



June 2009

# Grupo Bimbo Today

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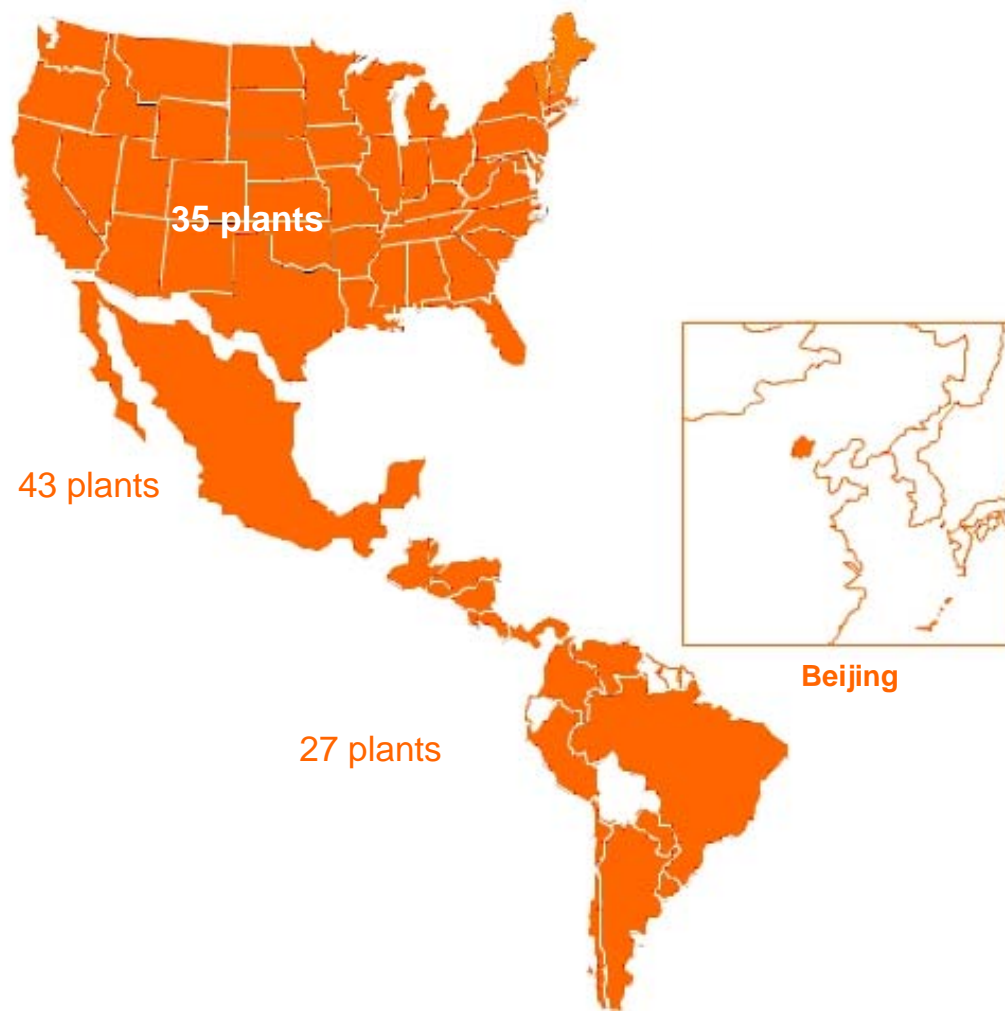
- A **global leader** in the baking industry
- Strong **market share** and **brand recognition**
- **Profitability** and **returns** above industry average
- LTM Revenues: **US\$7.6 billion\***
- LTM Revenues Pro-forma: **US\$9.4 billion\***
- Market capitalization: **US\$6.1 billion\*\***

\* LTM figures as of March 31, 2009. FX average: \$12.0926. Pro-forma figures include 12 months of BBU East as of March 31, 2009

\*\* As of June 16, 2009. FX: \$13.3525

# Broad Regional Profile

## Largest baker in the Americas



- Presence in 18 countries
- Robust product portfolio
  - 150+ brands
  - 5,000+ SKUs
  - Product categories (packaged): sliced bread, sweet baked goods, snack cakes, cookies, crackers, bagels, English muffins, salty snacks, confectionery goods, tortillas
- Strong commercial and distribution network
  - 40,000+ routes
  - 1.8+ million POS

# Grupo Bimbo's Structure

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Market diversification enhances upside potential



## MEXICO

#1 in baked goods

#2 in cookies and crackers

#2 in salty snacks

#2 in confectionery

#1 pastry chain

## UNITED STATES

#1 nationwide

## CENTRAL & SOUTH AMERICA

#1 in 13 countries

#2 in Argentina

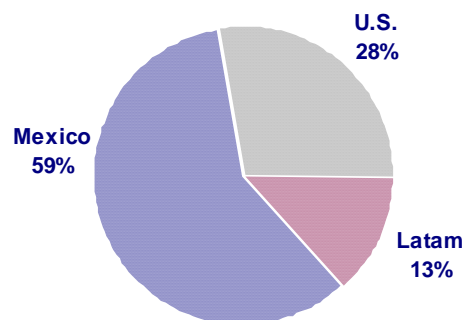


Leader in Beijing and  
Tianjing

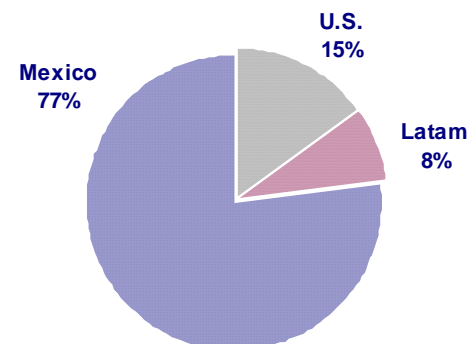
Results consolidated in Mexico

# Grupo Bimbo's LTM Pro-Forma Mix

**NET SALES: US\$ 7.6 billion LTM**

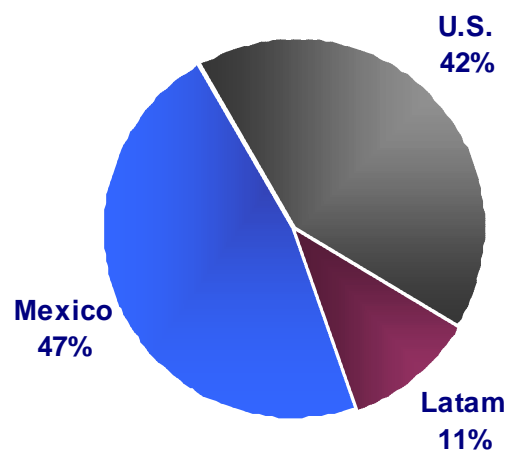


**EBITDA: US\$907 million (12.0%) LTM**

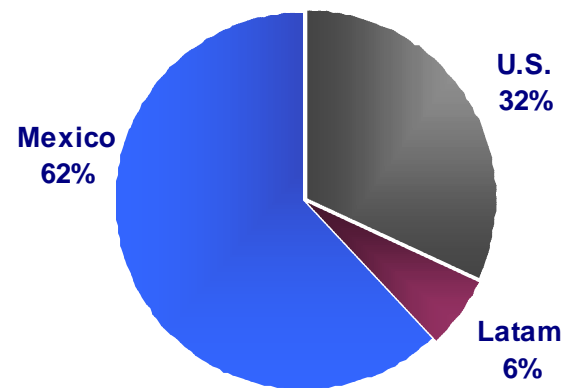


**Current Mix**

**NET SALES: US\$ 9.4 billion LTM Pro-Forma**



**EBITDA: US\$1.1 billion (12.0%) LTM Pro-Forma**



**Pro-Forma Mix**

LTM figures as of March 31, 2009  
 LTM Pro-Forma figures include Grupo Bimbo + 12M of BBU East as of March 31, 2009

# Mexican Operations

MXP MM	2007	2008	LTM
Net Sales	\$53,504	\$57,072	\$57,313
<i>% change</i>	7.2%	6.7%	5.7%
EBITDA	\$8,018	\$8,869	\$8,802
<i>EBITDA Margin</i>	15.0%	15.5%	15.4%
<i>Plants</i>	43		
<i>Routes</i>	28,000 +		
<i>Associates</i>	74,000 +		

- Leader in sliced bread
- Leader in sweet baked goods
- Second player in cookies and crackers
- Second player in salty snacks and confectionary
- Extensive direct distribution network

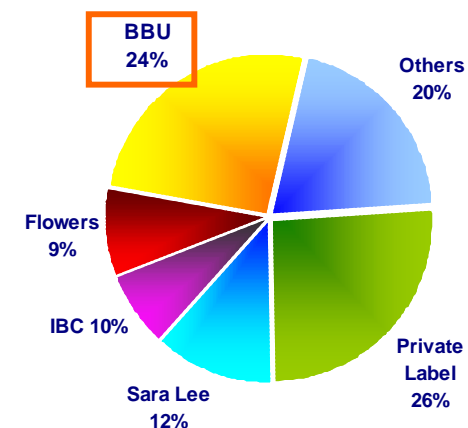


Figures expressed in constant Pesos as of March 31, 2009, according to Mexican GAAP  
LTM figures as of March 31, 2009

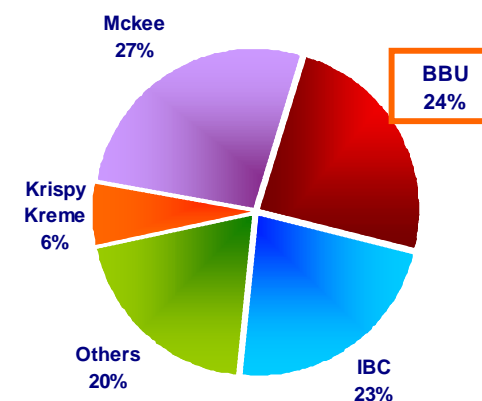
# U.S. Operations (BBU)

