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# Investor Presentation 2Q13

# Grupo Bimbo



➤ **Global leader** in baking and one of the largest packaged food players

➤ LTM 2Q13 Sales: **USD \$13.6 Bn<sup>1</sup>**

LTM 2Q13 EBITDA: **USD \$1.2 Bn<sup>1</sup>**

➤ Presence in **19 countries**

➤ **+10,000 products** and **+100 brands**

➤ Categories: packaged bread, salted snacks, confectionary, tortillas and packaged food

➤ Market Cap of **USD \$15.3 Bn<sup>2</sup>**

1. LTM figures as of June 30<sup>th</sup>, 2013. Converted to USD using the average LTM rate of \$12.8033

2. As of July 19<sup>th</sup>, 2013



# Broad Asset Base



124,000  
associates



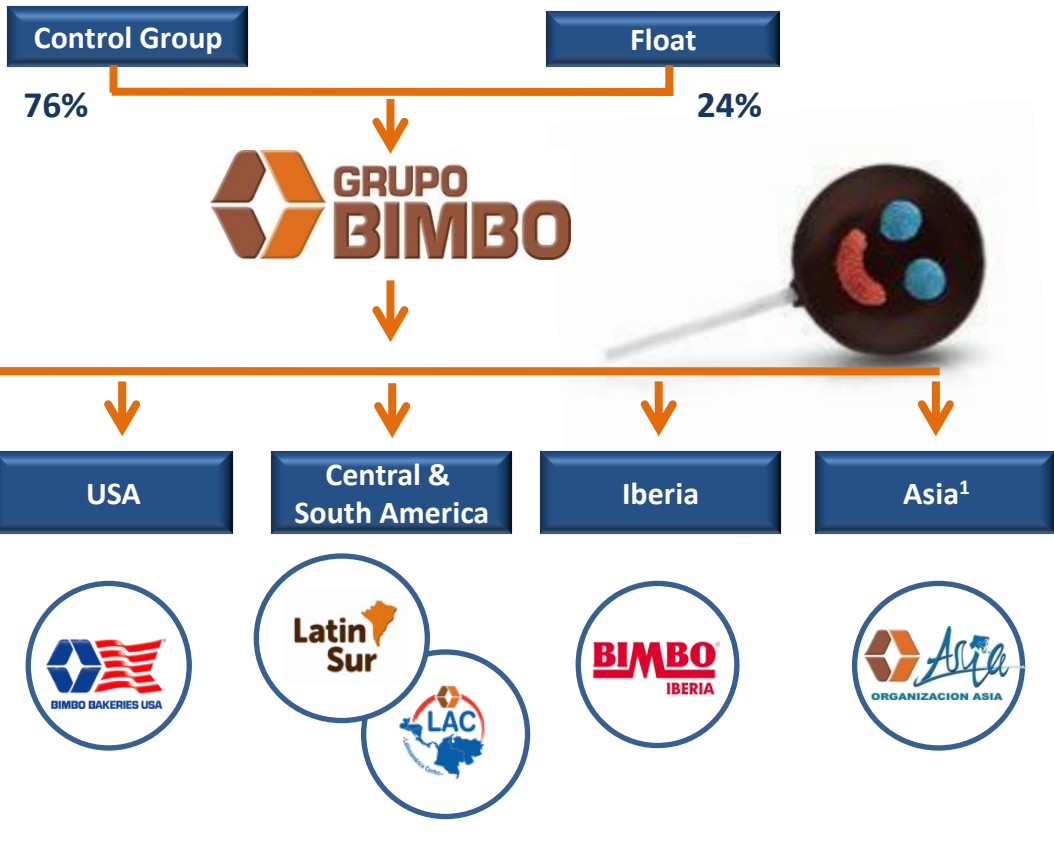
152  
plants



+2.2 MM  
POS



+51,000  
routes



1. Asia's results are included in Mexico

# Globally Present, Locally Committed



**MRS BAIRD'S**  
MAKING FRESH TRADITIONS



*Entenmann's*

*Sara Lee*

*EARTHGRAIN'S*

*Freshbake*



## United States

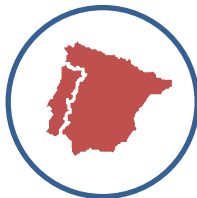
- Leader nationwide
- #1 in premium brands
- #1 in English muffins
- #1 portfolio of Hispanic brands<sup>1</sup>
- Strong regional brands

**BIMBO**

**Silueta**

*Martínez*

**EAGLE**



## Portugal & Spain

- #1 in packaged baked goods
- Leading brands in sweet baked goods and snack categories



**BIMBO**

*Maricela*

**B**  
PARCEL

*Tia Rosa*

*Lara*

**PULLMAN**

*plusVita*

**nutrella**

**FARGO**

*Ang Maria*



## Central & South America<sup>1</sup>

- #1 in packaged baked goods in 14 countries

## Mexico

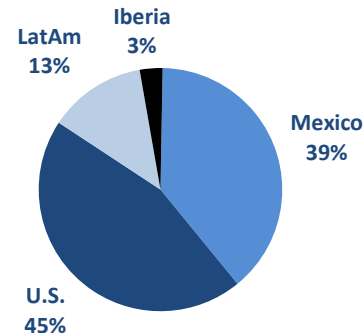
- #1 in packaged baked goods
- #1 in pastry chain
- #2 in cookies and crackers
- #2 in salty snacks
- #2 in confectionary

## China<sup>1</sup>

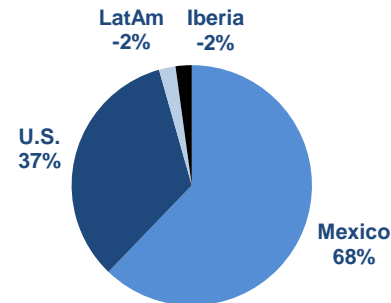
- Pioneer in developing packaged baked goods in Beijing and Tianjing



