



# 70 Years Young



Summary Integrated Annual Report 2015



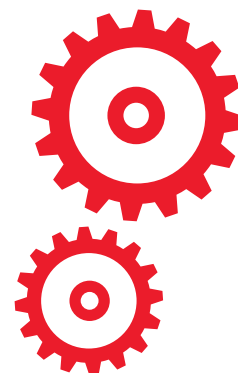
## About Grupo Bimbo

Grupo Bimbo is the largest baking company in the world, with US\$13.8 billion\* of sales in 2015. Our operations span 22 countries throughout the Americas, Europe and Asia. Every day, millions of people enjoy our breads, buns, cookies, snack cakes, english muffins, bagels, pre-packaged foods, tortillas, salty snacks and confectionary products, among others. Our shares trade on the Mexican Stock Exchange (BMV), under the ticker symbol BIMBO, and we are included in its Sustainability Index as well.

*\*US\$1 = Ps. 15.85, 2015 average exchange rate*

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# 70 years young



We celebrated our 70th anniversary in 2015, embracing the entrepreneurial spirit of our founders that continues to drive our dynamism and momentum today.

What's next? It's a fast-paced world, and Grupo Bimbo is on the move with it. With investment and innovation in our most cherished brands, new products for new tastes and preferences, responsible production practices that are increasingly efficient and low-cost, and a world-class distribution network that aims to reach consumers everywhere, we are creating sustainable, long-term value for generations to come, keeping true to our founding purpose. We continue to build a highly productive and deeply humane company.

## Our Mission

Delicious and nutritious baked goods and snacks in the hands of all.

## Our Vision

In 2020 we transform the baking industry and expand our global leadership to better serve more consumers.

# Highlights from the year

Double-digit growth in: net sales, operating income, adjusted EBITDA and net income



Celebrated our  
**70th**  
anniversary

Net reduction in CO<sub>2</sub>e emissions, despite higher production and sales volumes



Significant productivity and efficiency gains across our operations



**16 plants** worldwide achieved zero waste to landfill objective; two in the UK received Gold Zero Waste Award\*



Successful large-scale launches such as Healthfull, Villaggio and Artesano brands, among others

\*Award given by Letsrecycle, a division of Enviromental Media Group, LTD.

2015      2014      VAR %

**Economic and financial**

(millions of pesos except EPS)

Consolidated net sales	219,186	187,053	17.2
Operating income	14,121	10,312	36.9
Net majority income	5,171	3,518	47.0
Earnings per share (pesos)	1.10	0.75	46.7
Adjusted EBITDA	23,369	18,418	26.9
Market capitalization at December 31 <sup>st</sup>	216,112	191,420	12.9

**Social**

Total associates worldwide	127,152	125,719	1.1
Lost time injuries index*	68.62	77.94	—
Donations (millions of pesos)	90	86	4.7

**Environmental**

Total emissions (Scope 1,2,3; tons CO <sub>2</sub> e)	1,550,395	1,361,102	-12.2
Total waste disposal, including recycling (tons)	279,142	257,800	7.7
Wind energy generated (total GJ)**	1,188,000	1,094,400	8.6

\*A lost time injury (LTI) is an injury sustained by an employee that will ultimately lead to the loss of productive work time in the form of delays or absenteeism.

\*\* The data on emissions and waste from 2014 was calculated based on 10 months of measurements and 2 months of estimations.

**1943**

The idea to create a baking company is born and the name Bimbo appears for the first time.

**1945**

The company Panificación Bimbo, S.A. is founded with the Bimbo Bear icon.

The first products go on sale: large white bread, small white bread, dark bread and toasted bread; wrapped in cellophane.

**1947-1948**

Bimbo bakery began producing cakes, buns and raisin muffins, bread crumbs and different varieties of sweet bread.

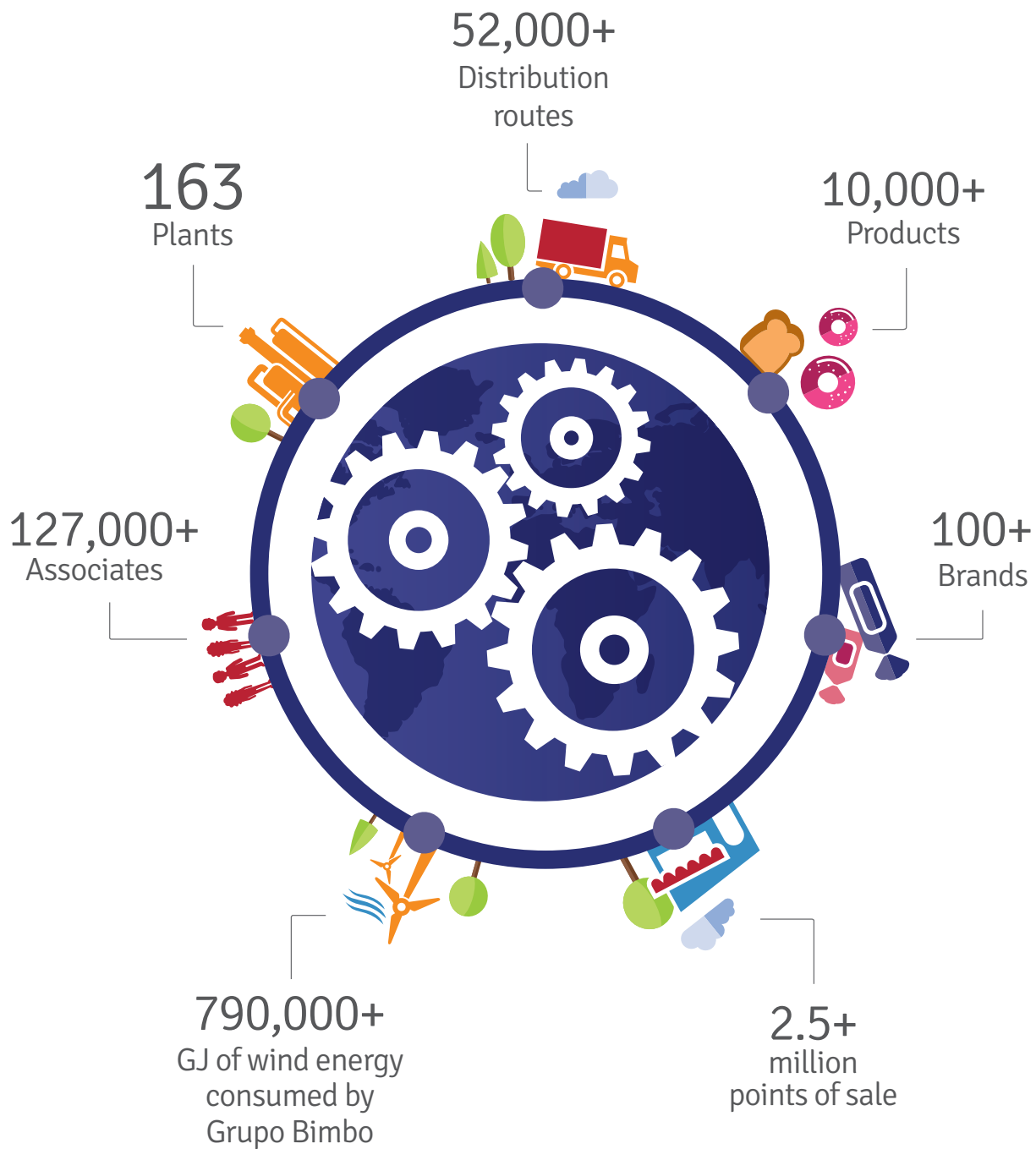
There are 9 products on the market.



