



## Investor Presentation 1Q12

*To nourish, delight  
and serve our world*

*Alimentar, deleitar y servir a nuestro mundo*

*Alimentar, deliciar e servir a nosso mundo*

哺育, 愉悦和服务我们的世界

*Empresa altamente productiva y plenamente humana*

# Grupo Bimbo



## Leading Global Bakery Company

- Grupo Bimbo (“GB”) is one of the largest bakeries in the world and one of the largest packaged food players with presence in 19 countries

### LTM Key Financial Figures as of 1Q12 (US\$ mm)<sup>1</sup>

Revenues	US\$11,456mm
EBITDA	US\$1,172mm

- Listed on the Mexican Stock Exchange since 1980
  - Market cap of US\$11.2Bn<sup>2</sup>
- Investment grade credit ratings: Baa2/BBB/BBB (Moody’s/Fitch/S&P)

## Strong Brand & Broad Product Portfolio

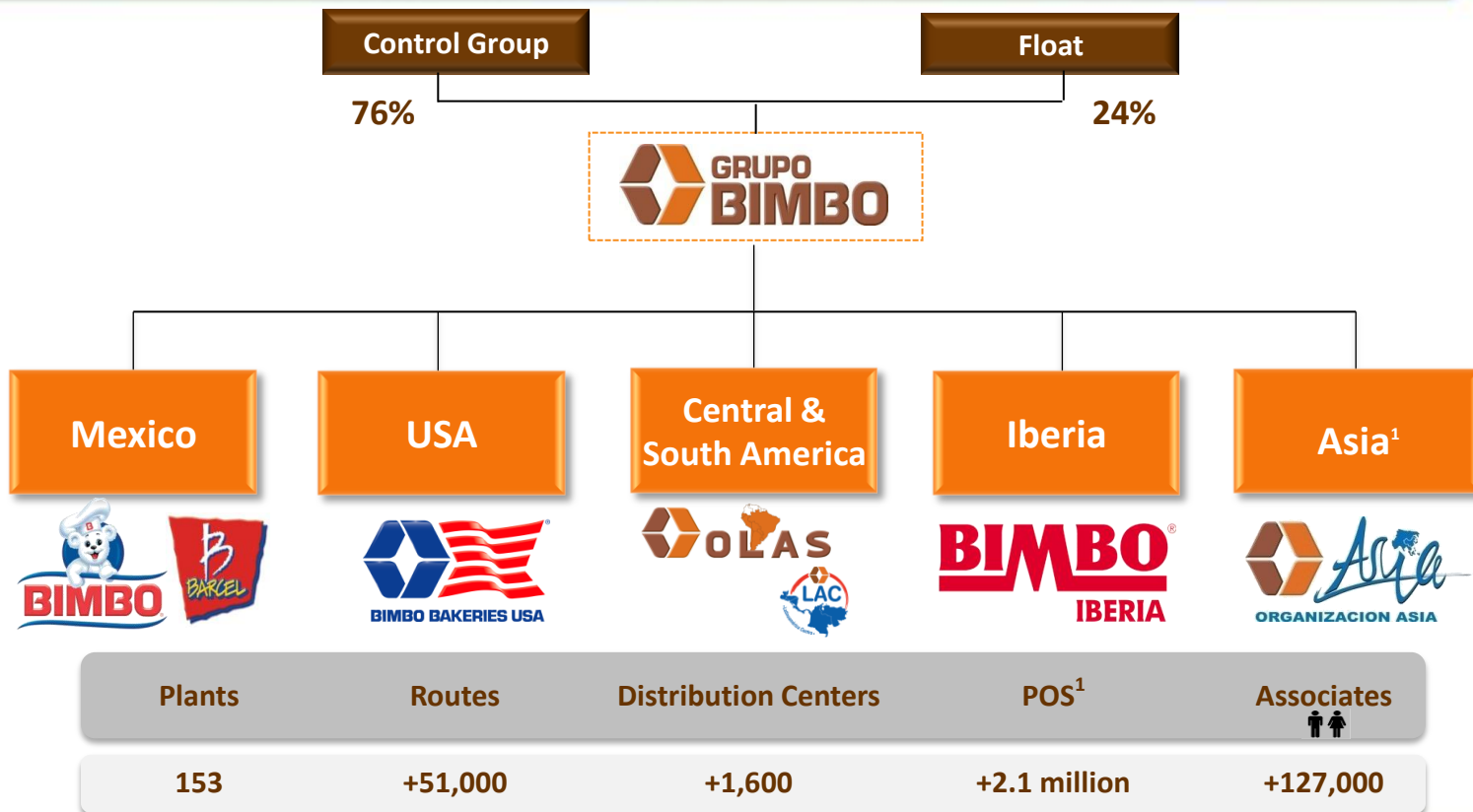
- Over 10,000 products and more than 100 renowned brands of a wide variety of baked goods, salted snacks, confectionary, wheat tortillas and packaged food



1. LTM pro forma figures as of March, 2012 (2Q11+3Q11+ 4Q11+ 1Q12)  
Converted to US\$ using the LTM average rate of 12.6653

2. As of April 19, 2012. Converted to US\$ using the FX rate of \$13.20

# Broad Asset Base



1. Asia's results are included in Mexico

# Leader in Core Product Categories in Key Markets



## United States

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



## Portugal & Spain

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



## 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<sup>1</sup>

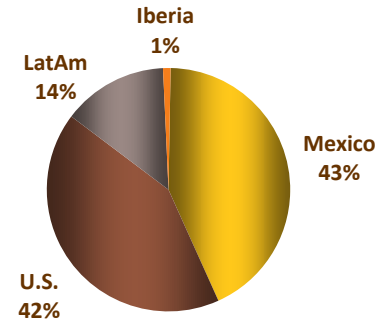
- #1 in packaged baked goods in 14 countries



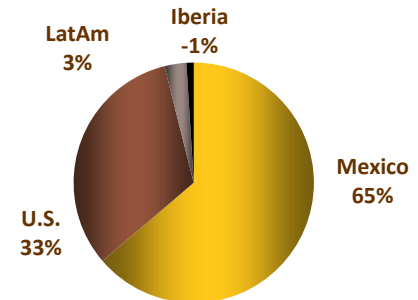
## China<sup>1</sup>

- Pioneer in developing packaged baked goods in Beijing and Tianjing

## LTM Revenue Breakdown (US\$11.5 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 March, 2012 (2Q11+3Q11+ 4Q11+ 1Q12)

