



To nourish, delight and serve our world.

Alimentar, deleitar y servir a nuestro mundo.

Alimentar, deliciar e servir a nosso mundo

Nourrir, réjouir et servir notre monde

INVESTOR PRESENTATION

Second Quarter 2014

哺育, 愉悦和服务我们的世界

Market Cap
US\$ 14.9 bn¹



Control Group: 77%
Float: 23%

Revenues ²	EBITDA ²	Countries	Plants	Routes	Distribution Centers	POS	Associates	Brands	Products
US\$13.7Bn	US\$1.3Bn	22	171	≈ 53,000	≈ 1,600	≈ 2.3 mm	≈ 130,000	≈100	≈10,000

US & Canada



Mexico



Central and South America



Europe



Asia



1. As of July 23, 2014 in US\$ at the FX rate of 12.9 Ps./US\$

2. LTM 2Q'14 revenues in US\$ at the average LTM FX rate

Where do we stand?



- A **Global Consumer Products** Company and **the leader** in the baking industry space
- Remarkable growth story with financial **stability**
- Investments on manufacturing and logistics capabilities targeted to foster **productivity**
- Unyielding **discipline** on a **conservative** financial policy
- Successful culture of business **integration**, recently in the **US** and **Canada**
- Relentless effort on **innovation** and **sustainability** to increase brand equity

A true multinational company with a well balanced business...



United States

- Leader nationwide
- #1 in premium brands
- #1 in English muffins
- Strong regional brands



Canada

- #1 in Buns & Rolls
- #1 in Breakfast
- #2 in Bread



Portugal, Spain & UK

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



China

- Pioneer in developing packaged baked goods in Beijing and Tianjing¹



Mexico

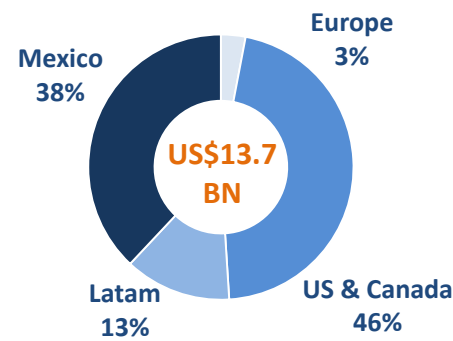
- #1 in packaged baked goods
- #1 in pastry chain
- #2 in cookies and crackers
- #2 in salty snacks
- #2 in confectionary



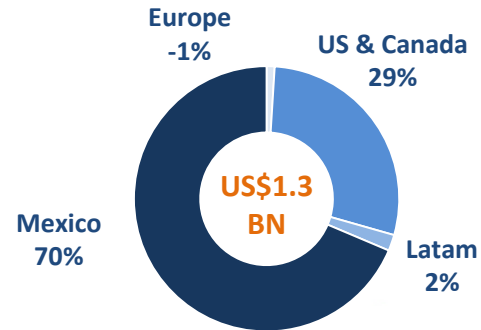
Central & South America

- #1 in packaged baked goods in 15 countries¹

Revenue Breakdown²



EBITDA Breakdown²



Source: Datamonitor

- According to Company Research
- LTM 2Q'14 converted to US\$ with the average FX rate

Successful Growth Case



- ✓ Long term view and a strict reinvestment policy
- ✓ Innovation and execution continue to drive organic growth
- ✓ Acquisitions have been a key component to gain global reach
- ✓ Leadership position in both, mature and high growth markets
- ✓ Accelerated international expansion during the last decade



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, stable industry



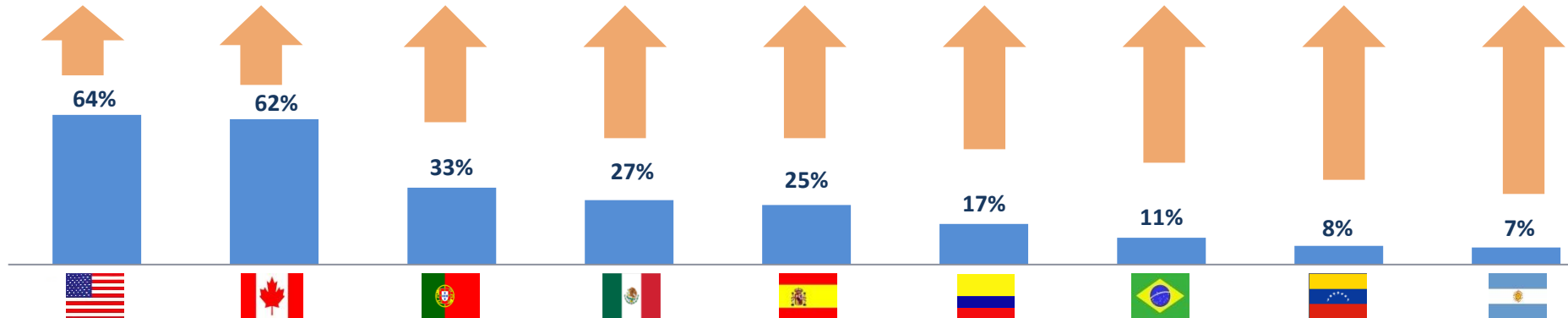
Attractive industry fundamentals

- Resilience to major economic downturns
- Non-discretionary consumer products
- High-frequency consumption
- Aimed at the general public