US\$ MM	2007	2008	LTM	LTM Pro-forma
Net Sales	\$1,524	\$1,621	\$2,127	\$3,943
% change	8.9%	6.4%	31.1%	153.4%
EBITDA	\$51	\$49	\$136	\$361
EBITDA Margin	3.4%	3.0%	6.4%	9.1%
Plants	13		35	
Routes	3,000 +		7,000 +	
Associates	7,000 +		15,000 +	

## BBU's Bread Share\*



## BBU's Sweet Baked Goods Share\*



\* IRI: Sales dollar data, 13 weeks ending November 2, 2008

Figures expressed in nominal U.S. Dollars, according to Mexican GAAP

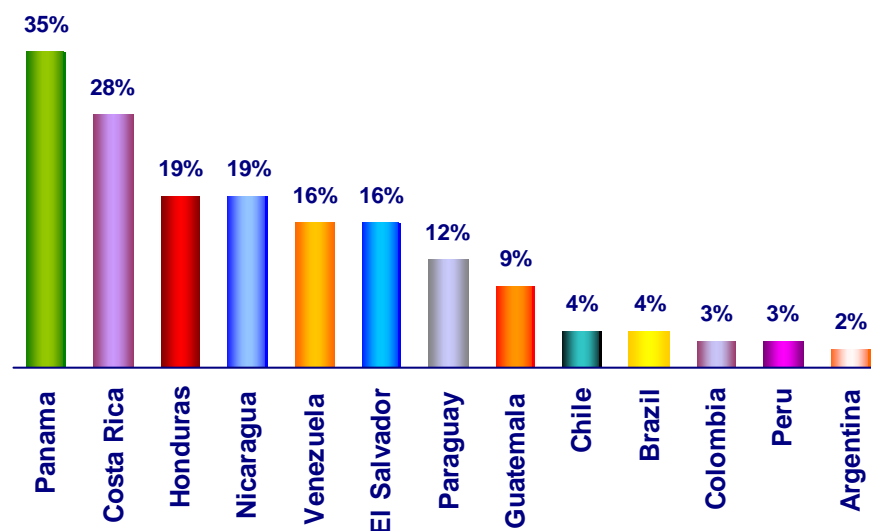
LTM figures as of March 31, 2009. LTM Pro-Forma figures include 12M of BBU East

# Latin American Operations

MXP MM	2007	2008	LTM
Net Sales	\$8,180	\$11,807	\$12,462
% change	37.4%	44.3%	42.0%
EBITDA	\$640	\$878	\$908
EBITDA Margin	7.8%	7.4%	7.3%
Plants	27		
Routes	4,500 +		
Associates	16,000 +		

## Grupo Bimbo's Latin America Market Share\*

Average penetration of packaged bread is 5%



PULLMAN

PLUSVITA



Marinela

nutrella  
El gusto amigable que faz.

Holsum

Fuchs

Figures expressed in constant Pesos as of March 31, 2009, according to Mexican GAAP  
LTM figures as of March 31, 2009

\* Market share considers fresh and packaged bread

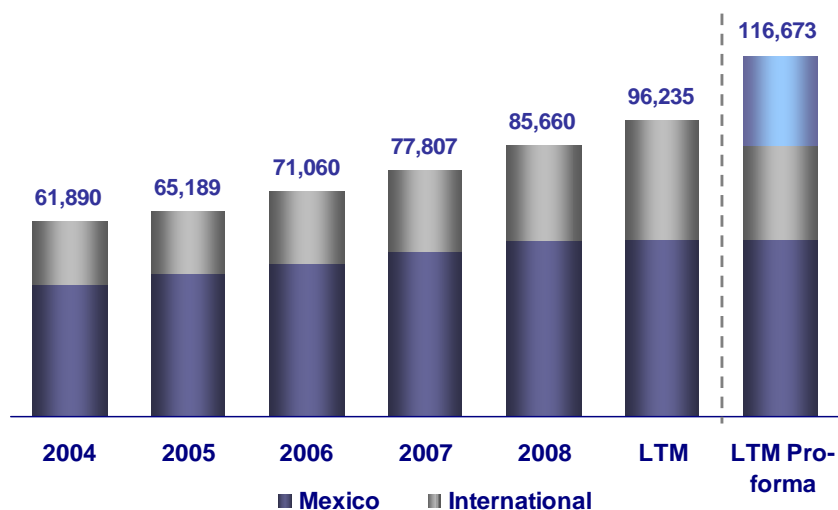


# Historical Performance

# Sustained Growth and EBITDA Generation

- Net sales growth exceeding GDP and population growth
- Aggressive product innovation
- Solid margins in the domestic operations
- International operations contributing to EBITDA since 2004

**Net Sales**  
(MXP Millions)



**5-year Real CAGR : 9.2%**

**EBITDA**  
(MXP millions)

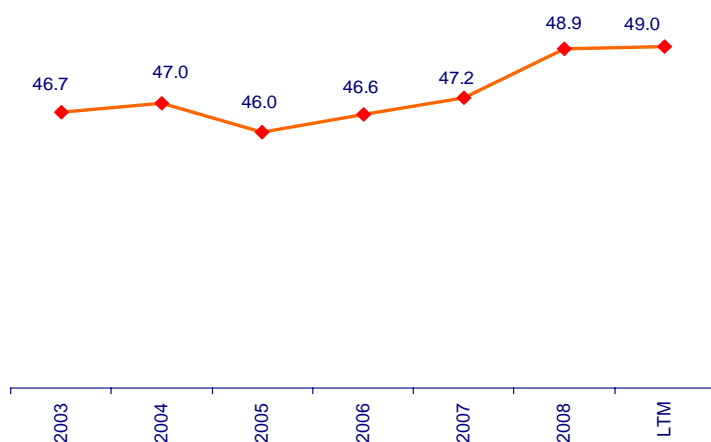


**5-year Real CAGR : 10.4%**

Figures expressed in constant Pesos as of March 31, 2009, according to Mexican GAAP  
 LTM figures as of March 31, 2009  
 LTM Pro-Forma figures include 12M of BBU East as of March 2009

# Despite Significant Pressures...

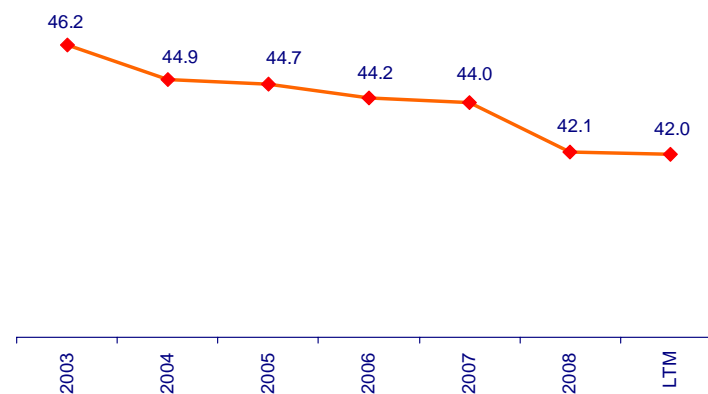
## Rising Raw Material Costs



### COGS as % of net sales

- ✗ Raw material prices impacted by currencies devaluation in Mexico and Latin America
- ✗ Increased labor costs
- ✓ LTM price increases in all regions
- ✓ Improved product mix
- ✓ Increased productivity