## LTM Revenue Breakdown (US\$13.6 Bn)<sup>2</sup>



## LTM EBITDA Breakdown (US\$1.2 Bn)<sup>2</sup>



Source: Datamonitor

1. Source: Company Research

2. LTM pro forma figures as of June 2013, converted to US\$ using the LTM average rate of \$12.8033

# Successful Growth Case



Strict Reinvestment

Strategic Focus

Sustainable Growth

Solid Balance Sheet

1945

*Marinela* 50s

*Ricollino* 60s

*B. BRUCE* 70s

*WONDER* 80s

*MRS BAIRD'S* 90s

*plusvita* *nutrella* *EL GLOBO* *SANISSIMO* *Infra* *Zi Crema* 00s

*Freihofers* *THOMAS* *GROWLAT* *ARNOLD* *BOBOLI* *Entenmann's* *Stroehmann* 2009

*Fungo* *SaraLee* *BIMBO* 2011



... Accelerated International Expansion

Successful growth story through a combination of organic growth, strategic acquisitions combined with a conservative financial policy

# Key Success Drivers



**Dedication  
to Bakery  
Industry**

**Long Run Player  
in a Very  
Attractive and  
Non-Cyclical  
Industry**

**Brand Equity**

**Innovation  
&  
Deep Consumer  
Understanding**

**Over the last decade GB shifted from a strong local player to a leader in the Americas**

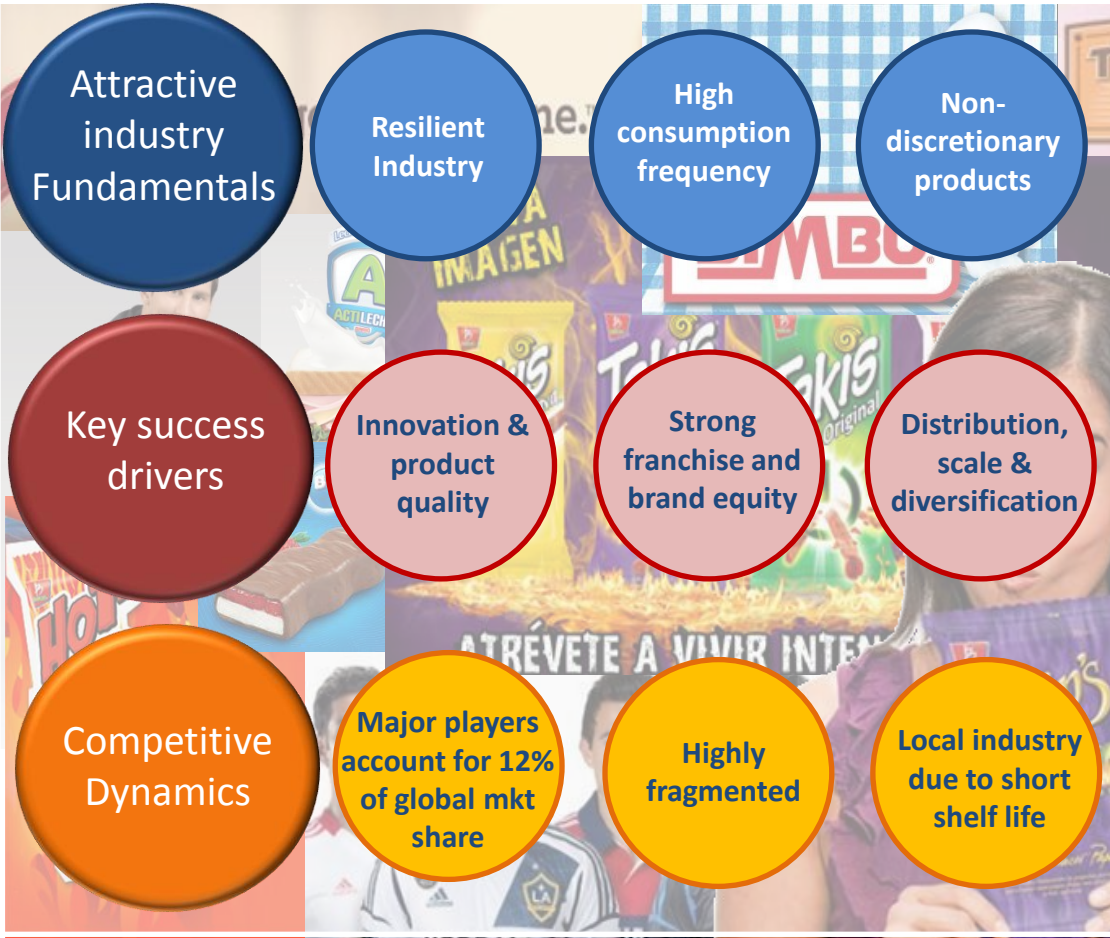
**Socially &  
Environmentally  
Responsible**

**Responsible  
Financial  
Management**

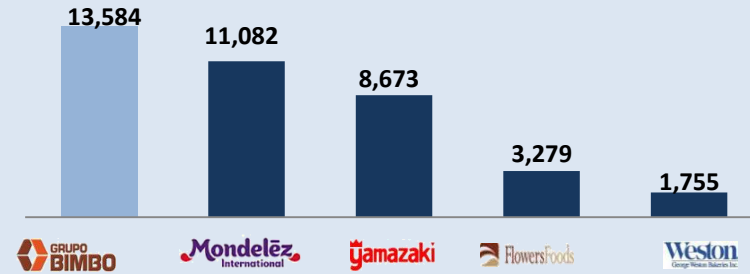
**Experienced  
Management  
Team and Strong  
Corporate  
Governance**