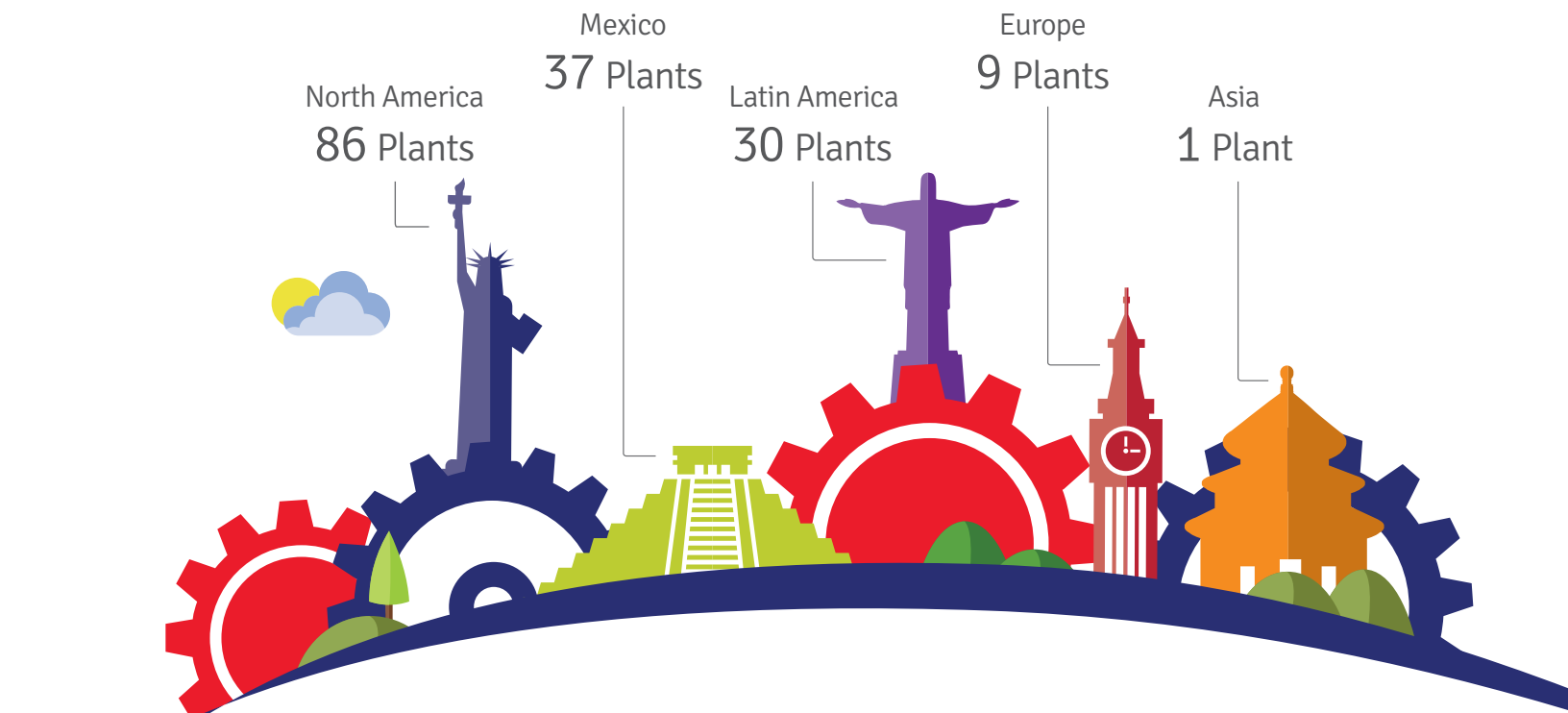
Organized the first ever  
**Global Energy** race,  
with 70,000+ participants  
in 22 cities

Pilot projects underway  
for select inputs,  
**first time directly**  
supporting farmers  
in our supply chain

# Grupo Bimbo today







Packed bread:  
traditional sliced bread,  
premium, buns & rolls,  
breakfast (english muffins  
& bagels) and frozen bread

Sweet baked goods:  
cakes and pastries

Cookies:  
sweet cookies and crackers

Salty snacks

Solutions:  
tortillas, pitas, wraps, pizza base,  
tostadas and totopos

Prepackaged foods

Confectionary

Other

Key categories

Key brands



# Letter from the Chairman & Ceo



I am pleased to report a good year for Grupo Bimbo. We celebrated our 70th anniversary in 2015, an opportunity to embrace the entrepreneurial spirit of our founders that remains as vital today as ever. Our founders' values shaped our aspirations, and even with the extraordinary changes to our business over the decades, I believe we have held true to our purpose of being a highly productive and deeply humane company.

In 2015 we generated strong financial performance and solid productivity gains, extended our long track record of growth, deepened our bonds with consumers through the strength of our brands, and advanced our strategic priorities, all in the context of macroeconomic and currency volatility, changing consumer preferences, competitive pressure and an evolving framework of corporate responsibility.





I want to start by highlighting our focus on innovation, with a growing emphasis on R&D and marketing. We launched new products, formats, line extensions, seasonal specialties and packaging in every market and category. Healthy and better-for-you products were relevant, and we reformulated recipes to anticipate and accommodate such demand accordingly. Yet equally successful were new snack concepts, indulgent treats, and artisanal-style products. Of particular note in 2015 were the brands and products we introduced that leverage our cross-border capabilities, such as Artesano, Villaggio and Nature's Harvest breads, among others.

We continued to advance our goal of being a highly productive and low-cost company. We generated approximately US\$200 million in savings in the year through our lean supply chain initiative, closed eight plants in the period, and a further US\$90 was saved through global procurement aimed at centralizing our processes. We are working to develop our suppliers' capabilities and improve the transparency and sustainability of our supply chain, for example collaborating with grain farmers in Mexico on crop management and quality practices, transitioning to cage-free eggs, issuing our new global policy to build a fully traceable and responsible palm oil supply chain and pilot testing sustainable farming options. Separately, we began the multi-year rollout of zero-base budgeting.

Sustainability efforts have an important role to play in our continuous quest for increased productivity.

We have facilities today that already recycle 100% of their water and waste, have perfect multi-year safety records, and meet the global industry's highest quality certification standards; zero-emissions vehicles are a growing part of our fleet; and wind power is an important part of our total energy portfolio. These are the standards we have set for ourselves, and we aim to lead the food industry accordingly.

As part of our multi-year asset transformation process, a new state-of-the-art plant started up operations in Spain in 2015, with the fastest and most efficient baking lines in the European industry and two bolt-on acquisitions were completed during the year that strengthen our presence in North America. Not only are we optimizing our footprint, but also how we run our bakeries: empowering our people and creating a modern and flexible production platform.

I would like to share with you the company's overall performance. Consolidated net sales in 2015 rose more than 17%, reflecting FX rate benefit, acquisitions made in prior periods and organic growth in Mexico and Latin America. Consolidated gross margin expanded 50 basis points, driven by lower raw material costs in most regions. Operating income increased almost 37% to Ps. 14,121 million while adjusted EBITDA rose 26.9% to Ps. 23,369 million, resulting in a 10.7% margin compared to 9.8% in the prior year, driven by a 210 basis point expansion in North America and a record margin in Mexico. Net majority income rose 47.0% and the margin expanded by 50 basis points to 2.4%.

The balance sheet remains solid and flexible. Total debt at December 31, 2015 was Ps. 67.8 billion, compared to Ps. 62.2 billion in December 2014. The increase was primarily due to a 17% US dollar revaluation that increased the Mexican peso value of US dollar-denominated debt, although we have continued to pay down debt. As a result, the total debt to adjusted EBITDA ratio declined from 3.2 times at December 2014 to 2.9 times at December 2015.