Key success drivers for large scale players

- Scale and diversification
- Strong franchise and brand equity
- Product quality
- Innovation capabilities
- Distribution and logistics

Packaged bread penetration¹



1. Datamonitor 2013 in volume. Industrial bread and rolls, Industrial cakes & pastries, Industrial morning goods

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

BIMBO: one of the most valuable brands in Latin America¹

Leadership in core products and markets

4 R&D Institutes

Products that have changed the industry's course

Keep up with evolving consumer trends



1. Source: Study conducted by "MillwardBrown Optimor" in September, 2013

Exceptional Distribution Network and
Manufacturing Facilities



Competitive advantage



+53,000
routes



Unique
expertise in moving
high volume
products

+2.3 MM
POS




On of the
largest fleets
in the
Americas

Attuned
distribution
model for
each channel



171
plants in 21
countries

Low cost
increase
manufacturing
CAPEX



Access to
unmatched
technological
equipment

Outstanding POS Execution

Seasoned Management Team, Sound Governance & Strong Corporate Identity



Daniel Servitje
Chairman of the Board

Audit Committee and
Corporate Practices
(6 independent
members)

Compensation &
Benefits Committee
(5 members, 2
independent)

Finance & Planning
Committee
(7 members, 1
independent)

Daniel Servitje
CEO

Javier A. González
Deputy CEO of
Grupo Bimbo

Gary Prince
Deputy CEO of
Grupo Bimbo

Pablo Elizondo
Deputy CEO of
Grupo Bimbo

Guillermo Quiroz
CFO

Fred Penny
President of Bimbo
Bakeries USA
(BBU)

Reynaldo Reyna
Chief Information
and Strategy

Barry McLean
President of
Canada Bread, Ltd

Miguel A. Espinoza
President of Bimbo
Mexico

Management

- Positioned the Company as market leader in the products and countries where present
- Proven track record of stability and sustainable growth
- Developed innovative ideas and best practices in manufacturing
- Successfully completed and integrated 45 acquisitions over the last 10 years

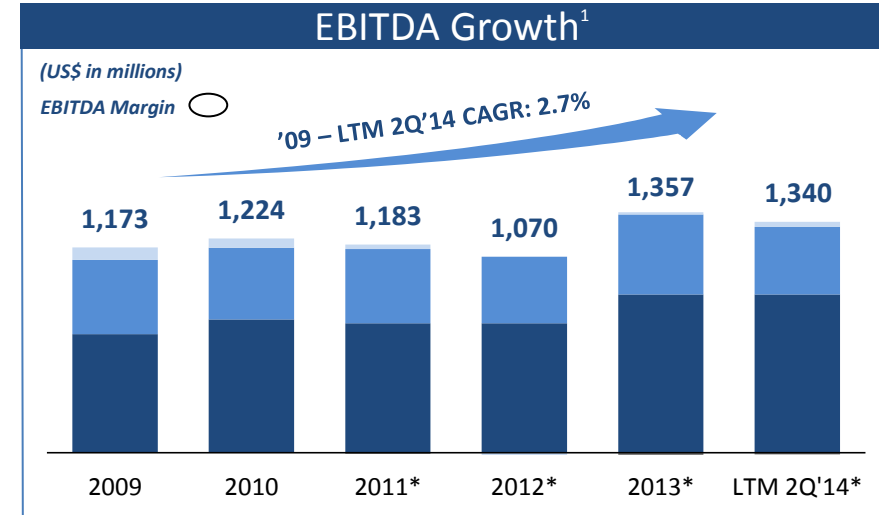
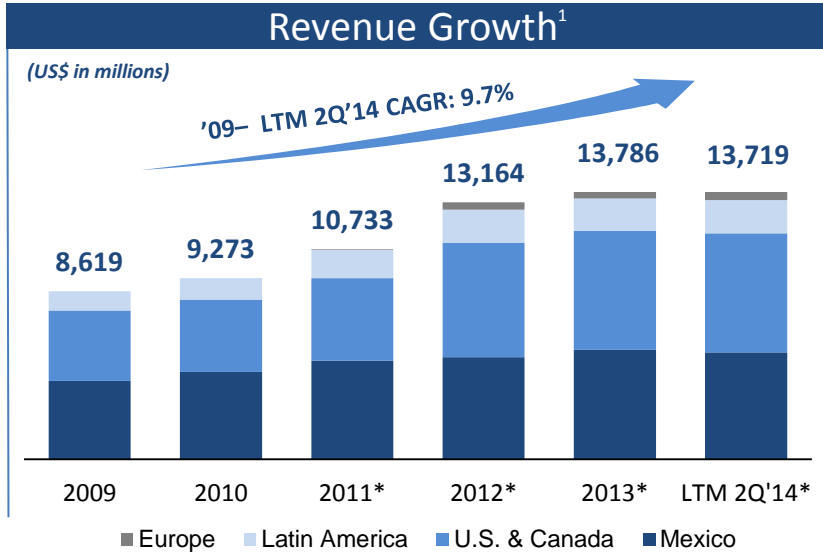
Governance