**Exceptional &  
Unparalleled  
Distribution  
Network**

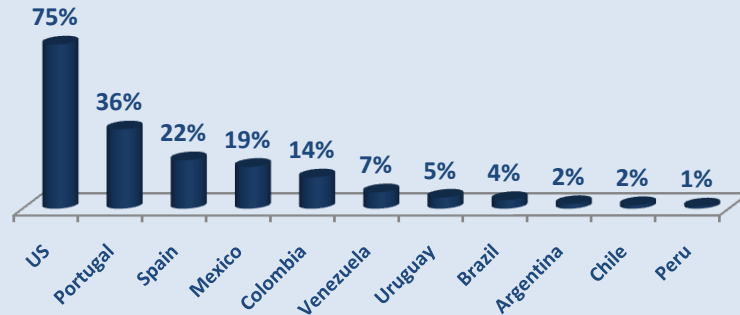
# Leading Player in an Attractive Non- Cyclical Industry



LTM Revenues in US\$MM<sup>1</sup>



Packaged Bread Penetration<sup>2</sup>



<sup>1</sup> Bimbo figures as of June 30, 2013; Mondelez biscuit business, LTM figures as of March 31, 2013; Yamazaki excludes revenues from retail and confectionary segments, figures as of December 31, 2012; Flowers Foods LTM figures as of April 20, 2013; Weston Foods segment refers to the fresh and frozen baking company located in Canada and frozen baking and biscuit manufacturing in the U.S., LTM figures as of March 23, 2013

<sup>2</sup> Datamonitor 2011, Bread & Rolls category in market volume; Packaged bread refers to the pre- packed bread produced at industrial facilities

# Strong Brand Equity and Deep Consumer Understanding



Taking innovative products around the world

Broad portfolio

Deep  
**consumer**  
understanding

Every **meal**, every  
**occasion**, every  
consumer **group**

Extraordinary  
**Brand**  
Awareness

**4** R&D  
Institutes

**Leadership**  
in core  
products and  
markets

Products that  
have changed  
the  
**industry's**  
**course**

Keep up with  
**evolving**  
consumer  
**trends**





Exceptional Distribution Network and  
Manufacturing Facilities



# Competitive advantage



**+51,000**  
routes

**Unique**  
expertise in moving  
high volume  
products



**+2.2 MM**  
POS




On of the  
largest fleets  
in the  
Americas

**Attuned**  
distribution  
model for  
each channel

**Low cost**  
manufacturing



**152**  
plants in 19  
countries



Access to  
unmatched  
technological  
equipment

## Local Execution

# Seasoned Management Team, Sound Governance & Strong Corporate Identity



**Daniel Servitje**  
Chairman of the Board

Audit Committee  
(5 independent members)

Compensation & Benefits Committee  
(5 members, 1 independent)

Finance & Planning Committee  
(7 members, 1 independent)

**Daniel Servitje**  
CEO

**Guillermo Quiroz**  
CFO

**Gary Prince**  
Deputy CEO of Grupo Bimbo

**Pablo Elizondo**  
Assistant CEO of Grupo Bimbo

**Javier A. González**  
President of Bimbo

**Fred Penny**  
President of Bimbo Bakeries USA (BBU)

**Reynaldo Reyna**  
Chief Information and Strategy

**Raúl Argüelles**  
Personnel and Public Relations

**Guillermo Sanchez**  
Operations Auditing Director

**Seasoned Management Team**

- › Positioned the company as the market leader
- › Proven track record of stability and growth
- › Successfully integrated more than 30 acquisitions over the past 10 years
- › Developed innovative ideas and best practices in manufacturing

**Sound Governance**

- › Corporate Governance aligned with shareholders' interests
- › 40% of board members are independent
- › 3 Corporate Committees

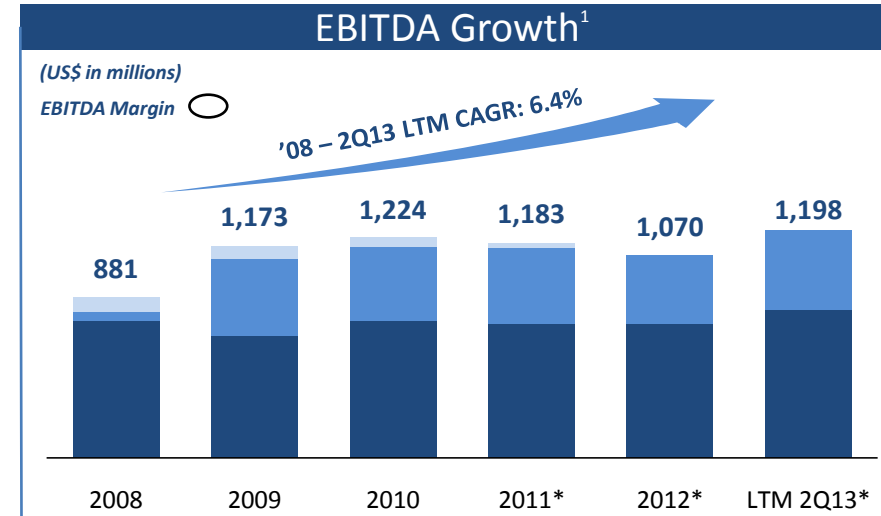
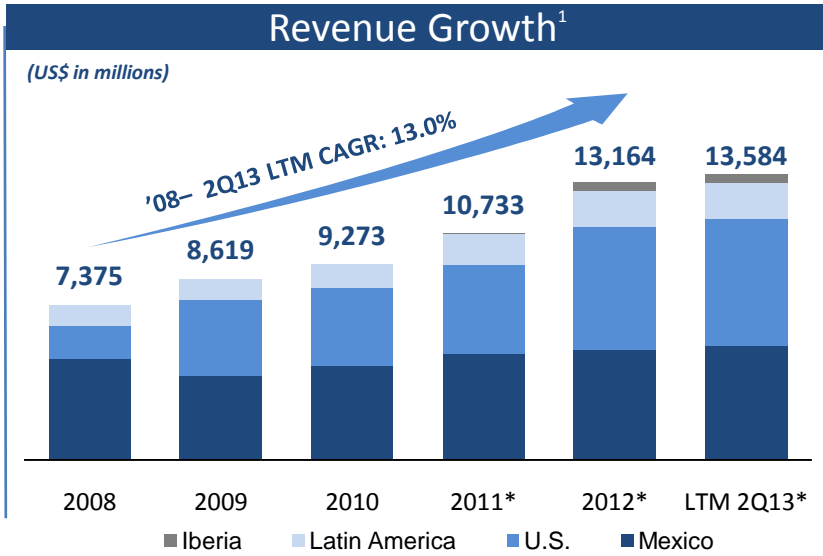
**Identity, Corporate Culture & Citizenship**