I would like to add that we also report on a number of non-financial metrics each year regarding our social and environmental performance. Highlights in 2015 include a reduction in CO<sub>2</sub>e emissions despite the increases in production and distribution and a higher volume of water reused. As part of our commitment to health and wellbeing, we organized the first Global Energy race, a same-day race in 22 cities with over 70,000 participants. This event will serve as our marquis global corporate branding effort to promote physical activity going forward.

Acquisition driven growth in recent years has required significant focus on integration and restructuring. With those large-scale processes essentially completed, we are turning our attention to the opportunities ahead in order to become a more profitable baking and snacks company that effectively competes in the markets where we operate. We have set our sights on the next set of milestones with our recently announced 2020 Vision: *In 2020 we transform the baking industry and expand our global leadership to better serve more consumers.*

To do so, we must build on five core capabilities: the engagement of our associates and their commitment to our Vision; enduring, meaningful brands; universal presence with superior execution; winning innovation in products and processes; and our culture of continuous improvement.

I will share that our priorities for 2016 are productivity, growth and organizational effectiveness. Along with our ongoing commitment to low-cost production, we will focus on our strategic brands and the connections forged with our consumers; serving more customers through market penetration and route efficiency; ongoing supply chain and asset transformation and R&D and cross-market innovation. In addition, we expect to see the benefit of IT integration in key markets, as well as the continued rollout of zero-base budgeting. We have made a commitment to invest approximately US\$650 million in capital expenditures in the year to be allocated across all regions to advance our low cost production targets.

We see Grupo Bimbo as a young and thriving company on the move with consumers and society, but with a 70-year old soul.

We remain strongly committed to the 10 Principles of the UN Global Compact, a set of core values in the areas of human rights, labor standards, the environment, and anti-corruption.

Finally, I would like to acknowledge another profitable year working together with our Board, directors, and the more than 127,000 associates throughout the world, whose efforts and dedication keep us looking forward.

I reaffirm my gratitude for your confidence in Grupo Bimbo.

Sincerely,  
**Daniel Servitje**  
Chairman and Chief Executive Officer

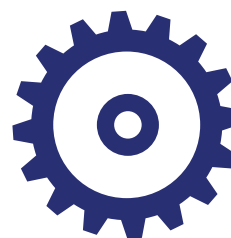


# Our strategic framework

## Industry overview

We participate in the global baking industry, which according to IBISWorld\* generated an estimated US\$406 billion in sales in 2015 in the core categories of fresh and frozen bread and rolls; cookies, crackers and pretzels; fresh and frozen cakes, pies and other pastries; and tortillas. Grupo Bimbo also participates in the salty snacks, prepackaged foods and confectionary categories, among others.

The industry has benefited from growing consumption of a variety of baked goods around the world. Consumers in countries that have not traditionally consumed bread regularly have begun incorporating more into their regular diets, and although demand for white bread in North America and Western Europe has stagnated, consumption of packaged goods, including cookies and crackers, has increased, driven by brand extensions with different options. Moreover, the growing importance of premium goods in developed markets, has helped maintain the leading manufacturers' performance in saturated markets.



\* Global Bakery Goods Manufacturing, December 2015

#### 1950

Bimbo slices are launched, toast with cream margarine.

•

“38” appears, a vehicle decorated with speakers, a turntable and microphones to advertise the product in small towns and villages.

#### 1952

The development of Donas Osito (donuts) begins along with a new buns line which includes Bimbollos, Medias Noches and Colchones.

#### 1954

Bimbo initiates socially responsible activities by allocating a percentage of profits to open and maintain a school.

•

Keik is born, a brand dedicated to making 3 flavors of snack cakes: strawberry, orange and chocolate, and whose name changed to Marinela in 1957.

#### 1955

On its tenth anniversary the company had 700 associates and 140 distribution vehicles.

## Competitive environment and the growth opportunity



The industry is highly fragmented, with the four leading global companies, of which Grupo Bimbo is the largest, accounting for less than 10% of global market share even after several years of mergers and acquisitions. Companies with local production and robust distribution have a competitive advantage given the perishable nature of the products.

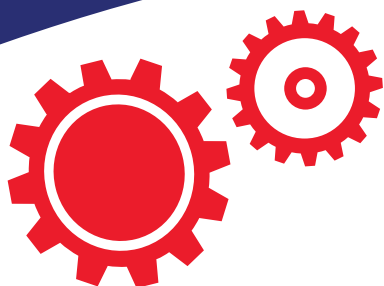
Demand for bakery products in more mature markets is relatively stable, thus quality, brand equity, innovation and differentiation are some of the main growth drivers. In less developed bakery markets sales are rising at a faster rate; this is due to lower penetration rates, changing consumer diets, and rising disposable incomes that allow consumers to purchase a greater variety of discretionary goods. Marketing and distribution are key growth drivers in these markets.

IBISWorld forecasts that growth in the bakery goods industry will be higher in the coming five years than it was in the previous five-year period.



## Key trends

We believe the following trends, and the ability to anticipate and adapt to them, are likely to shape our industry in the coming years along with the aforementioned growth drivers:



## Building on our key capabilities

Our global profile offers a balance between mature and high-growth markets and different demographic trends, while the scale of our operations provides multiple benefits in sourcing, production, sales and distribution. Furthermore, we are building on the strength of our billion-dollar brands and powerful national and regional brands to leverage cross-market opportunities as we continue to invest in innovation, category development and operational excellence.

We have outlined the following key capabilities as essential to our vision of transforming the baking industry and expanding our global leadership to better serve more consumers:



1

Our associates' engagement and commitment to our Vision

2

Enduring meaningful brands

3

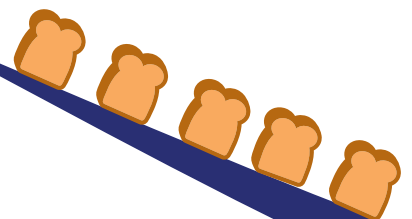
Universal presence with superior execution

4

Winning innovation in products and processes

5

Our culture of continuous improvement





## Risk management

We recognize that risks are inherent in all business activities. To maximize our ability to advance our strategic objectives, we identify and prioritize the risks to which we are exposed and put in place control measures to best mitigate them. We divide our risks into three main categories:



### Operational and execution risks

Competitive environment, changing consumer preferences, our reputation, talent and labor management, potential business interruptions and compromised trade relationships, among others.



### Mitigation

Market and consumer research; product innovation and development; advertising, marketing and sales; quality and safety controls; talent development, retention and succession; fair labor practices; redundancies, etc.

### Legal, political and regulatory risks

Health and product liability, contingent and civil liabilities, potential changes to laws and regulations regarding health, environment, disclosure and accounting standards, and securities matters, as well as political events and governmental controls, among others.



### Mitigation

Quality and safety controls, conduct and ethics requirements, trade and industry lobbying efforts, legal, compliance and government affairs expertise, etc.

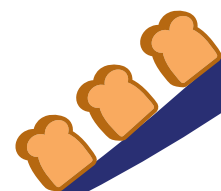
### Economic and financial risks

Commodity and raw material costs, supply chain disruptions, labor costs, foreign exchange and interest rates, debt and currency exposure, asset and brand impairments, access to financing and economic pressure on consumers, among others.



### Mitigation

Procurement strategy, productivity and efficiency initiatives, hedging, pricing actions and responsible financial management etc.