- Corporate Governance aligned with shareholders' interest
- 44% of board members are independent
- 3 corporate committees

Identity, corporate culture & citizenship

- GB ranks among the most respected companies of the world¹
- Reputation built on a strong corporate identity and brand equity
- Key component of GB's corporate identity is its company-wide Social Responsibility Program   
- Complies with WHO's Global Strategy on Diet and Physical Activity & Health 

Strong Financial Performance



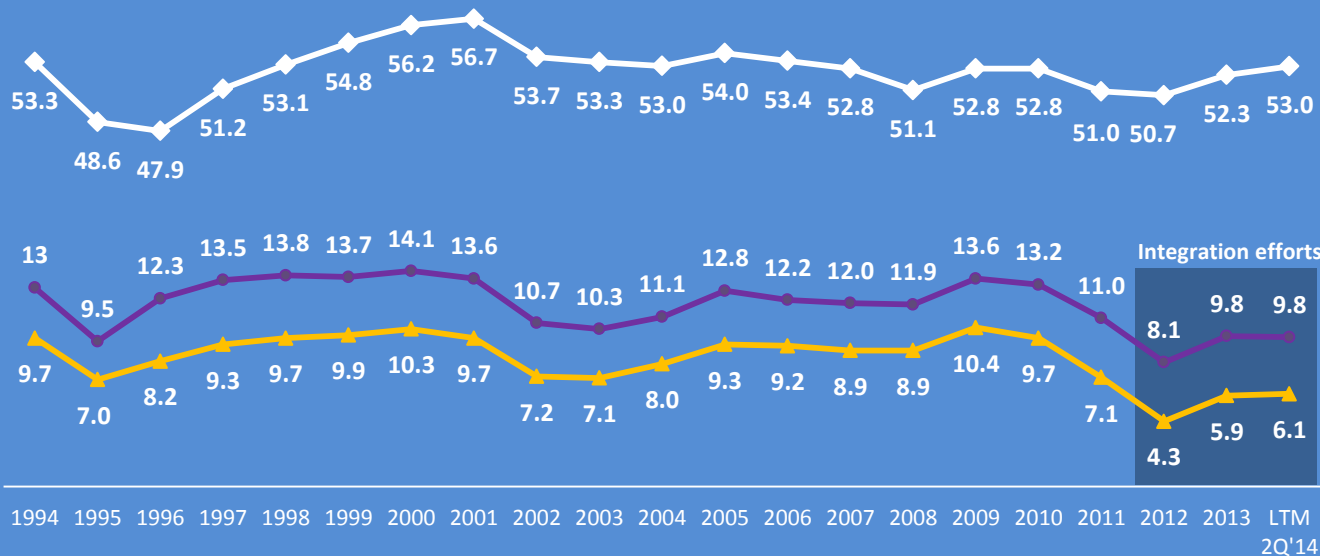
GB	13.6%	13.2%	11.0%	8.1%	9.8%	9.8%
MX	16.5%	16.6%	14.3%	13.8%	15.8%	16.2%
U.S.	11.5%	10.9%	9.8%	6.4%	7.3%	6.2%
LatAm	7.0%	4.6%	1.7%	-1.1%	0.7%	1.6%
Iberia			-18.6%	-8.7%	-3.8%	-2.3%

¹ Figures converted to USD using the 12M average FX rate for each year
 * Figures after 2011 in IFRS

Financial Stability



▲ EBIT %
 ● EBITDA %
 ◆ Gross %



▲ Mexican Crisis

▲ US Recession

▲ World Financial Crisis

└─┬─┘ IFRS

.Figures for 2011, 2012, 2013 & 2014 registered according to IFRS

Responsible Financial Policies



Flexible Capital Structure

Rapid deleveraging: target <2x

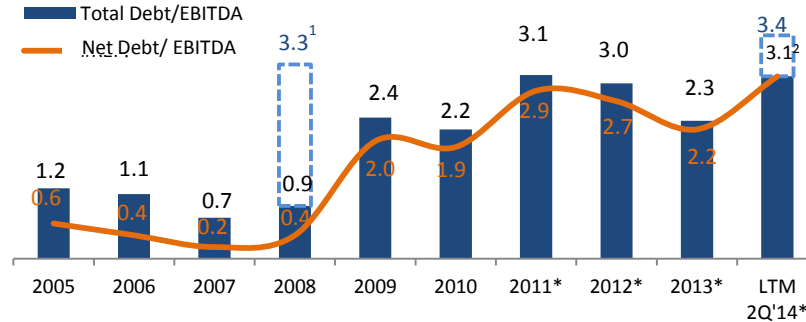
Investment grade ratings:
Baa2/BBB/BBB
(Moody's/Fitch/S&P)

