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GRUPO BIMBO ACQUIRES GEORGE WESTON'S WESTERN U.S. BAKING BUSINESS

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Grupo Bimbo, S.A. de C.V. ("Grupo Bimbo") (BMV:BIMBOA), announced today that it has reached an agreement to acquire the Western U.S. baking business (the "Business") of George Weston Ltd. ("Weston") for a total purchase price of US\$ 610 million, providing Grupo Bimbo with access to premium brands and products such as Oroweat bread and buns, Entenmann's sweet baked goods, Thomas' English muffins and bagels and Boboli pizza breads. Under the terms of the agreement, Grupo Bimbo will acquire, among other assets, the Oroweat brand, five bakeries in Texas, Colorado, California and Oregon and a direct-store distribution system with approximately 1,300 routes. In addition, Grupo Bimbo will acquire full rights relating to products under the Entenmann's brand in the Western United States and distribution rights for the Thomas' and Boboli brands in the same region.

The Business had sales of \$620 million and earnings before interest, taxes, depreciation and amortization (EBITDA) of US\$ 56 million in fiscal 2001.

This acquisition is consistent with Grupo Bimbo's strategy of building a leading baking business in the United States and will strengthen the Group's position in key markets such as California and Texas. Additionally, the highly complementary portfolio of premium baked goods of the Business will double Grupo Bimbo's existing revenues in the U.S. market and provide access to a population of approximately 120 million people.

The acquisition of the Business provides Grupo Bimbo with the following key strategic benefits:

- The Oroweat premium brand represents a unique addition to Grupo Bimbo's existing bread and tortilla product lines, providing customers with a full line of fresh high quality products. Furthermore, this transaction provides Grupo Bimbo the opportunity to offer its customers some of the most successful national U.S. brands in the industry, including, among others, Thomas' English muffins and bagels, Entenmann's sweet goods and Boboli pizza breads.
- Grupo Bimbo will have the opportunity to increase the business' customer base through improved channel penetration, leveraging the relationships and know-how of both organizations in distribution and marketing.





- The Business operates a state-of-the-art direct-store-distribution system with approximately 1,300 routes. The economies of scale achieved by the combined delivery systems will increase the utilization of routes and depots, improving efficiency.
- Grupo Bimbo will be able to consolidate the combined manufacturing capability and optimize the production network.

As a result of this acquisition, Grupo Bimbo expects to achieve annual synergies of approximately \$20 million for the next two years. Furthermore, the purchase price includes approximately US\$ 90 million of present value of the tax benefits to be derived from amortization of goodwill resulting from the acquisition.

Roberto Servitje, Chairman of the Board, stated: "It has been deeply satisfying to achieve this acquisition as it will allow us to reach a goal we sought for many years: to have an important presence in the U.S. market.

With 30% of our sales coming from the U.S. and the ability to serve more than half of its population, we are confident that this represents a strong consolidation of our operations in the international markets."

Daniel Servitje, Chief Executive Officer, stated: "This acquisition fits perfectly with our vision of creating a pre-eminent baking business in the United States. We are acquiring a unique franchise in the baking industry, very complementary with our existing operations from a brand, product, channel and geographic perspective. In addition to adding such a strong portfolio of brands, we are also very excited with the excellent team that comes with the Business, and are very confident that the combined management skills and assets represent a formidable platform for sustained growth and profitability, as well as consolidate our position as one of the leading players in the bakery industry worldwide."

The transaction, which is subject to customary closing conditions including antitrust approval, is expected to close during the first half of 2002.

Goldman Sachs & Co. acted as exclusive financial advisor to Grupo Bimbo and White & Case LLP as exclusive legal advisor.

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Grupo Bimbo is one of the largest baking companies in the world in terms of production and sales volumes. As market leader in Mexico and Latin America, the company has more than 70 plants and distributors strategically located in 16 countries throughout the Americas and Europe, with over 62,000 employees and more than 750 products. Sales in 2000 totaled US \$3.3 billion. Grupo Bimbo's shares have been trading on the Mexican Stock Exchange since 1980 under the ticker symbol BIMBOA.

Note on Forward-Looking Statements

This announcement contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of the safe-harbor provisions of the US federal securities laws. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Grupo Bimbo's ability to control or estimate precisely, such as future market conditions, the behavior of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Grupo Bimbo does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release.