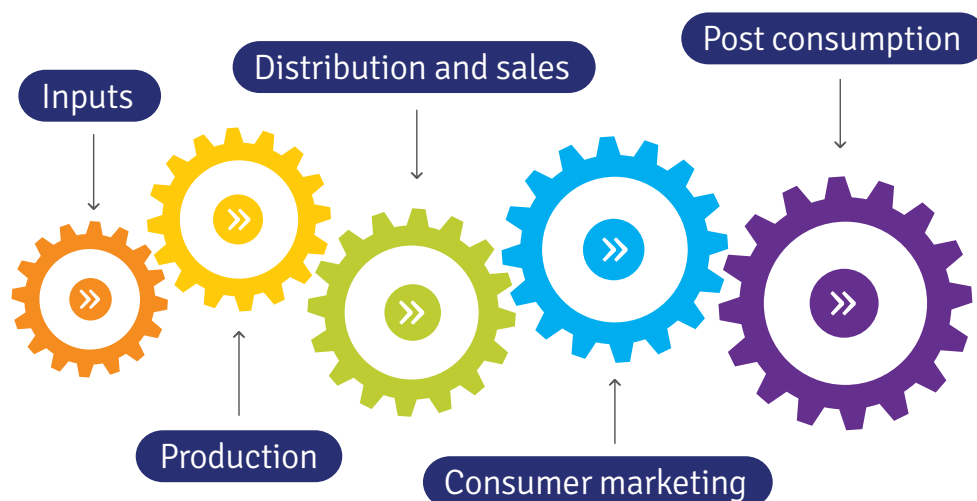
## Creating sustainable long-term value and a responsible value chain

We seek to create long-term and sustainable value for all our stakeholders through an integrated approach that considers their contributions and requirements. To do so, we must ensure that our actions across the entire value chain are responsible and geared towards value creation.

### Our core beliefs



# The Grupo Bimbo Value Chain



## Inputs

We work to strengthen transparent and ethical behaviors, sustainable processes, improved services, and best practices across our global supply chain in order to meet our requirements for quality, volume and consistency so that we may deliver on our promise to consumers. All our suppliers must adhere to our Code of Conduct.



We have developed a “Green Purchase” program and are collaborating on sustainable farming programs in Mexico to determine their viability and potential replication in other parts of the world. The initial inputs selected for the first phase of the program are: potato, stevia, goats milk, wheat, corn and palm oil.

### 1956-1957

Inauguration of Marinela plant, producer of cakes.

- Bimbo de Occidente is founded in Guadalajara, Jalisco.
- Bombonete and Gansito are launched.

### 1962-1964

Whole wheat bread is launched.

- A Corporate Office is created and called *Central Impulsora*.

### 1966-1967

We began selling Pingüinos Marinela and strawberry, vanilla and chocolate Submarinos.

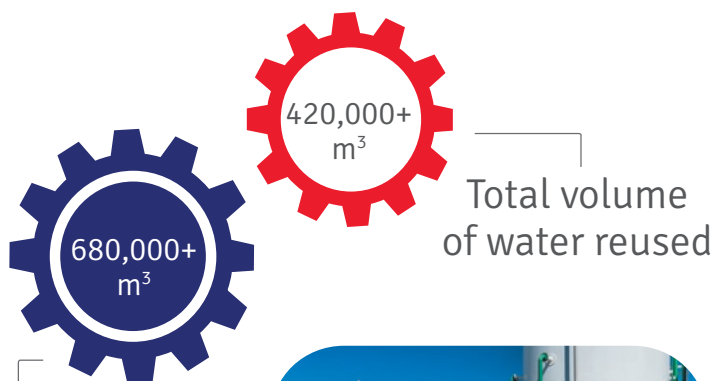
### 1971-1972

Barcel Brand begins operations.

- Opening of the Latin America's biggest bakery plant, in Azcapotzalco, Mexico.
- Chocorroles and Polvorones are launched.

## Production

Operational efficiency is a permanent focus. The *Piedra Larga* Wind Farm in the Mexican state of Oaxaca supplies approximately 90% of the electricity of our plants in Mexico, two sales centers (Guadalajara and Monterrey) and the corporate offices in Mexico City. We are in the process of adding new facilities in Mexico to the Wind Farm's supply; these are mainly sales centers and El Globo stores. This process is expected to be completed in 2016.



The energy produced by the *Piedra Larga* wind farm avoided the generation of **139,000 tons** of CO<sub>2</sub>e emissions (Nov 2014-Oct 2015)



**1974**

The Suandy brand and Tía Rosa sweet baked goods are born.

**1976-1978**

Tortillinas Tía Rosa go on sale and Ricolino is created as Grupo Bimbo's leading brand in sweets and chocolates.

**1979**

Don Roberto Servitje is named CEO of Grupo Bimbo, which already includes 3 companies, 12 plants and 15,000 associates.

**1980**

Bimbo begins trading on the Mexican Stock Exchange.

**1984**

The expansion of Bimbo begins with exports to the United States.

**1989**

Bimbo Centroamérica is created with the construction of a plant in Guatemala.

## Distribution and sales

We have an extensive direct-distribution network, with one of the largest sales fleets in the Americas. Our network allows us to distribute products from our plants, sales centers and warehouses to more than two million points of sale every day to ensure the freshness and quality of our products and to meet the needs of every type of customer from hypermarkets to family-owned businesses. We have also developed strong relationships with our customers in response to their diverse and changing needs, which we believe results in strong customer loyalty.

For example, to further grow and improve their retail businesses, we provide various programs and tools such as training and specialized sales, merchandizing and management advisory services, credit facilities through “Pesito”, “Quetzalito” and “Mi Tiendita” programs, and the Qiubo network, together with our partners Blue Label Mexico, which has enabled small businesses in Mexico to grow their sales by 20% on average.

We began to develop electric vehicles in 2012 through our subsidiary company Moldex in Mexico. These vehicles are currently in use at two sales centers in Mexico City and Guadalajara, Mexico. In 2015, we developed a new distribution vehicle with one ton load capacity and 100 km autonomy, which will eventually become part of the fleet.



253,177

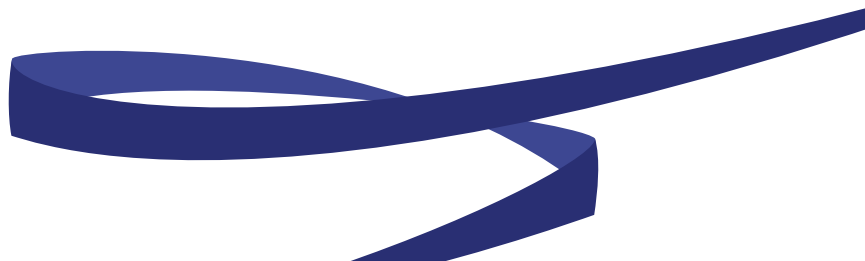
CO<sub>2</sub> emissions  
reduction, through the  
use of diesel in third  
party vehicles

Almost 60%  
share of renewable  
materials



104,000+  
customers  
benefited by  
“Mi Tiendita”

300,000+  
“Pesito” customers



## Consumer Marketing

We want to be an agent of change through our social marketing efforts. The contribution of our commercial brands in charitable projects is a core part of Grupo Bimbo's social responsibility mission. One example is the "Smiles that Help" campaign developed by Paleta Payaso, one of Ricolino's best-known products.