Strict management of CAPEX & Working Capital

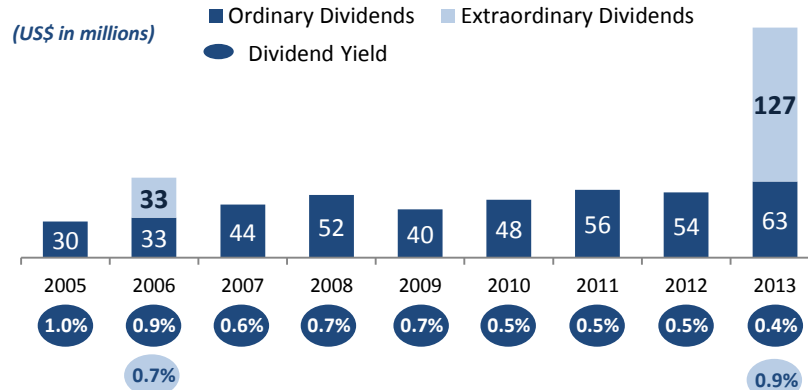
Conservative Dividend Policy

Responsible risk management

Leverage



Conservative Dividend Policy³



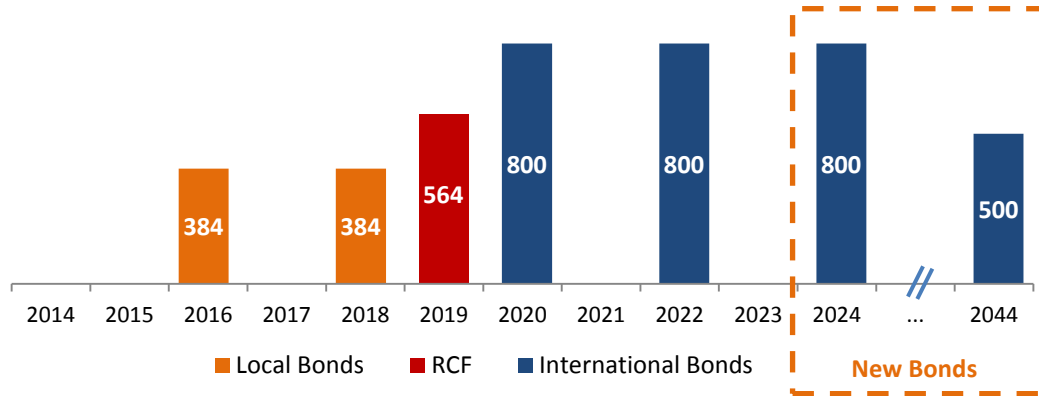
1. Pro forma Weston Foods, Inc. acquisition
 2. Taking into account 11 months of pro forma EBITDA of Canada Bread
 3. Figures converted to US\$ using the FX of the day dividends were paid
 * 2011, 2012, 2013 & 2014 in IFRS

Responsible Financial Management



Amortization Schedule¹

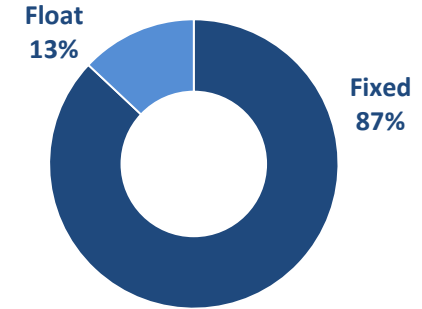
(US\$ in millions)



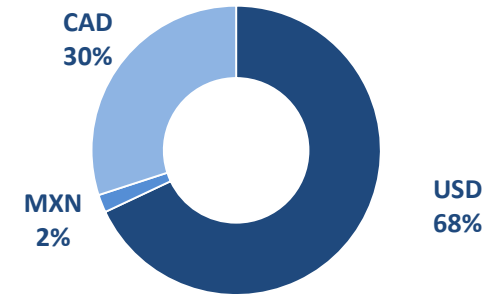
Total Debt ¹	US \$4,232 mm
Avg. Tenor	9.2 yrs
Avg. Cost	4.3%

Debt Structure¹

By coupon



Denomination



1. Total debt does not include subsidiaries debt

2. Pro forma Canada Bread acquisition

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
- › 133 reformulated products in 2013



Planet

- › Our wind farm in Mexico represents 23% of total energy consumption
- › Water consumption down 312k m³
- › 91% of wastes are recycled



Community

- › +300K credits to family owned business
- › 68K students benefited with nutritional education
- › “Limpiemos Mexico” +36K tonnes of trash collection



Associates

- › +130K associates in 22 countries
- › Solid ethics
- › Strong focus on leadership development

