



Nourishing a **BETTER WORLD**

2017 Integrated Annual Report Summary



About Us

We are the largest baking company in the world¹ and a key participant in snacks, generating US \$14.1 billion² in net sales in 2017. Our main product lines include fresh and frozen sliced bread, buns, cookies, snack cakes, English muffins, bagels, pre-packaged foods, tortillas, salted snacks and confectionery products, among others, in 32 countries throughout the Americas, Europe, Asia and Africa. Our shares trade on the Mexican Stock Exchange (BMV) under the ticker symbol BIMBO, and in the over-the-counter market in the United States with a Level 1 ADR, under the ticker symbol BMBOY.

¹ Source: IBISWorld Global

² Based on an average FX rate of Ps. 18.94 in 2017

Nourishing a Better World

This is our slogan. For **72 years**, we have provided **high-quality products to consumers** as part of our mission to provide delicious and nutritious baked goods and snacks in the hands of all.





“We have a firm conviction to develop actions to encourage healthy habits”

Alfred Penny, President of Bimbo Bakeries USA



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In Memoriam

**“We should see our
as a mission, a pa
and an **adventure**”**

Don Lorenzo Servitje, founder of Grupo Bimbo
1918-2017

**daily work
ssion**



2017 Highlights

Strong sales growth supported by solid organic performance and acquisitions

Set a record of the number of clients served, reaching more than 3 million points of sale

Entered 10 new countries, significantly enhancing our global profile

Accessed capital, strengthening our debt profile by increasing the average tenor to 11.4 years

4% decrease of diesel consumption for primary transportation vs. 2016, accumulating 31% in the last 7 years

47% of our product portfolio is in the Best & Better categories*

1st place in Merco's ranking, as the most responsible company in Mexico, since 2014

*According to Grupo Bimbo's Nutritional Profiling System (Calculation based on products that represent 80% total sales + new launches)

Acquired East Balt Bakeries, Bays Foods, Adghal Group, Ready Roti and Stonemill Bakehouse, **diversifying and broadening our leadership in the baking industry**



Snaps Sea Salt
Air-popped popcorn without preservatives, artificial colors or trans fats



Key figures

Economic and financial

(millions of Mexican pesos)

Net sales 267,515 6.1% increase	Operating income 17,472 3.4% decrease	Adjusted EBITDA 27,288 6.9% decrease	Net majority income 4,630 21.5% decrease	Market capitalization 204,636
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Environmental

1,569,252 Direct (Scope 1,2,3) CO ₂ e emissions (Ton) 1% reduction vs. 2016	303,050 (Ton) total waste 92% recycling	4,886,204 m³ water consumption 18% reduction vs. 2009
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Social

+ 138,000 Total associates worldwide	1.96 Accident rate 15% decrease vs. 2016 400 fewer accidents	\$123 in Donations (millions of pesos)
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Gansito
#1 cake in its category



Grupo Bimbo Today

We are the largest baking Company in the world with presence in **32 countries**.

“Integrity should not only be seen as compliance with the law, rules and procedures; it goes beyond that, it is part of our culture.”

Daniel Servitje, Chairman & CEO

EBITDA: Earnings before interests, taxes, depreciation, amortization and other non-cash items



Our footprint

 **196**
plants

 **+58,000**
routes

 **+3.0 m**
points of sale

Our Brands

We have developed more than 100 enduring and meaningful brands with top of mind awareness in the markets where we operate.



Source: Internal information on estimated retail sales by brand during the last 12 months as of September 30, 2017

“We strive to maintain **an emotional bond with our consumers and to develop customer loyalty** through our brands”

Gabino Gómez, Executive VP

Our products hold a strong leadership position across markets

We develop and offer products with superior quality that nourish and delight our consumers, provide clear information on the nutritional profiles of our products and promote health and wellness initiatives that encourage healthy lifestyles.



Sliced bread

USA	Canada	Mexico	Latin America	EAA
#1	#2	#1	#1	#1 ⁽⁴⁾



Buns and rolls

USA	Canada	Mexico	Latin America	EAA
#1	#1	#1	#1	#1 ⁽⁵⁾



Bagels

USA	Canada	Mexico	Latin America	EAA
#1	#1	•	—	#1 ⁽⁷⁾



English Muffins

USA #1	Canada #1	Mexico •	Latin America —	EAA —
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Cookies

USA •	Canada •	Mexico #2	Latin America •	EAA —
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Cakes

USA #2	Canada #1	Mexico #1	Latin America #1 ⁽¹⁾	EAA #2
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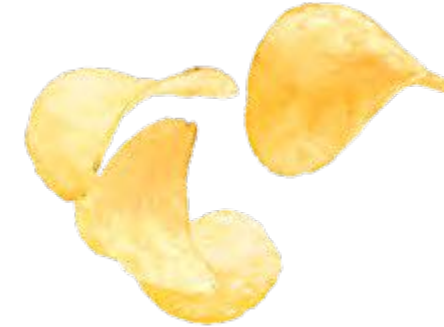
Pastries