Converted to US\$ using the LTM average rate of 12.6653

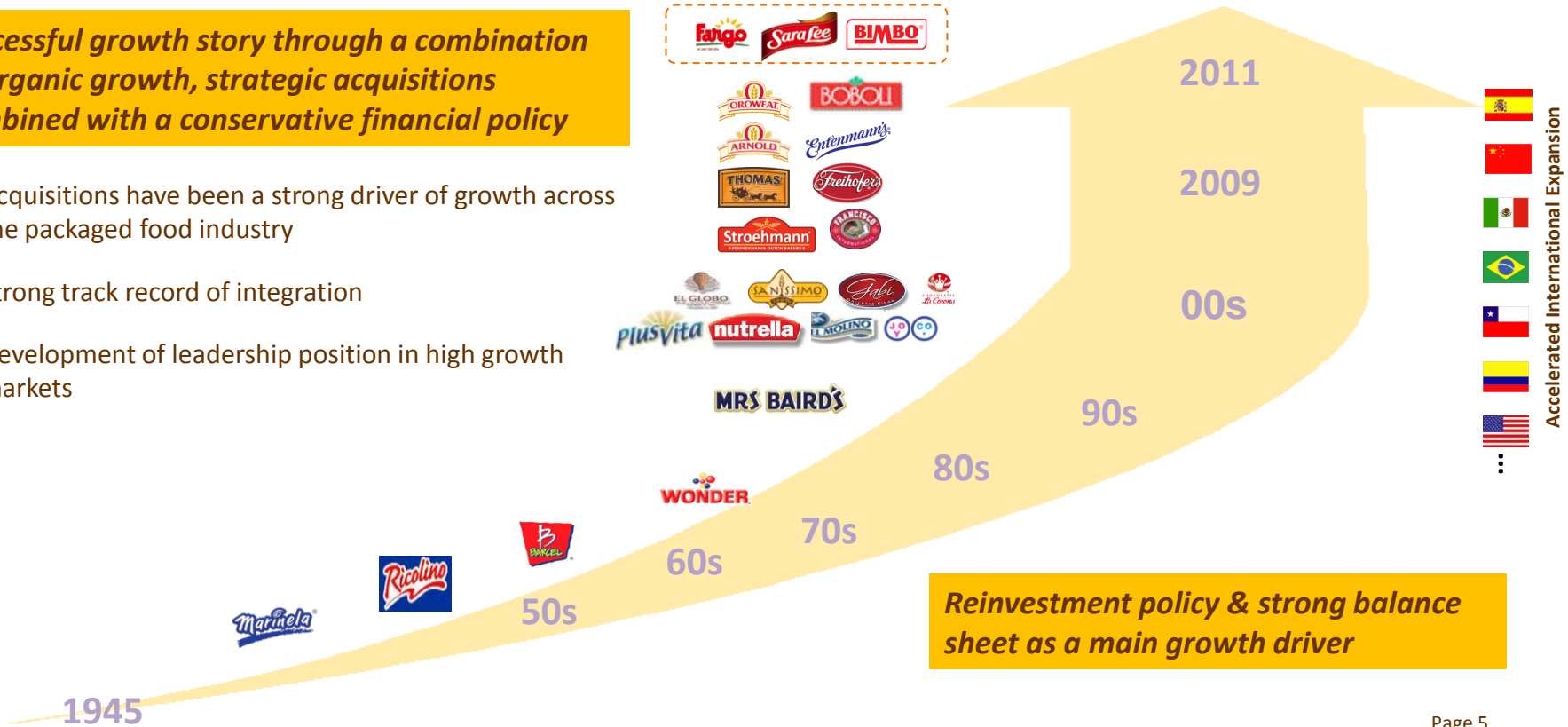
# Successful Growth Case

## Acquisitions Have Been a Key Component Driving Growth



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

- Acquisitions have been a strong driver of growth across the packaged food industry
- Strong track record of integration
- Development of leadership position in high growth markets



**Reinvestment policy & strong balance sheet as a main growth driver**



# 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**

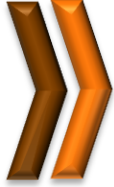
**Experienced  
Management  
Team and Strong  
Corporate  
Governance**

**Exceptional &  
Unparalleled  
Distribution  
Network**

# Leading Player in an Attractive Non-Cyclical Industry

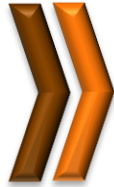


Attractive Industry Fundamentals



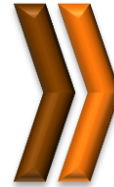
- Resilience to economic downturns
- Non-discretionary consumer products
- High consumption frequency

Industry Competitive Dynamics



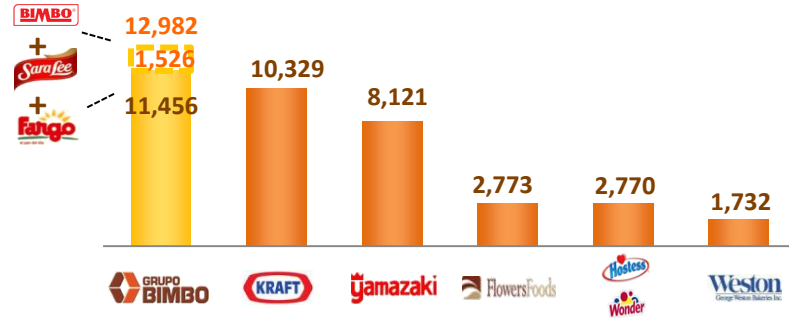
- Highly fragmented industry (products & players)
- Major large scale players account for <12% of global market share
- Short shelf life of product makes industry local