Looking Ahead



Time to Improve Profitability



BIMBO
IBERIA

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

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

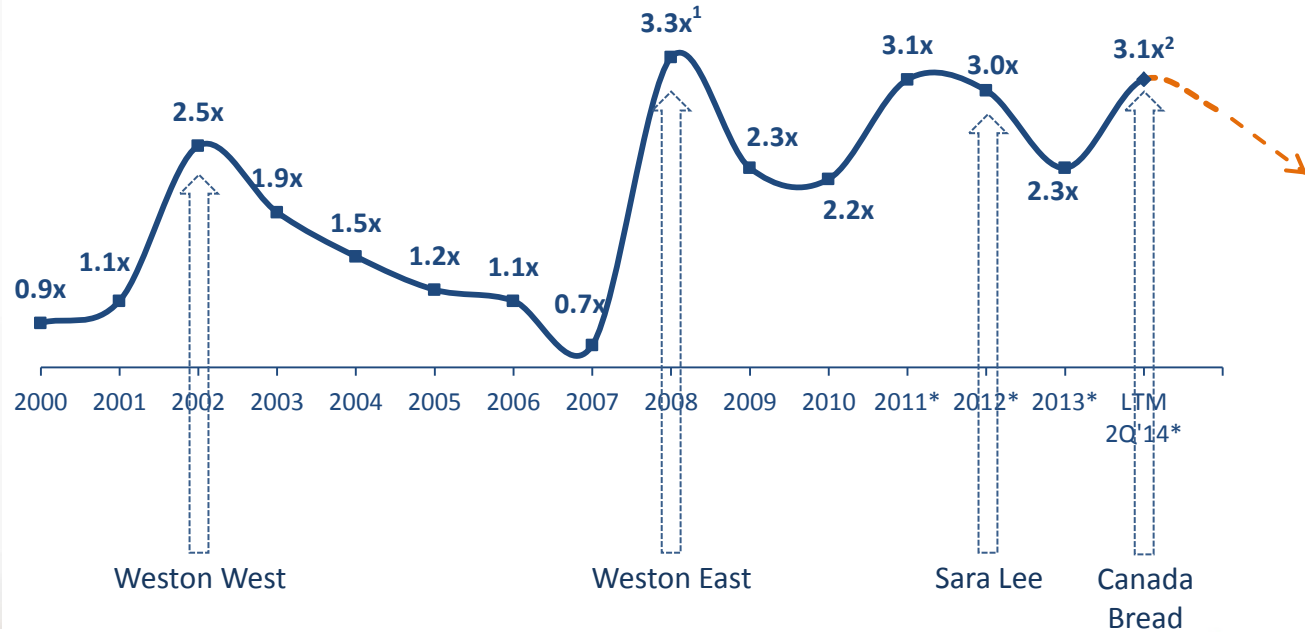
- › Investments are clearly focused on **productivity**
- › US synergies- **reconfigure** manufacturing print
- › Streamline **manufacturing capabilities**
- › LatAm- Build **scale** and **market penetration**
- › Next couple of years...CAPEX around 1.3x depreciation (**US\$550 million**)

