70 Years Young

GRUPO BIMBO®

Integrated Annual Report 2015

About Grupo Bimbo

G4-3 G4-4, G4-6, G4-8

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 since its creation in 2011.

*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

G4-56

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.

Our Beliefs

G4-6, G4-8, G4-4

Highlights from the year

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

Celebrated our
70th
anniversary

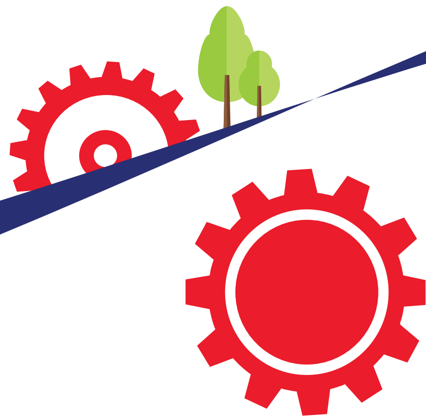
Net reduction in CO_2e emissions, despite higher production and sales volumes

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

Significant **productivity and efficiency** gains across our operations

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

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



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

G4-9, G4-10, G4-LA6, G4-EC1

	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 31st	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_2e)	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.*

Grupo Bimbo today

G4-9

52,000+
Distribution routes

163
Plants

10,000+
Products

127,000+
Associates

100+
Brands

790,000+
GJ of wind energy consumed by Grupo Bimbo

2.5+
million points of sale

Key categories

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 brands

- Bimbo
- Barcel
- Pullman
- Oroweat
- Sara Lee
- Ideal
- New York Bakery Co
- Arnold
- Entenmann's
- nutrella
- Supan
- Marinela
- Ricolino
- Dempster's Bakery
- Vachon
- Thomas'
- Tía Rosa
- POM

Letter from the Chairman & Ceo

G4-1, G4-2

G4-DMA ECONOMIC PERFORMANCE

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_2e 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

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

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

G4-14

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:

- Premium value-added brands
- Indulgence on one hand and health & wellness on the other
- *Snackification*: on-the-go packaging and portion sizes
- Specialty formulations (low sugar, high fiber, whole grains)
- Responsible production, verifiable supply chain, sustainably sourced ingredients
- Clean labels
- Speed of technological advances
- Local, fresh, authentic, artisanal; at the same time, longer shelf life

Building on our key capabilities

G4-DMA ECONOMIC PERFORMANCE

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

G4-14, G4-EC2

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.

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 among others.

Creating sustainable long-term value and a responsible value chain

G4-17, G4-24, G4-25, G4-26, G4-27

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, sustainable and geared towards value creation.

Definition of our stakeholders

According to the policy GB.SUS.PO01AN01 "Definition of Stakeholders", at Grupo Bimbo we have identified a set of related groups that are closest to our company's operations.

These groups are classified into internal and external, as follows:

Internal stakeholders

Shareholders/Partners
We seek to provide a reasonable and consistent return.

Associates
We guarantee respect for their dignity and individuality and promote a climate that supports their wellness and development.

Labor Representation
We support authentic representation of our workers, with full respect for their freedom of association and a continuing relationship of collaboration and mutual trust.

External stakeholders

Clients
Providing an exemplary service and seeking to support them in their growth and development through the value of our brands.

Suppliers
We maintain cordial relationships, promote their development and cover the cost of their services in accordance with the terms of the contracts we have signed with them.

Distributors
We establish working procedures that meet the objectives of the business and are beneficial to both parties.

Competitors
We compete vigorously and fairly, based on legal trade practices.

Consumers
We offer healthy food and variety in our products, through ongoing improvement.

Society
We promote universal ethical values and support economic and social growth in the communities where we are located.

Government
We abide by all existing legislation in the countries where we operate, promote close and respectful relations and communication, and collaborate in projects and initiatives that benefit the community.

Business and/or International Organizations
We share experiences and best practices in a climate of cordiality and respect.

Communications Media
We provide accurate, clear, and prompt information.

Social Organizations
we contribute to the advancement and development of the communities where we operate, by working together with nonprofit social organizations.

Educational Institutions
We share good practices and build a close communication seeking to contribute to continuous improvement of education in the world.

** For more information, consult our policy at: www.grupobimbo.com/rse*

The Company must accept its responsibility with the stakeholders and promote its development as possible, in compliance with their expectations and needs.

Through the year we maintain a constant dialogue with them, seeking for alternatives to integrate them into our business management. Some of the communication channels for dialogue were:

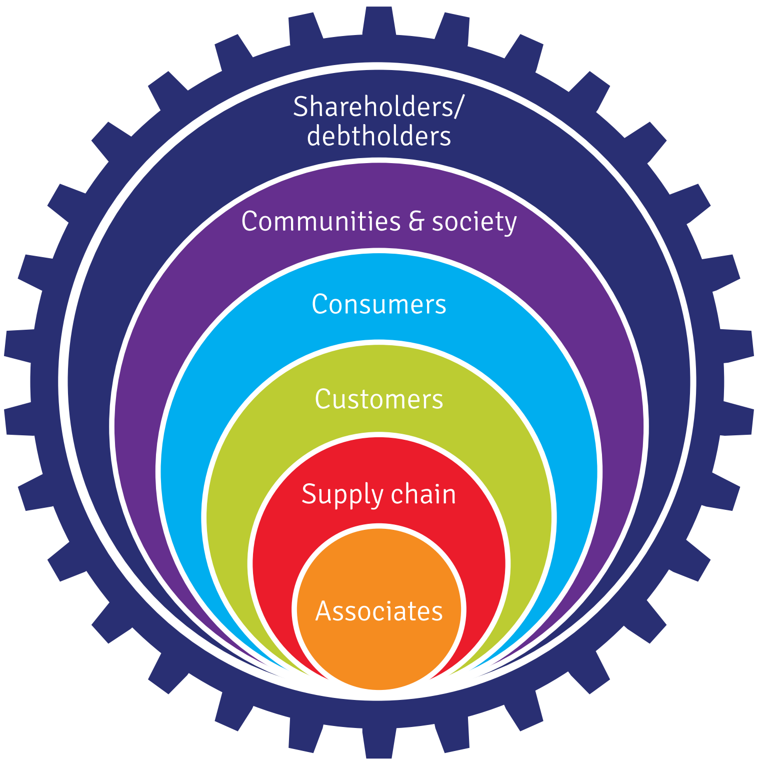
G4-26

Stakeholder	Communication channels
Internal stakeholders	
Shareholders/ Partners	* Meetings and direct interviews with Investor Relations. * Shareholder annual meeting
Associates	* Intranet: shares news from around the Group, sections to comment and talk about, blog * Labor Environment Survey * Internal Communication * Speak Up Line
Labor Representation	* Through the relations management
External Stakeholders	
Clients	* Through the Sales VP * SATECC (Client and Consumers attention line)
Suppliers	* Suppliers website * Suppliers' annual meeting. * Speak Up Line
Consumers	* Satisfaction survey * SATECC (Client and Consumers attention line)
Society	* Sports events: Circuito Bimbo, Futbolito Bimbo * Volunteering y Good Neighbor program * Product Promotion Activities

Stakeholder	Communication channels
External stakeholders	
Government	* Relations with government entities through the Corporate Affairs department
Business and/or International Organizations	* Through the Corporate Affairs department
Communications media	* Through the Corporate Affairs department
Social Organizations	* Through Institutional Relations department: * Requests and requirements attention, (by telephone or email) * General Annual Meeting with Civil Associations * Activity Evaluation Form
Educational Institutions	* Plant visit
College and Research Educational Institutions	* Trade Fairs and student congresses * Chats with students in educational institutions

(For more information about our stakeholders please visit: http://www.grupobimbo.com/informe/grupos-de-interes/)

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.

G4-LA1

16,396
new associates

More than
1 million
hours of training

G4-DMA-B SPECIFIC PROCUREMENT PRACTICES

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.*

88
products with
less sugar

27
products with
less sodium

72
products with
less saturated fats

G4-DMA-B SPECIFIC PROCUREMENT PRACTICES

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 areprimarily 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.

134
Good Neighbor
projects completed

In 2015,
2.6% of the 2014
Grupo Bimbo's
net income was donated
to non-profit entities

Ps. 90 million
in contributions

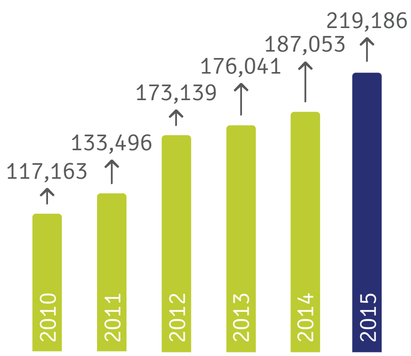
128 plants in
14 countries
participated in the
Good Neighbor
program in 2015

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.

G4-9

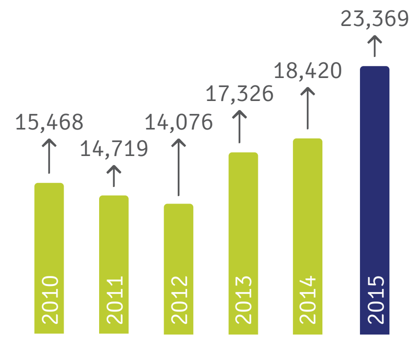
Sales

5yr. CAGR[1] 13.3%



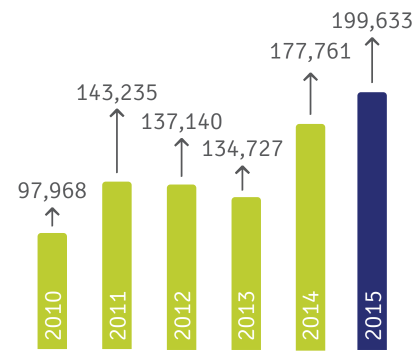
Adjusted EBITDA

5yr. CAGR 8.6%



Total Assets

5yr. CAGR 15.3%



[1]*Compounded average growth rate*

Share price performance %

	2015	5 yr.
BIMBO →	+12.9	+74.3
IPC[2] →	-0.4	+11.5

[2]*Mexican Stock Exchange Index*

G4-16

We participate in Chambers and Business Organizations seeking for improvements, to identifymatches and explore alternative proposals and solutions to problems related to the industry.

Similarly, we recognize the work of Chambers and Business Organizations that promote consensus building and act in an interactive and dynamic proactive cooperation with all authorities and different levels, promoting a sense of mutual responsibility.

For more information visit: http://www.grupobimbo.com/informe/grupos-de-interes/

Sustainability at Grupo Bimbo

G4-1

Our commitment to maintain a balance on our productive activities that include specific actions that benefit communities, the environment, and the economic aspects, has been immerse in our philosophy since Grupo Bimbo's foundation. Through the past 70 years we have firmly kept this conviction and today, we reaffirm our commitment to continue our contribution on these three aspects.

Our Sembrando Juntos sustainability platform, conformed by its four pillar structure (Wellbeing, Planet, Community and Associates) is still valid. Until 2015, we used the phrase "We are socially responsible to be sustainable". After many years of using the term Social Responsibility to name our social, environmental and economic activities, Grupo Bimbo aligns its terminology to the international tendency, and adopts the term Sustainability. Eventhough this change, our program, activities and pillars remain the same.

Our Sembrando *Juntos* pillars

Wellbeing → Specialized on the responsible marketing communications, the transparency on nutrimental content on our products, the healthy lifestyles promotion that include physical activity and correct diet habits, as well as the innovation, improvements on products' profiles through the reduction of sodium, fat and sugar, among other aspects.

Planet → Defines the activities and evaluations of our operation activities to measure, control and reduce our environmental footprint. This strategy is divided into four strategic action lines: carbon footprint, water footprint, waste management and environmental care.

Community → We work every day to be an agent of change that contributes to the wellbeing of the different communities where we operate. With programs such as our volunteering, donations and Good Neighbor, in Grupo Bimbo we provide our grain of wheat to benefit those who need it the most.

Associates → Sustainability is effective when it starts with a strategy that improves the internal conditions of the Company. Through this pillar, we promote actions that strengthen and work in favor of a good working environment, human rights, personal and professional development, health and safety, and a good relationship between associate and leaders.

Materiality

G4-18

During the year, we approached our stakeholders to updated our materiality test, looking forward to get to know those aspects that are relevant for our stakeholders, approaching the following results:

In 2015, Grupo Bimbo hired GlobeScan's services, an independent consultant Company, to help us to identify the stakeholder's perceptions in social and environmental key topics.

A main goal from this research consisted on identifying the Sustainability relevant topics, which are important to consider on our strategy for the following years.

The results are a consequence of an on-line survey, coordinated by GlobeScan between July and August 2015. Associates and clients from Grupo Bimbo participated on the questionnaire, as well as external stakeholders (including experts on Sustainability from other companies, NGO's, academics, and specialized research centers).

This summary contains relevant data and highlights from the complete study that Grupo Bimbo is willing to share with its stakeholder, with the participants on the survey and some professionals on Sustainability.

Methodology

* Through internal and external interviews with stakeholders, and a review of existing research documenting stakeholder expectations, GlobeScan identified a comprehensive list of environmental, economic and social issues (29 total issues).

* Through a quantitative stakeholder survey, these issues were then vetted across three dimensions to help prioritize which ones are most material for Grupo Bimbo:

  * the degree of importance stakeholders and enterprise customers place on each issue;
  * the level of impact these issues may have on the company's reputation; and
  * the ability of Grupo Bimbo to make a positive difference on these issues.

* Based on this rigorous and quantitative assessment of each issue, the following Materiality Matrix illustrates how each of the 29 issues are prioritized:

  * the x-axis represents importance to stakeholders;
  * the y-axis represents impact of each issue on Grupo Bimbo's reputation;
  * the z-axis (bubble color) represents the degree of influence Grupo Bimbo managers and executives feel the company has to make a positive difference on an issue.