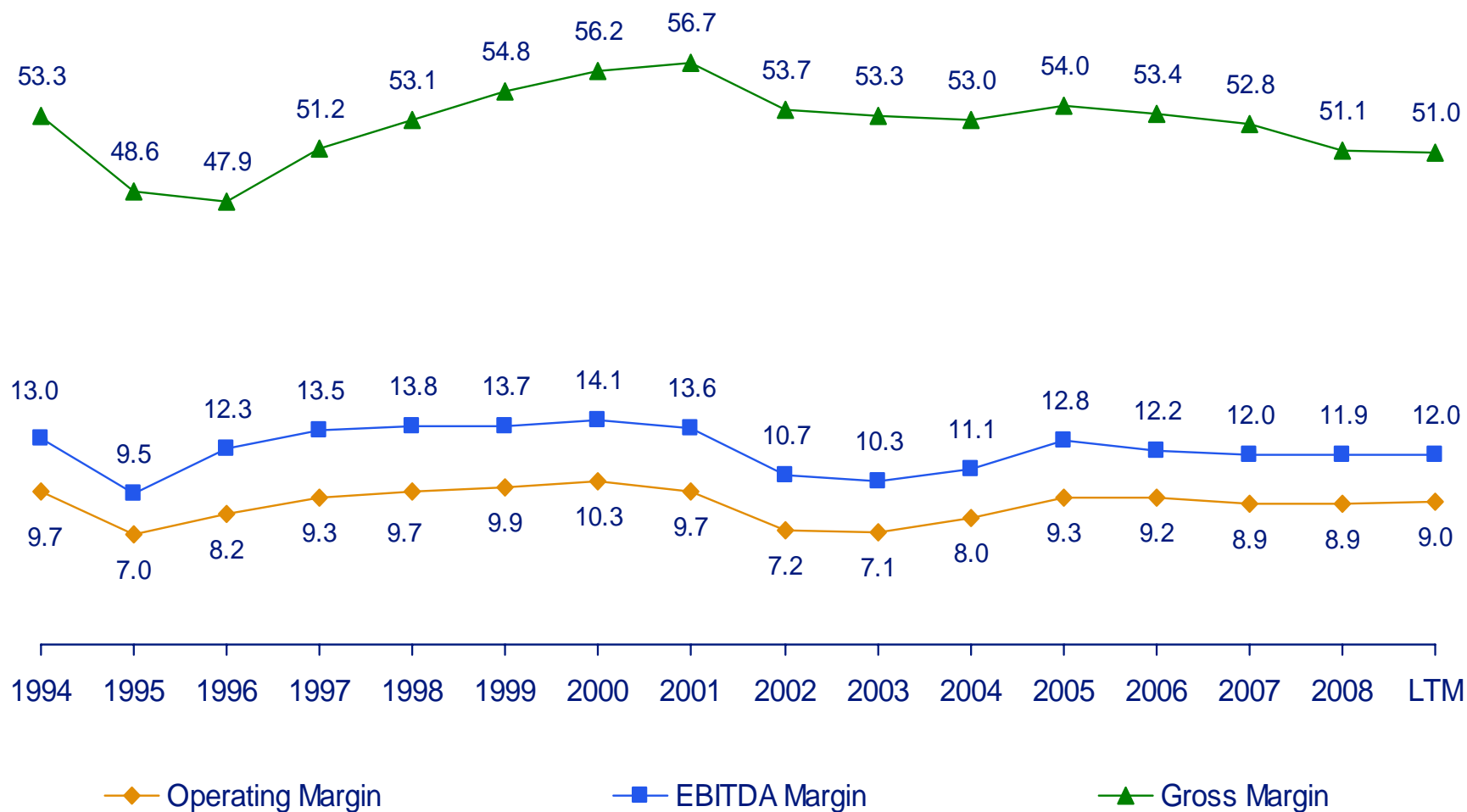
## Greater Distribution Investment



### SG&A as % of net sales

- ✗ Expansion of the distribution network in the U.S. and Latin America
- ✗ Higher penetration in the M&P channel and convenience stores abroad
- ✓ More efficient sales mix
- ✓ Efficiencies in distribution in every region
- ✓ Administrative expense controls
- ✓ Lower labor costs in the U.S.

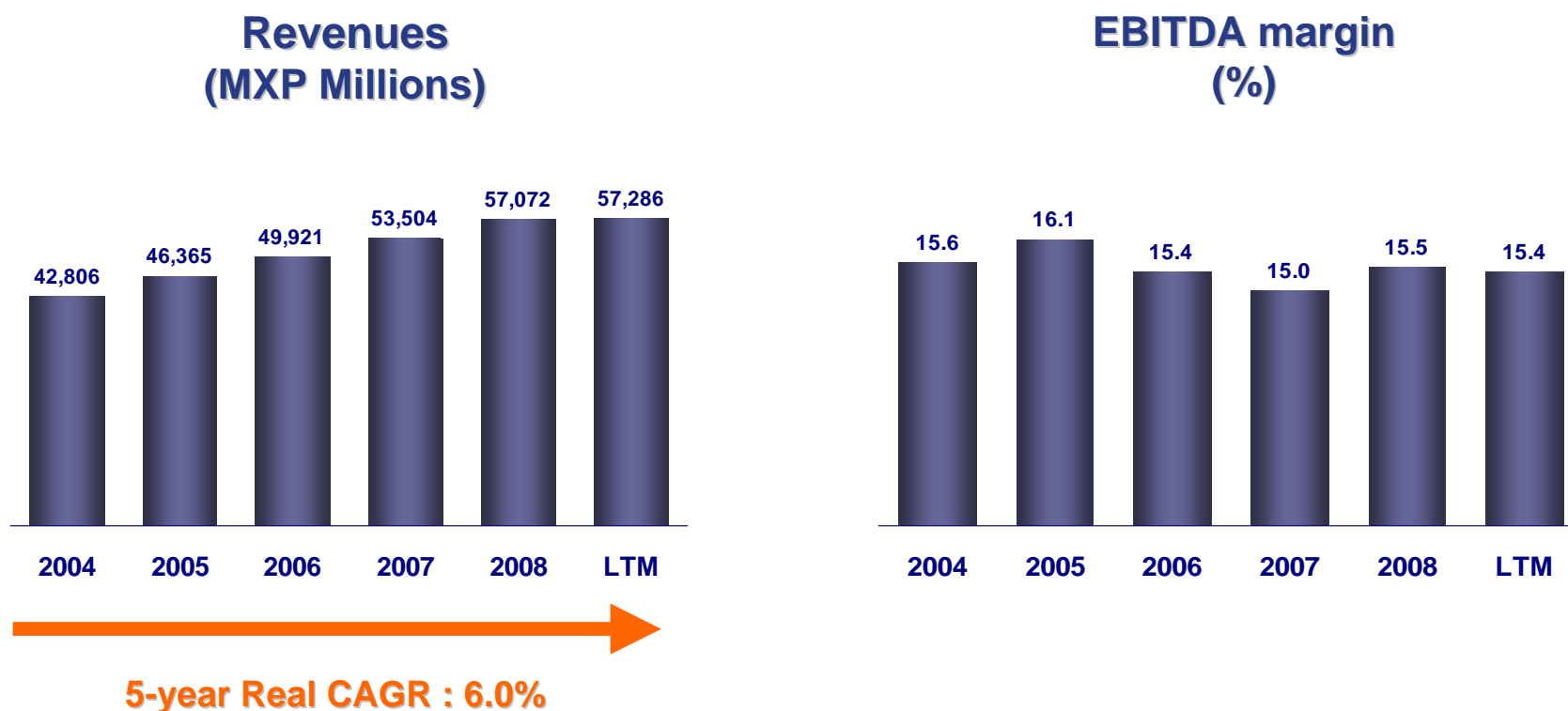
# Solid Profitability Levels



LTM figures as of March 31, 2009

# Mexico

- LTM top line growth of 11.5% mainly driven by carry over pricing
- Economic conditions having a negative impact on volume performance
- Better sales execution, more accurate drop sizes and better sales mix
- Raw material prices being impacted by the devaluation of the Mexican peso, partially offset by carry over pricing, efficiencies, absorption and cost controls



Figures expressed in constant Pesos as of March 31, 2009, according to Mexican GAAP  
LTM figures as of March 31, 2009

# United States

## BBU East consolidating since January 21, 2009

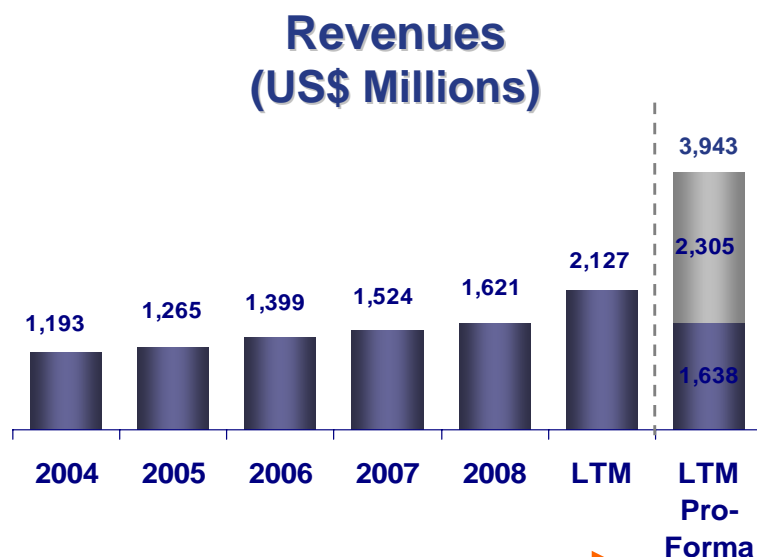
### Different dynamics by region

- Top line performance - East driven by volume growth and West by carry over pricing
- Profitability – Steady for the East and improving significantly in the West

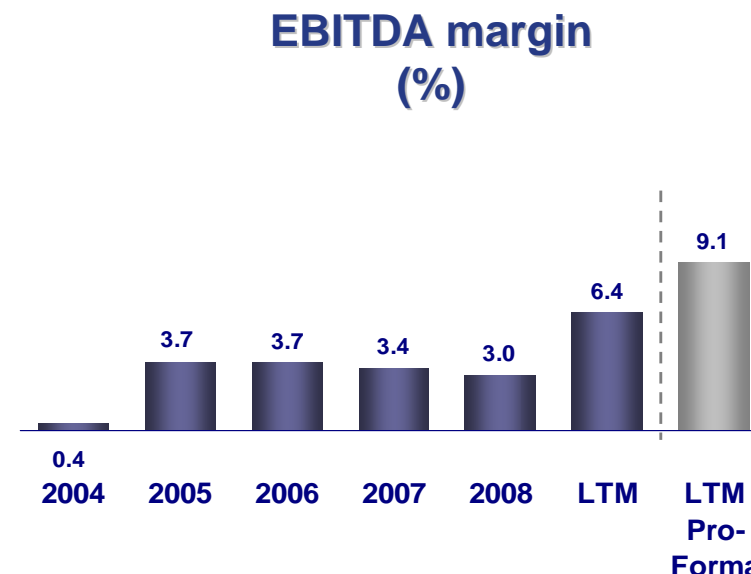
### Revenue enhancement and cost savings opportunities

- Leverage of the national footprint to better serve national accounts
- Integration process already delivering savings in the West, mainly in manufacturing