**2,700+**  
people benefited from the donation given to Risaterapia, A.C., through Paleta Payaso campaign



## Post Consumption

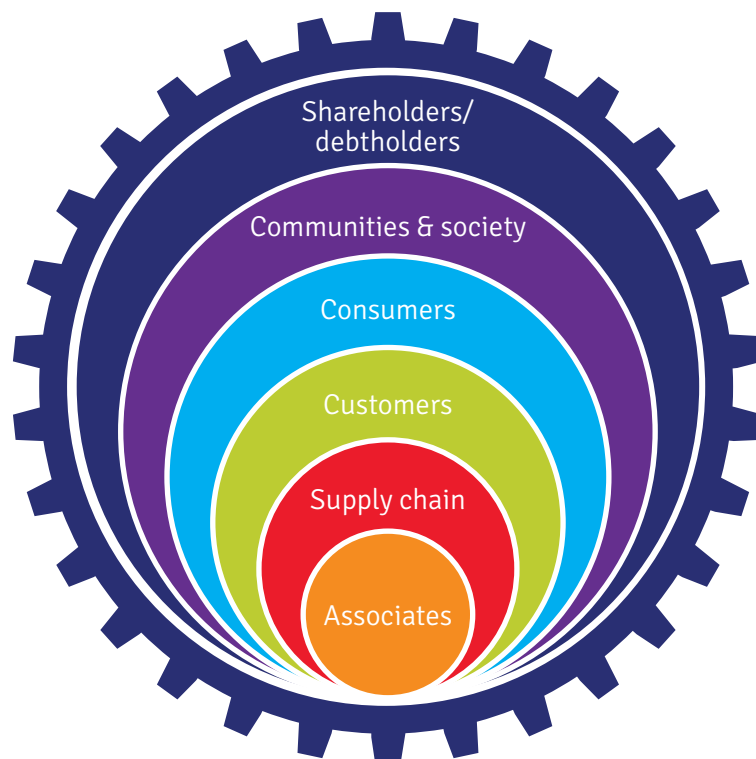
Minimizing our environmental footprint requires a consideration of sustainability criteria for our packaging materials. We continue to increase the amount of recycled content in our packages and to develop other innovations in packaging materials.

In 2015, we launched our own brand, Ecora, of recycled plastic plaques that can be used in construction, interior and industrial design as flooring, walls and furniture.





## Creating long-term value for our stakeholders



For **associates** who provide us with their time, talent and commitment, we create value in an equitable workplace with a culture of safety and health where the golden rule applies: Respect, Trust, Fairness and Care. We believe knowledge is transmitted, shared and extended through training, and provide our associates with personal and professional development opportunities.



16,396  
new associates

More than  
1 million  
hours of training

### 1990-1991

Milpa Real tortillas go on sale, Lonchibón is created and Barcel launches Chip's.

•

The opening of Bimbo Argentina and the Latin American corporate offices.

### 1993

Grupo Bimbo inaugurates its corporate headquarters in Santa Fe, Mexico City.

### 1995

Grupo Bimbo acquires Coronado.

•

The Ideal Plant starts operating in Chile.

### 1997

Daniel Servitje becomes CEO of Grupo Bimbo.

•

Don Roberto Servitje becomes Chairman of the Board.

### 1998-2001

Grupo Bimbo acquires the North American baking company Mrs Baird's and Plus Vita in Brazil.

For the **supply chain** that provides us with inputs and raw materials, we create value through fair payment and supplemental business improvement services, favoring sustainable, scalable, transparent and ethical sources. See *Value Chain* for more details.

For **customers** who sell our products, we create value by ensuring the availability, quality and freshness of products that consumers desire, with outstanding point of sale execution and supplemental business improvement services. See *Value Chain* for more details.



For **consumers** who choose our products, we create a wide range of delicious and nutritious baked goods and snacks available anytime and everywhere, providing brand experiences they cherish and trust, and supporting their active and healthy lifestyles with responsible labeling and marketing. See *Value Chain* for more details.



For the **communities and society** where we operate, we create value for local economies through job creation and contributions to quality of life. Our approach relies on direct and local actions, with our “Good Neighbor” program as the central pillar whereby our facilities invest in their neighborhoods. Our sponsorships and contributions are primarily in the areas of education, athletics, health & wellbeing and reforestation, with direct service and support in areas such as urban infrastructure, restoration of recreational facilities and green areas, school improvement and natural disaster relief.

Our investments across the value chain, such as in sustainable farming, packaging innovation, renewable energy, water conservation and waste and emissions reduction generate social returns as well as operational improvements and financial gains.



128 plants in  
14 countries  
participated in the  
Good Neighbor  
program in 2015

134  
Good Neighbor  
projects completed

Approximately  
2.6% of the pretax  
revenue 2015, donated to  
nonprofit organizations

Ps. 90 million  
in contributions



#### 2002-2004

The western region of the baking company George Weston Limited is acquired, owner of the Oroweat brand.

#### 2005-2006

Grupo Bimbo acquires La Corona chocolates and El Globo patisseries in Mexico, as well as Panificadora Panrico in Beijing thus entering the Asian market.

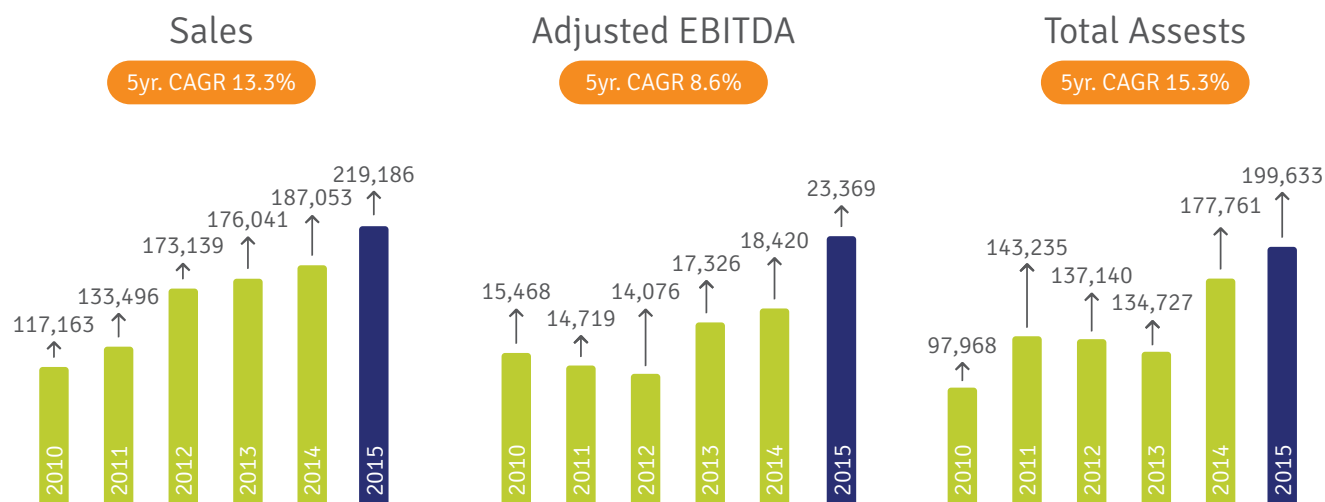
#### 2008-2010

Grupo Bimbo acquires Panificadora Nutrella in Brazil, George Weston Foods Ltd in the United States, and Dulces Vero in Mexico.

