



*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*

**September 2010**



# Company Overview



## Leading Bakery Company in the World

- Grupo Bimbo is a global manufacturer and distributor of branded packaged food products across 17 countries
- #1 bakery company in the Americas and #2 bakery company in the world

### Key Financial Figures LTM as of 2Q10

Revenues	\$9,007
EBITDA	\$1,270

- International credit ratings are Baa2/BBB/BBB (Moody's<sup>(1)</sup>/Fitch<sup>(1)</sup>/S&P)

## Best-in-Class Asset Base

- Top-notch distribution and manufacturing capabilities:

99 production facilities

40,000+ distribution routes

- 1,000+ distribution centers
- 36,000+ vehicles
- 1.3 million points of sale

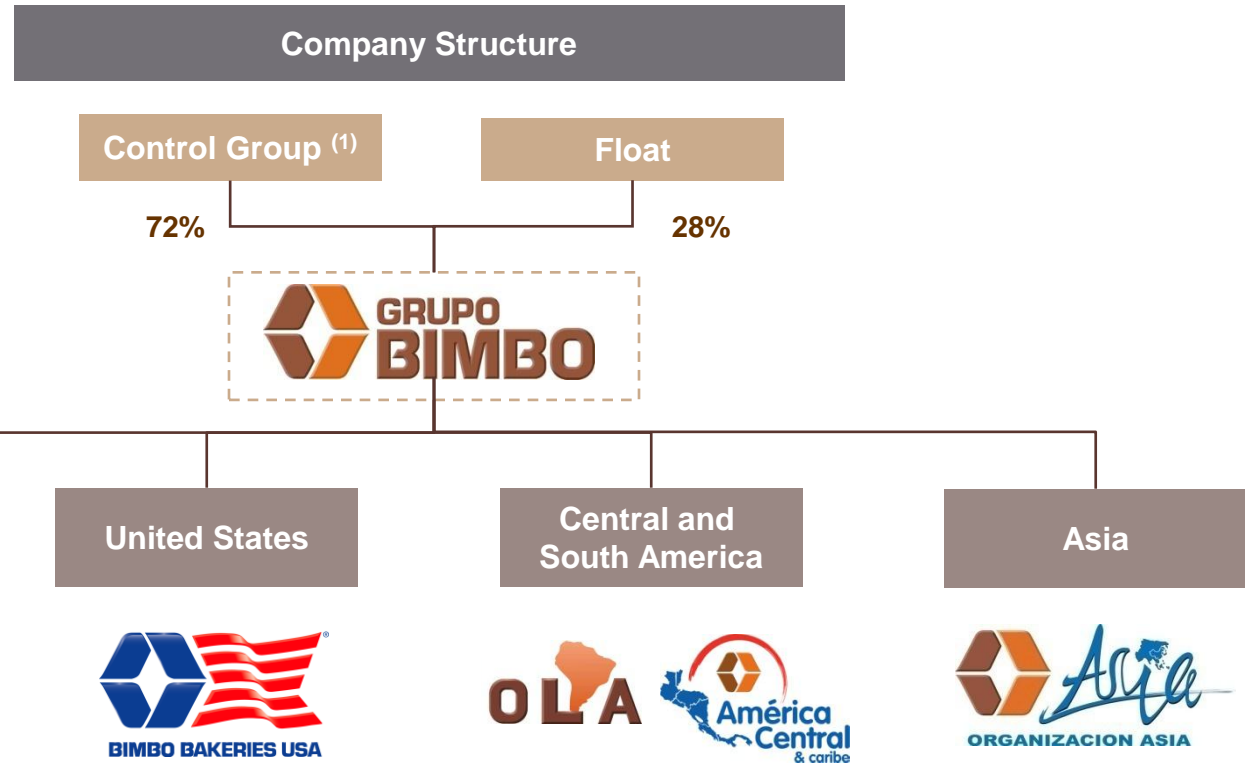
- Grupo Bimbo has 150+ of the best-known consumer brands and 7,000+ products:



- Categories: Packaged bread, sweet baked goods, muffins, buns, confectionery, salty snacks, wheat tortillas and tostadas

(1) Positive Outlook

# Company Overview (cont'd)



- Listed in the Mexico Stock Exchange since 1980
- Market capitalization of US\$ 8.4 billion <sup>(2)</sup>
- Shares outstanding: 1,175.8 million, one class (A)
- Index component (Mexico): Prices & Quotations Index (IPC), IPC CompMx, IPC LargeCap, Total Return Index (IRT), IRT CompMx, IRT LargeCap

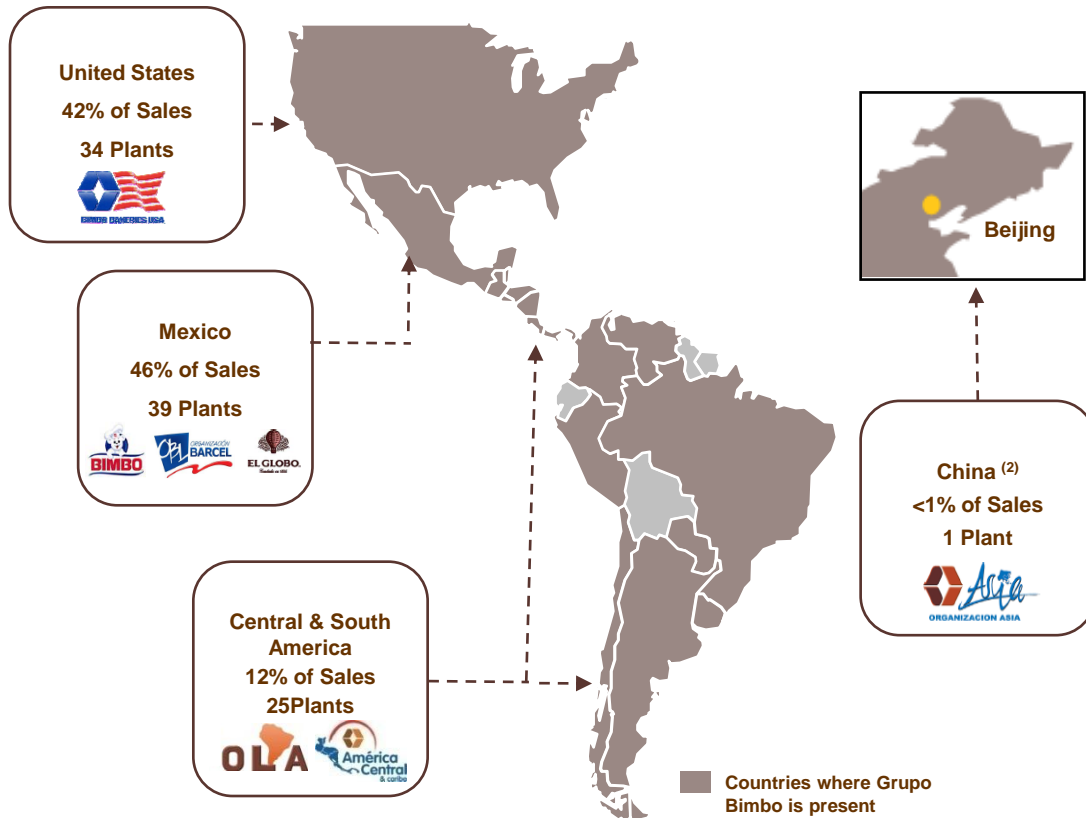
<sup>(1)</sup> Control Group: Shareholdings of founders, their families and management

<sup>(2)</sup> As of September 2 2010, converted to US\$ using an exchange rate of 13.03 per US\$