### Integration process exceeding initial objectives

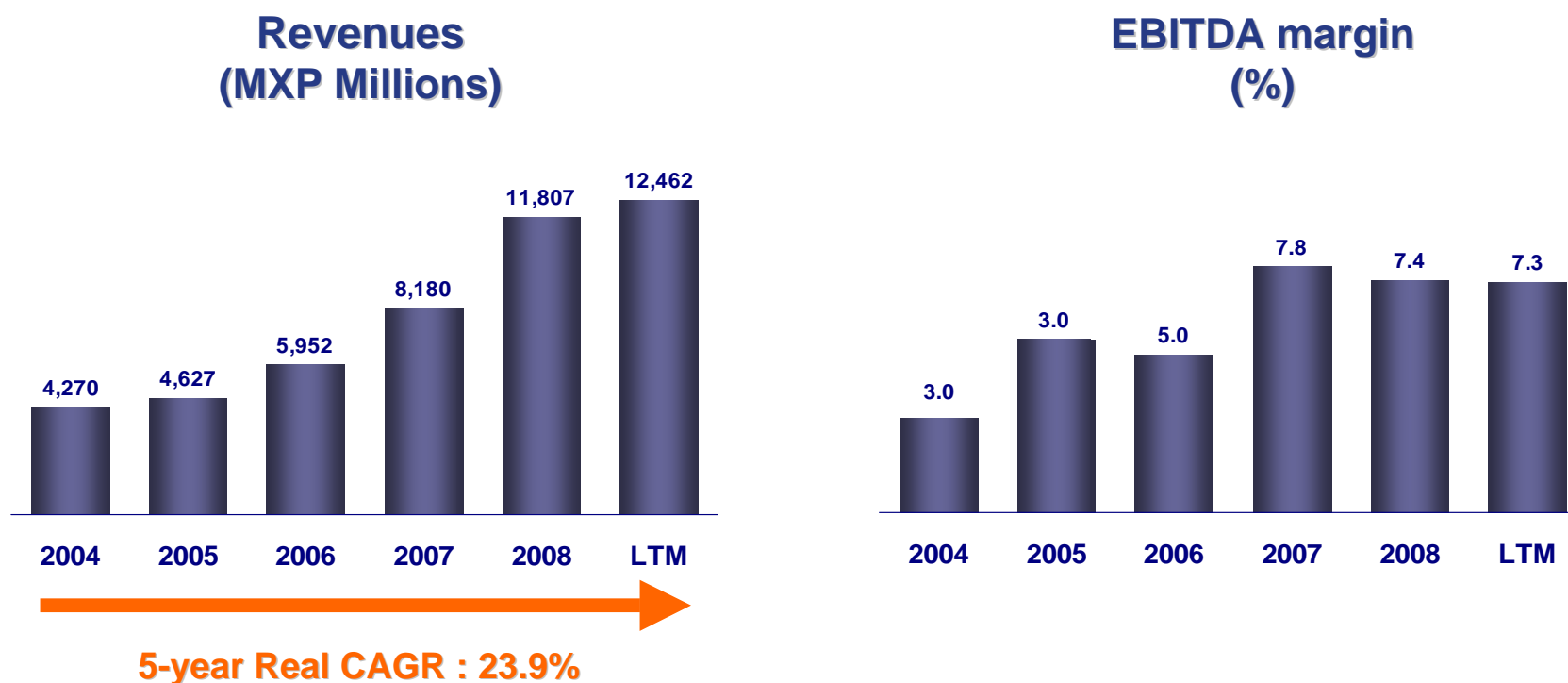


**5-year CAGR : 12.3%**



# Latin America

- Top line growth exceeding 30%
  - Expansion of the product portfolio and distribution network
  - Integration of new operations
  - Addition of new customers (+90,000 in 2008)
  - 15 bolt-on acquisitions during the last 5 years
- Operating leverage driven by increased sales



Figures expressed in constant Pesos as of March 31, 2009, according to Mexican GAAP  
 LTM figures as of March 31, 2009

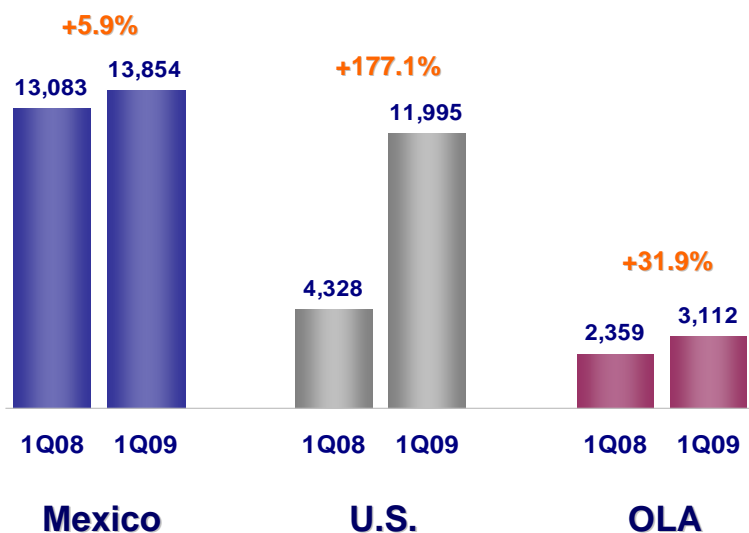
# **First Quarter 2009 Results**



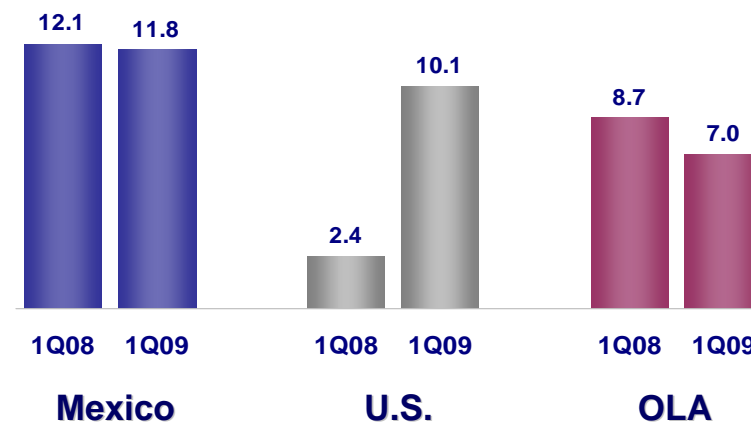
# 1Q09 Results

- Top line growing at a lower pace
- Commodity prices decreasing but impacted by currencies' devaluation
- Higher manufacturing productivity
- Higher efficiencies at the distribution level
- Steady cost controls across every region
- BBU East consolidating since January 21, 2009, boosting sales and profitability