Grupo Bimbo materiality matrix

G4-19

Stakeholders, Enterprise, Customers, Managers and Executives

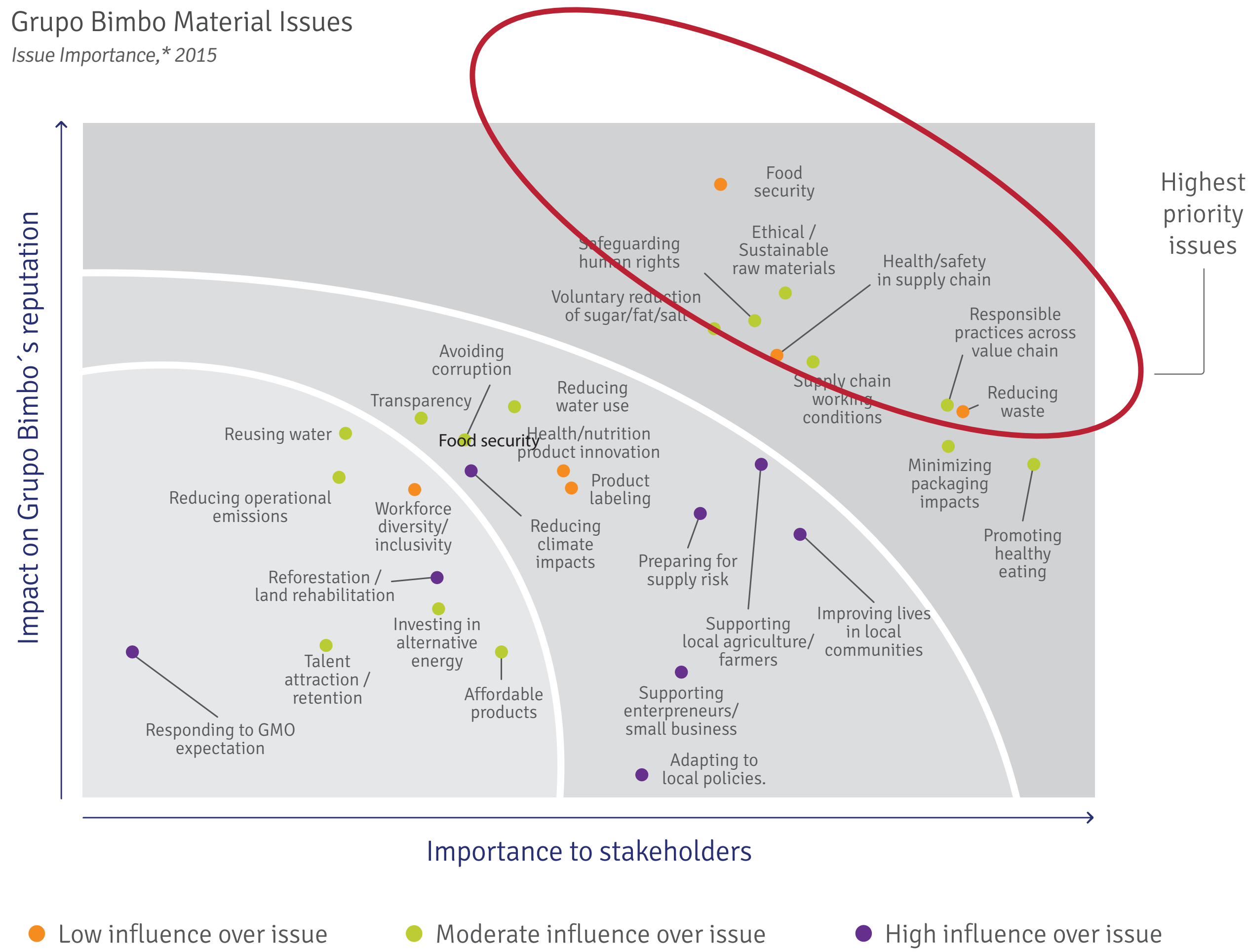
Tier 1 issues are highest priority to addres, many of wich Grupo Bimbo feels it can act on.

Tier 2 issues are areas where Grupo Bimbo is expected to act, but are perceived as less urgent.

Tier 3 issues are perceived as least urgent for Grupo Bimbo to addres, but are still importad drivers of its overall business and reputation.

Grupo Bimbo Material Issues

Issue Importance, 2015*



"Importance to steakholders": based on responses from steakholders and customers; "Impact on reputation": based on responses from all three audiences; "Influence": rankings based on responses from managers and executives at Grupo Bimbo.

Stakeholder views on what issues are currently facing Grupo Bimbo

G4-27

Tier 1

Maintaining Safety and Integrity of Grupo Bimbo Products

- Food safety
- Sugar/fat/salt content
- Promoting healthy eating

Working to reduce waste

- Reducing overall waste
- Minimizing packaging impacts

Supply Chain Stewardship and Engagement

- Responsible practices across the value chain
- Sustainable sourcing
- Healthy and safety in supply chain
- Supply chain working conditions
- Safeguarding human rights

Tier 2

Ensuring Ethical Operatioms

- Transparency
- Avoiding corruptions

Mitigating and Adressing Climate Change Impacts

- Reducing climate impacts
- Preparing for supply risk due to climate change

Communicating Product Innovations

- Innovating healthy , nutritious products

Supporting Local Economies, Communities and Infraestructure

- Supporting local agriculture and farmers
- Supporting entrepreneurs and small business
- Improving lives in local communities
- Adapting to local policies

Tier 3

Operating Environmental Stewardship

- Reducing operational emissions
- Reusing water
- Investing in alternative energy sources
- Land reforestation and rehabilitation

Talent Management

- Talent retention and attraction
- Workforce diversity

Affordable and Accessible Products

- Affordable products

GMO Content in Products

- Responding to GMO expectations

Materiality key findings

Tier 1

The ten most material issues for Grupo Bimbo are those with the highest importance to stakeholders and the highest impact to Grupo Bimbo's reputation. Broadly speaking, these issues deal with product integrity, waste and supply chain.

* Within these areas, Grupo Bimbo feels empowered to make a difference on food safety, reducing overall waste, and health and safety in the supply chain.

* Similarly, issues of supply chain and product nutrition are important to stakeholders, including voluntarily reducing sugar/fat/salt in products, promoting healthy eating, minimizing packaging impacts, sustainable sourcing, safeguarding human rights, ensuring responsible practices in the value chain, and supply chain working conditions.

Tier 2

Issues in the second tier of materiality bear moderate importance to stakeholders and have a moderate impact on the company's reputation.

* Among this group of issues, innovating for healthy products and communicating this via product labeling are both areas where executives feel the company has a high degree of influence to foster positive change.

* Other issues in this second tier where Grupo Bimbo feels it has a moderate ability to influence include transparency, avoiding corruption in countries where they operate, and reducing water use.

* Climate change and support for local economies, communities and infrastructure also fall into this tier of importance; however, these are areas where Grupo Bimbo feels it has limited power to act on its own.

Tier 3

The third tier of issues, of moderate importance to stakeholders and with potential impact to reputation, consists largely of operational issues such as talent retention and operational environmental stewardship.

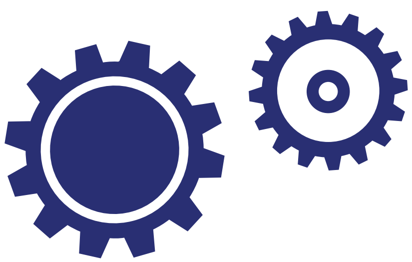
Wellbeing

G4-DMA CUSTOMER HEALTH AND SAFETY

Around the world, the issues of health and wellness have become a mega-trend, which is why –as leaders in the global bakery industry– it is imperative that we work every day to take advantage of all factors that positively impact the health and wellness of those who consume our products, and continue research and development efforts to learn what ingredients should be replaced so that the product contributes more to what the body needs.

As good corporate citizens operating across the globe, we are responsible for building a world in which all present and future generations enjoy the benefits of healthy eating, good habits and physical activity, and with this to cultivate the loyalty of our consumers and clients.

At the same time, growing concerns over obesity and its consequences, aggravated in some countries by problems of malnutrition, present Grupo Bimbo with the challenge of developing alternatives for serving a market increasingly interested in finding solutions to these issues.



At Grupo Bimbo, we study the trends, tastes and needs of every one of our consumers around the world , in order to meet the requirements of healthy eating and create products that not only meet but exceed these needs, and we comply with legal regulations and voluntary standards in every country where we are present.

Global trends guide our consumers toward correct habits and prompt them to seek out products that complement healthy lifestyles and diets, and to gather more information about the options available on the market. This is our challenge, and we are determined to meet it.

Our strategy for the Wellness Pillar is based on two main axes: Governance and General Commitments.

Governance

1. Our **Global Health and Wellness Model**, with a business vision, helps us to define the strategies applicable to all our brands and product categories in countries where we are present. This model is sustained by four lines of action through which the strategy is managed:

   G4-DMA CUSTOMER HEALTH AND SAFETY

   Product Portfolio. Improving the nutritional quality of our product portfolio through reformations and developing packages with clear, easy-to-access nutritional information for our customers.

   Brands and categories. Developing healthy brands and product categories, as well as measurable actions to promote physical activity associated with brand strategies.

   Communication. Strategies for communicating and interacting with key stakeholders (consumers, governments, opinion leaders) and alliances with research institutions.

   Social responsibility. Continually interacting with other Social Responsibility pillars at Grupo Bimbo that are affected by health and wellness actions (Community and Associates).

2. **Executive Health and Wellness Committee**. Our health and wellness strategy is managed jointly between our Innovation and Corporate Marketing areas.

3. **Information quality**. The company's annual results are validated by the Internal Auditing Area, prior to publication in our external reports.

The vision of our 2020 strategy is to be a global benchmark for healthy bakery products and in turn is based on four fundamental pillars that serve as a global initiative:

Innovation

Research and development of healthy products (GFY and Functional)

Education

Promote a culture of health and wellness through educational programs aimed at consumers

Activation

Promote health and wellness programs involving physical activity inside and outside of the company

Communication

Target key messages to all relevant audiences

Management model

G4-DMA CUSTOMER HEALTH AND SAFETY

At Grupo Bimbo, we have developed a management model in order to have specific mechanisms for keeping processes up to date over time and continuously improving them. The model translates our way of being and generating value, and is consistent with Grupo Bimbo's philosophy: "to be a highly productive, fully human company."

The Grupo Bimbo model establishes 10 systems and processes, which provide for a mapping of general and combined activities. For each of these, we define standards, methodologies, business rules and general procedures. The following is an overview of the different steps of this model:

Planning: Establishing general strategies and guidelines for Grupo Bimbo and our Organizations to generate business plans and track how well they are being followed to achieve the Group's strategic planning mission and vision.

Product innovation: Understanding, translating and anticipating the needs of consumers to ensure their satisfaction and wellness, through products that add value, differentiation and relevance, enabling us to remain at the forefront of the food industry. This in turn involves the following processes: inception, concept organization, feasibility, development, scaling, implementation, and performance evaluation.

Products and services: Meeting the demand for products and services required by clients and consumers, with the highest quality and the lowest unit cost in the industry. Aligned with Grupo Bimbo's strategies. Includes the processes of supply chain planning, negotiation and supply, manufacturing, dispatch-factory-sales agency, primary and secondary transportation.

Clients and consumers: We thoroughly understand or consumers, and this enables us to work toward the sustainable development of products and services through leading brands that generate emotional bonds. We create win-win relationships with our clients, providing them the best service and excellent execution, ensuring the availability of our products anytime and anywhere the craving strikes. Includes the processes of category management, time and place assurance, trade marketing, point-of-sale execution excellence, client and consumer relations.

Our people: Building an extraordinary place to work, with exemplary leaders that act in keeping with our values, and associates committed to and identifying with the Grupo Bimbo philosophy, promoting health and safety, human capital development and our golden rule (respect, fairness, trust and affection).

Sustainability: Promoting well-being, economic and social development, and caring for the environment through projects and programs, while providing a benefit for all our stakeholders. Defines the processes of corporate social responsibility strategy planning, execution, impact measurement and external relationship management.

Information systems: Providing and efficiently administering the information technology solutions that permit Grupo Bimbo to be an innovative, competitive company.

Knowledge management: Capitalizing on information, knowledge, learning and experience by making them the basis for growth at Grupo Bimbo.

Administration and finance: Efficiently administering financial resources to keep this company solid, preparing financial information to facilitate decision-making on Group's strategies and objectives, and promoting a process control through risk management and legal and regulatory compliance.

New businesses: Detect, propose and seal business opportunities that bring us closer to the goal of being one of the greatest food companies in the world, integrating them effectively and generating value.

Systems and process performance is measured through a manual of indicators. We then analyze the data obtained and generate a ranking by organization. We also conduct a systematic supervision where we evaluate compliance with the established processes.

The methodologies employed for process improvement are:

Grupo Bimbo Lean System. This is a way of thinking and working to be competitive and versatile, transforming what we do every day into value generation. Focused on eliminating excess weight and waste and reducing variability.

G4-2

Risk management. This is the process by which, In an orderly fashion, we establish compliance with controls that mitigate risk.

Products and services

G4-FP5

At Grupo Bimbo, our vision is to be a company with leading and reliable brands for our consumers. We take a number of actions in pursuit of this vision.

One of them is plant certification, which ensures that our processes are carried out correctly and meet the highest international standards.

To this end, 117 of our plants have been certified under some system that meets GSFI standards (BRC, SQF, FSSC, and others), representing 72% of our total plants in Mexico, Spain, Guatemala, Honduras, Colombia, El Salvador, USA, the and Canada.

Our plants in Uruguay, Rio de Janeiro, China, Santiago de Chile and our two plants in Argentina, were all certified in HACCP by independent companies.

Innovation and reformulation

G4-PR1, G4-PR2

Among other actions, we are continually reviewing and reformulating the nutritional profiles of our products and constantly working on innovation.

Our strategy of reducing negative-impact nutrients in 2015 focused on sugars, saturated fats and sodium. In 2015 we completed this reduction process and in 2016 we are migrating to a new methodology in which we establish maximum limits of fat, sugar and sodium content for each category. We hope this new methodology will enable us to improve the profile of all our products.

Our progress from January to December 2015 is summed up below.