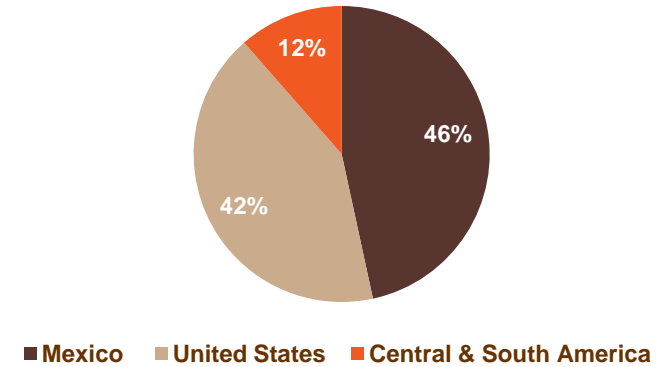
# Company Overview (cont'd)



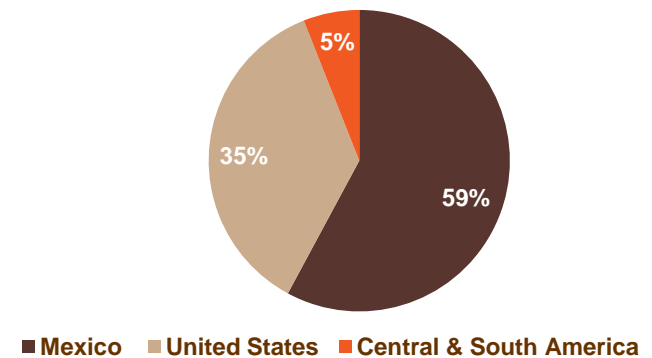
## Operating Countries



## Revenues LTM '10 US \$9,007 million<sup>(1)</sup>



## EBITDA LTM '10 US\$1,270million<sup>(1)</sup>



(1) LTM as of 2Q10 Converted to US\$ using the quarterly average exchange rate

(2) Sales of "Organización Asia" Included in Mexico

# Grupo Bimbo's Growth Path

## Key Milestones



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

- Grupo Bimbo acquired Weston Foods, Inc., becoming the largest baked goods company in the United States
- Acquisition of George Weston's Western bakery assets

■ Acquisition of

■ Acquires Mrs. Baird's Bakeries, market leader in Texas

■ Entered the United States market in 1984

■ Wonder brand acquisition in Mexico

■ Barcel starts

■ Ricolino starts

■ Marinela starts



Accelerated International Expansion

1 plant  
10 distribution trucks  
2 product-portfolio

1945

50s

60s

70s

80s

90s

00s

2010

Mexico has been the driving force behind Grupo Bimbo's growth path

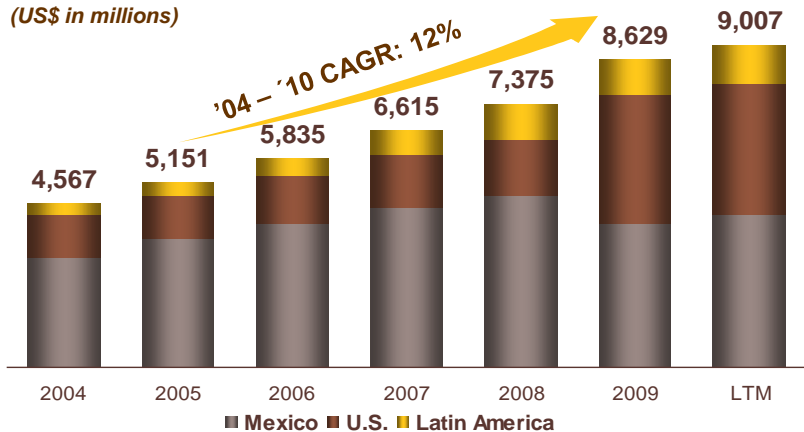
# Grupo Bimbo's Growth Path



## Recent Growth Story

### Revenue Growth (1)

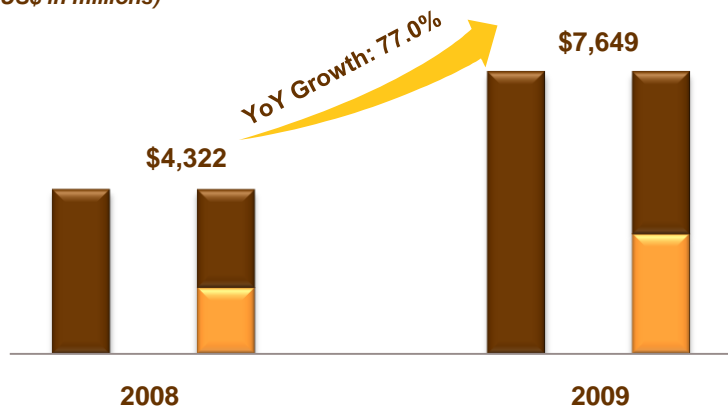
(US\$ in millions)



- Top-line growth at least twice GDP
- Aggressive new product launches to meet consumer demand
- Search for growth by category and regions in which we compete

### Balance Sheet's Growth (2)

(US\$ in millions)



	2004	2010
Countries	14	17
Distribution Routes	28,300	40,000
Associates	72,500	104,000
Plants	73	98

(1) Figures converted to US\$ using: year end exchange rate for '04 - '07 and average year exchange rate for '08 - '10

(2) Figures converted to US\$ using March 31<sup>st</sup>, 2010 exchange rate

# Grupo Bimbo's Strategy



*An innovative, high performance organization*

# Investment Highlights



Experienced Management Team and Strong Corporate Governance



One of the Leading Baked Goods Company in the World and Leader in the Americas



Very Attractive and Non-Cyclical Industry



Deep Consumer Understanding



Strong Brand Equity & Diverse Product Portfolio



Exceptional Distribution Network



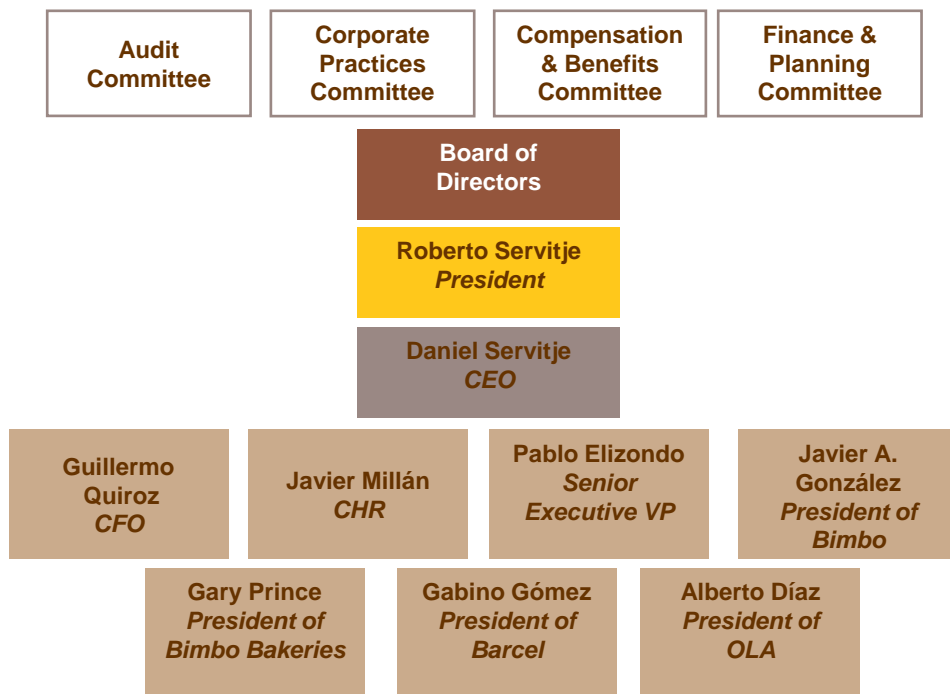
Strong Financial Performance & Responsible Financial Management