- › One of the most respected companies in the World<sup>1</sup>
- › Reputation built on a strong corporate identity and brand equity
- › Key component is its wide ESR Program
- › Complies with WHO's Global Strategy on Diet and Physical Activity & Health



1. According to the Reputation Institute (September 26, 2011)

# Strong Financial Performance



5 year CAGR in USD<sup>1</sup>:

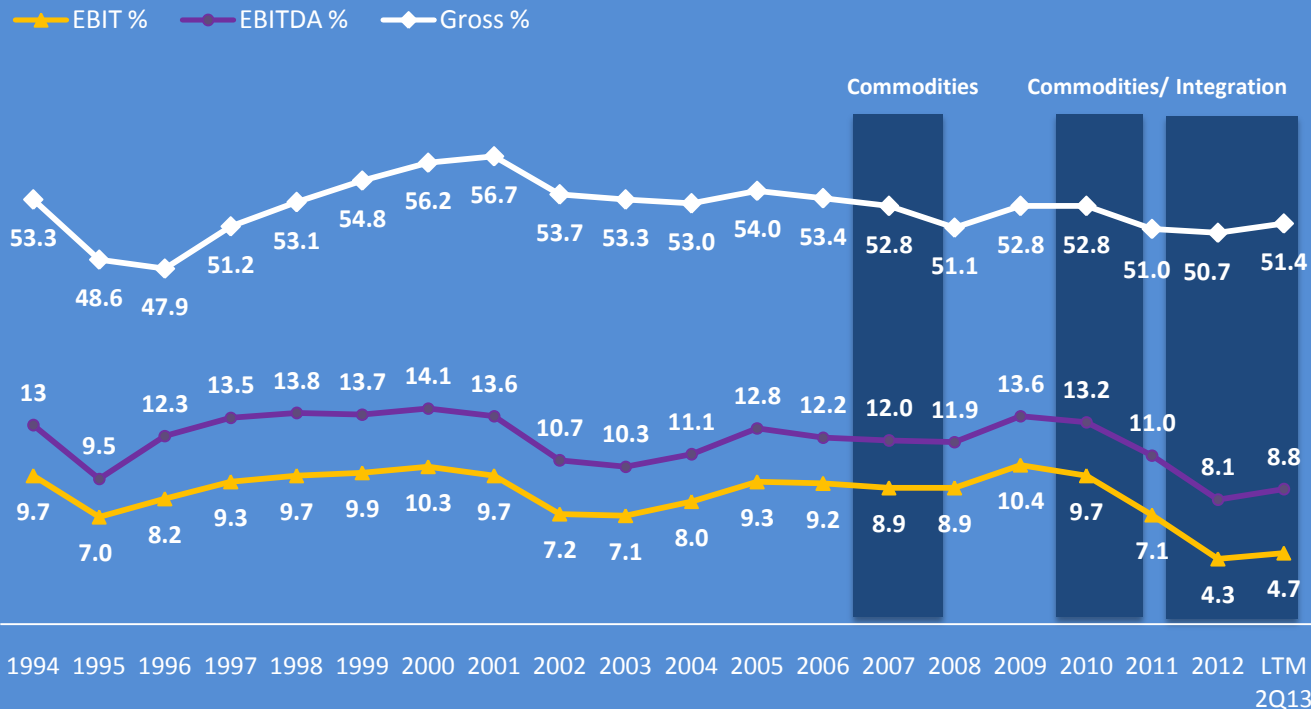


	2008	2009	2010	2011*	2012*	LTM 2Q13*
GB	11.9%	13.6%	13.2%	11.0%	8.1%	8.8%
MX	15.5%	16.5%	16.6%	14.3%	13.8%	14.7%
U.S.	3.0%	11.5%	10.9%	9.8%	6.4%	7.2%
LatAm	7.6%	7.0%	4.6%	1.7%	-1.1%	-1.7%
Iberia				-18.6%	-8.7%	-6.9%

<sup>1</sup> Figures converted to USD using the 12M average FX rate for each year

\* 2011, 2012 & 2013 figures in IFRS

# Financial Stability



▲ Mexican Crisis

▲ US Recession

▲ World Financial Crisis

IFRS

.Figures for 2011, 2012 and 2013 registered according to IFRS

# Responsible Financial Policies



Flexible Capital Structure

Rapid deleveraging: target <2x

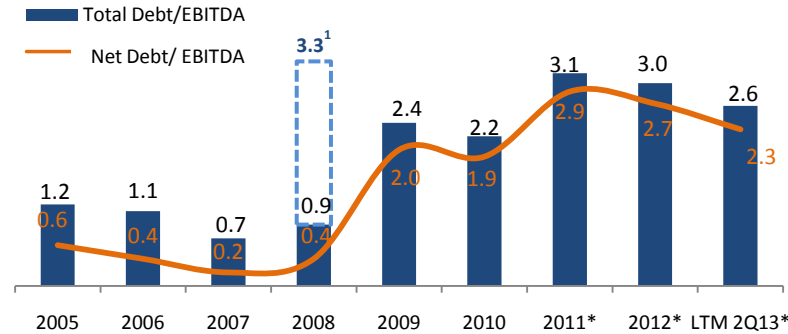
Investment grade ratings:  
Baa2/BBB/BBB  
(Moody's/Fitch/S&P)