G4-FP6, G4-PR1

87 products → reduced in sugar

99 products → with improvements on saturated fats

24 products → reduced in sodium

Annual improvements on sugar

Region	Bread	Rolls	Pastries	Cakes	Cookies	Total SKU	Metric tons
Mexico	—	—	22	—	—	22	71,747
Latin America	27	15	11	8	4	65	23,545

Annual improvements on saturated fats

Region	PaBread	Rolls	Pastries	Cakes	Cookies	Bagels	Total SKU	Metric tons
Mexico	19	9	—	—	—	—	28	18,802
Latin America	39	12	12	3	1	—	67	102,169
Europe	—	—	—	—	—	1	1	143
Asia	3	—	—	—	—	—	3	939

24 products reduced in sodium

Region	Bread	Rolls	Cookies	Wrap*	Total SKU	Metric tons
Latin America	14	4	4	1	23	9,240
Asia	1	—	—	—	1	206

** Wrap refers to wheat tortillas.*

In 2015, we fulfilled our pledge of working continuously on reformulating and innovating our portfolio, developing new products more in keeping with our customers' needs, to offer viable complements to their healthy lifestyles by including health-beneficial ingredients like whole grains, fiber, vitamins and minerals, among others. We also developed new categories in some products that we already know to be healthy and which the consumer has accepted, as well as a greater number or products of organic origin. In 2015, we completed the process of reducing sugars, saturated fats and sodium, and began migrating to a new methodology in which we set limits on the amount of fats, sugar and sodium permitted for each category. Starting in 2015, we developed a six-category product classification, based on the nutritional profile and ingredients of each product, while remaining in step with local regulations:

1. Functional: products that have been fortified, enriched, improved or supplemented and which provide health benefits in addition to their traditional contribution of nutrients (vitamins and minerals) when they are consumed in sufficient levels and as part of a healthy diet.

2. Good for you: products that have a healthy nutritional profile, with less than the limit amount of fat, saturated fat, sodium and sugars. They must also contain at least two health-positive ingredients (proteins, fiber, whole grains, vitamins and minerals, functional ingredients); must not contain additives perceived as negative; must have a clean label (maximum of 10 ingredients); and finally, the corporate Research and Development Area must certify that the products meet these guidelines.

3. Better for you: significantly reduced (at least 25% less) calories, fat, saturated fat, sugar or sodium; controlled-portion or fortified products, enriched or improved for a better nutritional profile than a comparable product, and which enables us to add a claim (good source or excellent source of).in keeping with local regulations.

4. Organic: products that have been certified and whose ingredients were produced by certified organic methods.

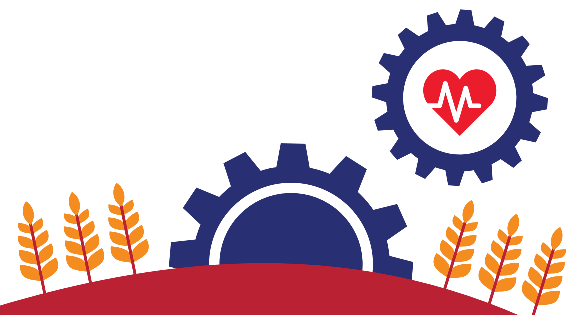
5. For special diets: products developed and aimed at population groups that have some sort of food intolerance or health problem relating to some type of nutrient (gluten, lactose, sugar, etc.).

6. Pledge: products that meet a certain nutritional profile established by Grupo Bimbo. These are eligible for advertising to children under 12, under local regulations. Corporate Research and Development must certify that the products meet these guidelines.

Based on this classification, we will evaluate the portfolio and validate the criteria of our organizations in Canada, BBU, OB, LAC, LAS, Brazil and Iberia. The rest of the organizations will join the initiative in 2016. The organizations that will be analyzing their product portfolio account for 86% of the group's sales.

Our goal is to have a 30% of our product portfolio considered healthy according to this classification by the year 2020.

In 2015, we launched and reformulated more than 30 of our leading brands, but we will not cease in our efforts to continue our mission of putting delicious, nutritious food on every table.



Regulation and legislation

G4-15

Our work with institutions, physicians and experts in the field of diet and health, as well as regulatory authorities, has been vitally important in this ongoing improvement in the nutritional profiles of our products, and with this in mind we successfully continued our alliance with the Whole Grains Council and the International Food and Beverage Alliance in 2015. We continue to act in alignment with the bylaws of the World Health Organization in order to adopt internationally recognized strategies and best practices.

G4-PR6

Grupo Bimbo only sells products that are permitted under local regulation, and we comply fully with all the requirements of the law. We offer our customers a wide variety of products that are part of a healthy diet. With this in mind, we drafted an internal policy to regulate the content of trans fat, which reads "All Grupo Bimbo products must state on the label that they contain 0g of trans fats," respecting the existing legislation of every country as regards that statement. 99% of our portfolio of products meets the stipulations of this policy.

In 2016, a new Health and Wellness (H&W) manual will take effect at Grupo Bimbo, establishing a new policy on reformulating products on two basic principles:

1. Eliminating ingredients that are negatively perceived by the public:

   * Fats and partially hydrogenated oils, lard, HFCS, ADA, caramel coloring type III and type IV, Tartrazine (E102), quinoline yellow (E104), sunset yellow (E110), Azorubine (E122), Red 6, Red Allura AC (E129), artificial flavors (cookie).

   * Specifically in bread: Caramel colorants in whole-grain products, and artificial colorant in general.

2. Establishing maximum limits on critical ingredients in each category.

   * Bread: sodium and sugars.

   * Cookies: saturated fats and sugars.

   * Pastries: saturated fats and sugar.

   * Snacks: total fat, saturated fat, sodium.

In 206 we developed a work plan that covers the next few years to make sure all our organizations are aligned with the new reformulation requirements.

At the El Globo organization, all flour used is ADA-free and ADA is not used in the baking process.

Understanding our customers

At Grupo Bimbo, we conduct market studies and analyze information in order to gain an “In-Depth Customer Understanding” (IDCU), which we reinforce with a focus on understanding clients in the various channels. This focus enables us to understand how are markets are evolving on various levels and gives us information we can use to respond more precisely to our clients’ and customers’ needs and motivations.

In 2015, we conducted a global study of consumer trends for deciding when to buy and consume different products. Through this study we identified several key elements:

* Consumers are focusing on health and wellness and require an increasing amount of information on ingredients and how natural they are.
* Consumers expect to simplify their lives through product proposals that enable them to pursue a more dynamic lifestyle, delegating tasks or reducing food preparation times.
* Globalization and the ability to learn about other product alternatives through social networks makes them more curious about products with a touch of other cultures.
* Consumers seek out products that serve as an antidote to the pressures of modern life, either through shared experiences or based on pleasant memories.
* Consumers are clear about the transparency they expect from the makers of all kinds of products.

We conducted client satisfaction surveys in various markets, so we could establish points of reference for improving our distribution and customer service systems using a standard evaluation methodology. With this, we can identify the elements clients consider priorities in order to recognize us as their preferred supplier.

We also conducted ethnographic research in order to understand consumption habits more fully, by being present in the environment where consumers decide what products to acquire every day. In this effort we have identified key aspects of what we offer in terms of our packaging, product types and prices.

We also keep monitoring and communication channels open by phone and on the social networks so we can complement the information we obtain directly from what consumers and clients are telling us.

In Mexico, specifically, we continued a four-year study of perceptions about health and wellness, in which we have identified findings such as:

G4-PR5

For the consumer, a healthy product is one that contains natural ingredients and has very clear functional benefits. Wellness means using products that help us to feel good and that are good for sharing with others. This means proper evaluation of health encourages proper evaluation of wellness.

Our day-to-day work is consistent with the laws and standards of every place we operate, and we guarantee compliance with local regulations and with our internal policies on labeling, as well as the origins of the product components and the permitted ingredients and additives, in the formulation of the products we make and sell.

In all of our pre-packaged products that reach the consumer directly, where space permits, we include a list of ingredients and additives present; as well as warning labels about allergens that may be present because the products are processed on lines containing them.

G4-20, G4-PR3

We also include nutritional information even where inclusion is not mandatory. We make sure that products contain, space permitting, front-label information on energy content and nutrients that affect public health (fats, saturated fats, proteins, carbohydrates, sugars, dietary fiber and sodium). This policy is applied in all of the organizations of Grupo Bimbo, except for Canada (Canada Bread and Frozen) and the UK, because they were only acquired recently and not yet reached this level of maturity.

Labeling

G4-DMA PRODUCTS AND SERVICES LABELING

G4-PR3, G4-PR4, G4-FP4, G4-FP6

We continue to apply an internal labeling policy. No new legislation was detected on a global level last year, although the authorities of many countries where the group is present are showing an increasing interest in reviewing the laws on this matter.

We at Grupo Bimbo are convinced that educating our customers is key to bringing about a change in their lifestyles. Labeling, and specifically nutritional information on our products, plays an important role in the dissemination of essential information on their nutritional value and composition.

We are committed to making an increasing effort to provide easy-to-access and understandable nutritional information to our consumers, in order to help them make healthier decisions when buying and consuming food.

Our commitments:

* Ensure that all our products are labeled with at least information per portion on nutrients that affect public health (energy content, total carbohydrates, sugars, proteins, fats, saturated fats, sodium and any other nutrient about which some property is claimed). If this is not possible due to space limitations, we make sure this information reaches our consumers through other channels.

* Continue to comply fully with all labeling laws and regulations in every country where our products are sold.

* Where there are no regulations on a certain aspect, we will abide by international regulations (Codex) or best practices in the various countries where we operate.

G4-FP8

* Label every product, in addition to basic nutritional information, with a readable and easily understood front label (GDAs)

* Promote the habit of engaging in at least 30 minutes of physical activity a day as part of the information included on our packaging to promote healthy lifestyles.

Org	GDA %
Mexico	100
BBU	97
OB*	100
OBL*	92
LAC	88
BB	100
BI	100
OA	100
ELG	95

**In organizations in Mexico, front labeling must be re-introduced because new official provisions took effect in 2015.*
Not implemented in recent acquisitions (Canada, UK, Frozen)

In 2016 we will be working on aligning organizations where the policy has not yet been introduced (Vero, Canada Bread, Frozen and UK).

All of our products are marked with an expiration date and we also have internal nomenclature that enables our sales team to withdraw the product from the shelf before expiration and dispose of it correctly. Additionally, on some of our packaging in Mexico, Brazil, Colombia, Ecuador, Venezuela, Costa Rica, Guatemala, El Salvador, Panama, Chile, Paraguay, Uruguay, Peru, and Argentina we use an oxo-biodegradable additive.

We have adopted voluntary regulations as well, such as the Consumer Goods Forum, IFBA accreditation, Government Health Organizations, and the legal framework in Mexico, which contains some of the strictest regulations in the market.

In August 2014 we began a project called Global Graphic Chain, whose goal is to provide comprehensive global service in the print material production process and thus preserve our brand identity across all packages, for all our brands around the world. In 2015, our organizations in the United States and Canada updated the tool and in month they launched Graphic Chain Live.

Data Privacy

G4-DMA CUSTOMER PRIVACY

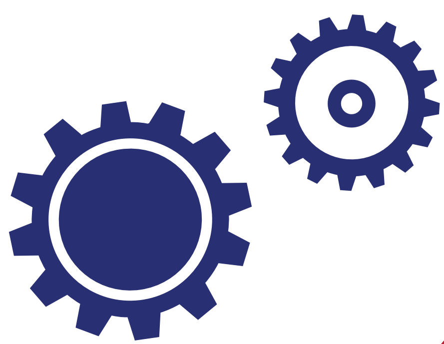
G4-PR8

At Grupo Bimbo we are concerned about the privacy of personal and sensitive information about our clients, suppliers, associates, applicants and consumers. We abide by the Federal Law for the Protection of Personal Data Owned by Private Parties, its regulations, and our own internal policies and procedures on this matter.

Our data privacy policy for Mexico is also available in a notice posted on the Grupo Bimbo web page at: *http://www.grupobimbo.com/assets/pdf/AVISO-DEPRIVACIDADgrupobimbocom.pdf.* On a global level we have the internal Grupo Bimbo policies that reaffirm our ethical handling of this data everywhere in the world.

The Compliance Department is in the process of unifying all its policies and procedures and standardizing them into a single webpage where the Privacy Notice of each country where Grupo Bimbo operates can be consulted. In 2015, the Compliance Department received an injunction from the Federal Institute for Information Access and Protection of Personal Data, but it was dismissed by a subsequent court order.

We received no claims or complaints from clients regarding privacy violations in 2015.



Education

We must always bear in mind the importance of education in promoting healthy lifestyles both within the company and among consumers and clients. Creating communication programs that encourage healthy lifestyles is also fundamental to achieving our goals and targets.

We must continue the work of internal and external education, which incorporates a balanced approach to two aspects:

1. Advice About proper diet and eating balanced amounts. This must take into account foods from all groups and appropriate to each person's lifestyle.

2. Engaging in regular physical activity and incorporating other elements of a healthy lifestyle.

Associates' Wellness Program

G4-FP4

GR-DMA OCCUPATIONAL HEALTH AND SAFETY

According to the World Health Organization (WHO), Wellness is "the active process of becoming aware and making choices toward a more balanced and healthy lifestyle."

To contribute to this WHO declaration, we have an initiative called Wellness, which we are extending to our operations around the world, and which is made up of programs designed to inform and guide associates and their families on the adoption and maintenance of behavior that reduces health risks and improves quality of life and personal yield.

We are convinced that the correct execution of the Wellness initiative will have the following benefits:

* Reduced absenteeism
* Better work performance
* Increased concentration during working hours
* Better labor relations

* Reduced insurance premiums
* Lower risk of illness
* Lower disability costs
* Lower health costs and investment (business and individual)

* Greater confidence, pride and commitment on the part of the associate
* Talent attraction and retention
* Better perception of the institution
* Opportunity to transmit learning to the family and others (social responsibility)

As part of Grupo Bimbo's Health and Wellness initiative, in 2015 we began Phase 1 of a program called *"Cuidando mi Salud"* (Caring for my Health), the goal of which is to conduct anthropomorphic measurements of all of our associates in Mexico and obtain glucose levels to detect health risks. In 2016 we will carry out phase 2 of the program, which will involve basic strategies focused on groups detected as having some specific needs in terms of diet, physical activity and habits. We will be monitoring the program closely to check on its progress.