Strong Corporate Identity



# Experienced Management Team and Strong Corporate Governance



## Corporate Governance

- Corporate Governance aligned with stakeholders' interest
- 35% of board members are independent
- 4 Corporate committees:
  - Audit Committee (4 independent members)
  - Corporate Practices Committee (3 independent members)
  - Compensation & Benefits Committee (6 members, 1 independent)
  - Finance & Planning Committee (7 members, 1 independent)

## Corporate Citizenship

- **Socially Responsible Company**   **EMPRESA SOCIALMENTE RESPONSABLE**
- Committed to a substantive, strategic Corporate Social Responsibility (CSR) Program
- Award-winning Corporate Citizenship pioneer in Mexico
- Has formal arrangement with WHO Global Strategy on Diet, Physical Activity & Health

## Highlights

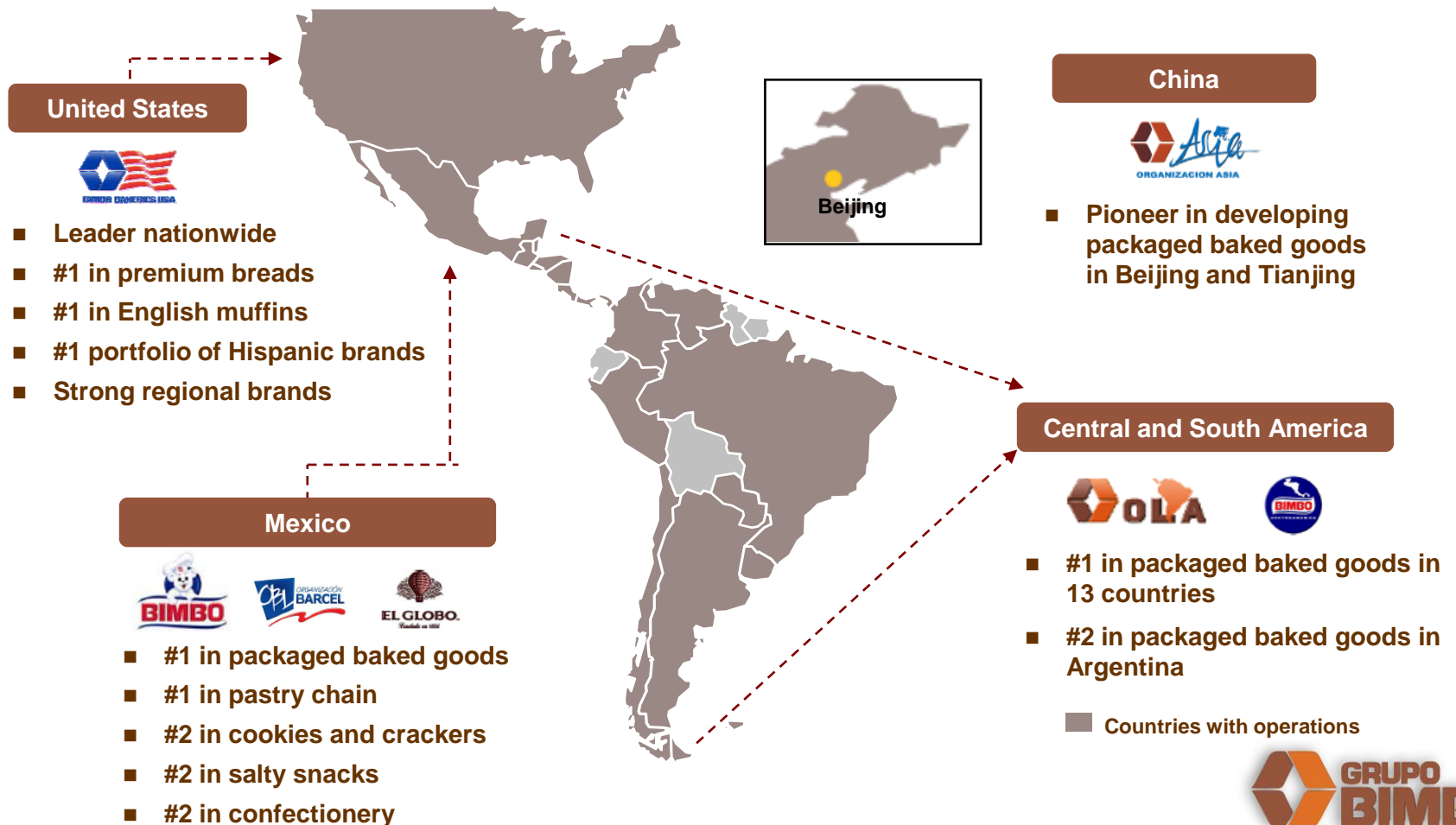
- Created a unique and strong corporate culture
- Positioned the Company as market leader in the products and countries where present
- Successfully completed and integrated more than 32 acquisitions over the past nine years
- Developed innovative ideas and best practices in manufacturing
- Proven track record of stability and sustainable growth

# One of the Leading Baking Goods Company in the World and Leader in the Americas



## Leading presence in dynamic markets with strong growth potential

- Packaged baked goods market development driven by growing population and new consumer trends
- Additional consolidation
- Market share expansion through innovation



# Very Attractive and Non-Cyclical Industry



## Attractive Industry Fundamentals

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

## Competitive Dynamics

- Highly fragmented industry with many small scale producers
- Short shelf life of product makes industry local
- Major large scale players account for <12% of global market share
- Global players are Grupo Bimbo, Kraft Foods, Yamazaki and Kellogg Company<sup>(1)</sup>

## Key Competitive Drivers

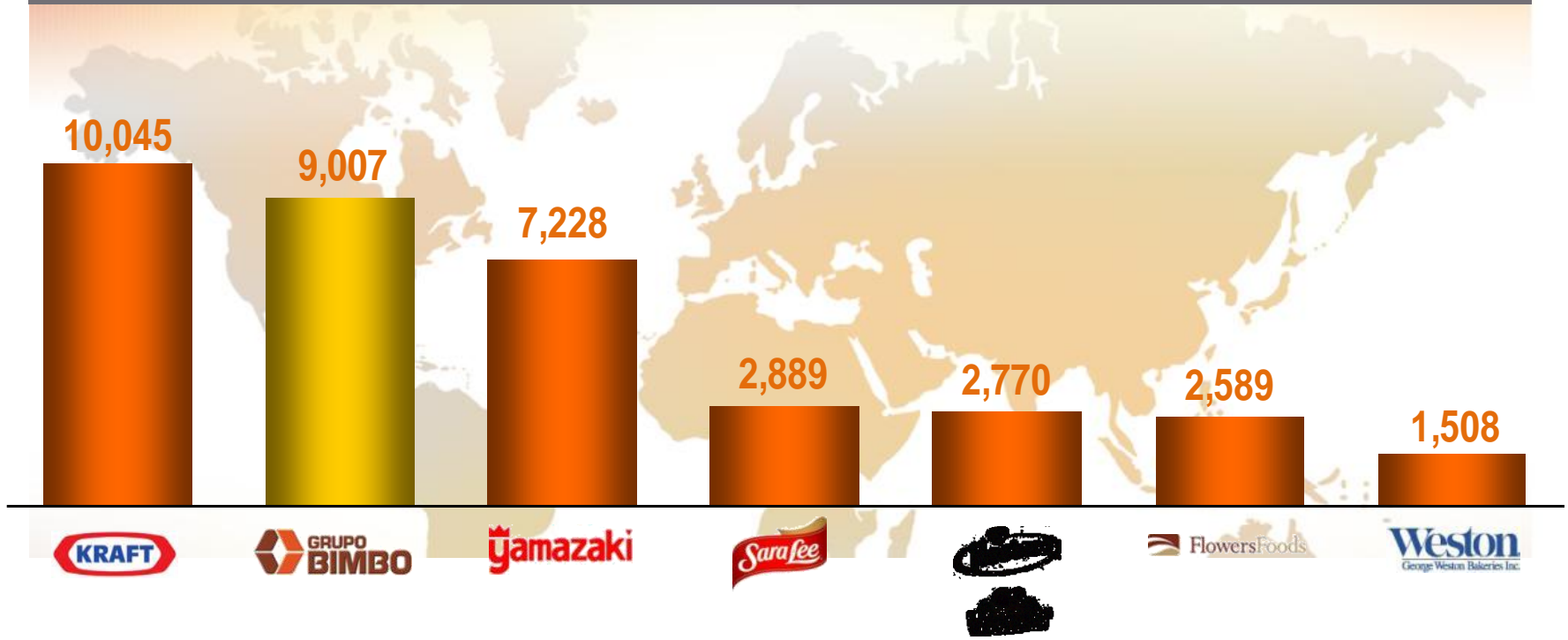
- Scale and diversification
- Strong franchise and brand equity
- Product quality
- Innovation capabilities
- Distribution