#### 2011

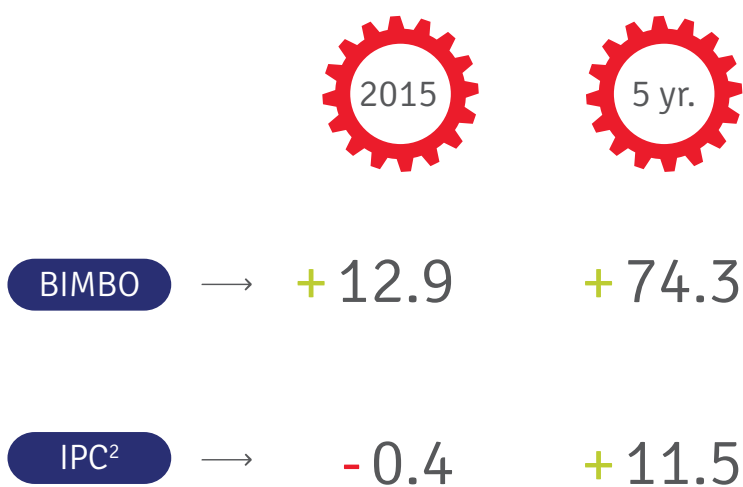
Grupo Bimbo becomes the largest global baking company in the world by acquiring Sara Lee North American Fresh Bakery in the United States, Fargo in Argentina and Bimbo in Spain and Portugal.

For **shareholders and debtholders** who entrust us with their capital, we create value through dividends, interest payments and capital gains that accrue through continuous growth and productivity improvements that support sustained profitability.



<sup>1</sup>Compounded average growth rate

### Share price performance %

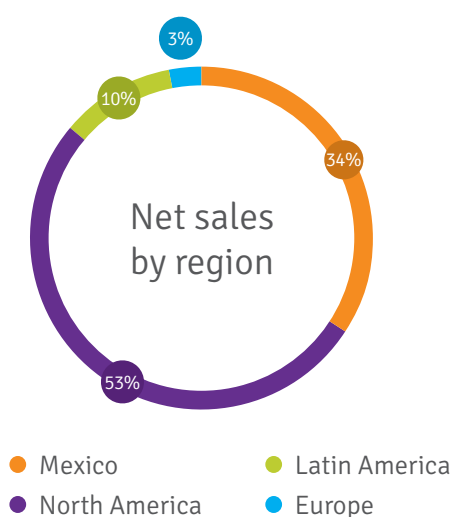


<sup>2</sup>Índice de Precios y Cotizaciones, Mexican Stock Exchange

## Summary financial performance

### Net sales

Consolidated net sales rose **17.2%** year over year, to **Ps. 219,186 million**, reflecting an FX rate benefit of **8.5%**, acquisitions made in prior periods and solid organic growth in Mexico and Latin America.



**Mexico:** Net sales in Mexico rose **5.8%**, primarily driven by higher volumes reflecting a better consumption environment, product innovation such as Levissimo snacks and Lime Chip's and cross-market product launches like Artesano and Nature's Harvest breads. Although performance in the sweet baked goods and confectionary categories was soft, sales rose in every channel and across most categories, with outperformance in cookies, bread, cakes and salty snacks.

**North America:** Net sales grew **28.8%**, largely as the result of an exchange rate benefit of **17.3%**, acquisitions made in previous periods and an additional week of sales during the period. Notwithstanding notable growth in the sweet baked goods, snacks and breakfast categories and successful introductions of Sara Lee Artesano and Thomas' Swirl Breads in the US and Campagnard in Canada, volumes in the bread category were under pressure due to pricing initiatives implemented in the first half of the year.

### 2012

The *Piedra Larga* wind farm in Oaxaca, Mexico is inaugurated, which supplies wind energy to almost all the plants in Mexico.

### 2014

Grupo Bimbo acquires Canada Bread to advance its strategy of global growth in Canada and the UK.

The company enters the Ecuador market with the acquisition of Supan, strengthening its presence in Latin America.

### 2015

Bimbo Iberia inaugurates a new plant in Europe, located in Guadalajara, Spain, with the capacity to produce 15,000 loaves per hour, becoming the largest industrial project in the country.

Grupo Bimbo celebrates its 70th anniversary.

**Latin America:** The **10.7%** rise in net sales reflected positive volume performance in several countries, notably Brazil and most Central American countries, as well as the benefit of translating certain currencies to Mexican pesos. Sales of premium bread and tortillas continued to rise despite challenging economic conditions in some countries.

**Europe:** The UK operation acquired as part of the Canada Bread transaction and an FX rate benefit of **2.4%** contributed to the **9.6%** improvement in annual net sales. In Iberia, sales in the second half of the year were affected by a competitive environment in the bread category due to pricing dynamics among private label players.

#### Gross profit

Consolidated gross profit increased **18.2%** to **Ps. 116,765 million**, with a **50** basis point expansion in the margin to **53.3%**, driven by lower average raw material costs in most regions.

#### Profit before other income & expenses

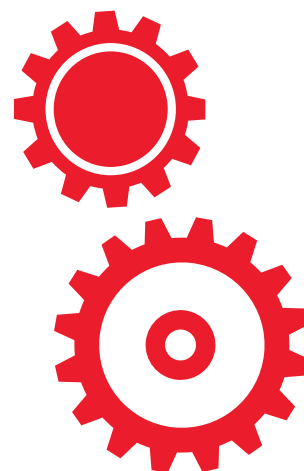
Profit before other income & expenses increased **16.2%** during the year, to **Ps. 18,222 million**, with a slight **10** basis point contraction in the margin to **8.3%**.

#### Operating income

Operating income rose **36.9%** over the prior year to **Ps. 14,121 million**, with a **90** basis point expansion in the margin to **6.4%**. This primarily reflected lower restructuring expenses in the US (2015: **Ps. 1,007 million**; 2014: **Ps. 2,259 million**) and distribution efficiencies in Mexico, which were somewhat offset by integration-related costs in Canada, Europe and Latin America, specifically the migration to new enterprise software in Canada, the acquisition of Supan in Ecuador and the construction of a new plant in Latin America.

#### Comprehensive financial result

Comprehensive financing resulted in a **Ps. 4,190 million** cost in the year, compared to **Ps. 3,265** million in 2014, or **Ps. 925 million** higher. This reflects the incremental interest expense related to the Canada Bread acquisition, as well as a change in the Mexican peso/US dollar FX rate, which increased the Mexican peso value of US dollar-denominated interest expenses.

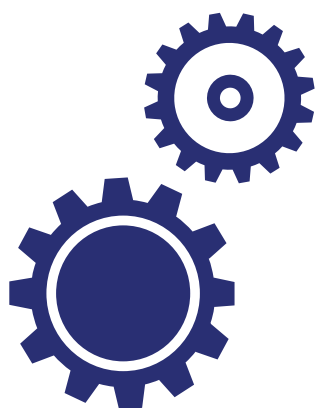




### Net majority income

Net majority income rose **47.0%** to **Ps. 5,171 million**, with a **50** basis point expansion in the margin to **2.4%**, attributable to operating performance and a lower effective tax rate of **40.7%** vs. **42.3%** in 2014.

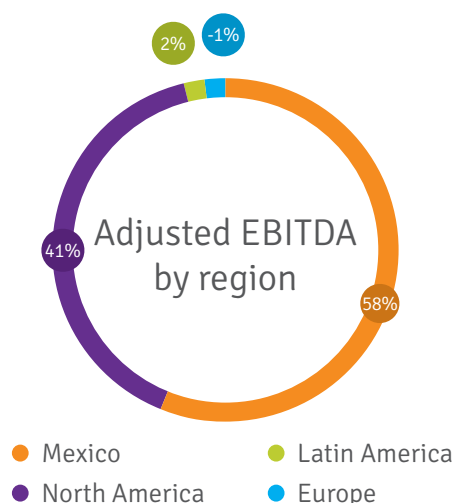
Earnings per share totaled **Ps. 1.10**, compared to **Ps. 0.75** in the prior year.



### Adjusted EBITDA

Adjusted EBITDA increased **26.9%** to **Ps. 23,369 million**, while the margin expanded **90** basis points to **10.7%**, resulting in a **210** basis point expansion in the North American margin and a record annual adjusted EBITDA margin in Mexico of **17.6%**.