"Cuidando mi salud" (Caring for my Health) program

The purpose of this program is to conduct anthropomorphic measurements of all of Grupo Bimbo's associates in Mexico and obtain blood sugar measurement (fingertip prick test) to detect their main health problems.

The first of the program's two phases was carried out in 2015, and included the following:

Phase 1

Evaluation → Detect of main health risks by measuring:

* Weight
* Size
* Abdominal circumference
* Body Mass Index (BMI)
* Resting blood pressure
* Resting respiratory rate
* Resting heart rate
* Blood sugar

Diagnosis → Based on measurements and indicators:

* Segmentation of population by risk group
* Determine needs of risk groups to plan risk interventions according to specific health risks among associates (strategies)

The second phase, which begins in 2016, includes the following components:

Phase 2

Implementation • Focused Strategies →

* Focused strategies by risk groups: diet, physical exercise, habits
* Education
* Rewards/Incentives and follow-up to the program

Monitoring →

* Follow-up and tracking of indicators
* Final Grupo Bimbo Report

41,924

Associates in Mexico benefited from the first phase of the *"Cuidando mi Salud"* program

The most noteworthy results obtained from this program were:

* Most associates have satisfactory blood sugar levels, but an average of around 20% of them are at risks of hyperglycemia, which is rather high, and must be addressed.
* In terms of muscle mass and weight, we found that around 40% of our associates are overweight, with an average of 20% showing level 1 obesity and 8% level 2 obesity. 35% of our associates are of normal weight.
* As regards blood pressure, 90% of our associates were found to have normal levels, around 4% had low blood pressure and 6% had high blood pressure.

Statistics like these enable us to take more precisely focused and appropriate actions for addressing the specific health problems of our internal communities.

Nutritional consultation

Concerned about the health and wellness of all our associates, in 2015 we provided personalized nutritional consultation in various work centers in Mexico City and Toluca, Mexico State, in order to track nutritional behavior and reduce health problems relating to excess weight, improving our associates' diet and their quality of life along with it.

Patients seen
327

Number of consultations
1,355

Numbers of kg lost
291.9

Waist reduction in cm
445.5

Out of the total number of patients who attended nutritional consultations in 2015, 41% were able to lose weight (224 out of 327). Around 7% of these patients lost more than 5% of their weight.

According to health statistics, patients who lost more than 5% of their body weight were also able to reduce their risk of chronic degenerative disease, improving their blood pressure, cholesterol and blood sugar levels.

http://www.cdc.gov/healthyweight/spanish/losingweight/

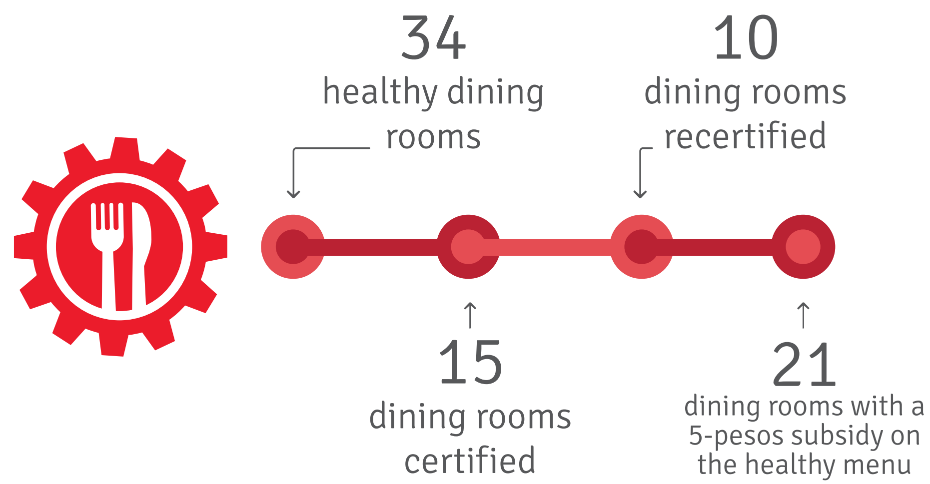
"Healthy Dining Room" program

This strategic Health and Wellness initiative developed by Grupo Bimbo, together with our Safety Model, is aimed at making us an even more extraordinary place to work. We want to build more awareness and get our associates and their families more involved in adopting healthy practices; and we want to have better-informed, healthier and better-rounded associates.

As part of the improvement in various parts of our work centers, in 2009 we created a program called "Healthy Dining Rooms," geared primarily to making associates more aware about health and nutrition matters, providing healthy eating choices for them to choose from, considered as a benefit and an added value for their health.

Under this program, every Grupo Bimbo dining room offers attractive, healthy menus, low in sodium and sugars, using low-fat cooking methods to prepare food and a choice of lighter, lower-fat dishes or substitutes that reduce fat content.

The opening, certification and recertification of healthy dining rooms in Mexico had the following results:



Communication

Nutrition website

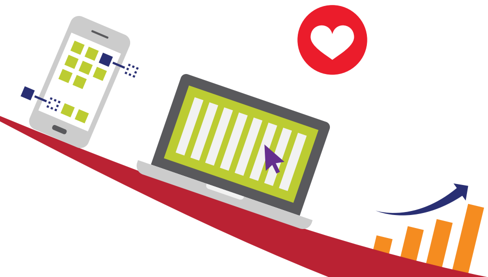
G4-FP4

In 2015, our special nutrition website at *www.nutriciongrupobimbo.com*, received an average of 61,190 visits a month. The purpose of this site is to provide accurate, up-to-date information on Health and Wellness for our various stakeholders. The page contains dietary guidance for users and information about the nutritional benefits of our various brands and categories, as well as about how to maintain a healthy lifestyle. Through various sections, including articles about health and wellness, personalized diet plans, online nutritionists who answer questions, recipes for different times of the day with caloric values, and others, we present options where our brands complement the healthy lifestyle of their choice.

In 2015,
we received a total of
734,290 visits to
www.nutriciongrupobimbo.com

We also have 282,973 followers in Facebook, an increase of 75.51% over 2015, and 6,242 in Twitter, 14.9% more than in 2014.

Besides the website, Facebook and Twitter, Nutrición Grupo Bimbo is present in other social networks like Pinterest, YouTube and Instagram.



Visitor traffic grew by 225% between 2014 and 2015

"Con M de mamá"

This program aims to create and disseminate health and nutrition content for mothers and their children. On our website and in social media, we publish notes, recipes, tips, activities and information on appropriate nutrition and healthy lifestyles.

Responsible advertising

G4-DMA MARKETING COMMUNICATIONS

In keeping with the requirements of the International Food and Beverage Alliance (IFBA), we make sure that our advertising is comprehensive and effective, that it reaches every corner of the countries where we are present and that any advertising prepared for and aimed at children under 12 compiles with the highest international standards of socially responsible marketing, promotes healthy lifestyles and contains message about adopting healthy eating habits among our consumers. This commitment is consistent with the recommendations of the World Health Organization and extends to 17 of the 22 countries where we operate.

G4-PR7

Our commitment to self-regulation in advertising is monitored annually by an independent party determined by the IFBA –of which we are a member– which in 2015 was Accenture, continuing the monitoring effort in Brazil and Colombia and assigning a compliance level of 95.2% to the Group in television and 100% to Internet and the print media.

Activation

G4-SO1, G4-FP4

70,000+

people from around the world ran in the Global Energy Race

Futbolito Bimbo

Grupo Bimbo has been organizing the *"Futbolito Bimbo"* soccer tournament for boys and girls since 1959. In Mexico, the tournament celebrated its 56th anniversary in 2015, and it was attended by some 90,000 boys and girls from five countries –Chile, Peru, Argentina, United States, and Mexico– with two major regional finals in Chile and the United States.

Futbolito Bimbo continues not only to meet but to exceed its goal of encouraging physical activity and healthy living among boys and girls. It is also a tool for promoting healthy nutrition through talks and the inculcation of values like teamwork, sportsmanship, fair play and respect, among others.

Global Energy Race

This is a global movement that motivates all families in the world to become more physically active.

In 2015 the first global race was held, encouraging families from 19 countries and 22 cities around the world to run circuits of 10km, 5km and 3km.

Programs were also developed to accompany runners during their training, including physical preparation, advice about healthy habits and motivational talks.

At Grupo Bimbo, we called upon all of the group's associates and their families to take part in the race, through a program of discounts and promotions.

To publicize the event, we used all the digital communication platforms available along with local efforts, achieving 793,000,000 impressions on Facebook and Twitter and 3,000,000 engagements in all digital communications.

In 2016 we will repeat the event, and our goal is 120,000 participants and be present in 22 countries and 35 cities.

Other global actions

Healthy brand communication: We developed individual communication programs highlighting brands with healthy profiles.

Iberia

- HAVISA Plan. Healthy messages on broadcast TV.
- Training program for health professionals. Visits to health professionals and participation in 2 congresses with information about whole grains and our product.
- Six nutrition chats at gyms and companies.

South Latin

- "How Chile Eats." An educational program that raises awareness about eating habits in Chile, distributed online.

Brazil

- Internal Olympics. In September and October physical activation days were organized for associates, with 89 people participating at the Raposo plant, and six different sports were practiced.

United States

- National communication campaign with the Whole Grains Council. Creation and distribution of content about whole grain and support for the launch of Nature's Harvest.
- Continuing partnership with specialized committees nationwide.

Mexico

- Plan with *Milenio*. A program of health-oriented content in various media of the *Milenio* media platform. TV capsules, content for daily newspapers and digital presence.
- Radio capsules. Interviews with nutritionists about nutrition, focused on our categories.
- Sales team training. Delivery of printed material with nutritional information on our categories, for our sales teams.

Our 2020 Vision

By 2020, we want to become a global benchmark for healthy, nutritious bakery products, through innovation and development, using various resources like the adoption of healthy habits, nutritional, physical, mental, emotional and social. We want to be the number one company in the promotion of physical activity, both inside and outside of the company, and train people in adopting healthy lifestyles that contribute to their wellness through what we consider to be the perfect health formula.

Planet

G4-DMA PRODUCTS AND SERVICES

Grupo Bimbo established environmental goals for the reduction of several indicators such as greenhouse gas emissions, water consumption and waste compared to a baseline yearof 2009.

Improved environmental monitoring systems have allowed the company to make more precise analysis and decision-making throughout our global operations.[1]

We are broadening our scope of action and working on decreasing the environmental footprint of the company through the value chain and products with more ecological attributes.

In 2015, Grupo Bimbo updated its environmental policy in order to ensure the journey towards sustainability.

[1]The reporting period for Planet Pillar runs from November 2014 to October 2015 to allow better analysis and communication of data.

G4-20, G4-21

NOTE
This report doesn't include information from offices, depots, the acquisitions of Wholesome Harvest USA, Lucerna and Vachon.
Mexico does not report Moldex.

Leadership on Climate Change

G4-EC2

Grupo Bimbo has become an emerging leadership voice from the business sector through our CEO Daniel Servitje. In October 2015, Daniel Servitje published an open letter calling the different actors of the COP 21 Paris to join forces to encourage governments to establish ambitious, clear, science-based and verifiable goals of carbon emissions reduction.

Grupo Bimbo showed its support to the outcome of the COP 21 by signing the Paris Pledge for Action which was also signed by tenths of non-State actors. The company committed to start actions before the Paris Agreement takes force in 2020.

We adhered to the We Mean Business Coalition by committing to remove commodity-driven deforestation from our supply chain by 2020.

At the same time, several Directors took on the internal communications to inspire action on climate change by the strong workforce of our associates.

Grupo Bimbo operation in Central America joined the Business Alliance for Sustainability which groups 17 consumer goods companies committed to improve the conditions of our planet.

In Mexico, Grupo Bimbo participated in several forums and events showcasing its progress in environmental sustainability.

Carbon footprint

Climate Change and Energy

We implement different initiatives to reduce our contribution to climate change and air pollutants through all our value chain; some of them become a common and standard practice while others help solve temporary needs or are pilot projects.

The following are some of the most representative actions we took during the year in our plants in Energy and Climate Change:

G4-EN6, G4-EN27

* Reducing equipment down time and programmable logic controls (PLC) for major equipment
* Capacitors for power factor improvement
* High efficiency motor substitution
* Replacing centrifugal compressors with screw compressor on VFD control
* Lighting substitution with LED and magnetic induction
* Inverters on conveyors
* Replacing electric panels from compressed air with air flow systems
* Automatic illumination controls
* Natural lighting

Energy Star

G4-DMA-B ENERGY

Energy Star is a voluntary program from the USA Environmental Protection Agency created to promote and improve energy efficiency at residential, industrial and commercial facilities. Grupo Bimbo signed up as an Energy Star Industrial Partner in 2012 to demonstrate our commitment to energy efficiency, prevent pollution, protect the global environment and save money on energy bills.

Grupo Bimbo's plants are actively engaged in reinforcing energy best management practices and are currently participating in two Energy Star initiatives: the Challenge for Industry and Energy Performance Indicator for the Baking Industry (under development).

G4-EN6

All Grupo Bimbo plants in the USA (59) are participating in the programs. To date, Grupo Bimbo has 9 manufacturing plants that have achieved the Challenge for Industry goal resulting in an annual reduction of energy usage and intensity between 10-25% within 2 years of a registered baseline period. This is equivalent to a reduction of 17,976 metric tons of CO_2 emissions, the equivalent of 3,784 vehicles. Grupo Bimbo's plants achieving the Energy Star Challenge goal of 10% or higher reduction in energy usage / intensity are:

* Frederick (Maryland)
* Houston (Texas)
* Topeka (Kansas)
* Placentia (California)
* Greenwich (Connecticut)
* Sioux Falls (South Dakota)
* Hastings (Nebraska)
* Kent (Washington)
* Atlanta (Georgia)

Participation with CDP

We collaborate every year with the CDP (previously known as the Carbon Disclosure Project) answering the information requests for energy, forests, water and supply chain.