Key Success Drivers for Large Scale Players

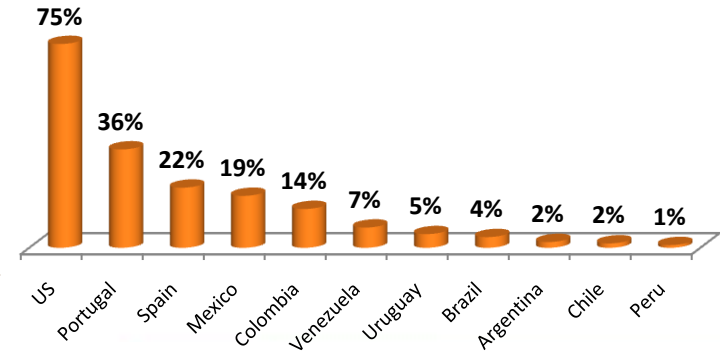


- Scale and diversification
- Strong franchise and brand equity
- Product quality
- Innovation capabilities
- Distribution

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



## Packaged Bread Penetration<sup>2</sup>



<sup>1</sup>Bimbo pro forma figures as of March 31, 2011; Kraft's biscuit business represents approximately 19% of total revenues, full year figures as of December 31, 2011; Yamazaki excludes revenues from retail and confectionary segments, full year figures as of December 31, 2011; Flowers Foods full year figures as of December 31, 2011; IBC LTM figures as of December 13, 2008 (not audited); 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 December 31, 2011

<sup>2</sup>Datamonitor 2010, Bread & Rolls category in market value; Packaged bread refers to the pre-packed bread usually produced at industrial facilities

# Strong Brand Equity and Deep Consumer Understanding



START YOUR DAY HAPPY!



## Extraordinary Consumer Awareness of Brands

- Strong track record of creating, nurturing and managing brands
- Achieved leadership in core product categories in key markets
- Portfolio of brands allows to capitalize market and population growth
- Brands for every meal, every occasion and every



## *Grupo Bimbo has built an unrivaled international portfolio of brands fueled by first class innovation*

- Innovation is a key determinant to achieve strong local positions
- Strategies attuned to consumer's taste and needs based on deep consumer understanding
- Ability to keep up with evolving consumer trends
- Six innovation and nutrition institutes for new and better product development

Mexico	United States	Brazil
Mexico City	Fort Worth, TX	Sao Paulo
Lerma	Greenwich, CT	
	Bay Shore, NY	

- Some products launched by Grupo Bimbo have defined the industry's course



# Exceptional Distribution Network and Manufacturing Facilities



**Manufacturing footprint and extensive distribution reach are key for local execution**

## World Class Manufacturing

- GB operates 153 production facilities
- Unmatched network of facilities with latest technological equipment
- Relentless focus on low cost manufacturing



## Unparallel Distribution Network

- GB's DSD<sup>1</sup> network is one of the largest fleets in the Americas and represents a major competitive advantage with a significant leverage potential
  - 51,000 distribution routes
- Unique expertise in moving high volume of products through a high rotation capillary distribution system
  - Reaches more than 2.1 million POS
- Attuned distribution model to each channel

Grupo Bimbo	
Distribution Model (Company owned)	≈80%
Client Base Structure (Sales by channel) <sup>2</sup>	≈70% Modern

1. DSD refers to Direct Store Distribution

2. Modern Channel includes, among others, Supermarkets, Warehouses, Clubs, C- Stores, etc. Traditional channel refers mainly to Mom & Pops

# Seasoned Management Team, Sound Governance & Strong Corporate Identity



Board of Directors

Audit & Corporate Practices Committee  
(5 independent members)

Compensation & Benefits Committee  
(5 members, 1 independent)

Finance & Planning Committee  
(7 members, 1 independent)

Roberto Servitje  
Chairman

Daniel Servitje  
CEO

Guillermo Quiroz  
CFO

Gary Prince  
President of Bimbo Bakeries

Pablo Elizondo  
Senior Executive VP

Javier A. González  
President of Bimbo

Gabino Gómez  
President of Barcel

Miguel Angel Espinosa  
General Manager of OLA

Jose M. González  
General Manager Bimbo Iberia

Javier Millán  
Personnel

## 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 38 acquisitions over the last 10 years

## Governance

- Corporate Governance aligned with shareholders' interest
- 40% of board members are independent
- 4 corporate committees

## Identity, Corporate Culture & Citizenship

- GB ranks among the most respected companies of the world<sup>1</sup>
- 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 

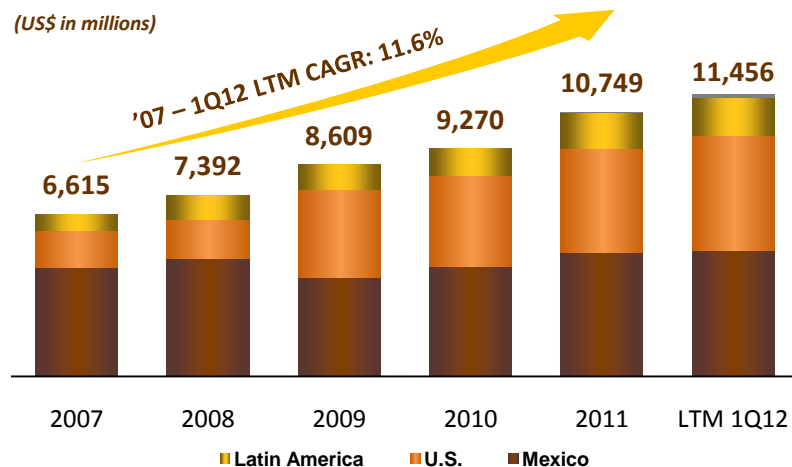
1. According to the Reputation Institute (September 26, 2011)

# Strong Financial Performance



## Revenue Growth<sup>1</sup>

(US\$ in millions)



