0.3	155	0.8	337	0.5	(0)	(0.0)	26	0.1	24	0.1	51	0.1
<b>EQUITY IN RESULTS OF ASSOCIATED COMPANIES</b>		4	0.0	12	0.1	25	0.1	22	0.1	63	0.1	(4)	(0.0)	10	0.1	26	0.1	32	0.1
<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>		1,179	6.7	1,162	6.6	1,793	9.8	1,811	9.5	5,944	8.2	1,151	6.0	1,185	6.0	1,906	9.3	4,242	7.1
<b>INCOME TAXES</b>		315	1.8	332	1.9	509	2.8	777	4.1	1,932	2.7	329	1.7	345	1.7	505	2.5	1,178	2.0
<b>PROFIT BEFORE DISCONTINUED OPERATIONS</b>		864	4.9	830	4.7	1,284	7.0	1,034	5.4	4,012	5.5	822	4.3	840	4.2	1,401	6.8	3,064	5.2
<b>NET MINORITY INCOME</b>		16	0.1	20	0.1	32	0.2	34	0.2	103	0.1	23	0.1	17	0.1	37	0.2	77	0.1
<b>NET MAJORITY INCOME</b>		848	4.8	810	4.6	1,252	6.8	1,000	5.2	3,909	5.4	799	4.2	824	4.2	1,365	6.6	2,987	5.0
<b>EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>		1,781	10.1	1,911	10.8	2,493	13.6	2,580	13.5	8,764	12.1	1,868	9.8	1,980	10.0	2,666	13.0	6,515	11.0
<b>MEXICO</b>		1,505	12.5	1,600	13.3	2,183	17.2	2,240	17.2	7,527	15.1	1,588	12.1	1,760	13.2	2,351	16.7	5,699	14.1
<b>UNITED STATES</b>		144	3.5	171	4.1	132	3.3	112	2.6	560	3.4	103	2.4	47	1.1	147	3.5	296	2.3
<b>LATIN AMERICA</b>		131	7.3	140	7.5	178	8.8	187	8.4	636	8.0	177	8.3	159	6.1	204	7.5	539	7.2



<b>BALANCE SHEET</b>	<b>2007</b>	<b>2008</b>	<b>%</b>
MILLIONS OF CONSTANT MEXICAN PESOS AS OF SEPTEMBER 30th, 2008			<b>Change</b>
<b>TOTAL ASSETS</b>	<b>44,238</b>	<b>52,547</b>	<b>18.8</b>
<b>MEXICO</b>	26,940	31,261	16.0
<b>UNITED STATES</b>	11,295	11,668	3.3
<b>LATIN AMERICA</b>	6,003	9,618	60.2
<b>CURRENT ASSETS</b>	11,059	15,937	44.1
<b>PROPERTY, PLANT AND EQUIPMENT NET</b>	22,780	24,081	5.7
<b>TOTAL LIABILITIES</b>	<b>17,054</b>	<b>21,998</b>	<b>29.0</b>
<b>SHORT TERM BANK LOANS</b>	2,304	1,919	(16.7)
<b>LONG TERM BANK LOANS</b>	3,530	7,385	109.2
<b>STOCKHOLDERS' EQUITY</b>	<b>27,184</b>	<b>30,550</b>	<b>12.4</b>

<b>STATE OF CASH FLOW</b>	<b>2008</b>	
<b>INDIRECT METHOD</b>	<b>JUNE</b>	<b>SEPT</b>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>2,326</b>	<b>4,242</b>
+ (-) ITEMS NOT REQUIRING CASH	280	26
+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	1,172	1,768
+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	(121)	306
<b>CASH FLOW BEFORE INCOME TAX</b>	<b>3,658</b>	<b>6,342</b>
CASH FLOW PROVIDED OR USED IN OPERATION	(334)	(1,353)
<b>NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES</b>	<b>3,323</b>	<b>4,989</b>
NET CASH FLOW FROM INVESTING ACTIVITIES	(4,206)	(4,750)
<b>FINANCING ACTIVITIES</b>	<b>(883)</b>	<b>239</b>
NET CASH FLOW FROM FINANCING ACTIVITIES	(615)	2,299
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,498)</b>	<b>2,538</b>
<b>TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS</b>	<b>(28)</b>	<b>101</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	4,006	3,928
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,480</b>	<b>6,567</b>