### Revenues (MXP Millions)



### EBITDA margin (%)

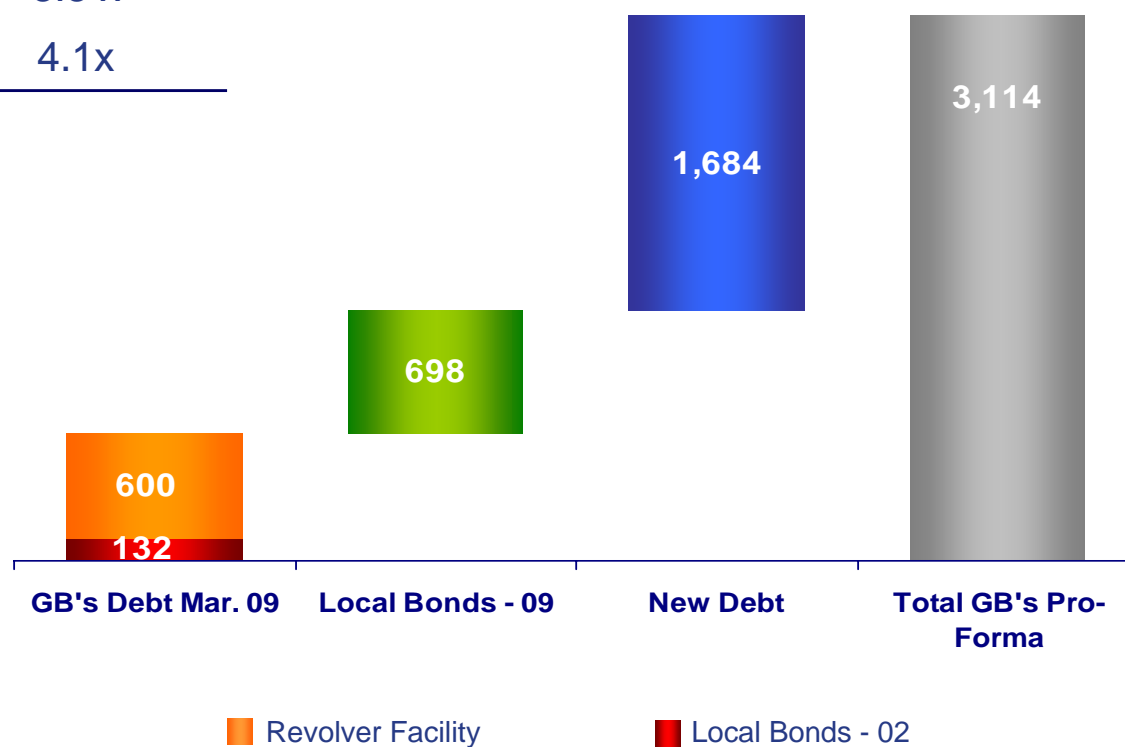


# **Financial Structure**

# Total Debt

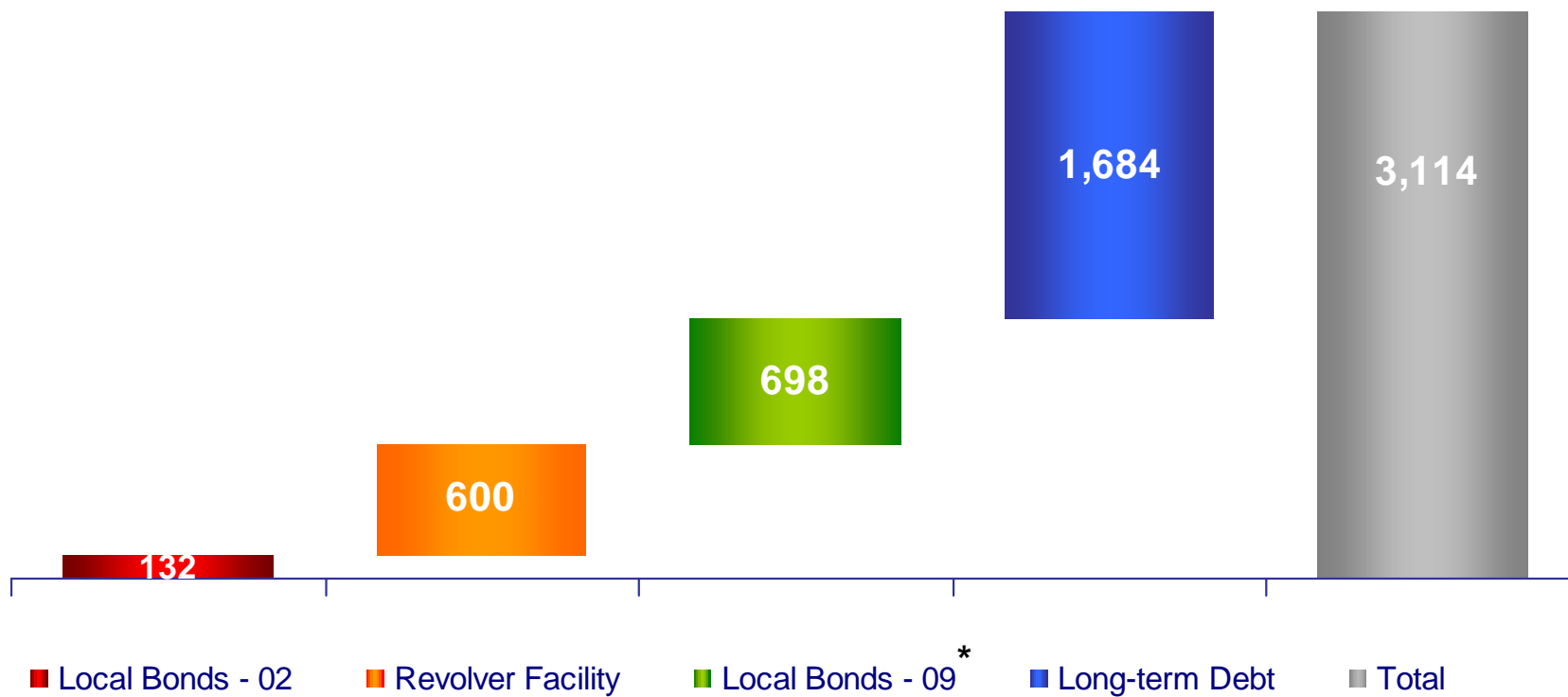
## Acquisition Impact

	<u>GB 2008</u>	<u>GB 2008 Pro-Forma</u>
Debt / EBITDA <sup>(1)</sup>	1.1 x	3.3 x
Interest Coverage	11.8x	4.1x



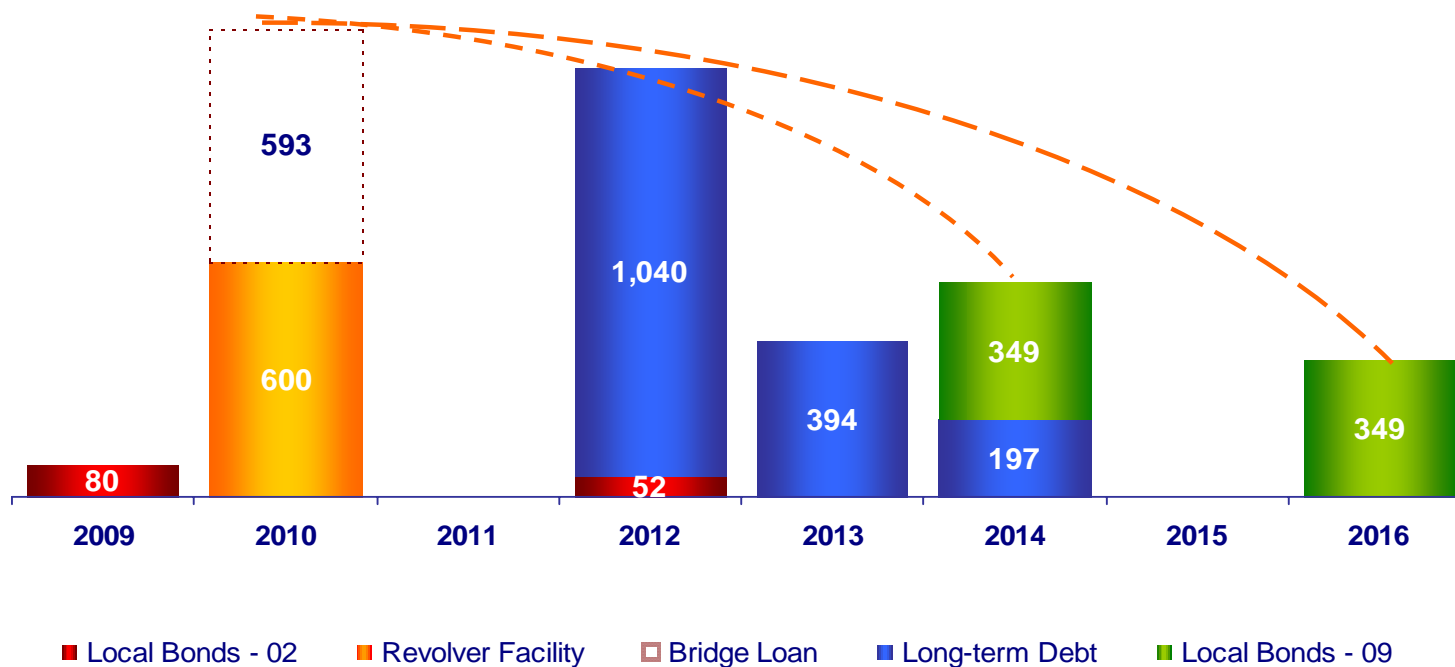
1) Ratio calculated with Debt and EBITDA in Mexican pesos, according to Mexican GAAP  
 Figures in millions of dollars as of March 31, 2009. FX: 14.3317

# Total Debt Breakdown

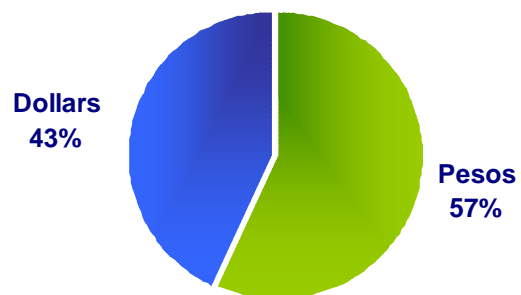


\* Local bonds issued on June 10, 2009  
 Figures in millions of U.S. dollars. FX: 14.3317