USA #2	Canada •	Mexico #1	Latin America #2 ⁽²⁾	EAA #1 ⁽⁶⁾
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Tortillas

USA •	Canada #1	Mexico #1	Latin America #1	EAA •
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Salty Snacks

USA •	Canada •	Mexico #2	Latin America •	EAA •
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Confectionery

USA •	Canada —	Mexico #1	Latin America •	EAA —
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— Not applicable

• GB market share not within top 2

#1 or #2 GB Market share position

(1) Excludes Ecuador and Peru, where GB is #2. (2) Excludes Peru, where GB is #1. (3) Market share position for the countries where GB participates in each category.

(4) Excludes China and India. (5) Excludes U.K., Portugal (GB #2) and India. (6) Excludes China, Morocco and U.K. (7) Only in the U.K.

Source: Nielsen, IRI and Company Information

Letter from the Chairman & CEO

Dear shareholders:

2017 was **a transition year** in terms of reinvestment and restructuring to create long-term value and drive profitability.

The year was marked by several challenging circumstances, including a difficult global economic and political environment and the severe natural disasters we experienced in some of our geographies. Internally, we also faced the restructuring of our Frozen business, as well as operational issues in our U.K. and Chinese markets.

However, **this year's milestones** make me feel very proud of Grupo Bimbo. Here is a snapshot:

- ▶ We captured strategic opportunities to enter ten new countries, through the acquisitions of: Ready Roti in India, a dynamic and growing market; Adghal Group in Morocco; and most recently East Balt Bakeries, now Bimbo QSR, which gives us a leading position within the high-growth QSR business, enabling us to serve customers and quick-service restaurants in a new way.
- ▶ We also completed two small but strategic acquisitions in the markets where we currently operate: Stonemill in Canada and Bays English Muffins in the United States.
- ▶ In addition to this, we set a record for the number of customers served on a frequent and regular basis through our DSD system, with more than three million points of sale reached globally.
- ▶ We have always believed in investing for a brighter future; 2017 was no exception, we worked on a deep industrial

transformation, having successfully integrated 32 plants into our manufacturing footprint and closed ten, resulting in the creation of a lean and efficient foundation for our supply chain.

- ▶ On the road to our 2020 Vision, we created the Global Transformation Office to accelerate our ten strategic initiatives. In the meanwhile, we launched our business accelerator, ELEVA, which offers funding, mentoring and potential commercial alliances to promising startups. This new venture multiplies our possibilities for success in the search for innovation in products and processes.
- ▶ Having said so, all these initiatives were aimed at **driving profitability** for the long run. Among our more than US\$680 million investment in CAPEX, we started up a LEED Gold certified plant in Bogotá and another one in Tepeji del Río, Mexico.
- ▶ We invested US \$70 million in the integration of Donuts Iberia in Europe, which has been a complex process but is already yielding positive results. Similarly, the investments in migrating to a new enterprise technology brought more visibility, improved analytics, and a leap forward for our planning, execution and reporting capabilities.
- ▶ During the year, the deployment of zero base budgeting generated approximately \$160 million dollars in savings.

- ▶ Given the current situation in Venezuela, we changed our accounting method for this operation's financial results to a Fair Value basis, while continuing to serve this market the best we can.
- ▶ We accessed capital, supporting our strategy to drive the expansion of Grupo Bimbo's industry leadership, while enhancing our financial profile by increasing the average tenor of our debt to 11.4 years and maintaining health and flexibility in our balance sheet.
- ▶ These would not have happened without **taking care of our people, our communities and our environment**. For example, our Safety Incident Rate improved by 15%, with a reduction of 400 accidents.
- ▶ As part of our **sustainability** strategy we created a department to focus our efforts on renewable energies. In addition, even with our acquisition-driven growth in the year, we managed to maintain stable environmental performance across our plants.
- ▶ We continue to remain strongly committed to the ten principles of the UN Global Compact, as well as to the 17 UN Sustainable development goals.

Although the economic and political outlook for 2018 is uncertain, I am excited for the path ahead, and feel confident about our future growth in the marketplace, and our prospects for increased profitability and financial health.

I anticipate a strong year towards our Vision of *transforming the baking industry and expanding our global leadership to better serve more consumers*.

DANIEL SERVITJE
Chairman and CEO





Nourishing a Better World

OUR CULTURE IS SUPPORTED BY OUR MISSION, VISION, PURPOSE AND BELIEFS. WE ARE MOTIVATED TO BE AN ETHICAL, INNOVATIVE AND PRODUCTIVE COMPANY.