Strict management of CAPEX & Working Capital

Conservative Dividend Policy

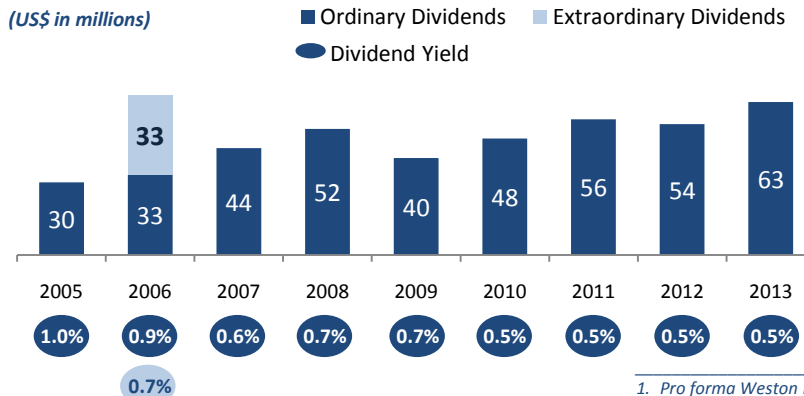
Responsible risk management

## Leverage



## Conservative Dividend Policy<sup>2</sup>

(US\$ in millions)



1. Pro forma Weston Foods, Inc. acquisition

2. Figures converted to US\$ using the FX of the day dividends were paid  
\* 2011, 2012 and 2013 in IFRS

# Responsible Financial Management



Jan 2012:  
US\$800mm of  
4.5% due 2022  
under Reg-S Rule

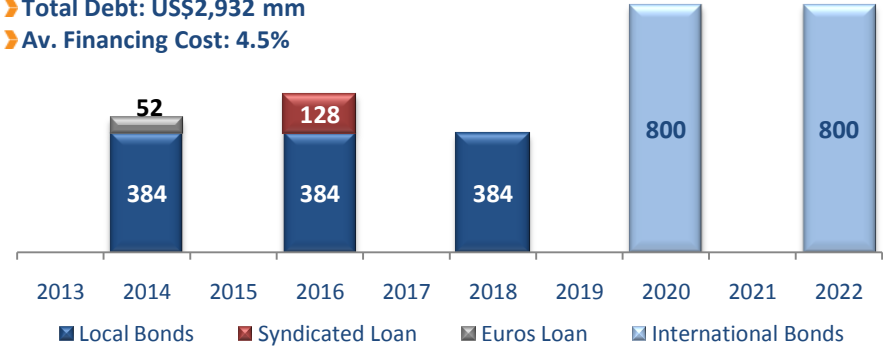
Current undrawn  
committed facilities  
for US\$1.5 Bn by  
2017

Feb 2012: Ps. 5 Bn  
of 6.83% local  
bonds, at 6.5  
years

Instrument	Amount (US\$ millions)	Currency	Average Life
Bank Facilities	180	MXN-USD-EUR	1.8 years
Bonds	2,752	MXN – USD	5.8 years

## Amortization Schedule<sup>1</sup>

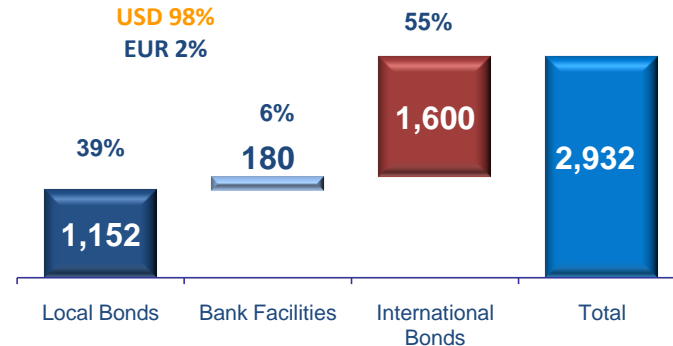
- Average Life: 5.5 years
- Total Debt: US\$2,932 mm
- Av. Financing Cost: 4.5%



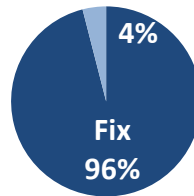
## Debt Structure<sup>1</sup>

Debt denominated in:

USD 98%  
EUR 2%



By Coupon



1. Figures as of June 30, 2013.. Does not include debt at the subsidiary level. FX \$13.0235

# Building a Sustainable Future



We understand there is no conflict in doing good and doing well



**Wellbeing**

- › WHO and SSA guidelines
- › Trans fats removed from 99.5% of products
- › 700 reformulated products



**Planet**

- › Wind farm in Mexico
- › Energy consumption down 11m kWh
- › Water consumption down 230k m3
- › Recycling in 84% of plants in Mexico
- › 72% of wastes are recycled



**Community**

- › 10K families supported by "Fundar"
- › 65K indigenous people benefited
- › 75K students benefited
- › "Limpiemos Mexico"



**Associates**

- › +127K associates in 19 countries
- › Solid ethics
- › Strong focus on development

# Looking Ahead





# A Transitional Year



**BIMBO**

**Fargo**  
el pan del día

## Synergistic Transaction

Long Term Vision- Do It Right

- › IT
- › Leadership
- › Growth
- › EFFICIENCY

Think Big, Think Future

One time costs are necessary to capture synergies (US\$200mm)