By participating with the CDP, we demonstrate leadership in transparency, understanding the risks posed by climate change and implementing actions.

In-house development of Electric Vehicles

G4-EN27

Grupo Bimbo has been developing electric vehicles since 2012 through its subsidiary company Moldex in Mexico. The electric vehicles are currently in use at two sales centers in Mexico City and Guadalajara in Mexico. In 2015, we developed a new distribution vehicle with load capacity of one ton and autonomy for 100 km which will eventually become part of the fleet.

LEED Certified Facilities

G4-15

Our Lehigh Valley plant in Pennsylvania (USA) became LEED Gold certified. Other LEED certified facilities are Trillium plant (Ontario, Canada), Rockwall (Texas, USA) and Tenjo Distribution Center (Colombia) under process of certification.

Energy Consumption

In the last five years, Grupo Bimbo, have experienced an important growth in sales and quantity of plants derived from the various acquisitions in different countries. However, we have reached a great reduction in the generation of Greenhouse Gases (GHG) which is presented in the following pages.

G4-23, G4-EN3

Total Energy Consumption (Fuel and Electricity)

Grupo Bimbo (GJ)	2010	2011	2012	2013	2014	2015
Total Fuel Consumption from non-renewable	15,062,453	15,068,360	20,413,615	17,346,175	14,287,157	19,754,675
Total Fuel Consumption from renewable sources	0	0	0	0	236	51
Electricity Consumption	2,260,513	2,271,171	3,213,065	3,240,572	2,610,985	3,547,071
Total Energy Consumption	17,322,966	17,339,531	23,626,680	20,586,747	16,898,378	23,301,797

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process. The above figures are absolute numbers; therefore, it is normal to see an increase in the consumption of energy as the company grows.*

An update from Piedra Larga Wind Farm

G4-EN3

The Piedra Larga Wind Farm in the Mexican region of Oaxaca supplies 90% of the electricity of our plants in Mexico, two distribution centers (Guadalajara and Monterrey) and the corporate offices in Mexico City. We are in the process of adding 181 new facilities in Mexico to the supply of the Wind Farm; these are mainly sales centers and El Globo shops. This process will be completed in early 2016.

Electricity consumption

G4-23, G4-EN3, G4-EN27

In general, electricity generation has some level of environmental impact depending on the source. At Grupo Bimbo, we understand that by using electricity more efficiently we reduce the amount of pollutants and GHG released into the atmosphere.

1,188,000 GJ generated*

(From November 2014 to October 2015)

Consumption of electricity from the grid (indirect) and selfgenerated energy from Piedra Larga Wind Farm

Grupo Bimbo in GJ	2010	2011	2012	2013	2014	2015
Total indirect consumption of energy from suppliers	2,260,513	2,271,171	3,072,959	2,473,933	1,932,634	2,747,581
Wind energy	0	0	140,106	766,639	678,441	799,490
Total	2,260,513	2,271,171	3,213,065	3,240,572	2,611,075	3,547,071

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process.*

Elimination of 139,000 tons of CO_2e emissions

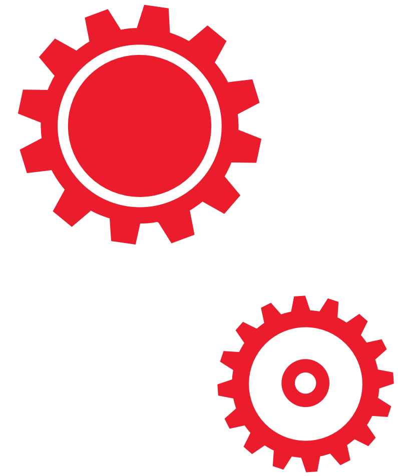
**For Grupo Bimbo and friend companies that receive the supply.*

**CO_2e: to take into account the emission of carbon dioxide and other greenhouse gases when calculating the level of greenhouse gas emissions, scientists devised an equivalent measure called CO2e (which means carbon dioxide equivalent). This measure allows other greenhouse gas emissions to be expressed in terms of CO_2 based on their relative global warming potential (GWP).*

Thermal (fuel) energy consumption

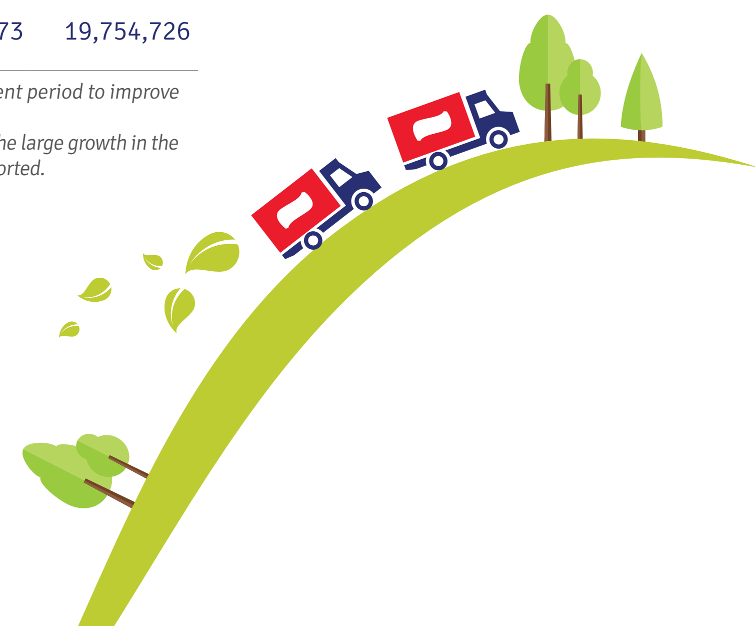
G4-23, G4-EN4, G4-EN27

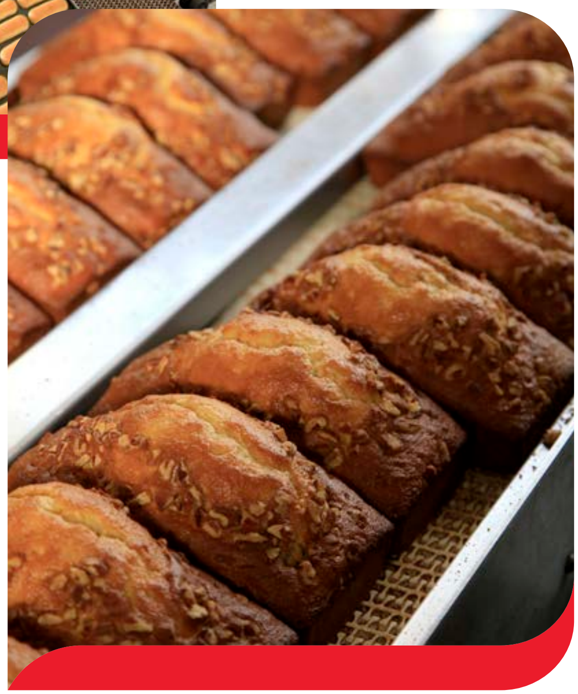
Everyone at Grupo Bimbo is focused in making an efficient use of fuel throughout our operations in plants and the distribution fleet.



Consumption by type of fuel						
Grupo Bimbo in GJ	2010	2011	2012	2013	2014	2015
Natural gas in plants	6,308,151	6,095,813	8,038,092	8,124,529	6,216,706	8,217,035
LP gas in plants	424,985	465,627	453,960	464,720	419,313	590,921
Diesel in plants	62,086	66,604	24,867	13,827	52,185	60,851
Other fuels in plants (fuel oil)	97,950	74,638	92,567	120,108	110,792	118,370
GJ Sub-total in plants	6,893,173	6,702,682	8,609,486	8,723,184	6,798,995	8,987,177
Natural gas in vehicles	—	—	—	123	2,805	21,204
LP gas in vehicles	89,991	66,080	44,759	25,693	23,022	28,445
Diesel in vehicles	6,145,779	6,315,369	9,650,926	6,461,793	4,548,479	4,680,394
Gasoline in vehicles	1,933,510	1,984,229	2,108,443	2,135,382	2,057,527	2,419,516
Other fuel in vehicles (ethanol)	0	0	0	0	236	51
GJ Sub-total in vehicles	8,169,280	8,365,679	11,804,129	8,622,990	6,632,068	7,149,609
Natural gas in third party vehicles	—	—	—	—	—	111,140
Diesel in third party vehicles	0	0	0	0	860,009	3,506,800
GJ Sub-total in third party vehicles	0	0	0	0	860,009	3,617,940
Total direct consumption of fuels (purchased)	15,062,453	15,068,360	20,413,615	17,346,175	14,291,073	19,754,726

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process.*
Until 2013, the data for third party vehicles was accumulated within the subtotal for vehicles; 2014 was the first year we presented a separate data. The large growth in the consumption of fuel by our third party vehicles for 2015 is due to new estimations of vehicles in Mexico and the USA that had not previously been reported.





Energy Intensity

G4-EN5

We measure the reductions in energy consumption by Energy Intensity Ratio which is calculated taking into consideration the amount of energy consumed and the total of products produced during the year.

The Energy Intensity Ratio (thermal and electricity) for plants was reduced by 6% from a baseline year of 2010. It passed from 3.09 to 2.89. This means that even that our business has grown; we have decreased the amount of energy used.

In regards to our distribution fleet, we measure its progress by taking into consideration the amount of kilometers travelled and the consumption of fuel. This is called Energy Intensity Ratio for vehicles.

The Energy Intensity Ratio of our owned vehicles (not third party vehicles) was reduced by 43% in 2015 from a baseline year of 2011. It passed from 0.013 to 0.007. This means that even that our fleet is travelling many more kilometers than it did in 2011; we have reduced consumption of fuel in our owned distribution vehicles.

Greenhouse Gases Emissions and Climate Change

G4-23, G4-EN15, G4-EN16, G4-EN17, G4-EN27

G4-DMA EMISSIONS

G4-DMA-B EMISSIONS

We established a 2015 goal to reduce 27% of our CO_2e emissions (carbon dioxide equivalent) from plants and the distribution fleet compared to a 2009 base year. We have taken actions on energy efficiency and renewable energy to accomplish our targets.

The emissions reported under Scope 3 correspond to indirect emissions from distribution vehicles not owned by the Company (third party vehicles). In 2015, we improved our estimation of fuel consumption and emissions from the third party vehicles and we are now able to include the vehicles from Mexico and the USA.

Emissions intensity ratio

G4-EN18

As a successful growing company, Grupo Bimbo has increased the absolute amount of CO_2 emissions. The Emissions Intensity Ratio is an important indicator that is comparable through the years and offers transparency. It is calculated by dividing the amount of CO_2e emissions by tons of packaged product.

Absolute Carbon Dioxide (CO_2e Ton) emissions per year and by fuel type

CO_2 emissions (Ton)

Grupo Bimbo	2010	2011	2012	2013	2014	2015
Natural gas in plants	336,211	341,495	451,355	433,960	337,362	447,594
LP gas in plants	25,031	29,405	28,669	29,348	26,482	35,099
Diesel in plants	4,494	4,821	5,073	5,114	3,623	4,090
Other fuels in plants (fuel oil)	5,841	4,451	5,520	7,658	7,382	7,763
CO_2e Sub-total in Plants	371,577	380,172	490,617	476,080	374,849	494,546
Natural gas in vehicles	0	0	0	7	0	1,159
LP gas in vehicles	5,824	4,276	2,829	1,624	1,486	1,835
Diesel in vehicles	444,012	456,960	714,265	478,237	328,294	337,739
Gasoline in vehicles	128,302	132,840	146,010	147,875	137,397	161,523
Other fuel in vehicles (ethanol)	0	0	0	0	16	4
CO_2e Sub-total in Vehicles	578,138	594,076	863,104	627,743	467,193	502,260
CO_2e total direct emissions (Scope 1)	949,715	974,248	1,353,721	1,103,823	842,042	996,806
Electricity	287,430	286,376	424,327	300,472	230,170	294,307
CO_2e total indirect emissions (Scope 2)	287,430	286,376	424,327	300,472	394,283	294,307
Natural gas in third party vehicles	—	—	—	—	—	6,105
Diesel in third party vehicles	0	0	0	0	62,040	253,177
CO_2e total third party vehicles emissions (Scope 3)	0	0	0	0	62,040	259,282
Total GB CO_2 emissions	1,237,145	1,260,624	1,778,048	1,404,295	1,134,252	1,550,395

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process.*

*** Calculations were based on the GHG Protocol.*

G4-EN19

Goal reached and overcome!!!

We set up the goal to reduce **27%** of CO_2e emissions from our plants. Using 2010 as base year for comparison, we reached a reduction of **29%** on Scope 1 and **10%** on Scope 2.

We reached a total reduction of 18% in emissions Intensity Ratio from plants from a 2010 baseline year, including emissions coming from fuel and electricity combined.

The CO_2 Emissions Intensity Ratio from fuel consumption in plants (Scope 1) was reduced by 10% from 0.13 to 0.11; while the Ratio from electricity in plants (Scope 2) was reduced by 29% during the period 2010-2015 from 0.096 to 0.07. Therefore, even that Grupo Bimbo has grown its business; we generate fewer emissions as we grow.

In the case of our owned distribution fleet (kilometers travelled against CO_2 emissions; Scope 1), the Emissions Intensity Ratio was reduced 43% from a baseline year of 2011 passing from 0.93 to 0.52.

Cleaner vehicles for distribution

G4-EN30
G4-DMA TRANSPORT

Grupo Bimbo uses 320 electric vehicles for the distribution of our products in a couple of urban areas like the Historic Center in Mexico City.

We increased our CNG fleet with more than 300 new vehicles added in countries such as Colombia, Mexico and the USA. We also added more than 400 LP Gas vehicles mainly in Mexico, Chile, USA, Peru and Guatemala.

More than 6,500 speed controllers were installed to improve fuel performance. According to different studies, speeds over 110 Km/hr can generate up to 15% of over consumption of fuel.

In the USA, we increased considerably the efficiency of the fleet by consolidating several distribution routes.