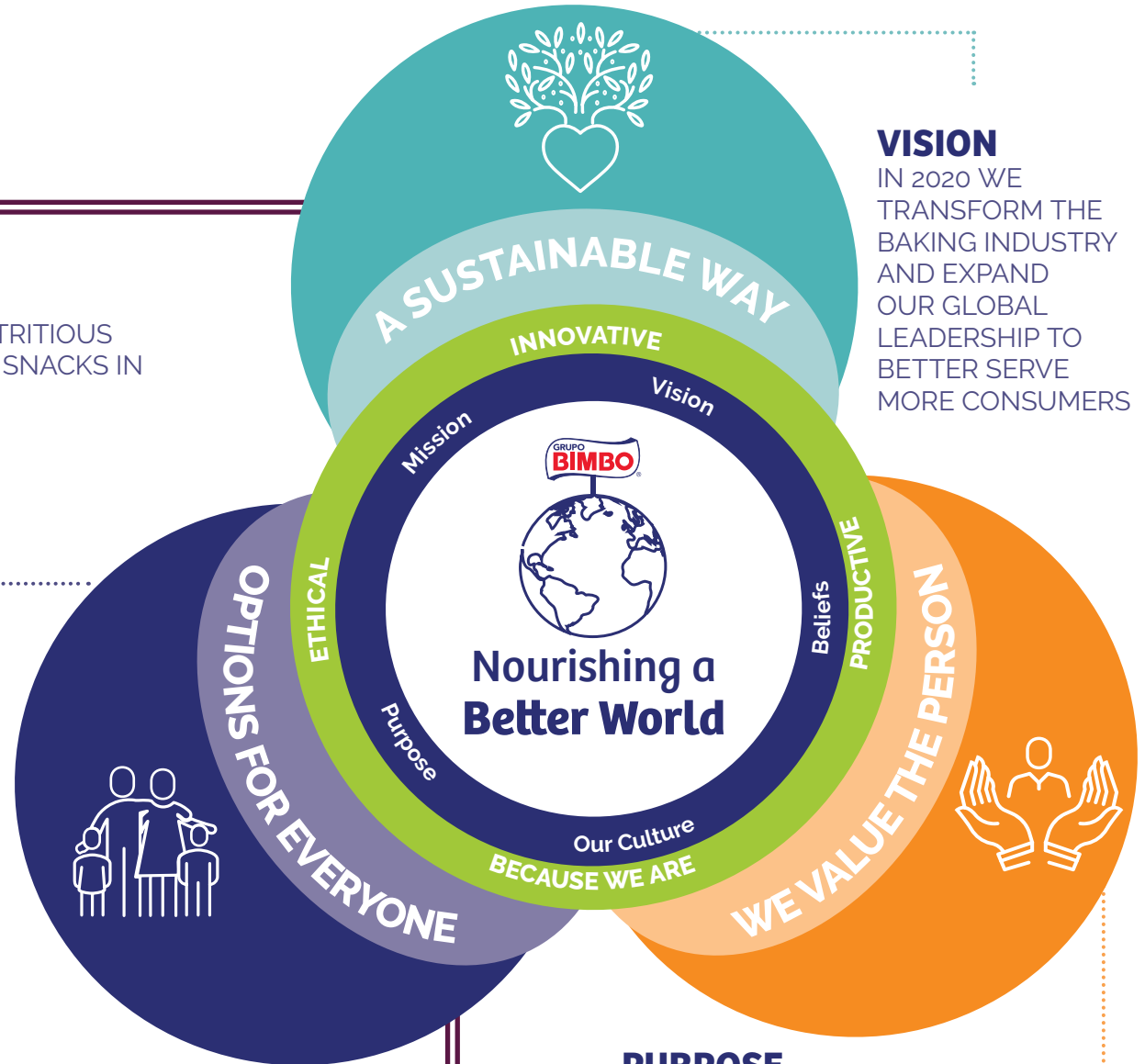
Thomas' Bagels
Is one of the Top 100 brands in the U.S.



MISSION
DELICIOUS AND NUTRITIOUS BAKED GOODS AND SNACKS IN THE HANDS OF ALL

“Digitizing processes, with agile methodologies, highly engaged and talented teams, to build a sustainable, highly productive and deeply humane company”

Raúl Obregón Servitje,
Chief Transformation Officer





We Walk a Sustainable Way

We generate economic development, wellbeing for the communities and care for the environment.

With Options for Everyone

Our products are made with superior quality that nourishes and delights. We promote healthy lifestyles.

We Value the Person

We recognize the dignity of the person. We value their talent, experience, knowledge and virtues.



We care for our environment and act in consequence



We work on innovations that prove a sustainable mindset



We value the person and respect human rights



We work to create and promote sustainable communities

As part of our strategy, we have adopted the Sustainable Development Goals to help eradicate poverty, protect the planet and ensure prosperity for all.