The Company registered non-cash charges of **Ps. 2,196 million** in 2015 due primarily to impairment costs and goodwill charges mainly in Brazil, the US, Argentina and China.



### Financial structure

Total debt at December 31, 2015 was **Ps. 67.8 billion**, compared to **Ps. 62.2 billion** at December 31, 2014. The increase was primarily due to a **17%** US dollar revaluation that increased the Mexican peso value of US dollar-denominated debt, although the Company has continued to pay down debt in line with its commitment to de-lever.

Average debt maturity was **8.4** years with an average cost of **4.5%**. Long-term debt comprised **88%** of the total; **77%** of the debt was denominated in US dollars and **23%** in Canadian dollars.

The total debt to adjusted EBITDA ratio was **2.9** times compared to **3.2** times pro forma Canada Bread at December 31, 2014. The net debt to adjusted EBITDA ratio was **2.7** times

## Board and Management

### Board of Directors

Daniel Javier Servitje Montull, Chairman  
Jaime Chico Pardo  
Henry Robert Davis Signoret\*  
Luis Jorba Servitje  
Arturo Manuel Fernández Pérez\*  
Ricardo Guajardo Touché\*  
Thomas Stanley Heather Rodríguez\*  
Agustín Irurita Pérez\*  
Mauricio Jorba Servitje  
José Ignacio Mariscal Torroella  
María Isabel Mata Torrallardona  
Raúl Carlos Obregón del Corral  
Nicolás Mariscal Servitje  
Javier de Pedro Espínola  
Ignacio Pérez Lizaur\*  
Jorge Pedro Jaime Sendra Mata  
Edmundo Miguel Vallejo Venegas\*  
Francisco Laresgoiti Servitje

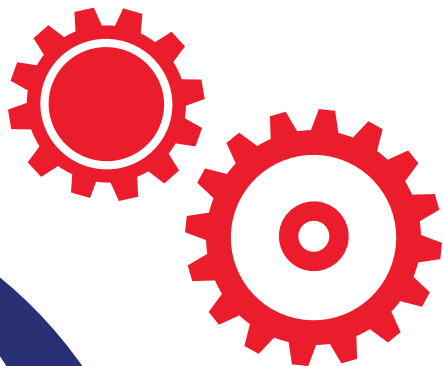
\* Independent

### Committees

Audit & Corporate Practices Committee  
Henry Davis Signoret, Chairman  
Arturo Manuel Fernández Pérez  
Thomas Stanley Heather Rodríguez  
Agustín Irurita Pérez  
Ignacio Pérez Lizaur  
Edmundo Miguel Vallejo Venegas

Evaluation & Results Committee  
Raúl Obregón del Corral, Chairman  
Thomas Stanley Heather Rodríguez  
Edmundo Miguel Vallejo Venegas  
Daniel Javier Servitje Montull  
Luis Jorba Servitje

Finance & Planning Committee  
José Ignacio Mariscal Torroella, Chairman  
Javier de Pedro Espínola  
Ricardo Guajardo Touché  
Luis Jorba Servitje  
Raúl Obregón del Corral  
Daniel Javier Servitje Montull  
Guillermo Jorge Quiroz Abed



## Executive Management

Daniel Javier Servitje Montull  
Chief Executive Officer of Grupo Bimbo

Pablo Elizondo Huerta  
Senior Executive Vice President

Javier Augusto González Franco  
Senior Executive Vice President

Miguel Ángel Espinoza Ramírez  
President, Bimbo, S.A. de C.V.

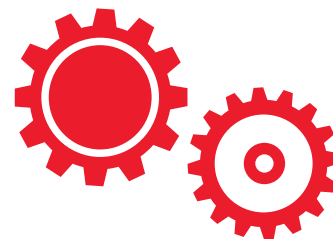
Gabino Gómez Carbajal  
President, Barcel, S.A. de C.V.

Alfred Penny  
President, BBU, Inc.

Guillermo Jorge Quiroz Abed  
Chief Financial Officer

Raúl Argüelles Díaz González  
Chief Human Relations Officer

Reynaldo Reyna Rodríguez  
Chief Global Services Officer



# Audit and Corporate Practices Committee report

Mexico City, April 11, 2016

## To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

Dear Sirs,

In conformity with the provisions of the Securities Market Act, the corporate charter of this Company and the Regulations of the Audit and Corporate Practices Committee of Grupo Bimbo, S.A.B. de C.V. (the “Group” or the “Company”), I hereby present to you the report of the activities carried out by the Audit and Corporate Practices Committee (the “Committee”) during the year ended December 31, 2015. In carrying out our work, we abided by the recommendations established in the Code of Best Corporate Practices.

Based on the previously approved work plan, the Committee met six times during the year, in which it discussed the issues it is legally obligated to consider and carried out the activities described below:

### Internal controls

With the assistance of both Internal and External Auditors, we verified that management had established general guidelines for internal control, as well as the necessary procedures for their application and enforcement. In addition, we followed up on the remarks and observations made by the external and internal auditors in performance of their duties.

The members of Management responsible for such matters presented us with the plans of action corresponding to the observations resulting from the internal audit, so our contact with them was frequent and their responses satisfactory.

### Code of ethics

With the support of the Internal Audit Department and other areas of the Company, we verified compliance by the employees of the Company with the Group’s current Code of Ethics.

We learned of the results and central issues identified in maintaining a hotline for Group associates, and management informed us of the actions taken in those cases.

### External audit

The independent auditors that provide these services were the same as in the two preceding years, and a single firm is responsible for auditing the results of all the operations and countries where Grupo Bimbo operates.

We approved the fees for these auditing services, including additional fees to account for the growth of the group and other permitted services. We ensured that these payments did not compromise the independence of that firm.

The external auditors presented their approach and work program and areas of interaction with Grupo Bimbo’s Internal Audit department, and the Committee approved this presentation.

We maintained direct and close communication with the external auditors, and they informed us on a quarterly basis of the progress of their work and any observations they had; we took note of their comments on the quarterly and annual financial statements. We were promptly informed of their conclusions and reports on the annual financial statements.

Finally, we conducted an evaluation of the services of the external auditing firm for the year 2015 and were promptly informed of the preliminary financial statements.

### Internal Audit

We reviewed and approved the annual work plan for the year 2016 as well as the budget for carrying out the activities of the area.

In each of this Committee's meetings, we received and approved regular reports on the progress of the approved work plan.

We followed up on the comments and suggestions made by the Internal Audit area, and verified that Management resolved any deviations from the established internal controls, and we therefore consider the status of that system to be reasonably correct.

We authorized an annual training plan for personnel of the area and verified its effectiveness. A number of specialized professional firms participated actively in that plan, ensuring that personnel receive up-to-date information on the appropriate topics.

We reviewed and followed up on the program to transform the responsibilities of the Internal Audit area, which was implemented for the purpose of strengthening it.

### Financial information and accounting policies

We reviewed the quarterly and annual financial statements of the Company together with the parties responsible for their preparation, recommended their approval by the Board of Directors, and authorized their publication. Throughout the process we took into account the opinions and remarks of the external auditors.

To arrive at an opinion on the financial statements, we verified, with the support of the internal and external auditors, that the criteria, accounting policies and the information used by management in the preparation of the financial statements was appropriate and sufficient and had been applied in a manner consistent with the prior year, taking into account the changes in International Financial Reporting Standard effective both in that year and the preceding year. As a result, the information presented by management reasonably reflects the financial position, results of operations, changes in shareholders' equity and cash flows of the Company.

### Compliance with regulatory standards and laws; contingencies

With the support of the internal and external auditors, we confirmed the existence and reliability of the controls established by the Company to assure compliance with the various legal provisions to which it is subject, and assured that these were appropriately disclosed in the financial information.