(1) IBISWorld Industry Report – 14 January 2010: Global Bakery Product Manufacturing

# Major Global Bakery Product Manufacturers



LTM Bakery Revenues



**Grupo Bimbo is the #2 bakery company in the world, based on total revenues**

Figures for LTM 2Q 2010

Kraft's biscuit business represents approximately 23% of total revenues, LTM figures as of June 30, 2010

Bimbo LTM figures as of June 30, 2010.

Yamazaki excludes revenues from retail and confectionary segments, LTM figures as of June 30, 2010

Sara Lee includes North American Fresh Bakery and International Bakery, LTM figures as of March, 2010

IBC LTM figures as of December 13, 2008 (not audited)

Flowers Foods LTM figures as of April, 2010

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 June 19, 2010

# Deep Consumer Understanding



- Strategies attuned to consumer taste and needs
- Strong R&D platform focusing on Deep Consumer Understanding
- Products for each social and economic strata
- Six innovation and nutrition institutes for new and better product development

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

- Recent successful product launches:
  - ✓ Sandwich Thins, from Oroweat brand (United States)
  - ✓ Vitta Natural, from Nutrella brand (Brazil)
  - ✓ Hotkis, from Bimbo brand (Mexico)



*Some products launched across Grupo Bimbo's history have defined the industry's course*

# Strong Brand Equity with Diverse Product Portfolio



- Extraordinary customer awareness of our brands
- Strong track record of creating, nurturing and managing successful brands
- Well balanced brand portfolio in a wide array of products
- Brands for every meal, every occasion and every consumer group
- Create an emotional bond for every consumer occasion

Innovation supported by highly recognized brands is one of Grupo Bimbo's key strengths

# Exceptional Distribution Network



- Grupo Bimbo services 1.3 million points of sale daily or every other day
- 1,000+ distribution centers
- 40,000+ routes
- 36,000+ fleet
- Relentless strengthening the reach and efficiency of our distribution network
- High distribution expertise for each channel segment

	Mexico	United States	Central & South America
Distribution model	100 % company owned	~50% Independent	~50% Independent
Client base structure	~70% Mom & Pop	~ 50% supermarket	~ 50% supermarket

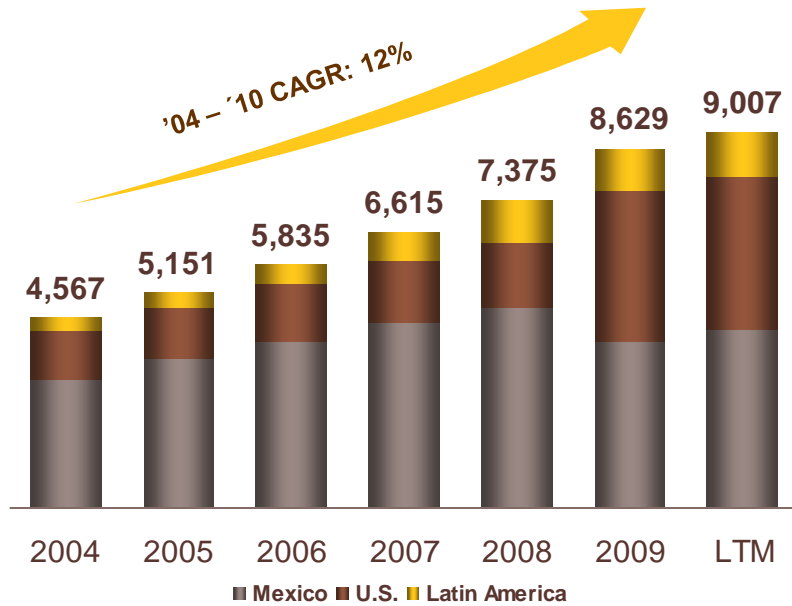
*Through more than 60 years Grupo Bimbo has developed a successful distribution model attuned to each channel segment*

# Strong Financial Performance...



## Revenue Growth

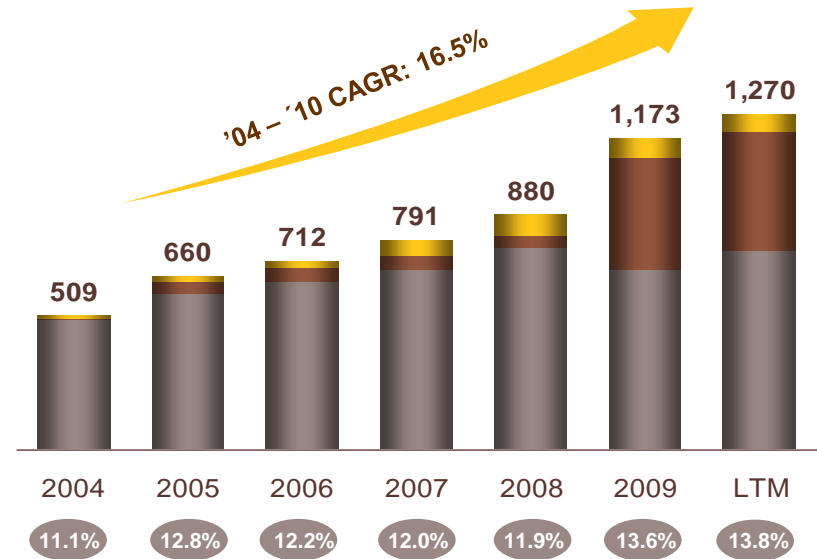
(US\$ in millions)



## EBITDA Growth

(US\$ in millions)

● EBITDA Margin



**Strong and stable cash flow generation**

Figures converted to US\$ using: year end exchange rate for 04 - 07 and average year exchange rate for 08 - 10