With Options for Everyone

Our commitment is to offer products that satisfy our consumer needs, providing clear information on the nutritional profiles while promoting health and wellness initiatives that encourage healthy lifestyles.



Products and Services

- Food Safety

135 plants with GFSI** standards



• Saturated Fats reductions

BBR: **8.4%***
 ELG: **30.8%***
 BMEX: **34.5%***
 LAC: **18.9%***
 BCAN: **23.5%***



• Sugar reductions

BBR: **5.9%***
 BI: **7.8%***



• Sodium reductions

OBL: **9.4%***

BBR: Bimbo Brasil, ELG: El Globo, BMEX: Bimbo México, LAC: Central America, BCAN: Bimbo Canadá, BI: Bimbo Iberia, OBL: Barcel México

Artesano
 Artisanal style bread with only 89 calories per slice



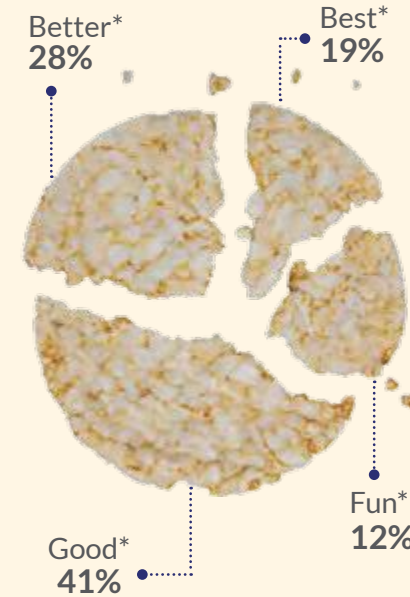
*vs. comercial sales of the organization

**Global Food Safety Initiative (GFSI)



Innovation & Reformulation

Nutrient profile distribution of product portfolio Grupo Bimbo 2017



1,681 SKUs (80% total sales + new launches)

4.4 billion USD (Health & Wellness revenue)

Best + Better = **47%**

Promotion of Healthy Lifestyles



• Futbolito Bimbo tournaments: **134,976** hours of physical activity in Mexico / 48,183 boys and girls



• Global Energy Race: **103,645** runners /37 cities /21 countries/ 26,853 associates, family and friends



Labeling

• **99%** of portfolio with nutritional information

• **100%** regulations compliance



ELEVA

• 1st cycle of ELEVA Food Technology Accelerator completed

Sanissimo Quinoa Rice Cracker
 Is the #1 seller of our rice cake portfolio



“In GB innovation is and will be a priority, **an unlimited source of competitive advantage**”

Rafael Pamias, Executive VP

***BEST**: Represents the highest nutritional quality standard within the products categorization, due to their balance and content. / **BETTER**: Products with good nutritional quality that are part of Grupo Bimbo's portfolio. / **GOOD**: Products that may be consumed in alternate consumption due to their nutritional features. / **FUN**: Products with the lowest score within the products portfolio, which are focused on a specific moment for consumption in our diets

We Care for the Environment

We develop sustainable actions that can reduce our environmental impacts and take care of our resources and the planet for future generations.

Climate Change



Energy Efficiency

- **23,351,759 GJ** Energy consumption / -1% vs. 2016
- **4,222,306 GJ** Diesel consumption from primary transport / -4% vs. 2016 / -31% in the last 7 years



Renewable Energy

- **350 electric vehicles** in circulation + 80 new for 2018
- **185 natural gas vehicles (CNG)**



CO₂e Reduction

- **9 % reduction of CO₂e** from use of LPG in our manufacturing processes



Water Footprint



Consumption

- **18% reduction in water** consumption vs. 2009 in manufacturing processes



Reuse

- **19% Increase** in treatment of residual water vs. 2016

Accumulated increase of 25% in the last 3 years



43 Olympic pools

Waste Management



Reduction

- **2.2 million kg** global reduction in the use of plastic since 2010 with new technologies to reduce the thickness of our packaging

- **30 Plants with 0 waste** to landfill



Recycling

- **92% Total Waste** in manufacturing processes is reused/recycled

Natural Capital (Value Chain)



Responsible sourcing

- Launch of our global "Sustainable Agriculture Policy" for suppliers



Supply Chain

- **95% traceability** achieved for palm oil top suppliers

- **466 from 948 SME suppliers** already in DESEO Program/ 49% advance



Biodiversity

(Reforestamos México)

- **196 ha** restored / 947 ha preserved
- **13,807 volunteers**



"Build to last, build to transform"