Other emissions

G4-23, G4-EN21

Air emissions may be created as a by-product from fuel combustion taking place in ovens and emergency/back-up generators.

We have reported the nitrogen oxides (NOx) and sulfur oxides (SOx) emissions since 2013 for our United States of America (USA) operations. We are implementing standardized monitoring systems in the rest of the business units and will be able to report them in future years. The following table shows the emissions of both pollutants for the plants in the USA.

USA (Tons)	2013	2014	2015
NOx	153.90	112.48	132.58
SOx	0.92	0.67	0.80

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process.*

Waste Management and Packaging

G4-DMA EFFLUENTS AND WASTE
G4-EN27

Waste reduction is top of mind in our business. From reducing food waste in our plants to improving our packaging; we take waste seriously.

Every year we work towards Zero Waste to Landfill and we are getting close because managing waste correctly makes business sense and is the sustainable way to go.

Zero Waste to Landfill

G4-23, G4-EN27, G4-EN23

We aim to increase the amount of waste sent for beneficial uses such as reusing, recycling, composting and recovery. Since 2010, we have reached over 90% of waste diverted from landfill to beneficial uses.

Waste (Tons)	2014	2015
Recyclables	192,787	254,689
Non-recyclables	11,401	14,260
Special handling	9,780	8,935
Hazardous waste	866	1,258
Total waste disposal	0.67	279,142

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process. The percentage of total waste sent to recycling and other beneficial uses is well over 90% and less than 10% of waste is going to landfill.*

A total of 16 plants reached the goal of zero waste to landfill during 2015. Most if not all of the food waste is sent to a third party that converts it into animal feed and all recyclable materials such as paper, plastic and scrap metal is sent to recycling. Other waste may be sent to a certified Waste to Energy facility.

zerowaste AWARDS 2015

letsrecycle.com

Our two plants in the United Kingdom received the
Gold Zero Waste Award
and also won the
Let's Recycle Platinum Award for Excellence,
in 2015 in recognition of their effort to reduce waste at a maximum

Packaging Materials

G4-DMA PRODUCTS AND SERVICES

G4-DMA MATERIALS

The packaging guarantees quality to our consumers. We are continually working to improve the sustainability credentials of all the packaging globally.

One the most important initiatives we have done through the years is to reduce the amount of packaging used. Every year, we reduce the caliber of our packages as well as optimizing the capacity of our containers.

The following table shows the progress we have made thru the past five years. The highest reduction of caliber was reached in 2013.

Packaging caliber

Year	Kg reduced
2010	394,862
2011	99,804
2012	164,706
2013	963,965
2014	199,110
2015	111,718

Since 2010, we have reduced the caliber of our packages by 1,900 metric tons.

We use other metrics to measure our path to sustainable packaging like the amount of renewable materials and recycled content.

G4-DMA MATERIALS

G4-EN1

The following table shows details of the amount of packaging we bought in total for this period and the share corresponding to renewable materials. It is important to note that this is the first year we report publicly these data for transparency purposes as it became clear in our Materiality Analysis that this is a very important issue for our stakeholders.

	2015
Total packaging purchased (tons)	208,716
Renewable materials used (tons)	124,460
Share of renewable materials	59.68%

A total of 8,722 tons are recycled materials, representing 4% of all the packaging sourced by Grupo Bimbo. We are on the process of increasing the share of recycled content and results should show in the near future.

Ecora, design elements

G4-EN2

In late 2014, through our subsidiary company Moldex, we started the production of an ecological alternative to wood made mainly from plastic waste. The raw materials are Grupo Bimbo's plastic waste from our plants in Mexico.

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.

This ecological substitute for wood is not toxic, fire retardant, lasting, impact resistant, low maintenance, rot resistant and low water absorption.

Water Footprint

Water Conservation

G4-DMA WATER

G4-EN8, G4-23

At Grupo Bimbo we take pride of our comprehensive water management system with practices such as efficient use, treatment and reuse throughout all our operations.

Total Volume of Water Withrawn by Type source in plants

Global (m³)				
Ground water	1,548,221	1,334,810	983,852	1,191,666
Rainwater collected	0	3,965	0	0
Municipal water supplies or water utilities	3,264,032	3,160,999	2,642,903	3,497,057
Total	4,812,253	4,499,773	3,626,755	4,688,723

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process.*

Although we collect thousands of liters of rainwater in our facilities, we are developing new methods for metering the water captured more accurately.

We are reducing our ecological impact in water streams by increasing the capacity for treating water and reusing it within our facilities for washing vehicles, services and gardening.

We also apply best practices in the use of water in the plants in order to reduce the amount of pollutants to be treated.

G4-EN10

Total water volume by source

Global (m³)	2012	2013	2014	2015
Total volume of water treated	939,098	2,117,430	720,666	680,089
Total volume of water reused	416,003	1,523,300	369,133	420,744
% of water treated from the Total Consume Volume	20%	47%	20%	15%

** The data shown for 2014 may not be comparable because it only includes the months from January 2014 to October 2014 due to an adjustment period to improve the measuring process.*
**The data for 2012 does not include information from the USA.*
** In 2013, the percentage of treated water was reported using a new methodology. After an analysis in 2014, it was decided the data would be reported in the same format as 2012.*

Natural Capital

In 2014, besides from assuring that Grupo Bimbo's plants operate in an environmentally sound way, we started focusing our efforts in understanding the impacts we generate in ecosystems through the raw materials supply chain.

Supplier Environmental Assessment

G4-DMA-B SUPPLIER ENVIRONMENTAL ASSESSMENT

During 2015, we continued our in-house developed supplier sustainability survey in Mexico. At the same time, we are partnering with some of our largest clients in the USA to implement an Ethical Sourcing Assessment to understand Grupo Bimbo's position on the matter and develop an action plan.

Global Palm Oil Policy

G4-DMA BIODIVERSITY

G4-EN13

Grupo Bimbo fulfilled its previous commitment that ensures the sourcing of 100% Certified Sustainable Palm Oil through RSPO* Green Palm Certificates and Mass Balance by 2015.

We launched a new Sustainable Palm Oil Policy and action plan that goes beyond RSPO requirements and reinforces our commitment to no deforestation of High Conservation Value (HCV) land and High Carbon Stock (HCS) forest, no peatland development, no social or labor exploitation and ensures traceability to plantation level.

Additionally, Grupo Bimbo became a member of TFT who will help implementing the policy with its suppliers on key requirements and progressively reach milestones across its supply base.

Animal welfare in egg production

Grupo Bimbo announced in late 2015 its public commitment to gradually move its entire egg supply worldwide to battery cage-free egg production systems starting in 2016 and planning to conclude in 2025. This change will take place keeping our food and quality standards, local legal compliance and product offer in the different countries where we operate.

Grupo Bimbo supports the highest standards of animal welfare practices such as freedom from hunger, discomfort, pain and where animals are able to express normal behaviors and to live free from fear.

Currently, we supply 100% free range eggs for our United Kingdom operation and will be incorporating products, brands, regions as soon as our supply base has product available for our consumption.

Grupo Bimbo is the first Mexican food company incorporating these practices into the business to promote animal welfare.

Community

G4-EC1

G4-DMA ECONOMIC PERFORMANCE

The rapid and unceasing growth of the world's population multiplies the challenges we all face, while technology and globalization demand new levels of preparation to remain abreast of changes in the labor markets. We need to support the communities of our planet as they confront a new reality that challenges their dreams and their advancement. Throughout our history, at Grupo Bimbo we have learned that every dream can come true when we share with and live in society, in togetherness, with the collective commitment and passion of each member of our community, joining forces to make it happen.

G4-EC7, G4-EC8

Every day we participate in Sustainability actions that help people in the communities where we work to achieve their dreams. We want to be an agent of change, promoting ideas and attitudes that encourage cordiality, affection and caring among people, because we understand that our business goes beyond the food industry.

At Grupo Bimbo we understand that in order to become more productive and contribute better with the different projects, we need to work under a simple and fundamental principle: waking up early every morning. By applying this wise advice every day, we try harder to be more dynamic and participate actively to improve every action that helps on the development of the communities where we operate. We want to be that active agent who brings new ideas to the table, who has a fresh attitude and promotes values as a core element for a healthy sharing between the communities, because we understand that our business goes beyond the food industry.

Donations

G4-DMA-B LOCAL COMMUNITIES

In keeping with our philosophy, since 2012, our Sembrando Juntos program (which means "planting together") has worked under the Community pillar to design a Social Responsibility network that can manage actions and achieve tangible benefits for communities. This network is made up of links that support collaborative work, ideas, solutions, resources and time, so that we can contribute to building a better, gentler, more flavorful world.

G4-16, G4-SO1

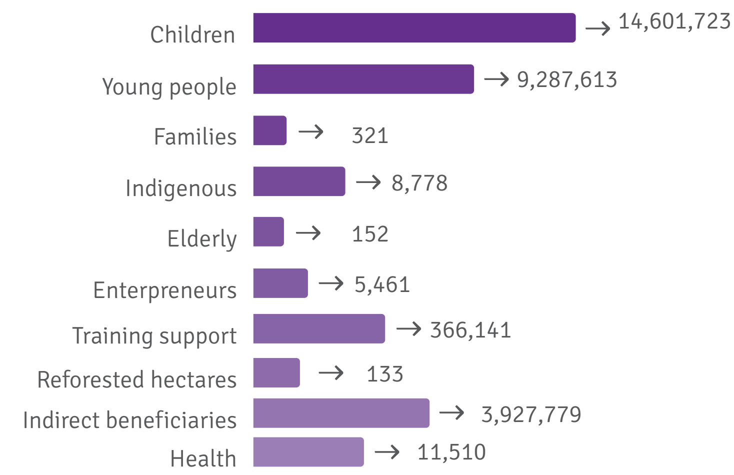
The first link in this network are the non-profit organizations who work day in and day out in weaving and strengthening the social fabric. They apply their experience to making a projects a reality through viable, sustainable implementation.

The institutions we work with engage in an ongoing dialogue with communities, so they can understand the unique problems and reality of each of them. This level of professionalism and institutional strength contributes tremendous value and transparency to the process of implementing community development solutions. Their enthusiasm and passion is contagious, and Grupo Bimbo today is an enthusiastic partner.

G4-EC1

We have shared donations to more than **1276 non-profit organization**s, giving us the opportunity to support them during the year with an equivalent amount of 2.6% of our net income of 2014 (90 million of Mexican pesos). At the same time the non-profit organizations have fulfilled their promises of supporting hundreds of people on education, health and nutrition, environmental care and productive projects.

Impact on Donations of Grupo Bimbo through the work of non-profit organizations



**This impact covers only the actions for Mexico / See case studies and supported associations detailed table at: www.grupobimbo.com/informeanual.*

G4-EC7, G4-EC8

G4-DMA INDIRECT ECONOMIC IMPACTS

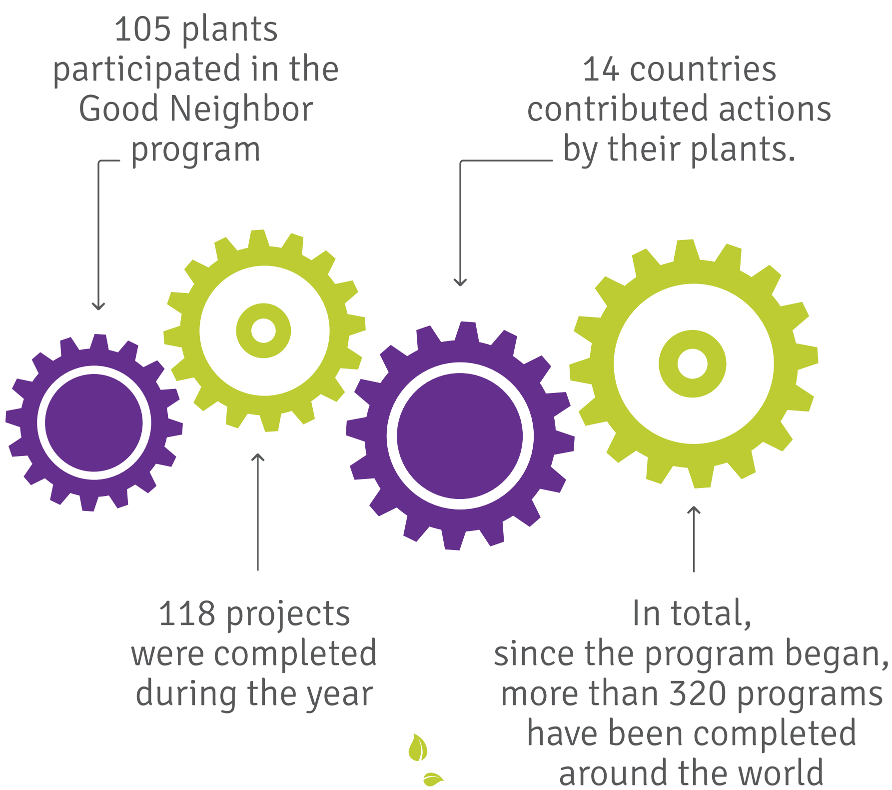
We know that a working model of Sustainability is essential in our work with the outside world, but also when actions are applied right here within the company. For this reason, the second link in the network is Grupo Bimbo's work centers, including our factories and plants. The "Good Neighbor" program is the central axis of these actions, and contributes a budget for improvements in areas surrounding our facilities, which benefit a great many neighboring residents.

"Good Neighbor" Program

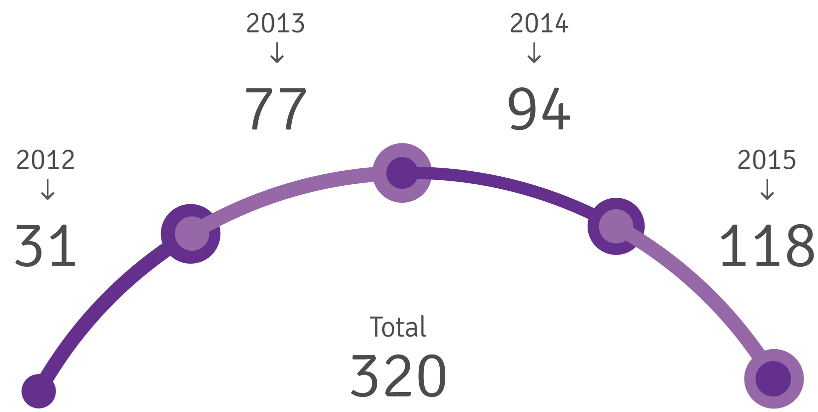
With this program, our plants and distribution centers have become responsible cores in their communities, helping to improve infrastructure and social benefits that we continue to build upon year after year.