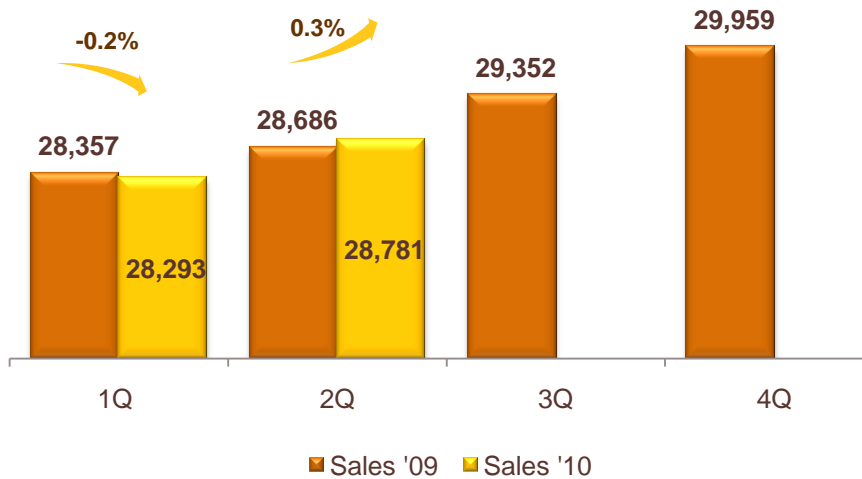


# GB - Quarterly Highlights



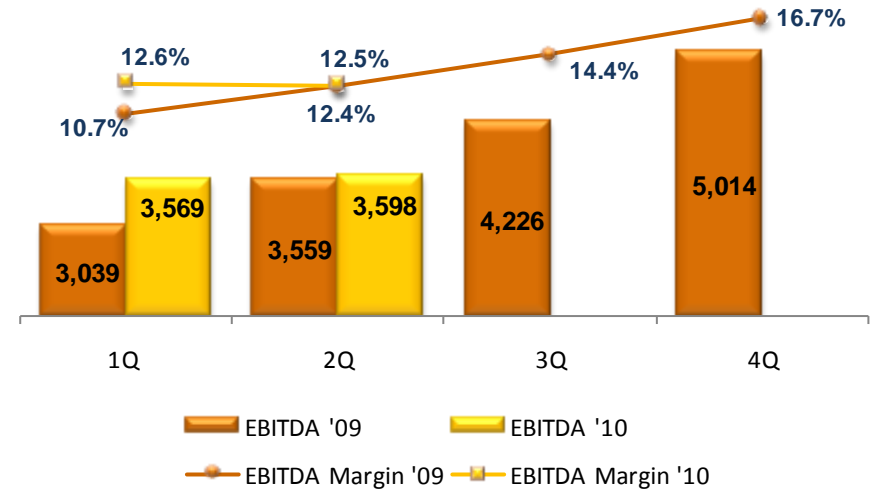
## Revenue Growth (GB)

(MXN\$ in millions)



## EBITDA Growth (GB)

(MXN\$ in millions)



- ✓ Volumes gradually recovering
- ✓ Delivered value to consumers
- ✗ Price pressure in the US
- ✗ Impact of FX rates
- ✗ Consumption is still being pressured by the economic environment

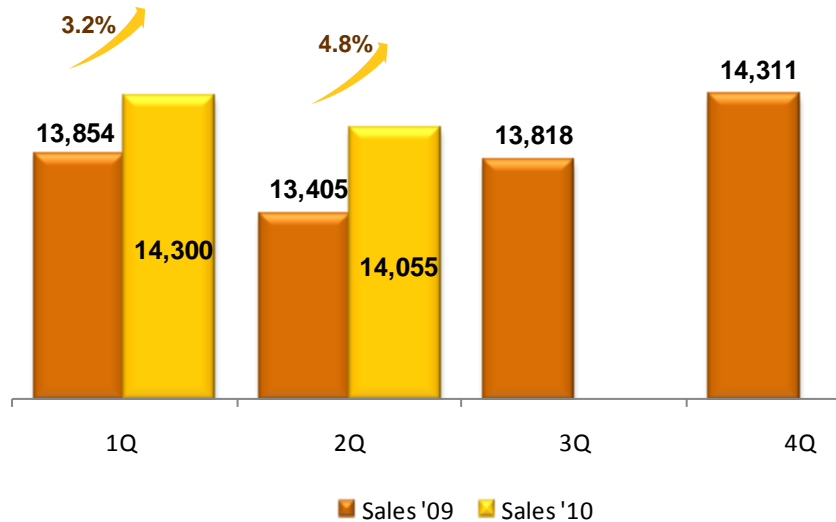
- ✗ Impact of FX rates
- ✗ Higher marketing expenses
- ✗ Lower prices in the U.S. operations

# Mexico – Quarterly Highlights



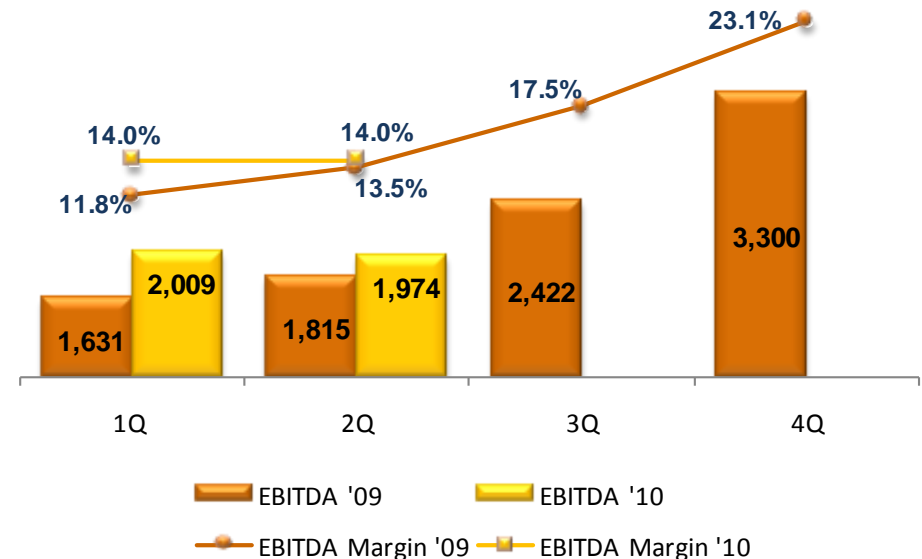
## Revenue Growth (Mexico)

(MXN\$ in millions)



## EBITDA Growth (Mexico)

(MXN\$ in millions)



- ✓ Volume growth across the portfolio
- ✓ Strongest categories: snacks and sweet baked goods
- ✓ Modern channels outperformed

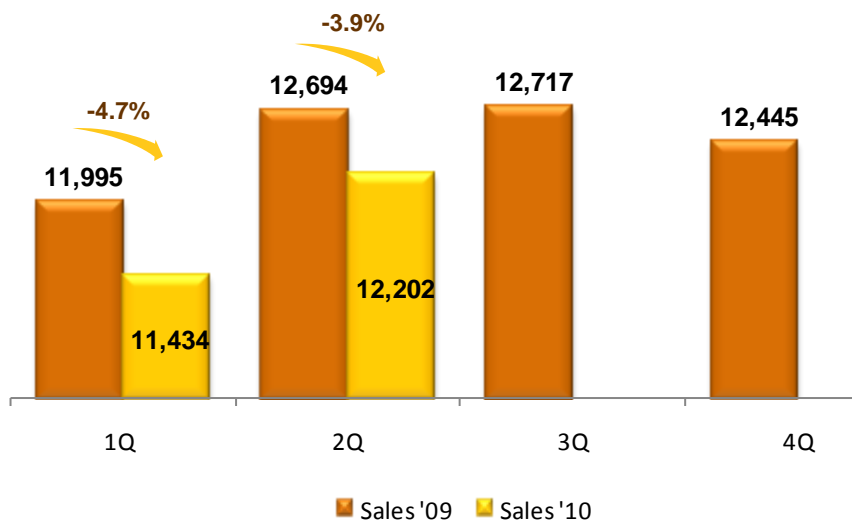
- ✓ Lower commodity costs
- ✓ Favorable exchange rate
- ✗ Higher advertising and promotional expenses
- ✗ New routes