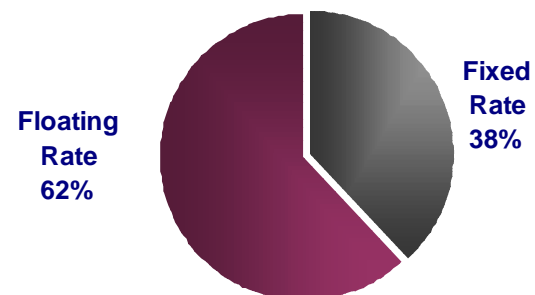
# Amortization Schedule



## Currency Mix

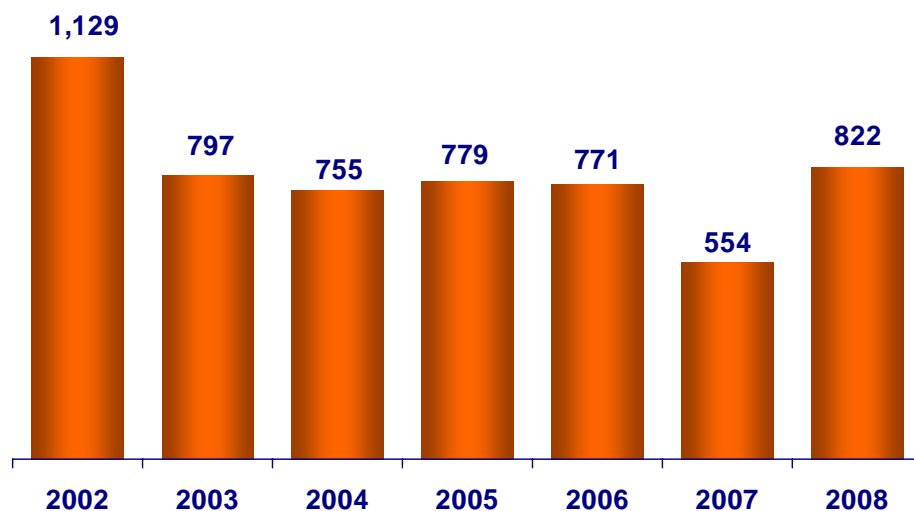


## Interest Rates Mix

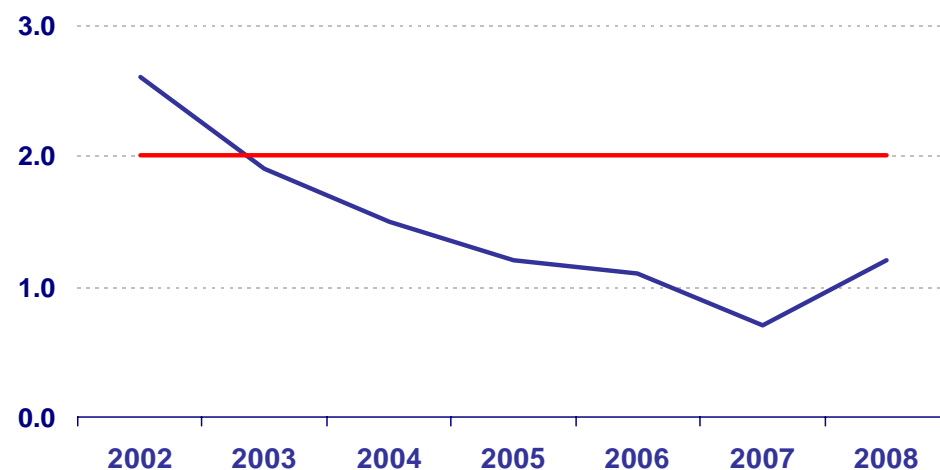


# Deleveraging Historical Performance

### Total Debt (US\$ Millions)

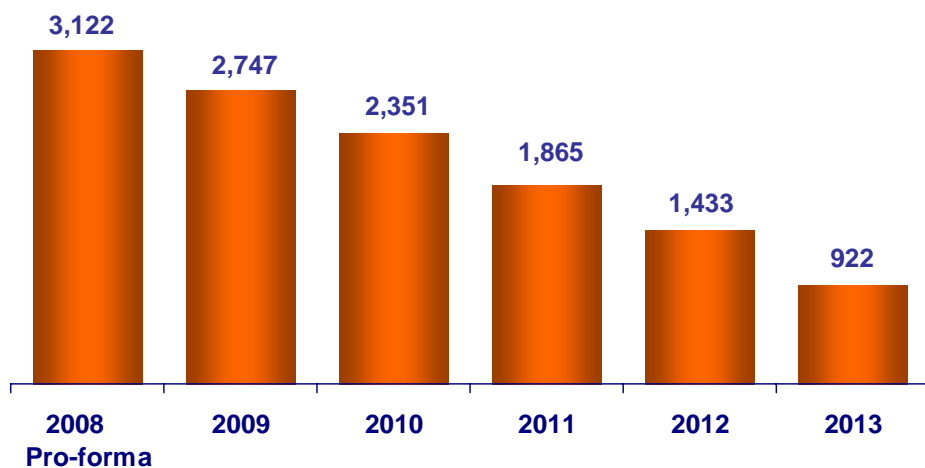


### Total Debt / EBITDA

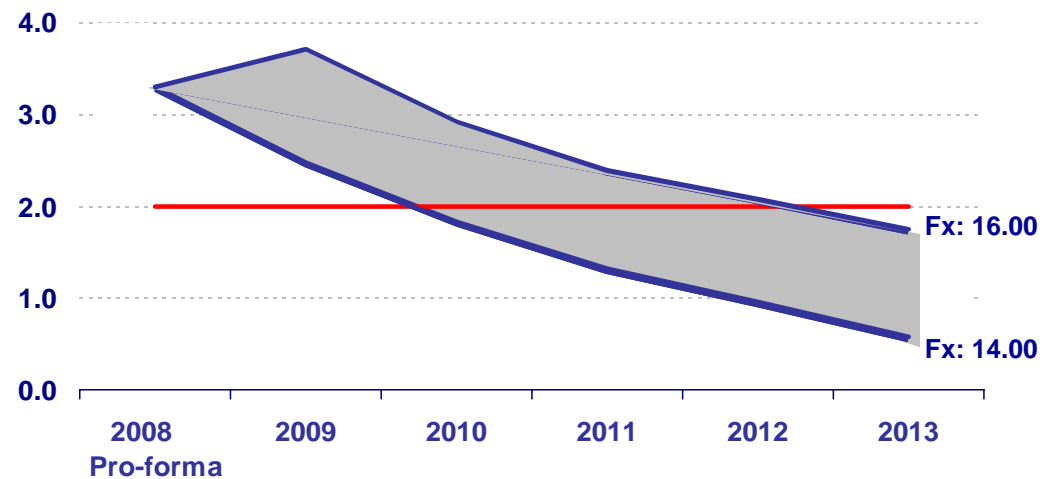


# Pro-Forma Performance: Deleveraging Impact

## Total Debt (US\$ Millions)



## Total Debt / EBITDA



# Ratings

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	<u>Before WFI Acquisition</u>	<u>After WFI Acquisition</u>	<u>Outlook</u>
<b>Fitch</b>	National Scale: AAA	National Scale:AA	Stable
<b>Moody's</b>	Global Scale: Baa1 National Scale: Aaa.mx	Global Scale: Baa2 National Scale: Aa2.mx	On Review
<b>S&amp;P</b>	Global Scale: BBB+ National Scale: mxAAA	Global Scale: BBB National Scale: mxAA+	Negative



## Grupo Bimbo's Focus Will Remain on Execution

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- Orderly integration
- Capture of commercial and operating synergies
- Cross-border best practices
- Consolidate our operation in current markets
- Strict financial discipline

# An Attractive Investment Alternative

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## Financial Targets:

- **Maintain financial flexibility**
  - 2x Debt / EBITDA ratio
  - Focused on deleveraging - strict Capex and cost control
  - Debt's average life consistent with future free cash flows
  - Available committed credit lines
  - Diverse funding sources
- **Maintain investment grade ratings**
- **Risk management**
  - Commodities, interest rates and F/X

## Competitive Advantages:

- Defensive industry – low sensitiveness to economic cycles
- Favorable sales mix in markets and categories
- Stable and strong cash generation – proven ability to rapidly deleverage and low funding needs
- Improve credit ratings within a reasonable time
- Experienced and committed management team

# **Grupo Bimbo's acquisition of Weston Foods, Inc.**

**January 21, 2009**

# Transaction Overview: A Transformative Opportunity

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- Grupo Bimbo acquired Weston Foods Inc (WFI), the US fresh bakery division of George Weston
- This transaction is a key opportunity for Grupo Bimbo to strengthen its business
- WFI has a leading market position in North America, with excellent financial performance
- Combination with Grupo Bimbo creates a leading North American baker
- The incorporation of WFI transforms Grupo Bimbo's business profile

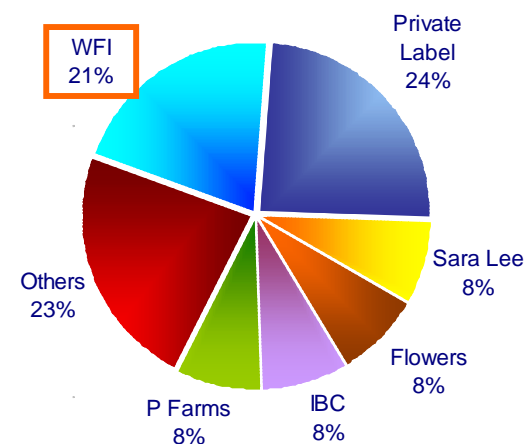
# Weston Foods Inc (WFI)

## U.S. Fresh Bakery Business

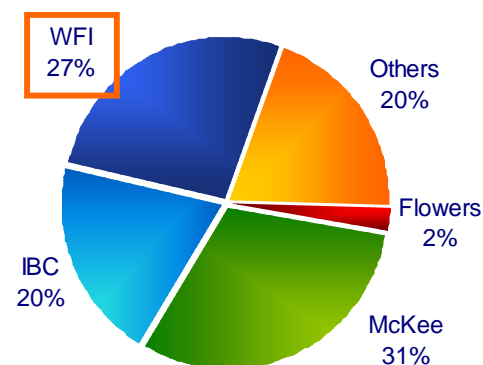
- Bread, rolls, muffins, bagels, sweet goods
- Retail, food service
- Private label, Restaurants & Institutional

US\$ MM	2007	2008
Net Sales	\$2,057	\$2,272
Adj. EBITDA <sup>(1)</sup>	\$249	\$274
EBITDA Margin	12.1%	12.1%
Plants <sup>(2)</sup>	22	
Routes	4,000 +	
Associates	8,000 +	

## Eastern US Bread Share<sup>(3)</sup>



## Eastern US Sweet Baked Goods Share<sup>(3)</sup>



1) Adjusted EBITDA as of December 31, 2008. Adjusted EBITDA by restructuring changes, and adjustments of fair value on commodity derivatives, and of insurance reserves  
 2) 15 Bread & Rolls, 4 Cake, 3 Combo  
 3) IRI: Sales dollar data, 13 weeks ending November 2, 2008