■ Latin America ■ U.S. ■ Mexico

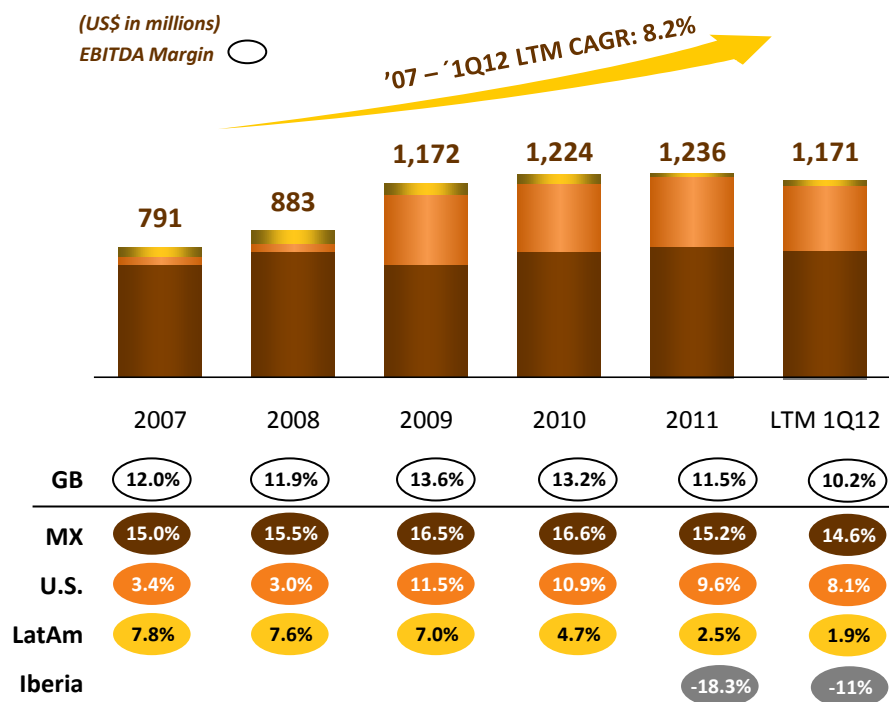
'07- 1Q12 LTM CAGR<sup>1</sup>:



## EBITDA Growth<sup>1</sup>

(US\$ in millions)

EBITDA Margin ○

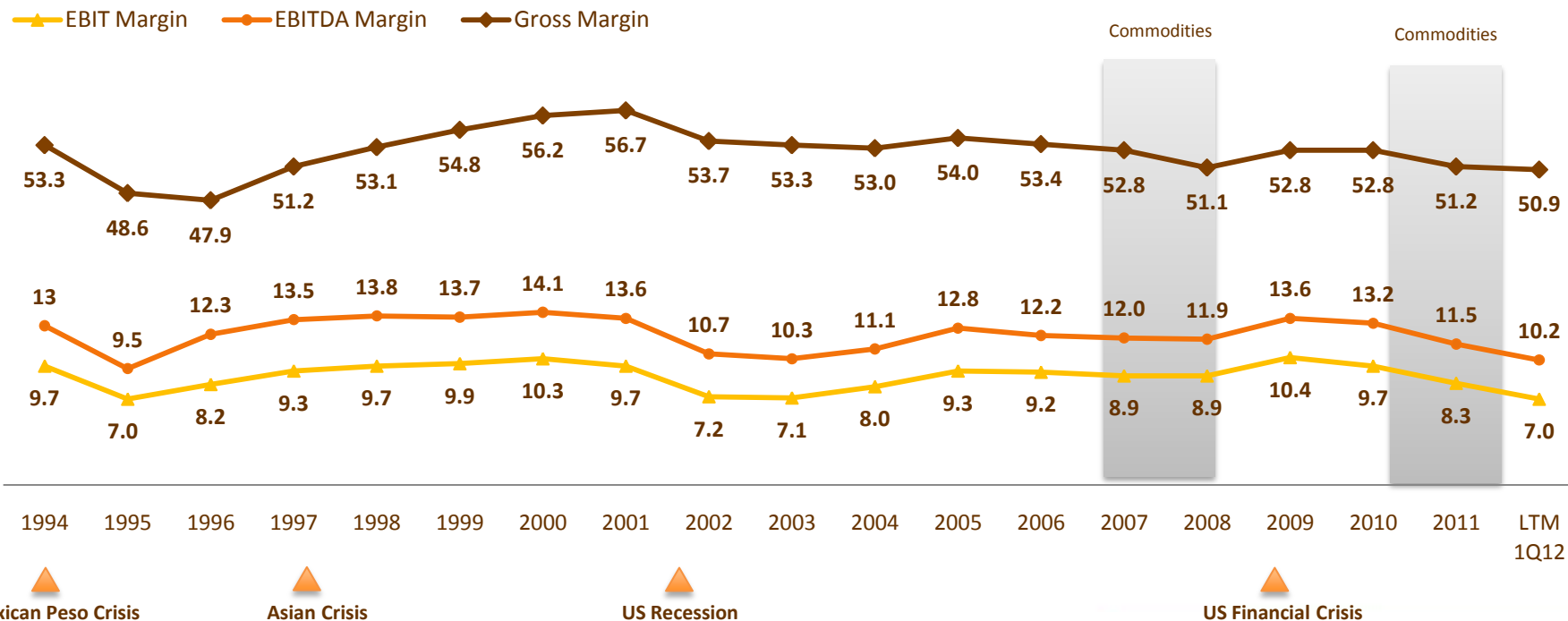


1. LTM pro forma figures as of March, 2012 (2Q11+3Q11+ 4Q11+ 1Q12); Figures from 2Q11- 4Q11 are reported in Mexican GAAP, while 1Q12 figures are reported in IFRS  
 Figures converted to US\$ using average year/LTM exchange rate

# Cash Flow Stability Across Time



Best-in-Class execution combined with a relentless focus on low cost operation in a resilient industry, result in financial stability over time



# Responsible Financial Policies



## Responsible financial management

### Flexible and healthy capital structure

#### Achieve rapid deleveraging

- Target Debt/EBITDA < 2x

### Strong commitment to Investment Grade ratings

- Baa2/BBB/BBB (Moody's/Fitch/S&P)

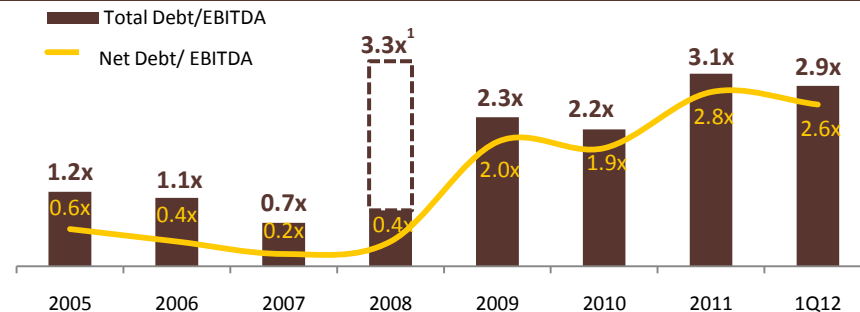
### Strict management of working capital and disciplined Capex policy