# USA - Quarterly Highlights



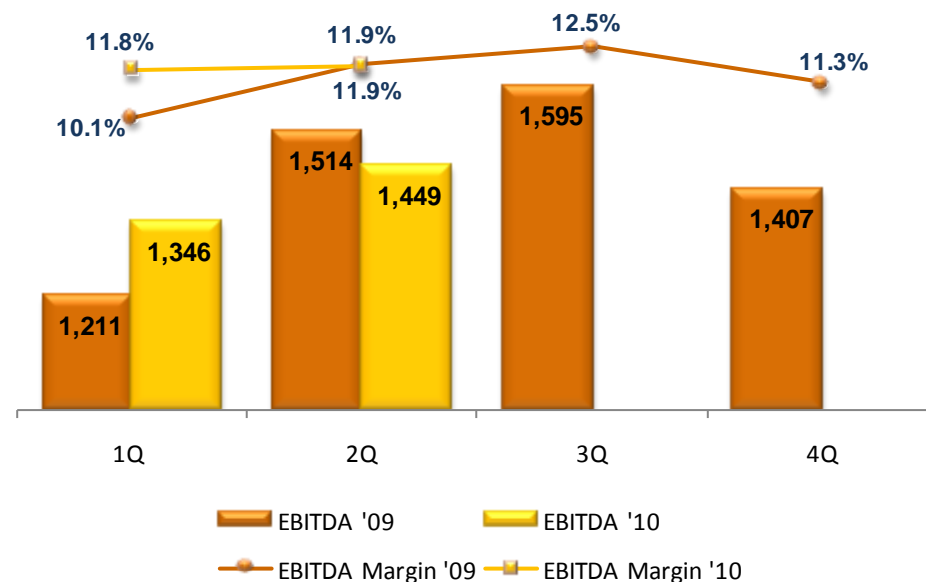
## Revenue Growth (USA)

(MXN\$ in millions)



## EBITDA Growth (USA)

(MXN\$ in millions)



- ✓ Increase of 2.1% in dollar terms
- ✓ Stronger volumes across the country
- ✗ Lower average prices
- ✗ Currency translation effect
- ✗ Decrease in consumer confidence

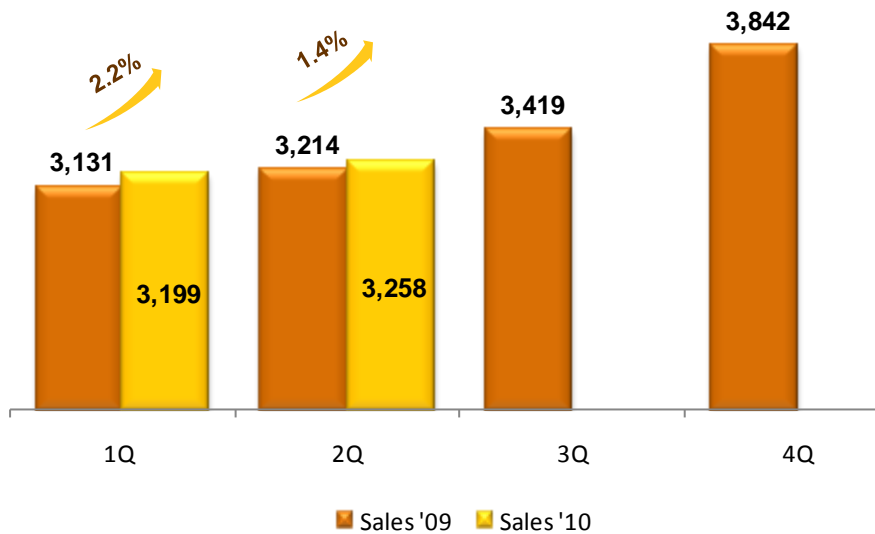
- ✓ Decline of expenses as a percentage of sales
- ✓ Lower raw material costs
- ✗ Lower prices
- ✗ Impact of currency translation
- ✗ Higher marketing and promotion expenses

# OLA - Quarterly Highlights



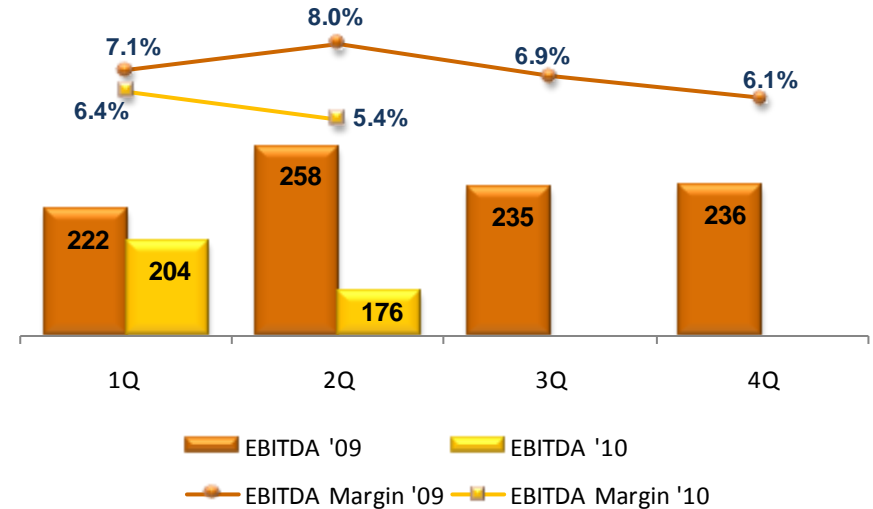
## Revenue Growth (OLA)

(MXN\$ in millions)



## EBITDA Growth (OLA)

(MXN\$ in millions)



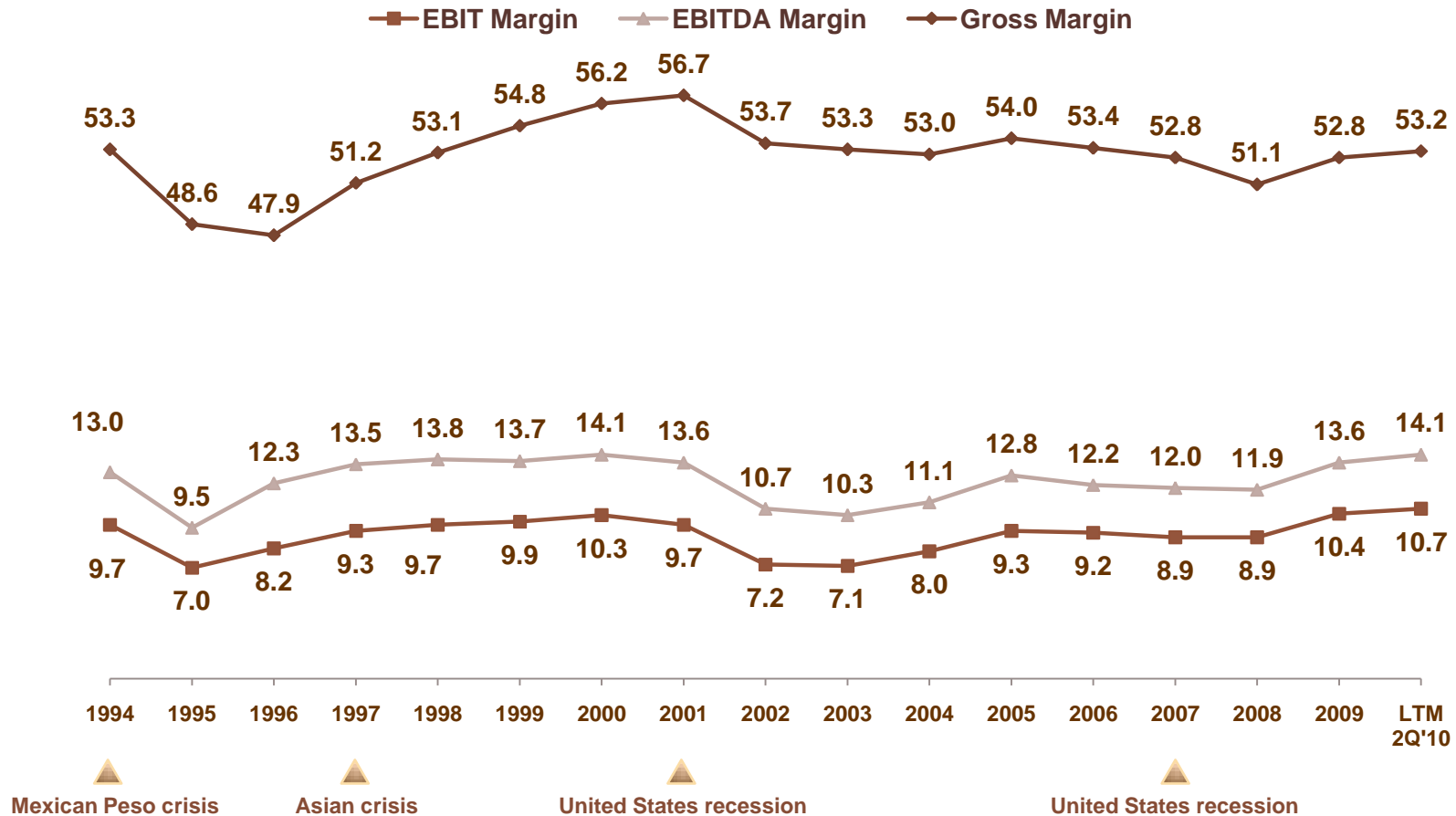
- ✓ Higher volumes, new product launches
- ✓ 16,000 + new customer
- ✓ Marked double digit gains in Chile and Colombia, and Brazil