# Strong Brand Portfolio

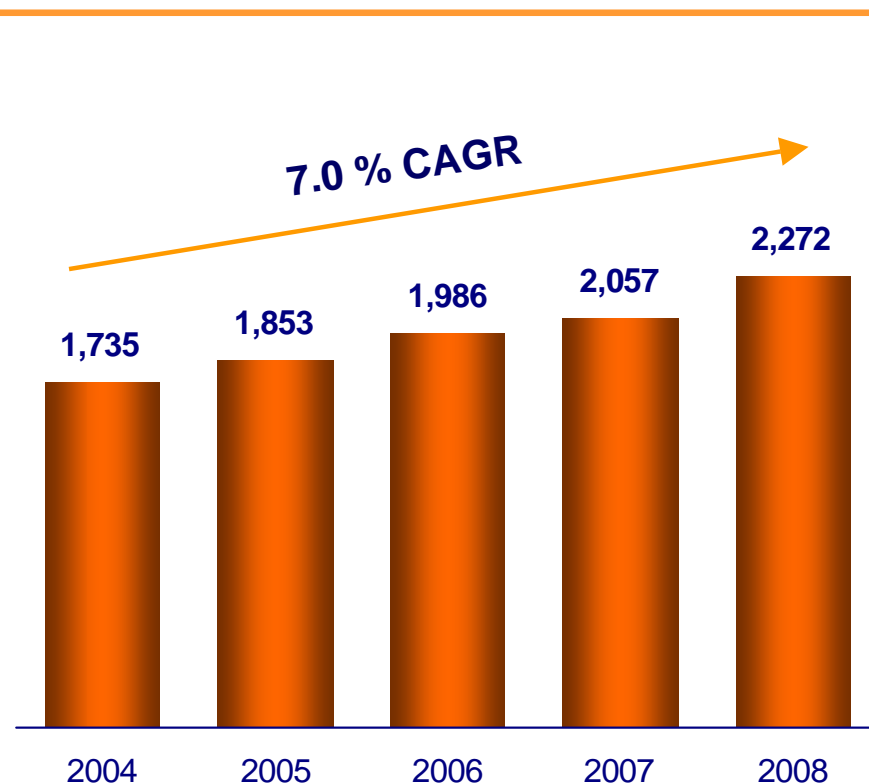
## Overview of WFI's Business Units



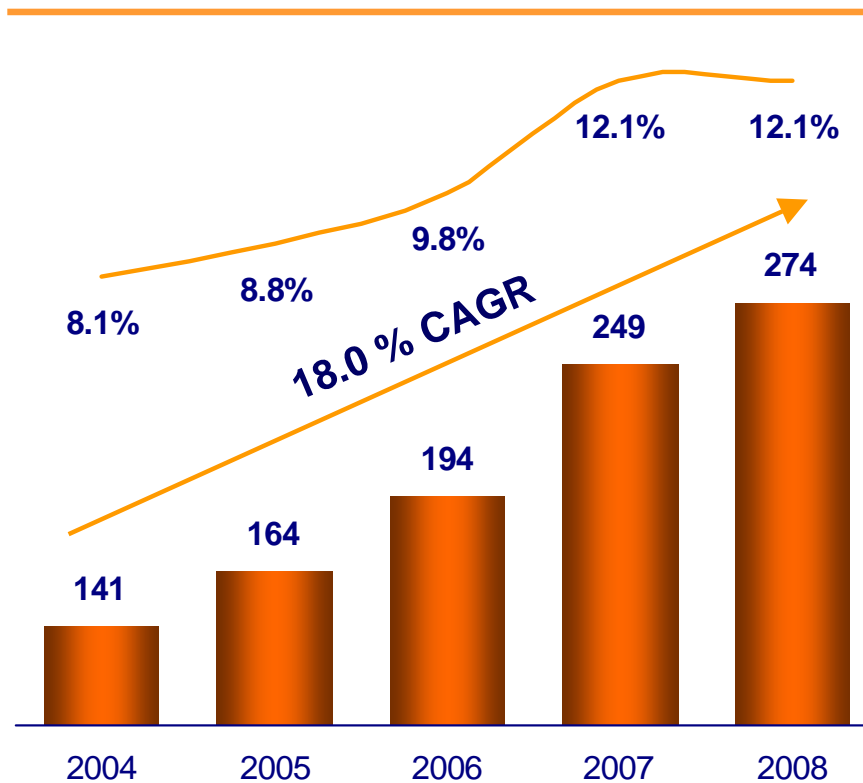
	Bread	English Muffins & Bagels	Cake
Description	<ul style="list-style-type: none"> <li>Leading baker of premium bread brands</li> <li>Strong position in the Northeast</li> </ul>	<ul style="list-style-type: none"> <li>Leading value added baked goods player in English muffins and growing bagel presence</li> </ul>	<ul style="list-style-type: none"> <li>Leading cake player in Northeast</li> </ul>
Position	<ul style="list-style-type: none"> <li>#1 premium products baker in East with Arnold-Brownberry</li> <li>Strong regional brands – Freihofer's and Stroehmann</li> <li>Boboli specialty product</li> </ul>	<ul style="list-style-type: none"> <li>#1 English muffins</li> <li>#1 Bagel business</li> </ul>	<ul style="list-style-type: none"> <li>Strong position in Metro New York</li> </ul>

# WFI Track Record of Delivering Results

Net Revenues (US\$ MM)



EBITDA\* (US\$ MM and % Margin)







- Strong focus on growing most profitable categories
- Strong investment to upgrade installed production capacity
- Efficient manufacturing and distribution schemes

\* Adjusted EBITDA  
 Figures expressed in nominal U.S. Dollars

# Positive Industry Fundamentals

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## Transaction responsive to:

- Bread Industry Highly Fragmented 
- Supermarkets account for the majority of retail bread sales 
- Economic uncertainty leads to a decline of meals eaten out 
- Demographic favors healthier and better-for-you products 



# Combination Creates Balanced Brand Portfolio

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## National leader in premium brands

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## Diverse portfolio of mainstream brands

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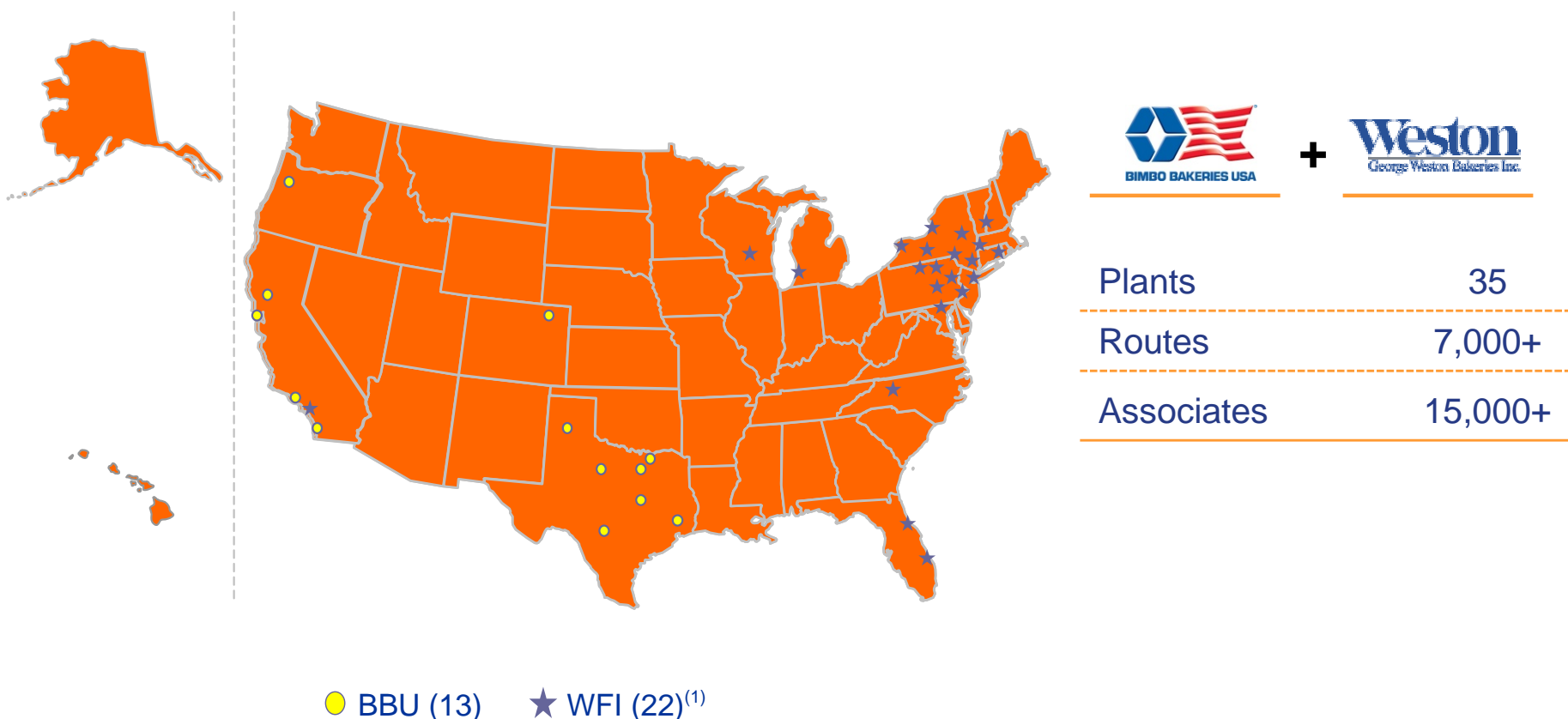
## Leader in niche brands portfolio

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- National Brand portfolio that covers all segments and market niches
- Combined product and regional brand portfolio attractive to regional customers
- Products that cover all the consumption occasions