1. Cost
  - Manufacturing
  - Distribution
  - S&A
2. Revenue

**Better Together**

- › Efficient operation with value creation to consumers
- › Strong CF generation
- › Industry Transformation

The New BBU

# Time to Invest



*Our Strong Cash Flow Generation Backs our Investment Plan*



Investments are clearly focused on **productivity**

- US synergies- **reconfigure** manufacturing print
- Streamline **manufacturing capabilities**
- LatAm- Build **scale** and **market penetration**
- Next couple of years...CAPEX around 1.3x depreciation

**Low- Cost  
Producer**

# Time to deleverage



## Total Debt/ EBITDA



1. Pro forma figures with Weston Foods acquisition

\* 2011, 2012 and 2013 in IFRS

# Why Grupo Bimbo? We believe and we create

5 year return in USD<sup>1</sup>



1 Long-term **value** creation

2 **Strongly positioned** in local & International indexes

3 **Focused** on our core business

4 Cash flow **stability**

5 Successful **deleveraging** and solid **investment grade** ratings

6 Strong & continuous **reinvestment**

7 **Responsible** Financial Management



# Annex: Financial Results by Region & Recent Acquisitions

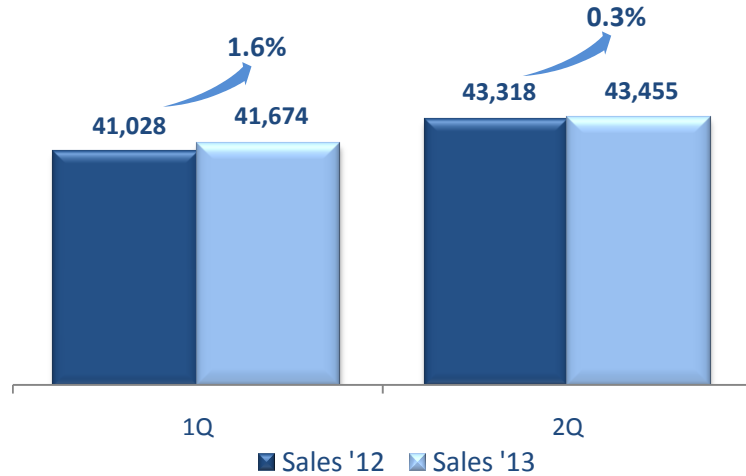


# Grupo Bimbo - Quarterly Results



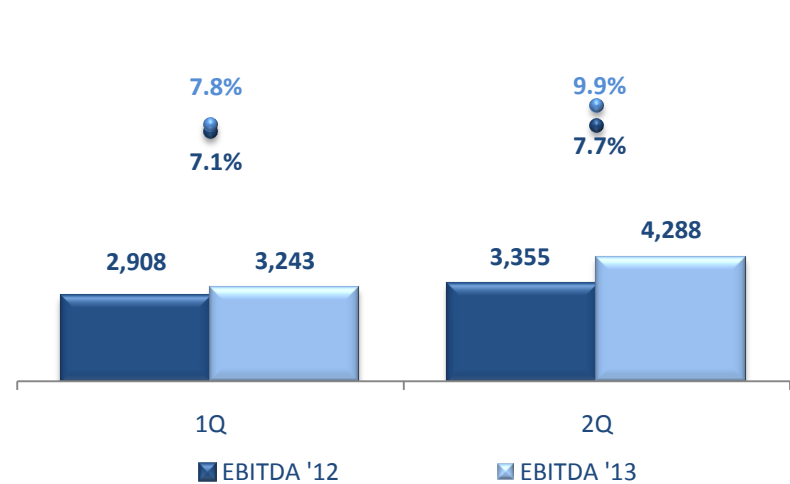
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✓ **Volume gain** in US and improvement on a sequential basis in Mexico
- ✗ **FX impact** in US and Latam

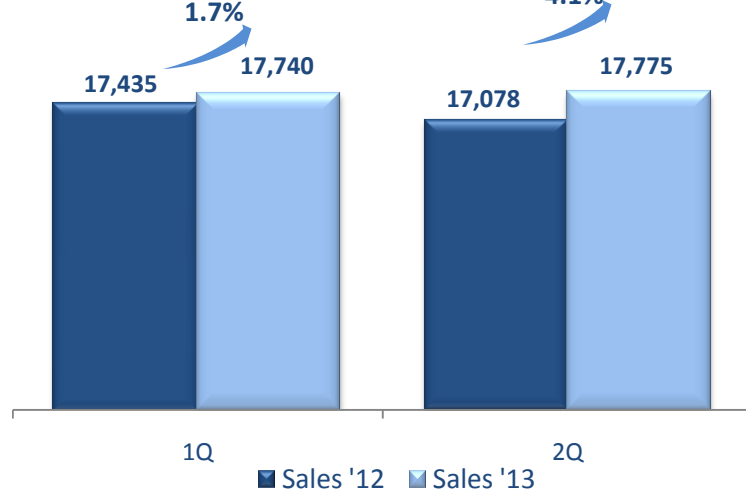
- ✓ Production efficiencies - **waste reduction / synergies** in the US
- ✓ Benefit of **FX** in Mexico
- ✗ **Higher input cost** across all regions
- ✗ **Integration expenses** in the US
- ✗ Brazil's **restructuring** charges, little impact because almost 85% were non-cash items