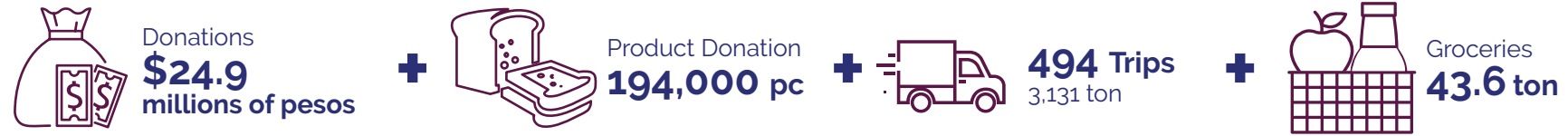
Reynaldo Reyna, Chief Services Officer

We are Active Agents of Community Development



We work in partnership with NGOs to face the challenges of the communities in which we have presence, to give them back some of what we receive from them.

Support to earthquakes relief in Mexico



Natural Disasters



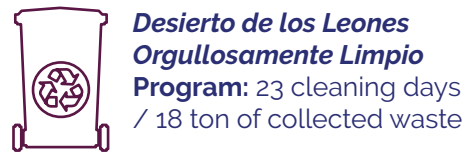
Speak Up Line



Líderes del mañana

We support leadership and academic talent of young family members of our associates, with scholarships from TEC of Monterrey University

Volunteering



“We seek to transcend and endure through sustainable actions that contribute to the development of our associates and the communities where we live and work, committed with long term value creation”

Raúl Argüelles Díaz González, Chief HR and Corporate Affairs Officer. CSO



We Value the Person



We recognize the dignity of the person. We value the talent, experience, knowledge and opinion of our associates.

Respect, Fairness, Trust, and Care is our Golden Rule



“The Company must be a **positive** factor in people’s lives”



Pablo Elizondo, Executive VP



Leading foodservice supplier globally



+138,000
associates worldwide



12
hours of training per women/ 10 per men



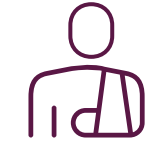
+47,000
hours of “Diversity & Inclusion Seminar”



69%
of women and 72% of men completed their performance review



82% local VP’s worldwide



1.96
incident rate 15% decrease vs. 2016
400 fewer accidents



Launch of “Maternity and Paternity” Policy (Mexico)



Launch of new Global Policies for Temporary and Long-term assignees



Performance Review

NET SALES

Consolidated net sales rose 6.1% in 2017, primarily reflecting organic growth in Mexico and acquisitions including Bimbo QSR, Ready Roti, Adghal Group and Donuts Iberia.

Mexico: 2017 net sales in Mexico rose 10.9%, driven by continued volume gains in every channel, notably the convenience and traditional, as well as price increases slightly below inflation, and a favorable price mix. The sweet baked goods, snacks and confectionery categories outperformed, supported by increased client reach, good performance of Vital and Panditas brands, as well as new product launches like Kracao chocolate, under the Ricolino brand.

North America¹: Net sales increased 1.8% on a cumulative basis primarily due to good performance of the snacks category, strategic brands in the U.S. and the bread category in Canada, to exchange rate benefit, and a 0.4% contribution from the integration of the US operation of Bimbo QSR. Nonetheless, continued pressure in the private label, premium and frozen categories continued to weigh on sales.

Latin America²: Net sales declined 1.7%, affected by the change of accounting method for the Venezuelan operation implemented on June 1, 2017.

Excluding Venezuela, sales increased reflecting volume growth in the Latin South and Latin Centro divisions, notably in Argentina and Colombia; the latter benefited from the new plant that boosted sales for the buns category.

Outperformance in the traditional channel due to ongoing market penetration also contributed to growth in the period.

EAA (Europe, Asia & Africa): Sales in 2017 increased 48%, mainly driven by acquisitions completed during the last twelve months, including Bimbo QSR, Ready Roti, Adghal Group and Donuts Iberia, which contributed with 45% of the cumulative growth. However, organic performance was affected by integration-related delays in Iberia, and production difficulties in a line in the U.K. and the plant in China.

GROSS PROFIT

Cumulative consolidated gross profit increased 4.9%, while the margin contracted 60 basis points to 53.4%. This was due to higher raw material costs in Mexico arising from a stronger US dollar reflecting hedges in place, as well as the impact of the aforementioned slower sales growth in Iberia coupled with a different business mix in this region due to the incorporation of Bimbo QSR. These effects were somewhat offset by commodity favorability in North America and Latin America.