# The New BBU Profile



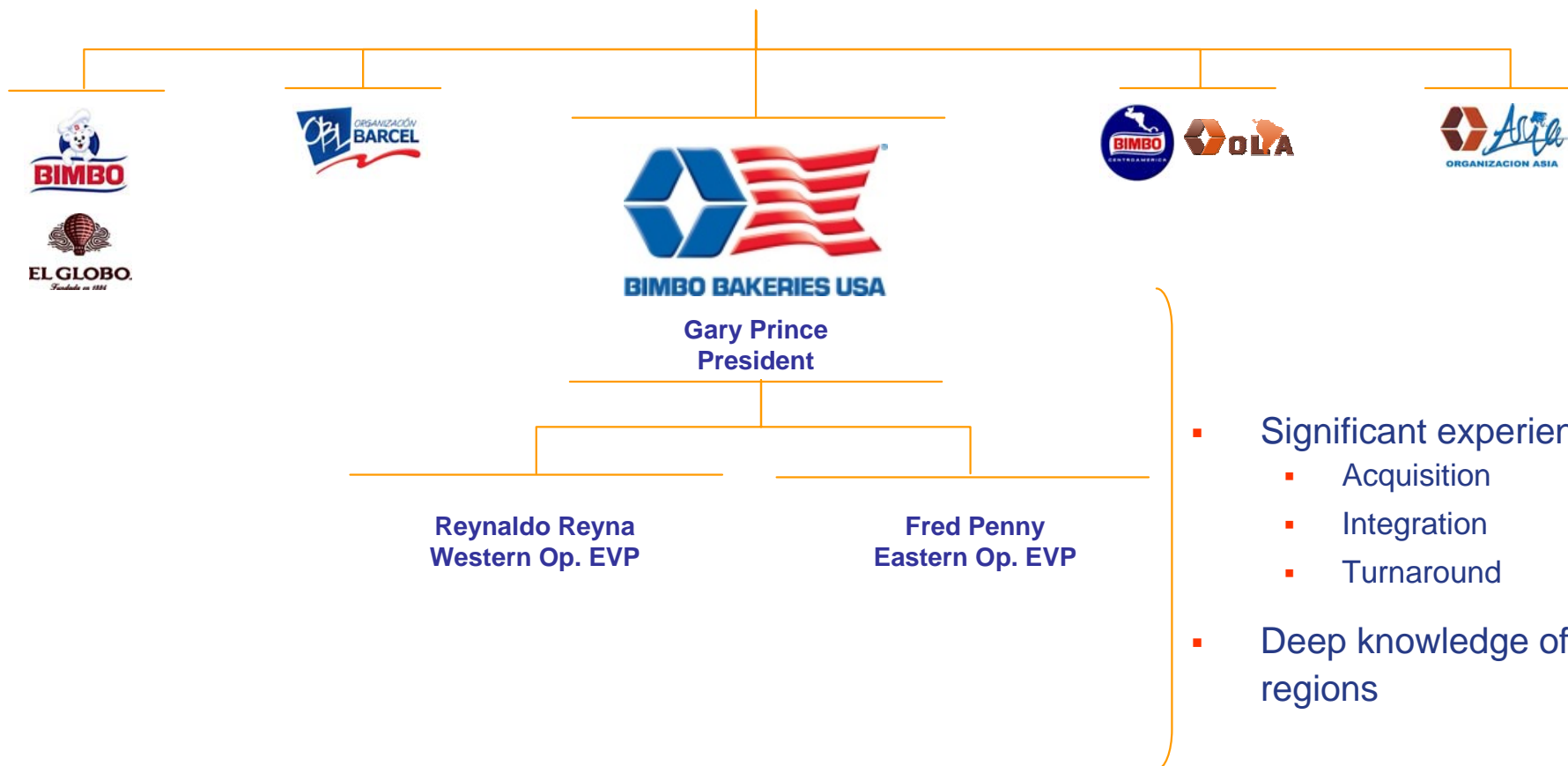
- Pro-Forma 2008 sales of US\$3.9 bn and EBITDA US\$323 mm (8.2% margin)
- National presence to better serve our customers
- Expected net synergies of US\$95 mm

1) Includes one plant supplying Thomas' English muffins for BBU in the West

# Talented Management: Best in Class



Daniel Servitje  
CEO



- Significant experience
  - Acquisition
  - Integration
  - Turnaround
- Deep knowledge of heritage regions

## Attractive Purchase Price

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**Payment of  
US\$ 2,380 million**

### **Business Assets Acquired:**

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- Stock of WFI
- Trademarks

### **Implied multiples:**

EV / EBITDA 8.6x      Price / Sales 1.1x

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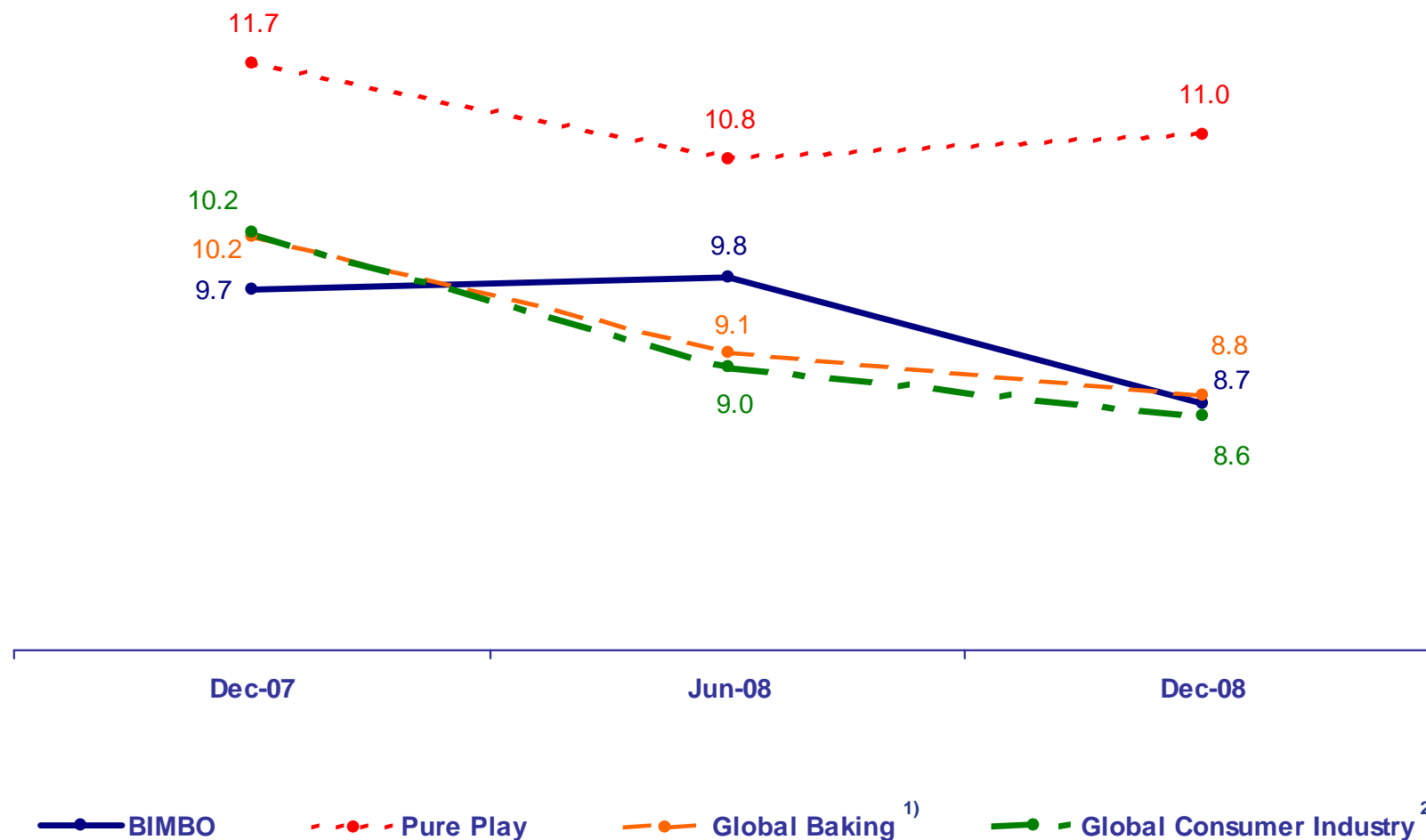
**Payment of  
US\$ 125 million**

### **Financial Assets Acquired:**

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- US\$ 125MM of financial assets
- Interest income ~US\$11 MM

# Favorable Ratios Comparison: EV / EBITDA



- 1) Global Baking includes: Grupo Bimbo, Flowers Foods, General Mills, George Weston, Goodman Fielder, Kellogg, Kraft, Krispy Kreme, Sara Lee and Yamazaki  
 2) Global Consumer Industry includes: Grupo Bimbo, Gruma, Flowers Foods, General Mills, George Weston, Goodman Fielder, Hershey's, Kellogg, Kraft, Krispy Kreme, Nestlé, Sara Lee and Yamazaki

# Significant Synergy Potential

## Full Run Rate Synergies by Year 5

**Run Rate Synergies: US\$ 95 mm<sup>(1)</sup>**

**Cumulative Costs to Achieve Synergies: US\$ 30 mm**

**Cumulative Capex (IT): US\$ 60 mm**



**80% by the third year**

- Sales & Marketing: Portfolio, Routes
- G&A: Finance, Administrative
- Operations: Manufacturing, Procurement

1) Net of one-time costs

# Financing Structure: Solid Bank Group

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Joint commitment of US \$2,300 million



	<u>Amount<sup>(1)</sup></u>	<u>Tenor</u>
<b>Bridge Facility</b>	US\$ 600mm	1 year
<b>Term Loan</b>	US\$ 900mm	3 year
	US\$ 800mm	5 year

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1) 56% of total loan was funded in Mexican Pesos and 44% in U.S. Dollars

# An Attractive Acquisition

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- **Strengthening our presence in the U.S.**
  - Complementary acquisition with high quality assets (brands, manufacturing and distribution structure, management)
  - More efficient manufacturing and distribution mix
  - Complementary brand portfolio and regions
  - Best business practices will improve BBU profitability/sustainability and support cross-border learning
  
- **Major opportunity in the industry**
  - Proactive role in an industry that is consolidating
  - Industry fundamentals remain strong in current environment
  - Development of more profitable brand portfolios
  - Enhanced commercial strength in an environment where clients are consolidating
  - Committed management team with deep industry and integration experience
  
- **Attractive transaction fundamentals**
  - Attractive purchase multiple
  - Synergies
  - More balanced overall Grupo Bimbo business profile
  - Conservative approach maintains financial flexibility

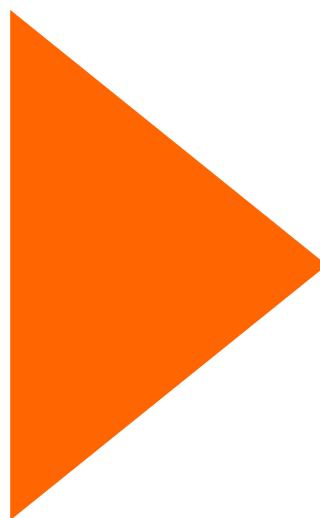


# Bimbo Bakeries USA: A New Industry Leader

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## An attractive acquisition

- The right **sector**
- The right **player**
- The right **fit**
- The right **valuation**
- The right **team**



**North America's  
Top Baker**

## United States – Integration Process in place

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### Strategic Objectives

- Maintain visibility and earnings momentum in the East
- Improve profitability in the West
- Execute integration to deliver synergy objectives

### Organization Alignment

- New BBU structure already defined
- Sales: balance by category, consumer and customer
- Marketing: integrated organizational structure, national strategies in process
- Manufacturing: benchmarking East & West for best practice opportunities

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