This year, the "Good Neighbor" program achieved the following results:

Region	Total number of initiatives	Completed projects	Projects in process
United States and Canada	56	45	15
Mexico	42	42	0
Latin America	36	29	6
Asia	1	1	0
Total	140	116	6



"Good Neighbor" through the years



Ten of the best projects from around the world, executed during 2015, were rewarded.
The winners are mentioned in the table below:

" Good Neighbor" Achievement			
Organization	CEDIS/Plant	Activity	People benefited
Bimbo	CEDIS Monterrey	Outdoor gyms were installed at a public park, to help to promote physical activity. In adition other repairments such as capping holes and gardening were conducted. Park equipment such as benches, irrigation systems, garbage cans, was installed.	5,638
Bimbo	Hermosillo Plant	Rehabilitation of school. The roof from the breakfast area was restored. Four recycling containers were placed to collect waste. Three palms wers planted near the soccer field area.	465
Barcel	San Luis Plant	Park remodeling. Cleaning, painting and maintainance activities for the soccer field. Five outdoor gym training machines were installed. Some tres were planted as part of a reforestation activity.	3,000
BBU	Northumberland Plant	Five new playground games installed in a park near to the plant. This equipment promotes physical activity.	All the children in the area
BBU	Riviera Beach Plant	Gardening equipment on the facilities of a charity that included: drip irrigation, timer, fertilizer injector, remote for the irrigation, plants, exterior sprayer, Trellis panels for the long bed, shade cloth, galvanized exterior screw (for wood), insecticide. Provided food to five food Banks in the city and to the elderly programs at the área churches as well as provide growing space for families.	More than 300 families
LAC	CEDIS Guatemala	Remodeling of the perimeter Wall of a nearby school. Installation of the safety fence and a new access gate, gardening, external and internal painting, some trees were planted, mural painting was developed by our associates' children.	1,000
LAC	Venezuela Plant	Installation of playground games in a nearby park.	600
Bimbo Frozen	Roanoke Canada Plant	A pedestrian sidewalk was built to access a bus stop through a safer path.	500
Brazil	Raposo Tavares Plant	Rehabilitation of a public square through reforestation, improvements of the área and instalation of an outside gym.	1,500
LAS	Uruguay Plant	Installation of one playground game that promotes physical activity in a nearby school.	700

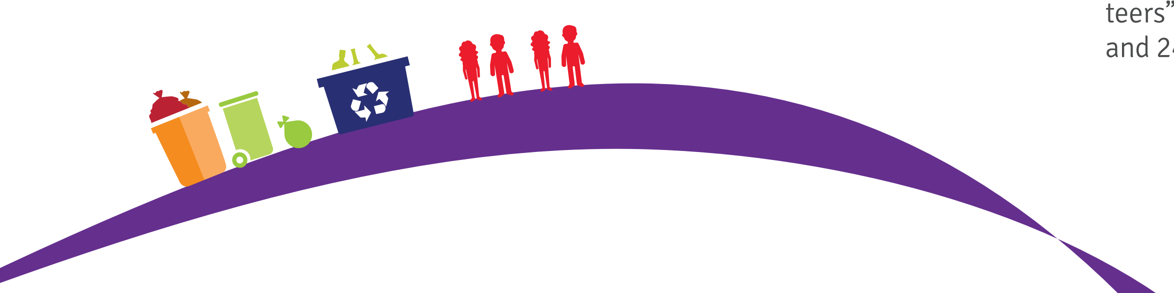
The Good Neighbor program has been a highly gratifying activity for Grupo Bimbo, and we want to share one success story that illustrates how it works and what it achieves.

Initiative's name: Remodeling of the *"El Eucalipto"* elementary school	
Development	* Refurbishment of the perimeter wall. * Instalation of the security fence. * Access Gate. * Gardening * Interior and exterior painting. * Tree planting. * Mural painting made by our associates' children.
Country where the initiative took place: Guatemala (Distribution Center)	
Beneficiaries: 1,000	

"Clean up Our Mexico"

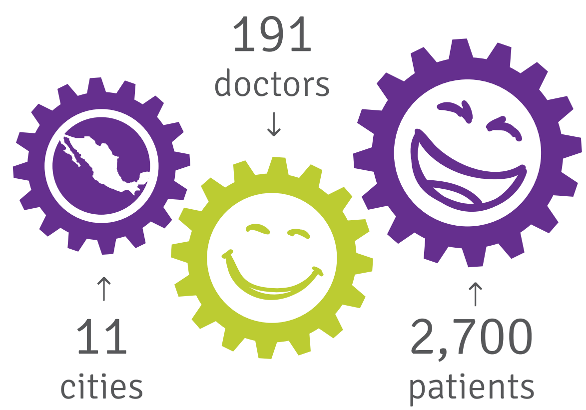
For the sixth consecutive year we were part of the "Clean up Our Mexico" campaign. The aim is to create awareness of the importance of placing the waste in containers and maintain cleaner and more attractive public places. Various brigades of Grupo Bimbo, gathered in different places in Mexico to clean up an emblematic area of each city. Other countires like Guatemala and El Salvador, joined the initiative aiming to reach the same result and raise awareness in the local communities.

The participation of our commercial brands in charitable projects does much to propel Grupo Bimbo's sustainability. Actions of this kind help build awareness among a wider audience, publicize projects important for strengthening the social fabric of the community, and support specific causes in which dozens of people work in charitable organizations.



"Smiles that help"

Paleta Payaso, one of Ricolino's best-known brands, worked tirelessly on this front with its "Smiles that help" campaign. It was carried out between June and September 2015 in 11 cities of Mexico, where 191 "laugh doctors" helped more than 2,700 people.



Risaterapia, A.C. (whose name means "laughter therapy") was the charitable organization that contributed its experience and prestige to transmitting the importance of laughter in changing people's quality of life. Laughing often can make the difference in our lives, and both doctors and Risaterapia volunteers proved this with their efforts at health centers.

G4-EC8

At the close of the campaign, Ricolino donated MXN500,000 to Risaterapia A.C. as support for continuing its valuable efforts. This organization works to bring smiles and joy to those who need it most, through men and women of various professions and activities, committed to sharing happiness in their free time. Through this economic support the number of "laughter volunteers" was increased by 15%, benefiting more than 8,000 patients directly, and 24,000 indirectly.

In another effort, and for the third year in a row, Pan Silueta Bimbo partnered with the Mexican Association for the Fight Against Cancer in October to raise awareness about early breast cancer detection. A portion of the sales of this brand during the month were donated for mammograms and treatment assistance (the funds will be applied in 2016). With the 2015 donations, some 363 mammograms and 40 breast ultrasounds were provided, and 41 prostheses and 79 lymphedema sleeves were donated, directly benefiting 523 women.

These links together make up our model of responsibility and community engagement. Our commitment is to strengthen the model to contribute more and in better ways to development firm, lasting foundations that give communities the tools to face changes in the modern world while always promoting values, caring and brotherhood among all people..

Volunteering

Raising awareness is an important way to get more people involved. We have always known that the pleasure of serving others is greatest when accompanied by the flavor of gratitude. Our volunteer corps gives us the experience of helping, by donating time or money to a good cause. Those who have participated find their enthusiasm and commitment redoubled, and they're the first to bring in new participants. This year, 75,036 associates, family members and friends, together took action to put a smile on the face of various projects, some of the most representative of which are shown in the following table:

16 countries with volunteer programs

75,036+ volunteers around the world

122 projects carried out around the world

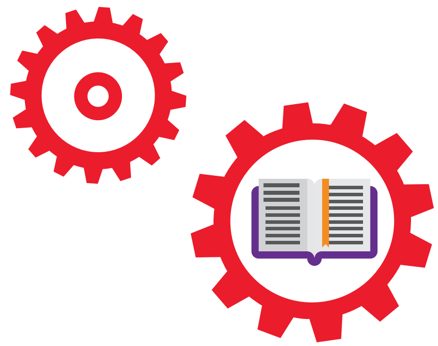
Organization	
United States and Canada	29
Mexico	24
Latin America	69

Plant Visits

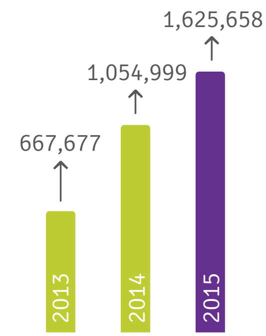
Grupo Bimbo's relationship with new generations is primordial. The Bimbo Plant visit program is a link that lets us listen to kids from primary and secondary schools and share with them how our products are made.

In a space designed especially for kids, students learn about the business, interact with games that teach them to make decisions, and enjoy a time in the real work of bakery, candies and snacks. Not only do they learn about making Grupo Bimbo products, but they identify the importance of correct eating and healthy lifestyles. The experience includes the sharing of ideas about environmental care, preserving nature and valuing everything this planet has to offer.

Our plant tours welcome thousands of visitors every year. We love surprising and inspiring them by sharing some of the experiences and projects we're working on at Grupo Bimbo.



Reading hours reported by Grupo Bimbo associates and their families



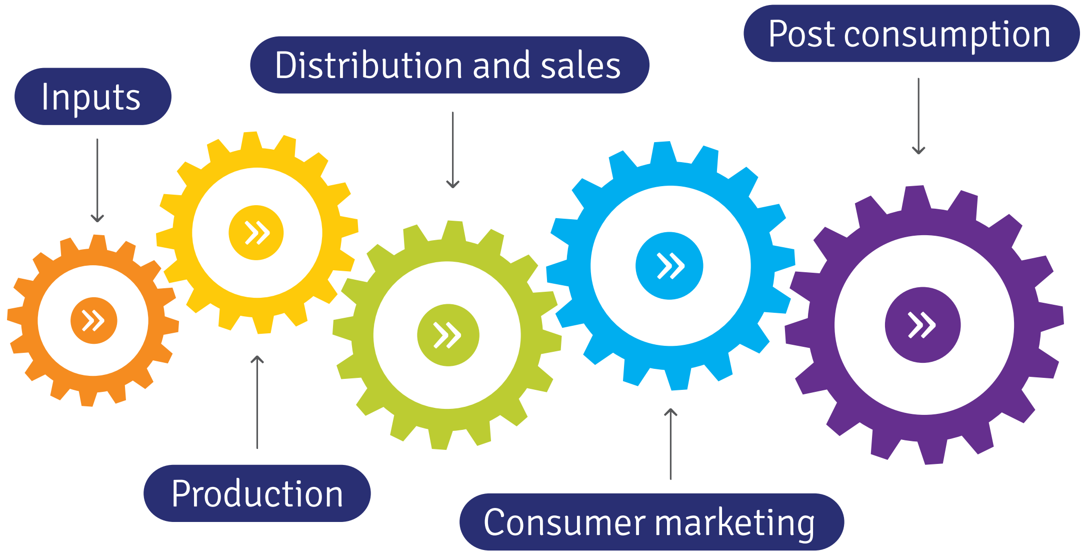
Some additional activities

For the third year in a row, our work centers in Mexico took part in the "Read More" campaign promoted by the Communication Council, whose purpose is to encourage people to read. We are proud to announce that our associates report an increase in their reading habits from 2013 to 2015.

Our Marinela brand sponsored a cultural tour called "Experience the History of the *Palacio Nacional*," which consisted of a tour of the historic building in Mexico City that for centuries was the seat of the Mexican Government. Students from Mexico City primary, middle and high schools attended the tour, thanks to a sponsorship that included both cash and in-kind donations. We also gave talks about nutrition and advice on adopting healthy lifestyles. In 2015 the program involved kids from 796 schools, approximately 70,6000 boys and girls who enjoyed this activity, learning about Mexico's history through the collections housed in this magnificent building.

Value Chain

G4-12



Inputs

G4-DMA PROCUREMENT PRACTICES

G4-DMA B ACQUISITION PRACTICES

Throughout our supply chain, we encourage ethical conduct, transparency, sustainable processes, efficient services and best practices, all in order to meet the quality requirements we set for ourselves and to maintain the volume and product consistency that are part of our pledge to consumers. All of our suppliers must abide by our Code of Conduct.

We've developed a "Green Purchasing" program and we are working together with sustainable farming programs in Mexico. Our goal is to replicate these processes in other regions. The inputs selected for the first phase of the program are potato, stevia, goat's milk, wheat, corn and palm oil.

Production

G4-EN4

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.

680,000+ m^3

Total volume of water treated

420,000+ m^3

Total volume of water reused

The energy produced by the *Piedra Larga* wind farm avoided the generation of

139,000 tons

of CO_2e emissions

(Nov 2014-Oct 2015)

Distribution and Sales

G4-EN4

G4-DMA ENERGY

We have an extensive direct-distribution network, with one 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_2 emissions reduction, through the use of diesel in third party vehicles

104,000+
customers benefited by "*Mi Tiendita*"

Almost 60%
share of renewable materials

300,000+
"*Pesito*" customers

Marketing

G4-EC8
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 *(More information on Planet pillar).*

111,000+
Kg reduced in packaging weight

Bringing many people and institutions together in the tasks of social responsibility is one way to build a better world, with more opportunities for all and with better conditions for life, both environmentally and socially.

Through our work together with the value chain we have achieved tangible results in reducing environmental emissions, improving social conditions and using resources more efficiently, with the added benefit of optimizing profit margins through more competitive, higher quality products

We have been working along these lines for some years now, with our value chain. The first thing was did was to identify it, and then seek out actions where we would work together.