“2017 was an important year for our transformation path, continuous innovation initiatives, our pursuit of the groundwork to boost our profitability going forward and maintain financial flexibility”

Diego Gaxiola Cuevas, Chief Financial Officer

¹ North America region includes operations in the United States and Canada

² Latin America region includes operations in Central and South America



PROFIT BEFORE OTHER INCOME & EXPENSES

Profit before other income & expenses declined 3.9% in the year, while the margin contracted 80 basis points. This was due to a combination of the following factors:



“Takis is now present in 15 countries and became the salty snack corn category **#4**”

- I. The impact of the abovementioned costs pressure in Mexico, which was partially offset by strong volume performance and efficiencies coming from cost reduction initiatives such as zero-base budgeting;
- II. Higher distribution expenses in Canada, related to soft performance in the frozen category and two labor disruptions in Canada, which have been resolved; and
- III. Higher general expenses in Latin America, due to the change of accounting method in Venezuela, an operation that had previously contributed to profitability.

OPERATING INCOME

Operating income declined 3.4% from the prior year, with a 60 basis point contraction in the margin to 6.5%, due to the abovementioned operational pressures in some markets, coupled with higher integration expenses arising from the Donuts Iberia acquisition, as expected, with approximately US\$70 million expensed in 2017. These factors were somewhat offset by:

- I. A slight non-cash benefit in North America, arising from the valuation of the multi-employer pension plans ("MEPPs") liability;



Matcha red bean filling Bread

The only matcha product of Beijing commercial breads

- II. Lower restructuring expenses in North America; and
 - III. A reduction in non-cash charges vs. the prior year.
- In 2017, a Ps. 1,054 million non-cash impairment charge was taken, which was lower compared to the prior year figure.

COMPREHENSIVE FINANCIAL RESULT

Comprehensive Financial Result totaled Ps. 5,755 million in the period, compared to Ps. 4,591 million in the last year, an increase of Ps. 1,164 million, which reflects the impact of the depreciation of the bolivar and a higher loss from the net monetary asset position in Venezuela, as compared to a gain from the net monetary asset position in the same period of last year, as well as higher indebtedness level, derived from recent acquisitions.

NEW MAJORITY INCOME

Net majority income declined 21.5%, with a 60 basis point contraction in the margin to 1.7%, attributable to operating income pressure, higher financing costs and a higher effective tax rate of 52.6%. This tax rate included the following effects:

- I. A one-time non-cash charge of Ps. 706 million arising from the enactment of the Tax Cuts and Jobs Act ("Tax Reform") in the U.S.;
- II. Inflationary effects on the monetary financial positions and nondeductible expenses in Mexico;
- III. The effect of not recognizing deferred tax benefits in some countries; and

- IV. Higher tax rates in some countries, mainly due to improved earnings in the U.S. Earnings per share totaled Ps. 1.0, compared with Ps. 1.3 in 2016.

ADJUSTED EBITDA

Adjusted EBITDA decreased 6.9%, with a margin contraction of 140 basis points to 10.2%. The contraction of North American full year EBITDA margin is the result of a non-recurring 4Q16 inventory adjustment.

FINANCIAL STRUCTURE

Total debt at December 31, 2017 was Ps. 94.3 billion, compared to Ps. 82.5 billion at December 31, 2016. The 14.3% increase was primarily due to the acquisition of Bimbo QSR.

Average debt maturity was 11.4 years with an average cost of 5.2%. Long-term debt comprised 97% of the total; 60% of the debt was denominated in US dollars, 20% in Mexican pesos, 17% in Canadian dollars and 3% in Euros.

The total debt to adjusted EBITDA ratio was 3.5 times compared to 2.8 times at December 31, 2016. The proforma ratio, including Bimbo QSR EBITDA, stood at 3.3 times. The net debt to adjusted EBITDA ratio was 3.2 times compared to 2.6 times at December 31, 2016.

"We work to bring delicious and nutritious food into everyone's hands, with the LOWEST IMPACT, throughout all the stages of our value chain"

Javier González Franco, Executive VP

Board and Management

▶ BOARD OF DIRECTORS

Daniel Javier Servitje Montull, Chairman

José Ignacio Mariscal Torroella
Raúl Carlos Obregón del Corral
Mauricio Jorba Servitje
María Luisa Jorda Castro*
Ricardo Guajardo Touché*
Arturo Manuel Fernández Pérez*
Luis Jorba Servitje
María Isabel Mata Torrallardona
Nicolás Mariscal Servitje
Javier de Pedro Espínola
Ignacio Pérez Lizaur*
Edmundo Miguel Vallejo Venegas*
Jorge Pedro Jaime Sendra Mata
Jaime Chico Pardo
Francisco Laresgoiti Servitje
Jaime A. El Koury*

▶ AUDIT & CORPORATE PRACTICES COMMITTEE

Edmundo Miguel Vallejo Venegas, Chairman

Jaime Antonio El Koury
Arturo Manuel Fernández Pérez
María Luisa Jorda Castro
Ignacio Pérez Lizaur

▶ EVALUATION & RESULTS COMMITTEE

Raúl Carlos Obregón del Corral, Chairman

Nicolás Mariscal Servitje
Luis Jorba Servitje
Edmundo Miguel Vallejo Venegas
Daniel Javier Servitje Montull

▶ FINANCE & PLANNING COMMITTEE

José Ignacio Mariscal Torroella, Chairman

Ricardo Guajardo Touché
Luis Jorba Servitje
Raúl Carlos Obregón del Corral
Daniel Javier Servitje Montull
Javier de Pedro Espínola

For more information about our corporate governance practices, the professional career of the members of the Board of Directors and the executives, as well as a complete description of the responsibilities of each Committee of the Board of Directors, visit our website.