# Mexico- Quarterly Results



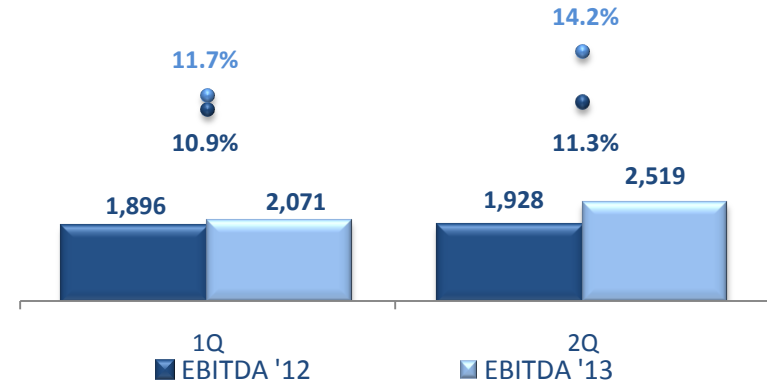
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



✓ **Volume** still weak but there was a **positive momentum** from 1Q'13

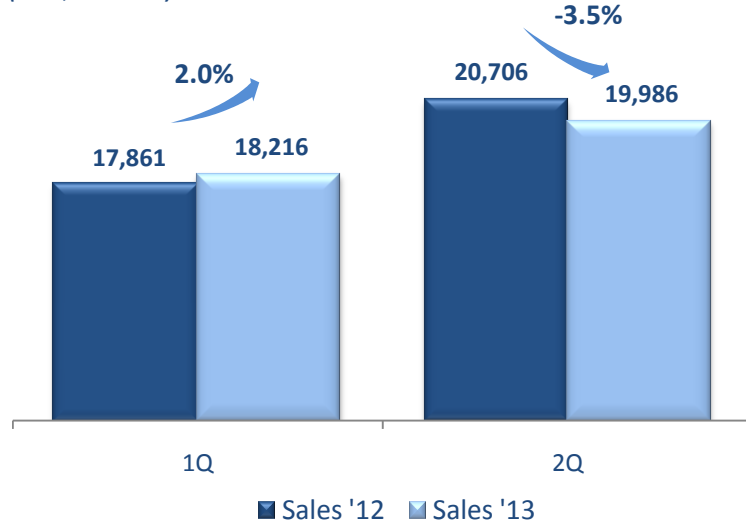
✓ **Benefit of FX rates**  
✗ **Higher raw materials**

# United States- Quarterly Results



## Revenue Growth

(MXN\$ in millions)

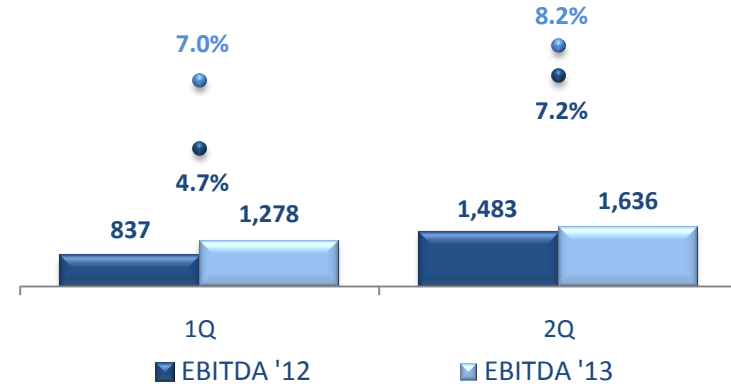


✓ **Market share** gains: opportunities in the marketplace, new categories and portfolio improvements

✗ **FX impact**

## EBITDA

(MXN\$ in millions)



✓ Production efficiencies- **waste reduction/ synergies**  
✗ **Integration** related expenses

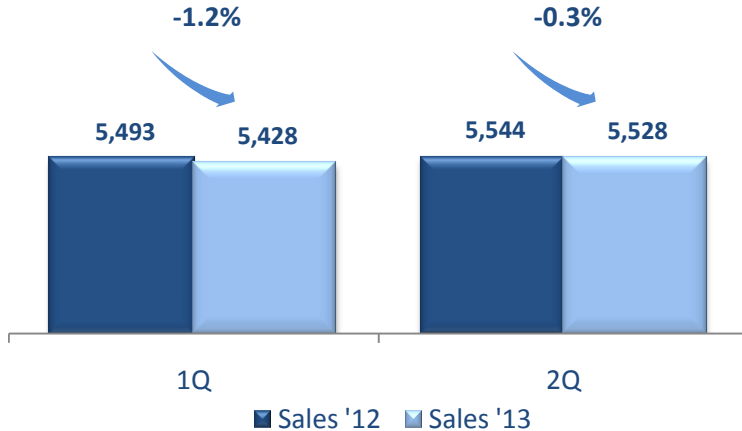


# Latin America- Quarterly Results



## Revenue Growth

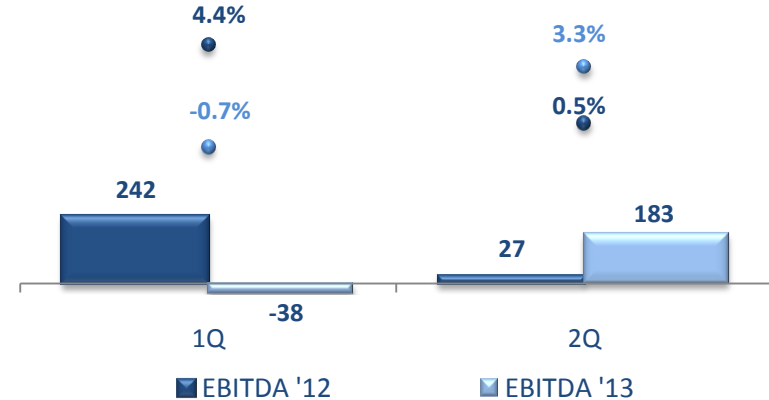
(MXN\$ in millions)



- ✗ Deceleration of volume growth on weak consumption environment
- ✗ FX impact

## EBITDA

(MXN\$ in millions)