**Low- Cost
Producer**

Time to Deleverage



Total Debt/ EBITDA



1. Pro forma figures with Weston Foods acquisition

2. Taking into account 11 months of pro forma EBITDA of Canada Bread

* 2011, 2012, 2013 & 2014 in IFRS

Why Grupo Bimbo? We believe and we create

5 year return in USD¹



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

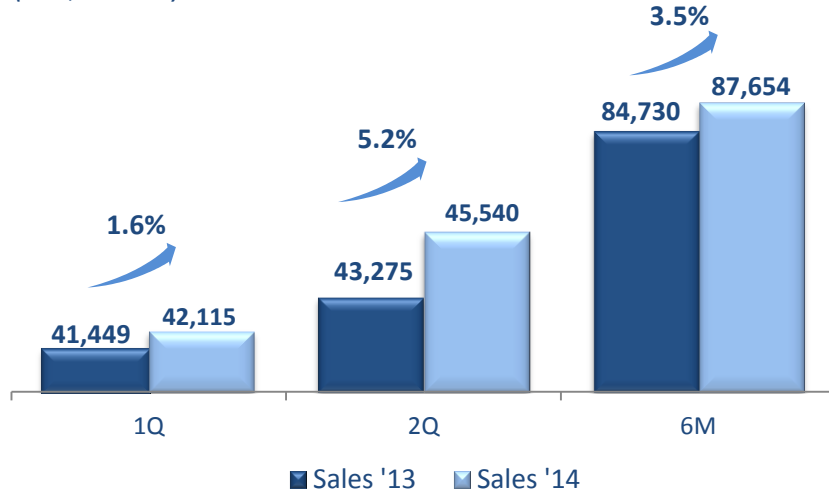


Grupo Bimbo - Quarterly Results



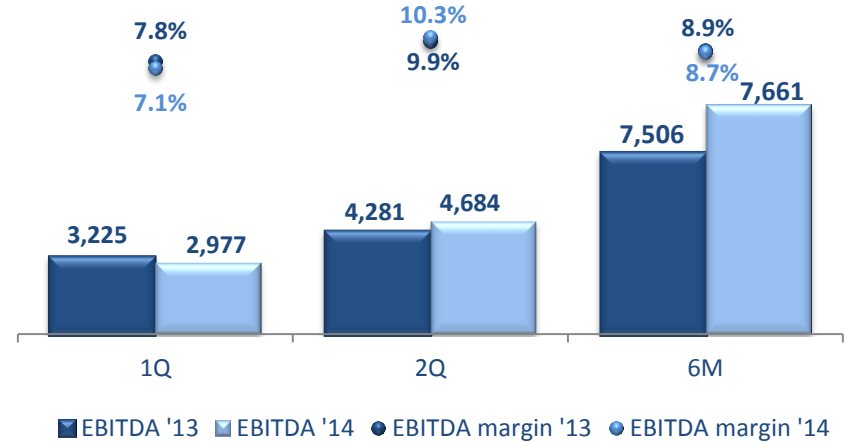
Revenue Growth

(MXN\$ in millions)



EBITDA

(MXN\$ in millions)



- ✓ **Canada Bread** acquisition
- ✓ **Solid growth** Latam and Europe
- ✗ **Weak performance** in Mexico and U.S.

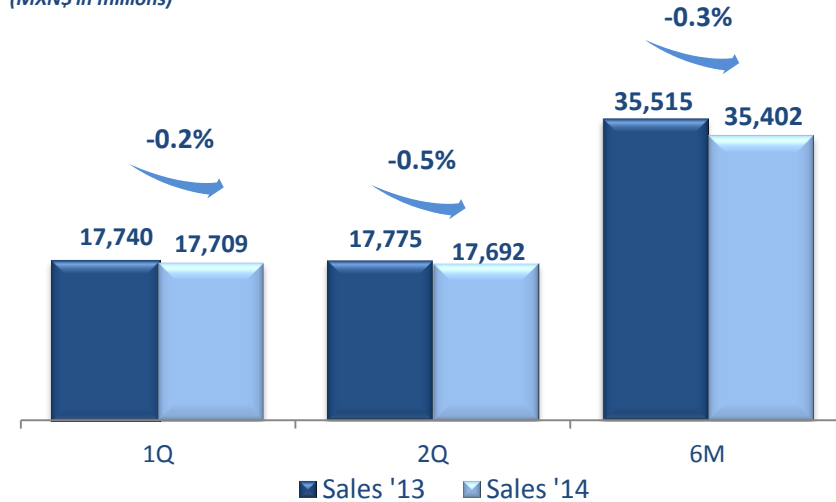
- ✓ **Lower inputs cost** in Mexico and Europe
- ✓ Production efficiencies - **waste reduction / synergies** in the US
- ✓ Benefit of the Canada Bread **integration**
- ✗ **Higher** distribution costs in all regions
- ✗ **Integration expenses** in U.S.

Mexico- Quarterly Results



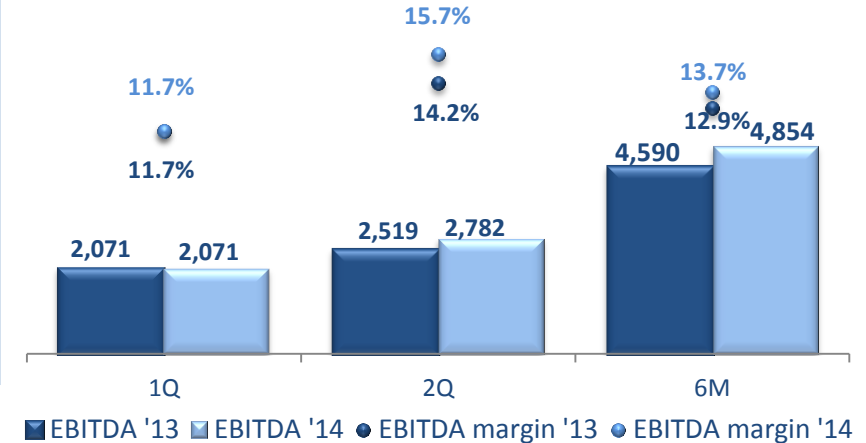
Revenue Growth

(MXN\$ in millions)



EBITDA

(MXN\$ in millions)



- ✓ Pricing actions taken since the 4Q'13
- ✗ Volume decline
- ✗ Challenging industry dynamics

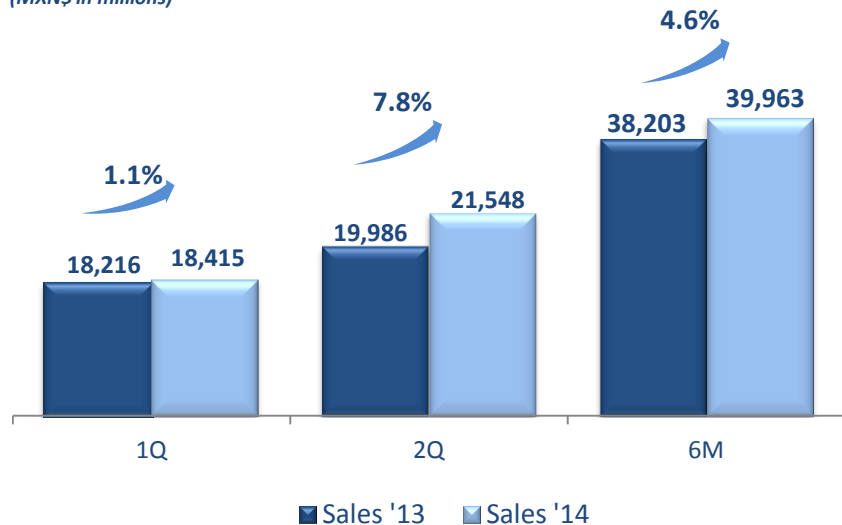
- ✓ Lower raw materials
- ✗ Higher distribution costs