At the close of each quarter, we regularly reviewed the Company's various tax, legal and labor contingencies and confirmed that appropriate procedures were in place so that Management could identify and address them in an appropriate manner.

The Risk Committee created by the Company's management informed us of the methodology it follows to determine and evaluate the risks the group faces, and we verified that the risks were being monitored and mitigated where possible, and that they were considered in the work plans of the Internal Auditors.

Management explained to us the central guidelines that govern the anti-corruption policy, as well as plans to publicize it and check that it is complied with, which we found appropriate.

#### Compliance with other obligations

We met with Management executives and officers as considered necessary to remain abreast of the progress of the Company and any material or unusual activities and events.

We obtained information about significant matters that could involve a possible breach of operating policies, the internal control system and policies on accounting records, and we were also informed of corrective measures taken in each case, and found them satisfactory.

We did not find it necessary to request the support or opinion of independent experts, because the issues raised in each meeting were duly supported by the information on hand, and the conclusions reached were satisfactory to Committee members.

#### Transactions with related parties

We reviewed and recommended for approval by the Board each and every related party transaction requiring approval by the Board of Directors for fiscal year 2015, as well as for recurring transactions that are expected to be conducted in fiscal year 2016 that require Board approval.

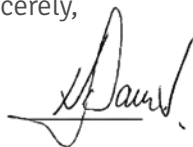
#### Evaluation of management

We reviewed and recommended for approval by the Board the policies for the designation, evaluation and compensation of the Chief Executive Officer as well as the members Bimbo's Executive Committee in 2015.

In my capacity as Chairman of the Audit and Corporate Practices Committee, I reported regularly to the Board of Directors on the activities conducted within the Committee.

The work that we conducted was duly documented in minutes of each meeting, which were reviewed and approved at the time by the Committee members.

Sincerely,

A handwritten signature in dark ink, appearing to read 'H. Davis', with a stylized flourish at the end.

Henry Davis Signoret

Chairman of the Audit and Corporate Practices Committee  
Grupo Bimbo, S.A.B. de C.V.



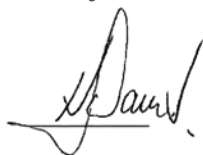
Mexico City, April 11, 2016

## To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

In my capacity as chairman of the Audit and Corporate Practices Committee (the “Committee”) of Grupo Bimbo, S.A.B. de C.V. (the “Company”), and in accordance with point e), section II of Article 42 of the Securities Market Act, I hereby present you the opinion of the Committee regarding the content of the report of the Chief Executive Officer regarding the financial situation and results of the Company for the year ended December 31, 2015.

In the opinion of the Committee, the accounting and information policies and criteria followed by the Company and used to prepare the consolidated financial information are appropriate and sufficient, and consistent with international financial reporting standards. Therefore, the consolidated financial information presented by the Chief Executive Officer reasonably reflects the financial situation and results of the Company as of December 31, 2015 and for the year ended on that date.

Sincerely,



Henry Davis Signoret  
Chairman of the Audit and Corporate Practices Committee  
of Grupo Bimbo, S.A.B. de C.V.

## Stakeholder information



Stock exchange:  
Mexican Stock Exchange (BMV)

Ticker symbol:  
BIMBO

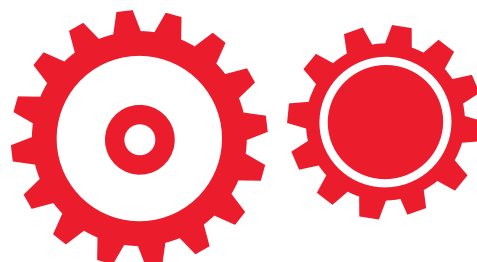
Corporate headquarters:  
Corporativo Bimbo, S.A. de C.V.  
Prolongación Paseo de la Reforma No. 1000  
Colonia Peña Blanca Santa Fe  
Delegación Álvaro Obregón, CP 01210  
Mexico City  
+52 55 5268 6600

### Contacts

Investor relations contacts:  
[ir@grupobimbo.com](mailto:ir@grupobimbo.com)

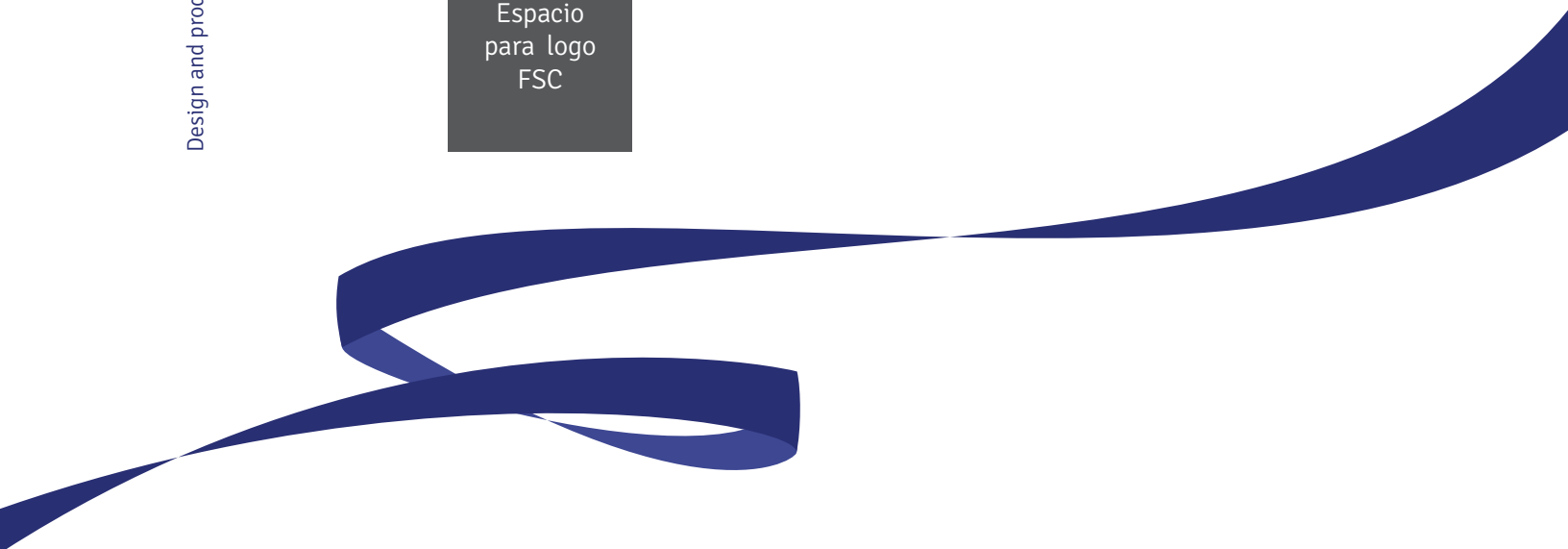
Institutional relations contact:  
[responsabilidadsocial.gpobimbo@grupobimbo.com](mailto:responsabilidadsocial.gpobimbo@grupobimbo.com)

Online:  
[www.grupobimbo.com](http://www.grupobimbo.com)  
[twitter.com/Grupo\\_Bimbo](https://twitter.com/Grupo_Bimbo)  
[facebook.com/GrupoBimbo](https://facebook.com/GrupoBimbo)



This 2015 Integrated Annual report is intended to be a summary document. The company's full annual report, which adheres to the Global Reporting Initiative's G4 guidelines, can be found at: [www.grupobimbo.com/informe/](http://www.grupobimbo.com/informe/)

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## Summary Integrated Annual Report 2015