- ✗ Distribution expansion
- ✗ Higher labor costs
- ✗ Cost pressure on raw material

# Strong Performance in a Very Attractive and Non-Cyclical Industry



*Best-in-Class Execution + Resilient Industry = Financial Stability Over Time*



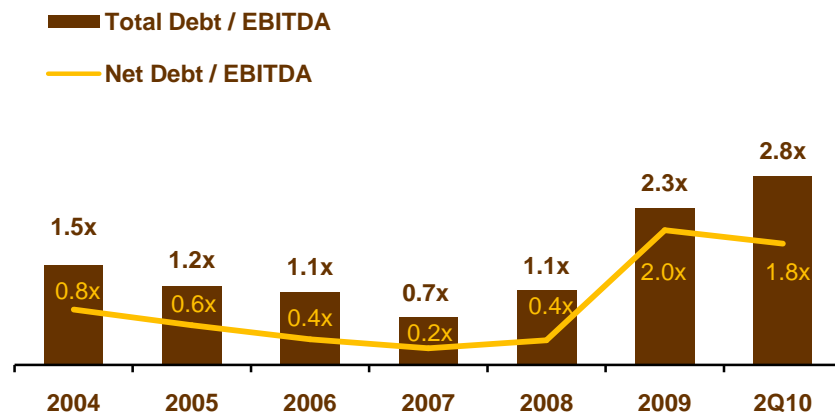
# ... and Responsible Financial Management



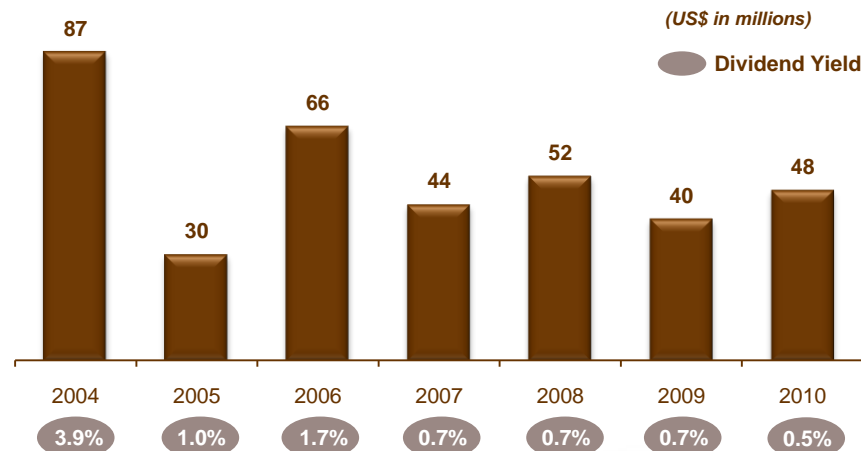
## Highlights

- ✓ Achieve rapid deleveraging – a top priority -
  - Prepaid US\$ 500 million during the last 12 months
  - Target Debt/EBITDA < 2x
- ✓ Strict management of working capital and disciplined Capex policy
  - 1x depreciation
- ✓ Conservative dividend policy
- ✓ Responsible risk 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
- ✓ Strong commitment to Investment Grade ratings

## Leverage



## Dividends



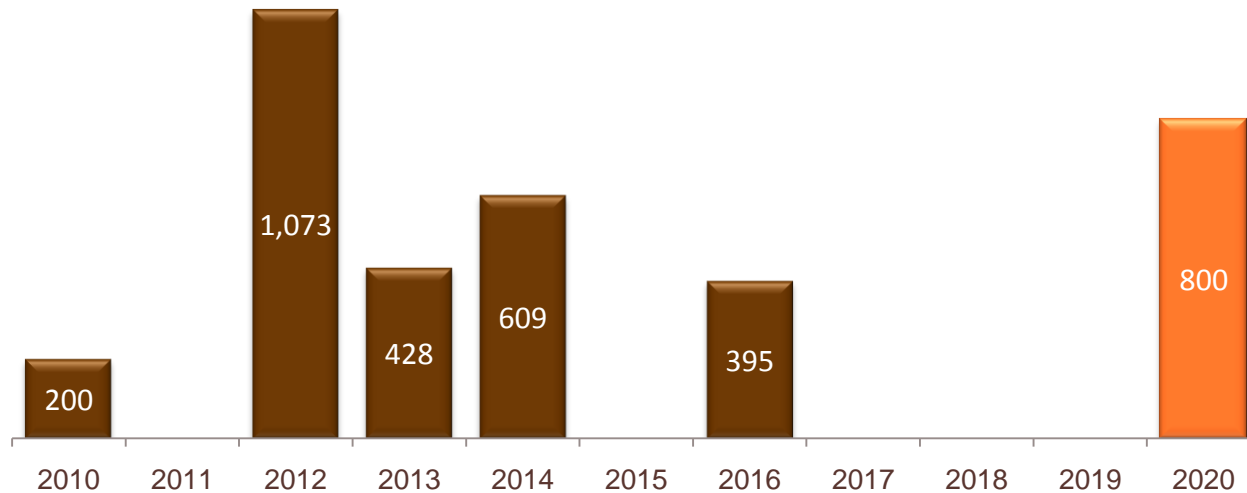
(1) 2008 Pro-forma with Weston Foods Inc. acquisition