US & Canada- Quarterly Results



Revenue Growth

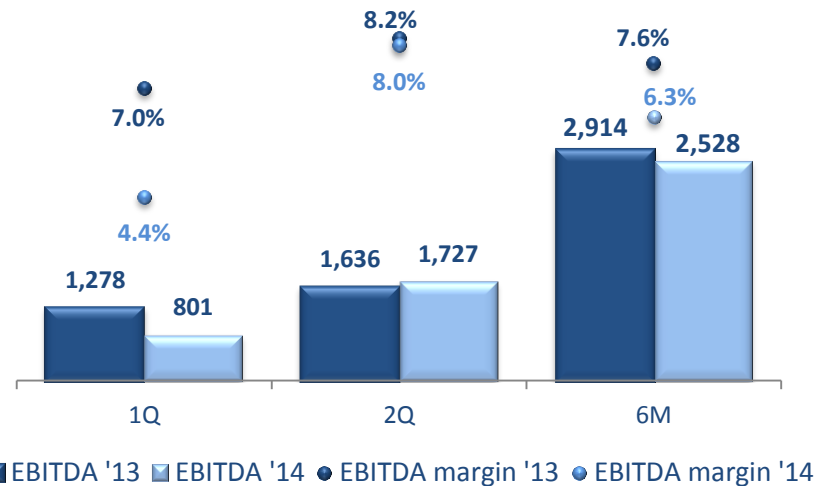
(MXN\$ in millions)



- ✓ **Canada Bread** acquisition
- ✓ **Favorable FX**
- ✓ The **breakfast** and **snacks** categories outperformed
- ✗ **Volume decline**
 - ✗ California **divestiture**
 - ✗ More **competitive** market environment

EBITDA

(MXN\$ in millions)



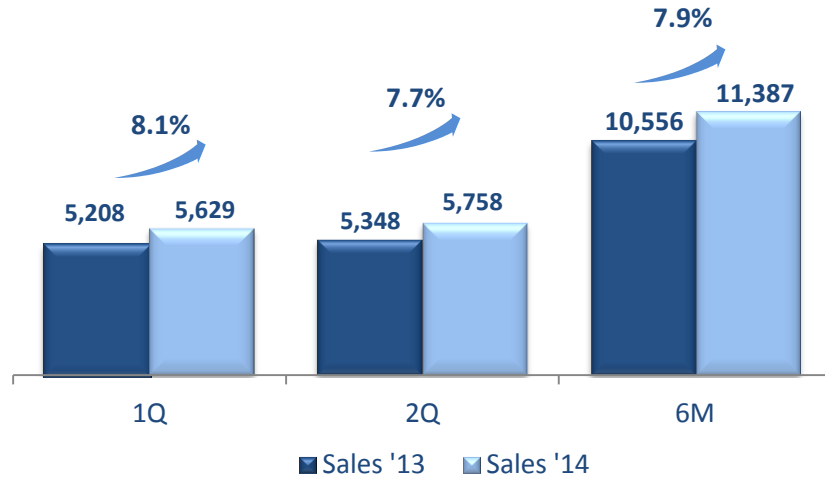
- ✓ Production efficiencies- **waste reduction/ synergies**
- ✗ **Higher** distribution expenses
- ✗ **Integration** related expenses

Latin America- Quarterly Results



Revenue Growth

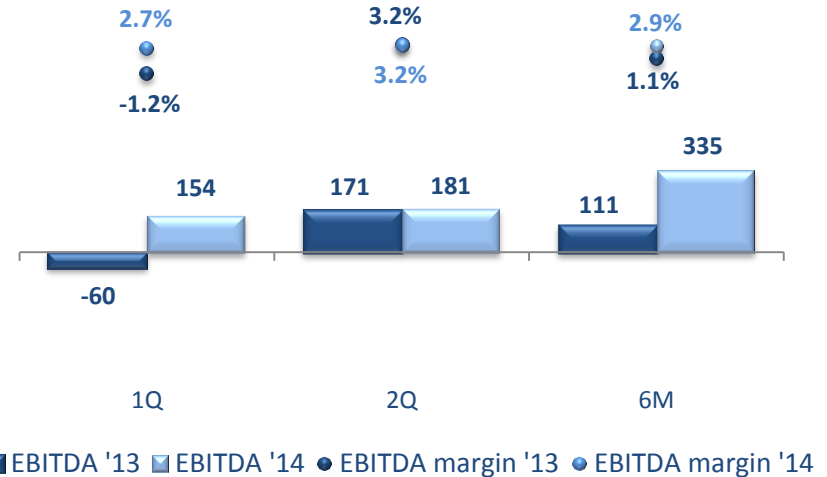
(MXN\$ in millions)