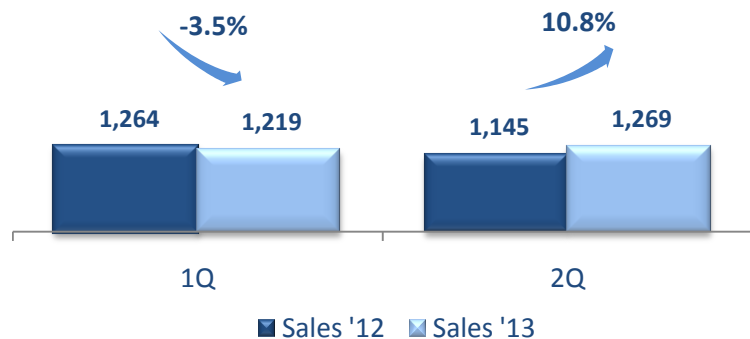
- ✓ Production efficiencies
- ✗ Lower absorption of costs due to volume deceleration
- ✗ Brazil's restructuring process expenses, little impact because almost 85% were non-cash items

# Iberia - Quarterly Results



## Revenue Growth

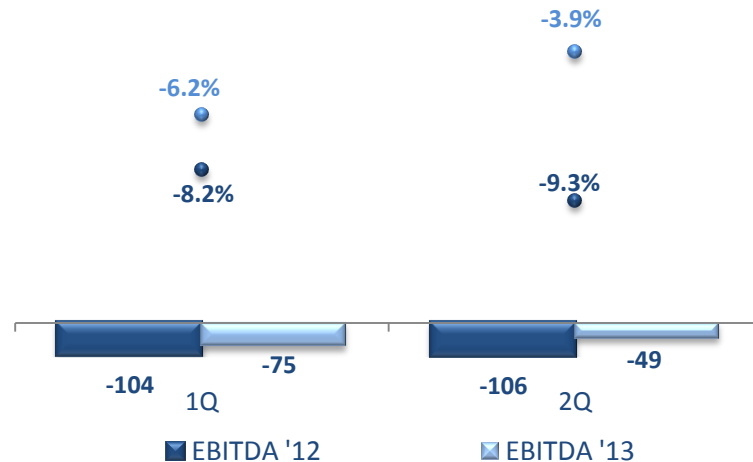
(MXN\$ in millions)



- ✓ Better **volume** performance (10.8% includes effect of ERP implementation, which resulted in a low basis of comparison)
- ✗ **Challenging economic** environment

## EBITDA

(MXN\$ in millions)



- ✓ Production efficiencies
- ✗ **Integration process** and **restructuring** business model

# Recent Acquisitions



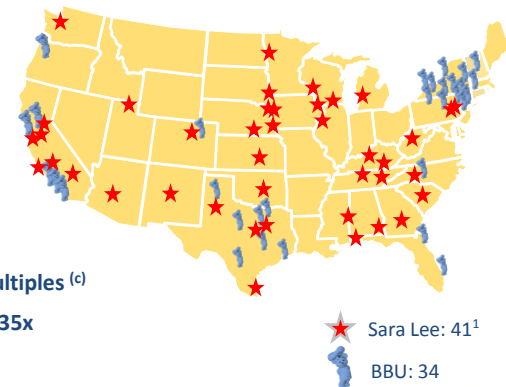
## Sara Lee North American Fresh Bakery - Earthgrains

- Acquired for an all-cash purchase price of **US\$709 million** (Initial value: US\$959 million), which includes US\$34 million in assumed liabilities
- Attractive acquisition, which will add **scale**, diversify the **brand portfolio** and complement the **geographic footprint**
- Identified **synergies of US\$150 million** to be achieved by 2014

	BIMBO BAKERIES USA	Sara Lee
Super Premium/ Variety	OROWEAT, ARNOLD, BROWN BERRY	EARTHGRAINS
Premium Sandwich/ White		Sara Lee
Regional/ Mass	MRS BAIRD'S, Stroehmann, Freihofer, Weber's	Sunbeam, Rainbo, Columbian, Heiner's BAKERY
Specialty	THOMAS, Entenmann's, BOBOL, DiGirolamo's	
Ethnic Hispanic	BIMBO, Marinela, TriRosa	

	BIMBO BAKERIES USA	Sara Lee	Synergies <sup>(a)</sup>	Pro Forma <sup>(b)</sup>
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Net revenues (US\$ mm)	3,701	2,036		5,737
EBITDA (US\$ mm)	406	78	150	634
Margin	11.0%	3.8%		11.1%
Routes	8,480	4,700		13,180
Associates	14,000	13,000		27,000
Plants	34	41		75



### Implied transaction multiples<sup>(c)</sup>

- FV/LTM Revenues: **0.35x**
- FV/LTM EBITDA: **9.1x**
- FV/Synergized EBITDA: **3.1x<sup>(d)</sup>**

a) LTM as of June 30, 2011

b) Figures are pro consent decree divestitures

c) Multiples based on US\$709mm enterprise value and LTM figures as of June 30, 2011; assumes no tax benefits and proceeds or impact from divestitures associated with the Consent Decree agreed with the DOJ

d) Assuming US\$150 million synergies by 2014

1. Includes plants to be divested

# Recent Acquisitions



## Sara Lee Spain and Portugal

- Acquired for an all-cash purchase price of **€115 million**
- Entry to sizeable market through established brand leader
- Market leading brands in the bread, sweet baked goods and snack categories
- Implied transaction multiples:
  - FV/LTM Revenues: **0.4x**
  - FV/pro forma LTM EBITDA<sup>(a)</sup>: **6.7x**

## Fargo Brands

- This acquisition will further strengthen Grupo Bimbo's regional profile and growth strategy in Latin America
- Achieved leadership in the market
- 5 production plants, 1,600 associates in Argentina



Thank you



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