# Responsible and Proactive Financial Management (June 2010)



## Debt Structure and Maturity Profile (June 30, 2010)

Average Life: 4.5 yrs



### *Financial flexibility is highly valued*

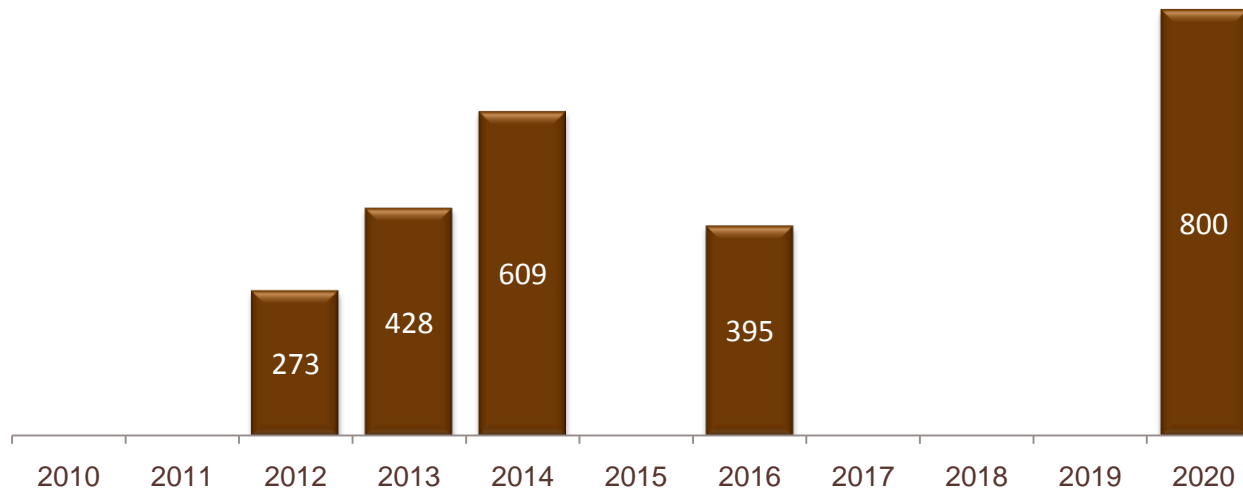
- Aligned debt structure and maturity profile to free cash flow generation
- Current undrawn committed medium-term facilities for US \$770 million
- Low reliance on external financing

# Responsible and Proactive Financial Management (Pro-forma June 2010)



## Debt Structure and Maturity Profile (Pro-forma June 2010)

Average Life: 5.6 yrs



*Financial flexibility is highly valued*

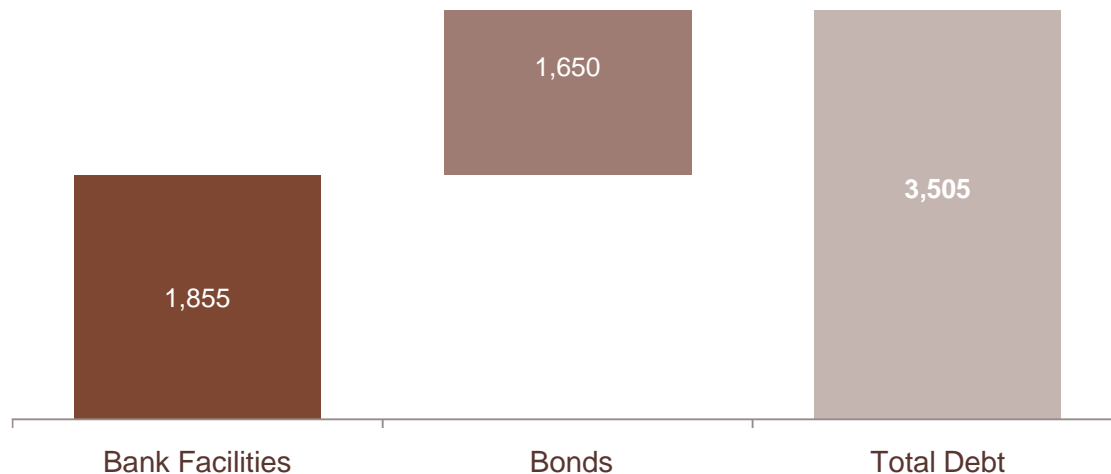
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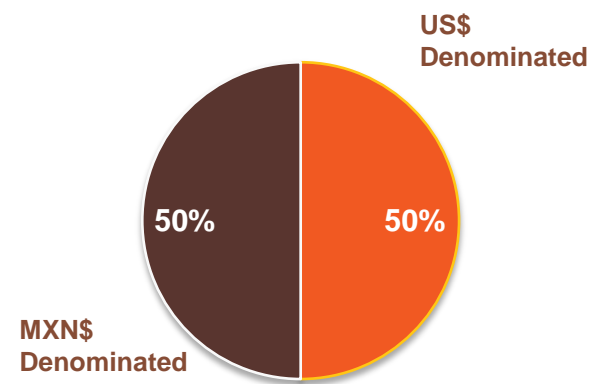
# Financial Summary (June 2010)

## Debt Structure

(US\$ millions)



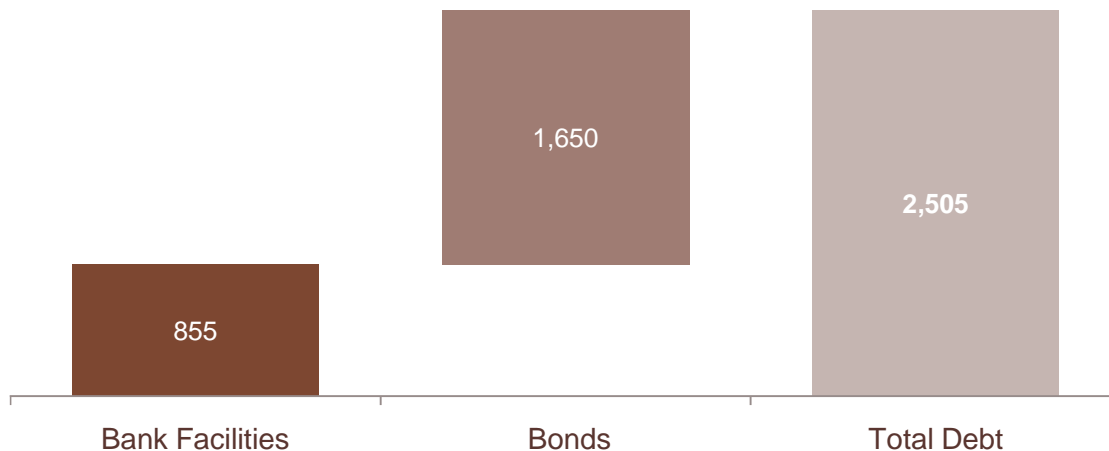
Instrument	Amount (US\$ millions)	Currency	Average Life
Bank Facilities	1,855	MXN – USD	2.0 years
MXN Bonds	1,650	MXN	7.3 years



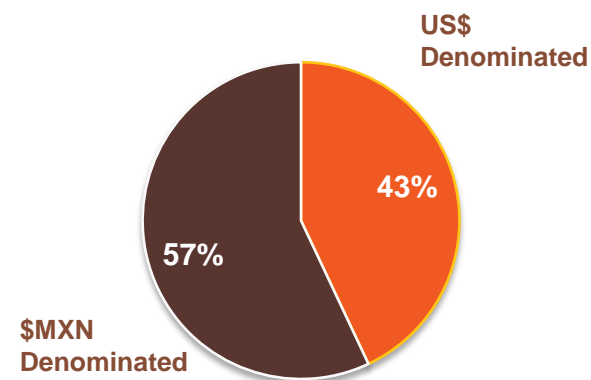
# Financial Summary (Pro-forma June 2010)

## Debt Structure

(US\$ millions)



Instrument	Amount (US\$ millions)	Currency	Average Life
Bank Facilities	855	MXN – USD	2.8 years
Bonds	1,650	MXN	7.3 years



# 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 that there is no conflict between doing well (financial impact) and doing good (social & environmental impact)

(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>

# Investment Highlights



Experienced Management Team and Strong Corporate Governance



One of the Leading Baked Goods Company in the World and Leader in the Americas



Very Attractive and Non-Cyclical Industry



Deep Consumer Understanding



Strong Brand Equity & Diverse Product Portfolio



Exceptional Distribution Network



Strong Financial Performance & Responsible Financial Management



Strong Corporate Identity



During this presentation, we have made statements about the Company's future plans and prospects that constitute forward-looking statements.

Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors and undue reliance should not be placed on these forward-looking statements. We cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements.

In addition, any forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