### Conservative dividend policy

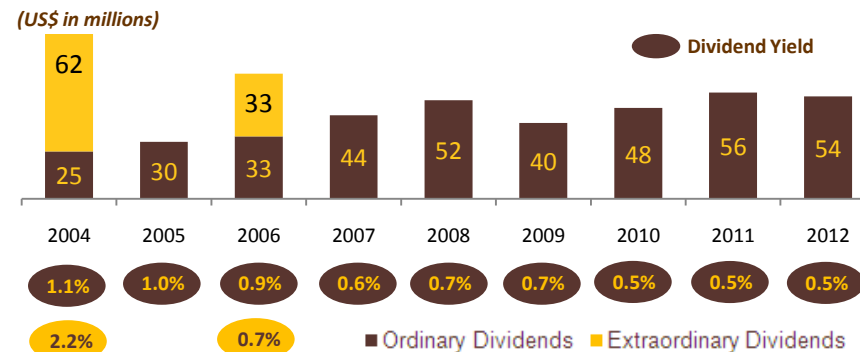
### Responsible risk management policy

- Mitigate exposure to raw material cost fluctuation
- Conservative approach towards F/X and interest rate fluctuations
- Use of derivatives only as risk management instruments

## Leverage



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



1. Pro forma Weston Foods, Inc, acquisition

2. Figures converted to US\$ using the FX of the day dividends were paid



# Responsible Financial Management

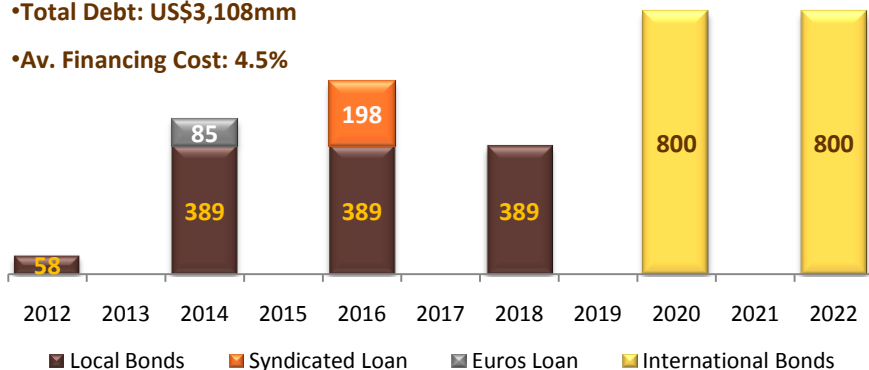
## (March 2012)



- January 2012: **US\$800 million** of 4.50% notes due 2022 under the Reg-S Rule
- February 2012: **Ps 5,000 million** *Certificados Bursátiles* (domestic bonds) at a fixed rate of 6.83% with a 6.5 year tenor
- Current undrawn committed medium-term facilities for **US\$1,500 million** until 2017

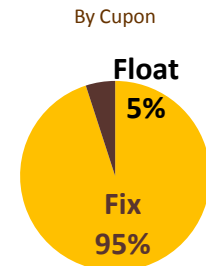
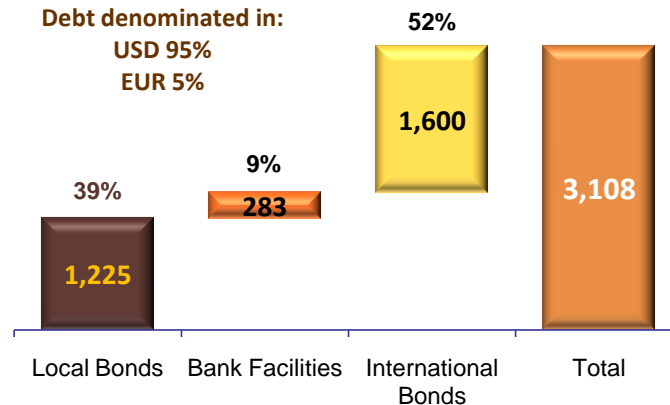
### Amortization Schedule<sup>1</sup>

- Average Life: 6.5 years
- Total Debt: US\$3,108mm
- Av. Financing Cost: 4.5%



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

Debt denominated in:  
USD 95%  
EUR 5%



Instrument	Amount (US\$ millions)	Currency	Average Life
Bank Facilities	283	USD	3.0 years
Bonds	2,825	MXN – USD	6.9 years

1) As of March 2012, FX: 12.8489 MXN/USD; Does not include debt at subsidiary level

# Strong Corporate Identity



- Grupo Bimbo ranks among the 20 most respected companies in the world <sup>(1)</sup>
- Its reputation is built on a strong corporate identity and brand equity
- Key component of Grupo Bimbo's corporate identity is its company-wide Social Responsibility Program

## Corporate Social Responsibility (CSR) Program & Sustainability

- Effective sustainability efforts are cross-functional & successfully executed across all brands



Commitment to the consumers' health (e.g. elimination of trans fat acids, smaller serving sizes, addition of functional ingredients)



Commitment to the environment (e.g. introduction of biodegradable packaging and hybrid delivery vehicles)



Commitment to our society (e.g. environmental & conservation projects and microfinance opportunities)



Commitment to our Associates  
"Safety is our main priority"

- CSR translates as a competitive advantage

*Grupo Bimbo understands there is no conflict between doing well and doing good*

(1) In the 2009 survey of the Reputation Institute ranking of the world's largest companies in terms of reputation, Grupo Bimbo placed 17th – standing out as a company with an excellent reputation for the 4th consecutive year. For additional details: <http://www.reputationinstitute.com>

# Looking Ahead



# Time to Integrate A Transition Year...



Long Term Vision- Do It Right

IT

Leadership

Growth

EFICIENCY

Think Big, Think  
Future

Synergistic  
Transaction

One time costs are necessary to  
capture synergies (US\$150mm)