* Independent

Executive Management

Daniel Javier Servitje Montull
Chairman & Chief Executive Officer

Pablo Elizondo Huerta
Executive VP

Javier Augusto González Franco
Executive VP

Gabino Gómez Carbajal
Executive VP

Diego Gaxiola Cuevas
Chief Financial Officer¹

Raúl Argüelles Díaz González
Chief HR and Corporate Affairs Officer

Raúl Obregón Servitje
Chief Transformation Officer²

Reynaldo Reyna Rodríguez
Chief Services Officer

Alfred Penny
President of Bimbo Bakeries USA

Miguel Ángel Espinoza Ramírez
President of Bimbo, S.A. de C.V.

Ricardo Padilla Anguiano
President of Barcel, S.A. de C.V.

Rafael Pamias Romero
Senior VP³



Little Bites

#1 Selling mini muffins:
- Containing no high fructose corn syrup
- Zero grams of trans fat per serving

¹Guillermo Jorge Quiroz Abed / Chief Financial Officer (Jan/17 - Aug/17)

Diego Gaxiola Cuevas / Chief Financial Officer (Aug/17 - Dec/17)

²Raúl Obregón Servitje / Chief Transformation Officer (Mar/17 - Dec/17)

³Rafael Pamias Romero / Senior VP (Nov/17 - Dec/17)

Audit and Corporate Practices Committee Report

Mexico City, March 22, 2018

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

Dear Sirs,

In conformity with the provisions of the Securities Market Act, the corporate charter of this Company and the Regulations of the Audit and Corporate Practices Committee of Grupo Bimbo, S.A.B. de C.V. (the "Group" or the "Company"), I hereby present to you the report of the activities carried out by the Audit and Corporate Practices Committee (the "Committee") during the year ended December 31, 2017. In carrying out our work, we abided by the recommendations established in the Code of Best Corporate Practices.

Based on the previously approved work plan, the Committee met eight times during the year, in which it discussed the issues it is legally obligated to consider and carried out the activities described below:

INTERNAL CONTROLS

With the assistance of both Internal and External Auditors, we verified that management had established general guidelines for internal control, as well as the necessary procedures for their application and enforcement. In addition, we followed up on the remarks and observations made by the external and internal auditors in performance of their duties.

The members of Management responsible for such matters presented us with the plans of action corresponding to the observations resulting from the internal audit, so our contact with them was frequent and their responses satisfactory.

CODE OF ETHICS

With the support of the Internal Audit Department and other areas of the Company, we verified compliance by the associates of the Company with the Group's current Code of Ethics.

We learned of the results and central issues identified in maintaining a hotline for Group associates, and management informed us of the actions taken in those cases.

EXTERNAL AUDIT

The independent auditors that provide these services were the same as in preceding years, and a single firm is responsible for auditing the results of all the operations and countries where Grupo Bimbo has a presence, except for the recent acquisitions performed during 2017 in India and the business denominated Bimbo QSR, where they were supported by other firms, who reported the result of their audits to Deloitte for consolidation purposes within the financial statements of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries.

We approved the fee for these auditing services, including additional fees to account for the growth of the Group and other permitted services. We ensured that these payments did not compromise the independence of that firm.

The external auditors presented their approach and work program and areas of interaction with Grupo Bimbo's Internal Audit department, the Committee approved this presentation.

We maintained direct and close communication with the external auditors, and they informed us on a quarterly basis of the progress of their work and any observations they had; we took note of their comments on the quarterly and annual financial statements. We were promptly informed of their conclusions and reports on the annual financial statements.

In addition, we conducted an evaluation of the services of the external auditing firm for the year 2016 and were promptly informed of the preliminary financial statements.

Finally, during 2017 was carried out the contest process for the election of the external auditor for the period 2018-2022, as well as the election of the Transfer Pricing advisor, where Big 4 firms participated: Deloitte, KPMG, EY y PwC, being EY the one elected to be the external auditor, and PwC the advisor on Transfer Pricing matters.

INTERNAL AUDIT

We reviewed and approved the annual work plan and activities budget for 2017.

In each of this Committee's meetings, we received and approved regular reports on the progress of the approved work plan.