- ✓ Positive **sales growth** (in local currencies)
- ✓ Notable **performance** in Colombia, Chile and Costa Rica

EBITDA

(MXN\$ in millions)



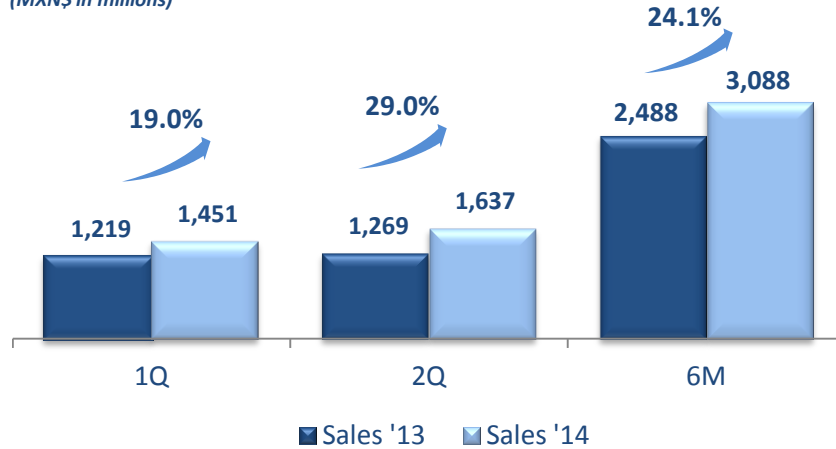
- ✓ **Lower** raw materials
- ✗ **Higher** distribution expenses: market penetration efforts

Europe - Quarterly Results



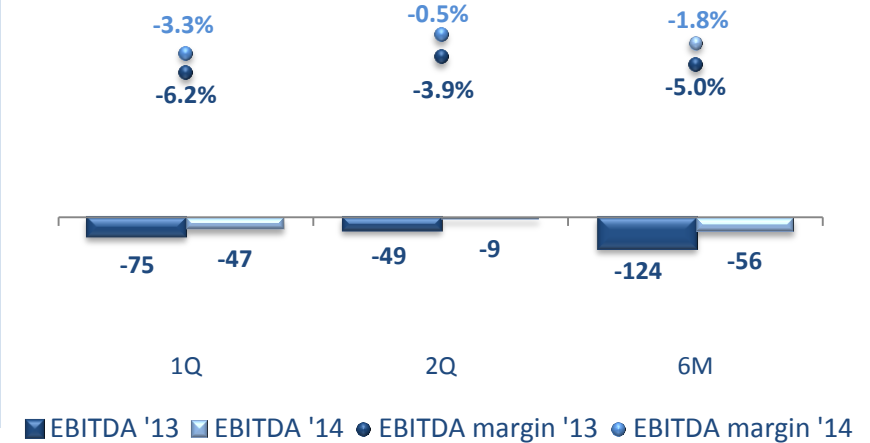
Revenue Growth

(MXN\$ in millions)



EBITDA

(MXN\$ in millions)



- ✓ **Integration** of the UK operation
- ✓ **Favorable** FX
- ✓ **Strong** organic growth

- ✓ **Lower** raw materials
- ✓ **More efficient** cost structure – operational improvements

Recent Acquisition Canada Bread



- Purchase price: **CAD\$1,830 million**
- Annual Revenues: **CAD\$1,439 million¹**
- Annual EBITDA: **CAD\$185 million¹ (12.9% margin)**
- Canada Bread is one of the leading manufacturers and marketers of bakery products with presence in Canada, North America and the U.K.
- Leading brands, solid margins, accretive to EPS, diversify cash flows, frozen category opportunity

Implied transaction multiples

- FV²/LTM Revenues¹: **1.2x**
- FV²/LTM EBITDA¹: **9.3x**

Canada – 16 Bakeries



U.S.- 3 & Canada - 4 Frozen Bakeries









Frozen (US & Canada): **#1** pie shell category

Tenderflake

U.K. – 2 Bakeries

UK: #1 bagel brand



Product Categories	Competitive Position ³	Canada Brands
Bread	#2	<p>National</p>  
Buns & Rolls	#1	<p>Quebec</p>  
Breakfast	#1	<p>Maritimes</p>  <p>Western</p> 
Tortillas	#1	
Fruit/ Sweet Bread ⁴	#1	

¹ Figures after Grupo Bimbo's assessment of the earnings capacity of the business that was used for valuation purposes

² Considers a cash balance of approximately CAN\$100 mm

³ Nielsen Market Track (in Canadian dollars), latest 52 weeks as of 7/27/13

⁴ Includes licensed brands Sun-Maid and Cinnabon

Thank you



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