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

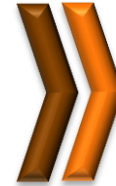


# Time to Invest



## *Our Strong Cash Flow Generation Backs our Aggressive Investment*

- › 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 1.5x depreciation



**Low- Cost  
Producer**





# Time to Deleverage Historic Debt/ EBITDA

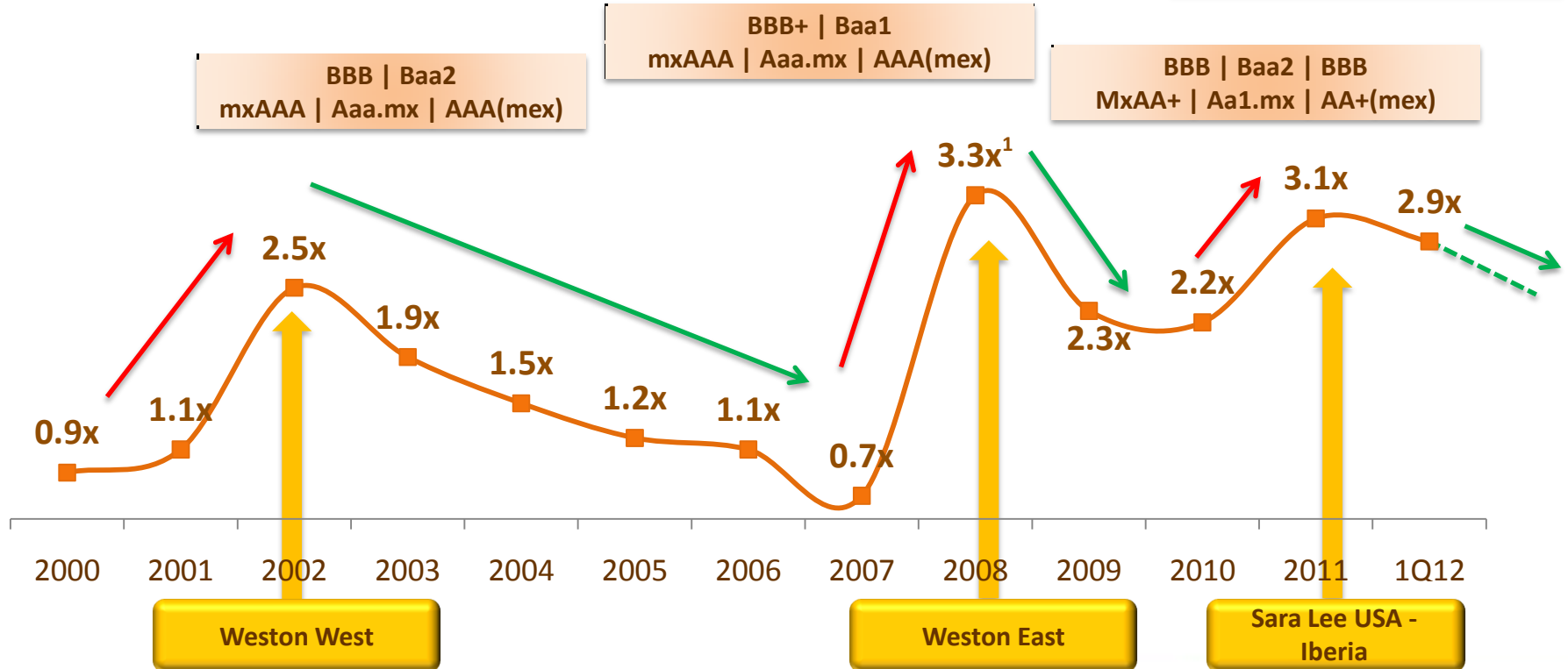


START YOUR DAY HAPPY!



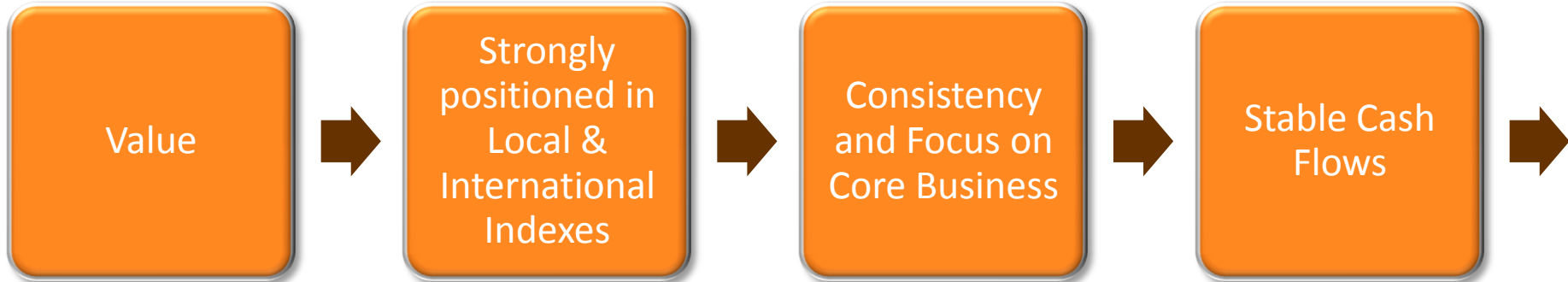
Strong Deleverage Capabilities Across Time

S&P | Moody's | Fitch



# Why Grupo Bimbo?

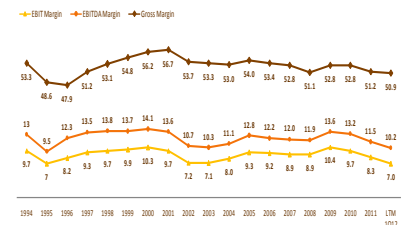
## “We Believe and We Create”



5-yr Return	
	115%
	26%
	33%
	1%
	-6%



Largest Bakery in the World  
with presence in 19 countries



CAGR '07 – 1Q'12 ➔ EBITDA: 8.2%

# Why Grupo Bimbo?



Successful  
Deleveraging  
history



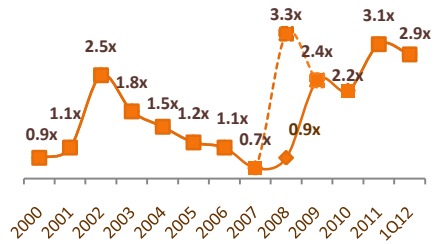
Solid  
investment  
grade credit  
metrics