We followed up on the comments and suggestions made by the Internal Audit area, and verified that Management resolved any deviations from the established internal controls, and we therefore consider the status of that system to be reasonably correct.

We authorized an annual training plan for personnel of the area and verified its effectiveness. A number of specialized professional firms participated actively in that plan; to maintain the members with updated information on the appropriate topics.

We reviewed and approved the transformation program to strengthen the Internal Audit Department.

FINANCIAL INFORMATION AND ACCOUNTING POLICIES

We reviewed the quarterly and annual financial statements of the Company together with the parties responsible for their preparation, recommended their approval by the Board of Directors, and authorized their publication. Throughout the process we took into account the opinions and remarks of the external auditors.

To arrive at an opinion on the financial statements, we verified, with the support of the internal and external auditors, that the accounting policies and standards and the information used by management in the preparation of the financial statements was appropriate and sufficient and had been applied in a consistent manner with the prior year, taking into account the changes in International Financial Reporting Standard effective both in that year and the preceding year. As a result, the information presented by Management reasonably reflects the financial position, results of operations and cash flows of the Company.

COMPLIANCE WITH REGULATORY STANDARDS AND LAWS; CONTINGENCIES

With the support of the internal and external auditors, we confirmed the existence and reliability of the controls established by the Company to assure compliance with the various legal provisions to which it is subject, and assured that these were appropriately disclosed in the financial information.

At the close of each quarter, we reviewed the Company's various tax, legal and labor contingencies and confirmed that appropriate procedures were in place and consistently followed, so that Management could identify and address them in an appropriate manner.

The Risks Committee informed us of the methodology it follows to determine and evaluate the risks the group faces, and we verified that the risks were being monitored and mitigated where possible, and that they were considered in the work plans of the Internal Auditors.

Management explained to us the main guidelines that govern the anti-corruption policy, as well as plans for its dissemination and for checking on compliance with that policy, which we found satisfactory.

COMPLIANCE WITH OTHER OBLIGATIONS

We met with Management executives and officers as we considered necessary to remain abreast of the progress of the Company and any material or unusual activities and events.

We obtained information about significant matters that could involve a possible breach of operating policies, the internal control system and policies on accounting records, and we were also informed of corrective measures taken in each case, and found them satisfactory.

We did not find it necessary to request the support or opinion of independent experts, because the issues raised in each meeting were duly supported by the information on hand, and the conclusions reached were satisfactory to Committee members.

TRANSACTIONS WITH RELATED PARTIES

We reviewed and recommended for approval by the Board of each and every related party transaction requiring approval by the Board of Directors for fiscal year 2017, as well as for recurring transactions that are expected to be conducted in fiscal year 2018 that require Board approval.

EVALUATION OF MANAGEMENT

We reviewed and recommended for approval by the Board the designation, evaluation and compensation of the Chief Executive Officer as well as the members Bimbo's Executive Committee in 2017.

In my capacity as Chairman of the Audit and Corporate Practices Committee, I reported regularly to the Board of Directors on the activities conducted within the Committee.

The work that we conducted was duly documented in minutes of each meeting, which were reviewed and approved at the time by the Committee members.

Sincerely,



Edmundo Vallejo Venegas

Chairman of the Audit and Corporate Practices Committee
Grupo Bimbo, S.A.B. de C.V.

Mexico City, March 22, 2018

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

In my capacity as chairman of the Audit and Corporate Practices Committee (the "Committee") of Grupo Bimbo, S.A.B. de C.V. (the "Company"), and in accordance with point e), section II of Article 42 of the Securities Market Act, I hereby present you the opinion of the Committee regarding the content of the report of the Chief Executive Officer regarding the financial situation and results of the Company for the year ended December 31, 2017.

In the opinion of the Committee, the accounting and information policies and criteria followed by the Company and used to prepare the consolidated financial information are appropriate and sufficient, and consistent with international financial reporting standards. Therefore, the consolidated financial information presented by the Chief Executive Officer reasonably reflects the financial situation and results of the Company as of December 31, 2017 and for the year ended on that date.

Sincerely,


Edmundo Vallejo Venegas
 Chairman of the Audit and Corporate Practices Committee
 of Grupo Bimbo, S.A.B. de C.V.





Stakeholder Information



Stock exchange: **Mexican Stock Exchange (BMV)**

BMV Ticker: **BIMBO**

ADR Level 1 Ticker: **BMBOY**

Corporate headquarters: **Corporativo Bimbo, S.A. de C.V.**
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twitter.com/Grupo_Bimbo
facebook.com/GrupoBimbo





2017 Integrated Annual Report Summary

Design and production: **milenio3genera**

This 2017 Integrated Annual report is intended to be a summary document. The company's full annual report, which adheres to the Global Reporting Initiative's G4 guidelines, can be found at: **www.grupobimbo.com**