Strict  
Reinvestment  
Policy



Responsible  
Financial  
Management



S&P Moody's Fitch  
**BBB | Baa2 | BBB**  
**MxAA+ | Aa1.mx | AA+(mex)**

**Top Notch of  
Asset Base**

Successfully completed  
and integrated **more than  
38 acquisitions** over the  
**past ten years**

- Flexible and healthy capital structure
- Achieve rapid leveraging: **Target Debt/EBITDA < 2x**
- Strong commitment to Investment Grade ratings
- Strict management of working capital and disciplined Capex policy: **1x depreciation**
- Conservative dividend policy
- Responsible risk policy

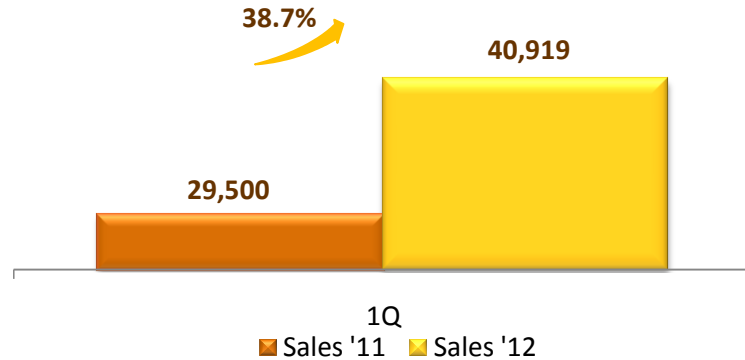
# Financials by Region & Recent Acquisitions

# GB- Quarterly Results



## Revenue Growth (GB)

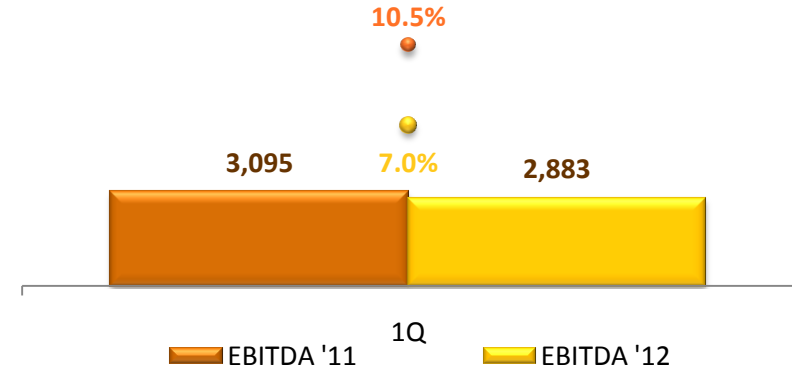
(MXN\$ in millions)



- ✓ Integration of Sara Lee in US and Spain
- ✓ Integration of Fargo in Argentina
- ✓ Good organic growth in Mexico and Latam
- ✓ Favorable FX translation and pricing initiatives in the US

## EBITDA Growth (GB)

(MXN\$ in millions)



- ✓ Distribution efficiencies in Mexico
- ✓ Greater efficiencies of scale in Latam
- ✗ Commodity pressure in Mexico and US
- ✗ Higher cost structure from the Sara Lee operations in the US and Iberia
- ✗ Integration related expenses in US and Iberia

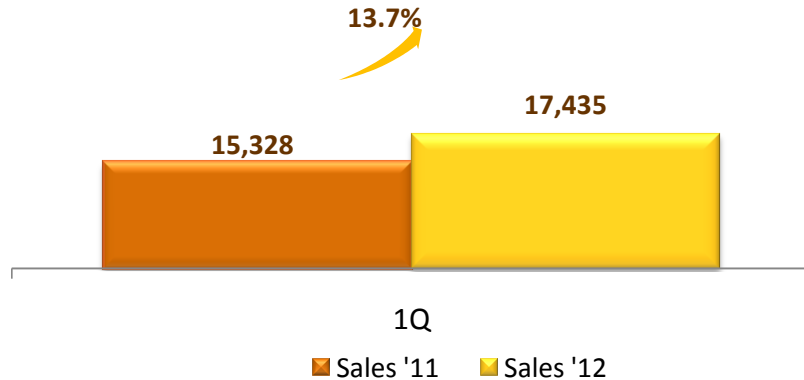


# Mexico- Quarterly Results



## Revenue Growth (Mexico)

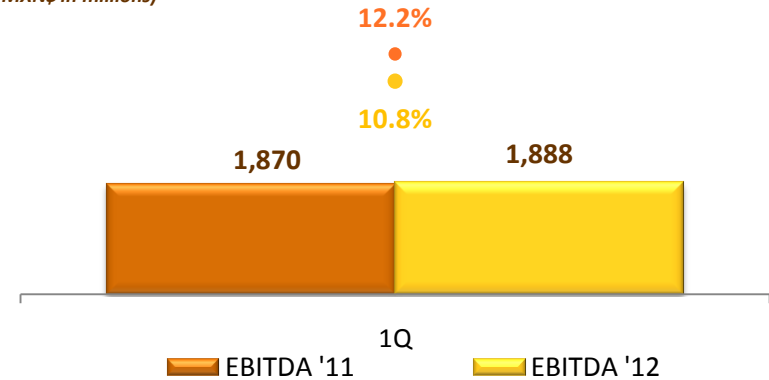
(MXN\$ in millions)



- ✓ Stable volume growth across all channels
- ✓ Effect of price increases
- ✓ The categories that outperformed include: bread, sweet baked goods, cookies and salted snacks

## EBITDA Growth (Mexico)

(MXN\$ in millions)



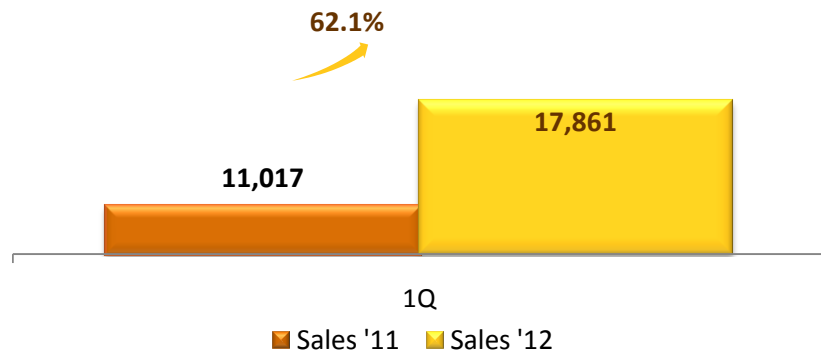
- ✓ Operational efficiencies
- ✗ Commodity pressure
- ✗ Impact from the Peso devaluation

# USA- Quarterly Results



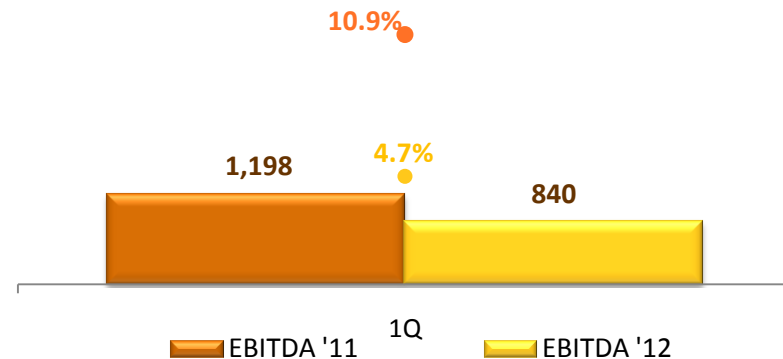
## Revenue Growth (USA)

(MXN\$ in millions)



## EBITDA Growth (USA)

(MXN\$ in millions)



- ✓ Integration of “NAFB” business of Sara Lee
- ✓ Effect of previous pricing
- ✓ Favorable FX translation
- ✗ Volume decline

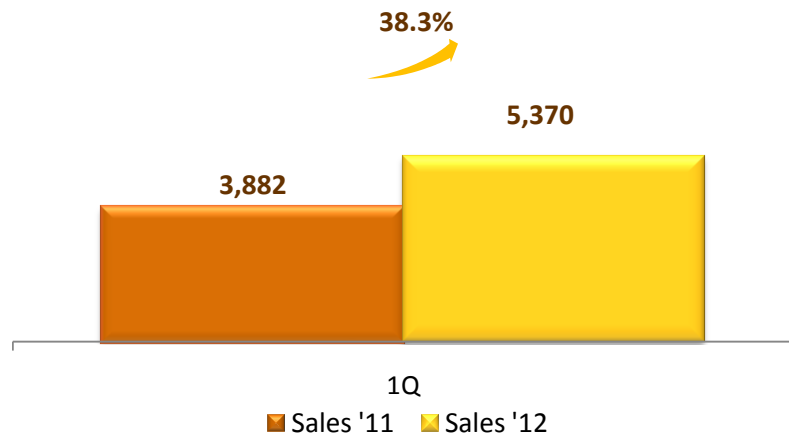
- ✗ Margin dilution (integration Sara Lee business)
- ✗ Higher raw material costs YoY
- ✗ Integration related expenses
- ✗ Ongoing investments on the distribution network
- ✗ Effects from purchase price allocation

# OLA- Quarterly Results



## Revenue Growth (OLA)

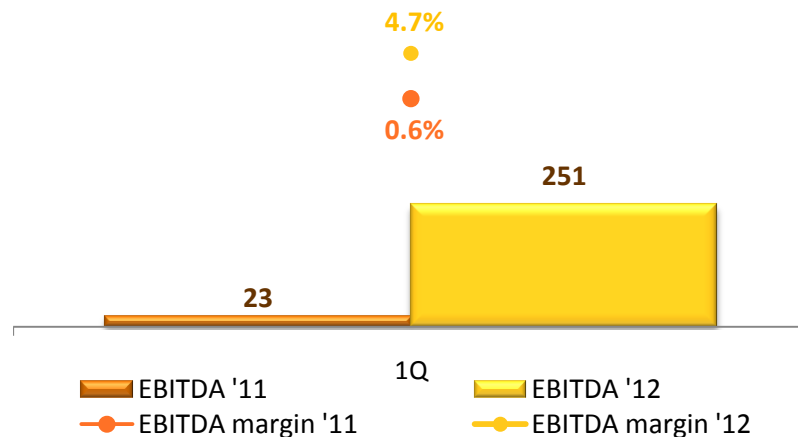
(MXN\$ in millions)



- ✓ Double digit organic growth across the region
- ✓ Effect from the Fargo integration

## EBITDA Growth (OLA)

(MXN\$ in millions)



- ✓ Greater efficiencies of scale

# Recent Acquisitions- Each transaction is driven by strong strategic rationale and business case, resulting in significant value creation



## 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

Super Premium/ Variety		
Premium Sandwich/ White		
Regional/ Mass		
Specialty		
Ethnic Hispanic		

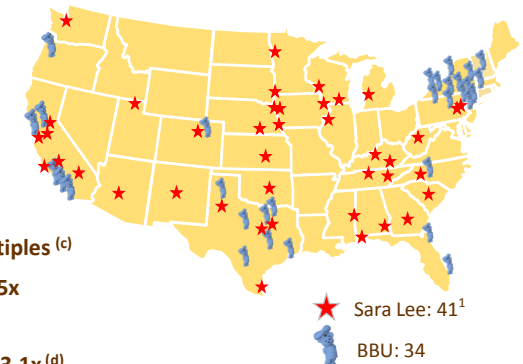
a) LTM as of June 30, 2011

b) Figures are pre 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

			Synergies <sup>(d)</sup>	Pro Forma <sup>(b)</sup>
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>**

1. Includes plants to be divested

# Recent Acquisitions- Each transaction is driven by strong strategic rationale and business case, resulting in significant value creation



## 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





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This material does not constitute, in whole or in part, an offer, and you must read the offering memorandum related to the Transaction before making an investment decision. The offering memorandum for the Transaction is available from the Initial Purchasers. You should consult the offering memorandum for more complete information about the Transaction and base your investment decision exclusively on the information contained in the offering memorandum. Neither this presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever.