Where Sembrando Juntos	**What** we do to create the best flavor create the best flavor	**How** to bring our brands closer to our consumers
Supply	Operations	Distribution and sales
* Support for farmers. Pilot Program in Mexico	* 163 plants in 22 countries * 4 distribution centers * Improvement in productive processes	* More than 52 thousand distribution routes * 1000 distribution centers * Logistics and technology improvements on vehicles
Our actions		
* Code of conduct for suppliers * Green Purchasing program. We are conducting projects for potato, corn, wheat, palm oil and goats	* Piedra Larga Wind Farm * Good Neighbor Program * Reformulation and devolpment of healthy products	* Distribution routes optimization * Green Fleet * Ecological sales center
We have the best options to nourish and delight you	**Long term alliances**	**Why** we work for a better future
Marketing	Clients	Post-consumption
* Responsible marketing * Promotion of a healthy lifestyle * Pledge commitments * More transparency on nutritional information * Physical activity programs	* Technology network to improve competitiveness * Training and speciallized consultancies * Attention for improvements of the operation and management of their business * Client development	* Sustainable packaging * Pilot tests with eco woods masde out of products packaging

G4-DMA-B INVESTMENT
G4-DMA-B ASSESSMENT

The first steps we took to begin the formal work of Social Responsibility with our value chain involved working directly with two of the links: suppliers and clients.

To start, we outlined a frame of reference, in the form of a Code of Conduct for suppliers. We encourage a healthy relationship based on ethics and a shared commitment to improving and defending human rights around the globe, because many of our suppliers are global companies that operate in countries far and wide.

We are committed to helping them to uphold universal values and rights for everyone, in all the countries where we operate.

A second key element for the development of our suppliers is the contractual framework. With this we make sure key sustainability aspects are formally incorporated both in our own value chain and that of our suppliers, which generates a virtuous circle of cooperation that promotes working conditions governed by the principles of respect, abiding by the law and personal safey.

Supply

For some years now we have been intensifying our work in the field. In this pilot phase, specific programs have been developed in Mexico to study the viability of initiatives and measure results that can then be replicated in other parts of the world.

The starting group of input products selected for this first phase was as follows:

1. Potato. We are working in the states of Sonora, Sinaloa and Chihuahua to provide support for implementing good farming practices in the field, following the standards of Global Gap, a non-profit organization specializing in the agro-food industry.

2. White corn. We helped set up 1,000 hectares of farmland where this crop is grown, and the first harvest will be ready in 2016.

3. Wheat. In an alliance with the National Institute for Forestry, Farming and Fishing Research, we continued a planting program in viable zones based on the concept of micro-climates. To complement the process, we brought some of our milled wheat suppliers into the effort, and hope to be able to.

4. Palm Oil. In 2015 we reached our goal of supplying 100% of our palm oil from sustainable sources. Our work earned us the "Green Palm" certification from the Roundtable on Sustainable Palm Oil, and now we are committed to further improving our score (for more details, see the Planet Pillar section).

5. Goat's milk. We continued our free-range goat's milk project in the state of Guanajuato, where our efforts focus on harmonious territorial organization over a surface area of 25 hectares of rain fed pasture in 2016.

Status 2015			
Product	Surface area planted	Volume (Tons)	Yield (Ton/Ha)
Potato	3,000	75,000	28
Corn	600	6,000	10
Wheat	1,913	5,525.1	**3.00
Goat's milk	N/A	*20,163	2 Lts/Goat

** Liters x 1000*
*** Yield in a range of 1.3 to 6.7 Ton/Ha*

Projected 2016			
Product	Surface area planted	Volume (Tons)	Yield (Ton/Ha)
Potato	3,200	80,000	28
Corn	1,500	15,000	10
Wheat	10,000	50,000	**5.00
Goat's milk	N/A	*25,000	2 Lts/Goat

** Liters x 1000*
*** Yield in a range of 1.3 to 6.7 Ton/Ha*

G4-DMA-B SUPPLIER ASSESSMENT FOR LABOR PRACTICES

The following are some of our additional activities with suppliers to promote ethical conduct and responsibility in Mexico, in keeping with our own Code of Conduct:

Suppliers' website

We launched and promoted the use of a special website for suppliers in Mexico, which serves as a channel for direct communication on recent news, events, and a series of aspects particularly concerning them.

This tool is used, among other things, for informing them about the regulations governing the supplier relationship, for example the Code of Conduct. They can use the website to look up the rules and sign the document electronically to indicate they will abide by and respect its provisions. By the close of 2015, 1,213 suppliers had signed the code.

Audits

G4-LA14, G4-LA15, G4-HR10

Every new supplier in Mexico must pass a Grupo Bimbo audit, in order to ensure they follow responsible practices and processes. We also check that they work in accordance with high quality and safety standards so that our consumers are always satisfied.

A supplier may be exempted from these audits if it has some certification endorsed by the Global Food Safety Initiative, such as the British Retail Consortium, the Safe Quality Food Institute, the FSC22000, Global Gap, or others. These certifications are global in scope, and focus on product safety and quality. At the close of last year we had audited and/or certified suppliers responsible for 80% of our spending on raw material and packaging in Mexico. This year the requirement was extended to the indirect input category, also in an effort to ensure the quality of the products supplied.

Training

We provide options for our suppliers to grow and continuously improve their processes. Our Purchasing Department is actively involved in the Mexico Center for Competitiveness (CCMX), which trains suppliers from various companies, including Grupo Bimbo, in key issues like organizational culture, commercial strategy, streamlined manufacturing and others. The training includes spaces for sharing best practices, case studies and examples of value chain improvement for different companies.

Global GAP

We provide training for our leading potato suppliers in Mexico, and also include them in the audit phase. The program covers a review of good field practices using the Global Gap methodology, encompassing areas ranging from food safety to farming sustainability, to name just a couple, in order to strengthen their value chain and improve delivery conditions for products grown by Mexican farmers.

External Business Development program for External Partner Development (DESEO)

G4-DMA-B EMPLOYMENT

DESEO is a program developed internally by Grupo Bimbo to promote the growth and development of small and mid-sized businesses in Mexico. The program has a model of continuing training in various areas that help small producers manage their businesses.

The program is enriched by the supplier's direct involvement in identifying, mapping and strengthening processes and meeting basic requirements for Grupo Bimbo. This program is custom-designed for each category of supplier:

* Raw materials
* Packaging
* Finished product
* Maintenance Services
* Civil construction
* Vehicle maintenance
* Visibility

Goal

To comply with the minimum guidelines required by GRUPO BIMBO to be able to provide quality products and services while ensuring food safety, social responsibility, sustainability, local legal compliance and other aspects.

448 — SMEs participating

6 — Categories participating

7% — Growth in requirements met

90% — of SMEs with continuous improvement

Results obtained	
+	–
Food safety assurance	Reprocessing
Training	Accidents
On-the-job safety	Unfair conditions
Social responsibility	Cross contamination
Environmental care	Misuse of materials

Benefits obtained
More orderly companies
More training
Fewer accidents
Better environmental care
Better service
Generation of indirect jobs

Operations

Contributing through more efficient operations is a commitment we have always had, and which we have kept year after year. Currently, our plants in Mexico operate with wind energy generated by the Piedra Larga wind farm. This means that 47 out of 163 plants now operate with clean energy—28% of our operations. This figure was increased in 2015 thanks to the redesign of 6 sales centers, transforming them into eco-centers, which means they incorporate technology and adaptations that reduce their environmental footprint

We are constantly adopting improvements such as such as heat capture technology, energy-efficient equipment, and process redesign to optimize time and resources, using natural sunlight and implementing best practices.

In social issues, we commented above on the 100 plants and distributions that are part of the Good Neighbor program, through which they support specific improvements in the communities around them.

Distribution, Sales and Clients

G4-DMA-B INVESTMENT

In 2015, we continued our support for developing the retail distribution channel. Through our Center for Business Development of Small Dry Goods Stores (known as CEDEPEC), we trained more than 980 clients, an advance of 98.4% against the target of 1,000 clients trained that we set in December 2015.

The owners of small dry good establishments (sometimes known as mom and pop stores), which support many families in Mexico, were given the opportunity to take a Specialization Course in Small Businesses, consisting of 6 modules. A diploma was given for attending 60 hours of classes spread out over 6 weeks, attending 3 times a week. The coursework covered everything from general business knowledge to reviewing growth strategies, development, control and introduction of a legal framework in family-owned companies.

Working with a new generation of store owners prepared to face new and greater challenges, we invited 31 clients to participate in the educational program at the University of Enterprising Retail in Mexico (UNICEM). All accepted, and took the Specialization Course in Retail Development and Modernization in a 6-month program with mixed format--in other words, one hour a day online and two hours in person per week. Of these 31 associates, 19 graduated successfully.

This is a comprehensive program designed to build skills like customer service, increasing sales, understanding and better controlling the business, learning to apply for loans and being a better entrepreneur. The program opens doors and brings entrepreneurs closer to company incubation programs, technology for more effective operations, and financing to leverage the business.

As a pilot test, we integrated a Continuing Education and Update Module into the same program at UNICEM. Five students participated with a focus on specific topics like improving purchase and sale dynamics, attracting customers to the point of sale, setting prices, and business skills.

Clients

Communication with our clients is fundamental, and a deep-rooted habit. In order to hear what they had to say about their training experiences, we organized three focus groups. With this information we hope to improve the system based on the needs and experiences of each.

“*Pesito*” and “*Mi Tiendita*” Programs

We continue to support our clients through the “Pesito” program we have described in previous reports, and now have 302,709 clients with financing of up to 223 million pesos in the year.

The program is complemented by “Mi Tiendita,” an initiative that provides direct benefits to our clients’ establishments, helping them to improve their store layout and thus boost sales. This year we transformed more than 14,300 establishments.

“Qiubo”

Small family-owned businesses today have to compete with larger establishments that enjoy advantages such as more shopper traffic, a wider array of merchandise and more services.

One of the most ambitious strategies Grupo Bimbo has pursued is to provide new technologies to these small stores so they can accept credit and debit cards. Together with Visa, we developed the “Qiubo” network, which provides the facilities and equipment to expand our clients’ sales possibilities.

The Qiubo network seeks to support Mexico’s small businesses through training, technology and bank access, giving them the tools and skills they need to take advantage of market opportunities and attract more clients.

A store is connected to the Qiubo network though point-of-sale terminals, using a real time link. The network offers micro-businesses access to various electronic products and services, like acceptance of bank cards and vouchers, receipt of utility payments like telephone, light and cable TV bills, prepayment for toll roads, airtime reloads and access to credit.

The Qiubo network has also opened opportunities for Grupo Bimbo, enabling it to join and be a part of the “Better than Cash” alliance, an initiative promoted by the United Nations that brings together governments, companies and international organizations to accelerate the transition from cash to digital payments in order to promote efficiency, transparency and inclusive growth.

With the Qiubo network, the micro-business owner receives training on how to use the tool in the store. If there are any questions after this training session, the business has access to toll-free telephone assistance nationwide. The terminal works through a mobile phone, which means it can be used even in locations without a landline connection. Money can be credited through the terminal to suppliers of Grupo Bimbo, making it easier to reload without having to leave the business. The Network can increase a business’s potential sales by up to 20%.

Marketing

Information on our promotion and marketing strategies can be found in the Wellness section, where we discuss aspects such as responsible marketing, physical activation, promotion of healthy lifestyles, clean labeling and transparent caloric content information.

Post-consumption

We continue to evaluate the best strategies for forging a bond with consumers so we can recover our product packaging once the product is consumed.

In 2015 we conducted various tests with packaging that could be “upcycled,” meaning used as a raw material for making other products. This was how the Ecora brand was born. For more information on this issue, see the Packaging section of the Planet Pillar. We also introduced initiatives to reduce packaging thickness and use less of these materials.

Our commitment with the value chain

Our actions with our value chain grow stronger every year. At Grupo Bimbo, we know that only by planting together –*Sembrando Juntos*– can we reach our optimum capacity.

The links in this chain are our strategic allies in generating a positive impact, which means making the difference economically, socially and environmentally, three areas that over time have proven to be closely connected, and which are in urgent need of tangible results.

We will continue to work closely with the entire value chain, innovating through strategies, with technology and with agreements that add up to actions for improvement.

Our commitment is underscored by our willingness to share best practices and sustainable action to help everyone develop quality processes that offer return on investment, contribute to environmental care and generate a positive social impact.

Associates

127,152 Associates

Seventy years of experience have told us that the philosophy inculcated in us by our founders, which places people at the heart of our values, is well-aimed, functional, sound and productive.

What's more, it opens doors to us around the world, despite existing cultural differences. Today we bring together 22 countries through flavor, quality and the same spirit of caring as always. People are still the main reason for our operations, our business and our philosophy.

Lorenzo Servitje has always inspired his co-workers with the sense that we must all come to work at this company and find motivation to excel both personally and professionally, because "we have the reward of coming here to be happy, not just to work."

This teaching motivates and guides us to build a company around it. A company that, as long as it follows this philosophy, can renew itself to attain new levels of vigor, lay the foundations for managing innovative ideas, and serve as a springboard for its associates' professional and personal advancement. We have worked hard to create a Personnel area that prepares fertile ground and plants seeds so that all who work at Grupo Bimbo can feel the difference, and know that our central value must be lived to be understood.

How do we make a difference?

G4-9

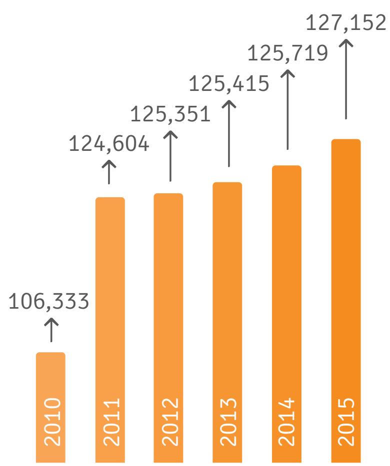
Grupo Bimbo works hard every day to remain the world's leading bakery company. We generate direct jobs for 127,152 families in 22 countries. We are a fast-growing firm, and we venture into all corners of the globe of provide jobs to support more families.

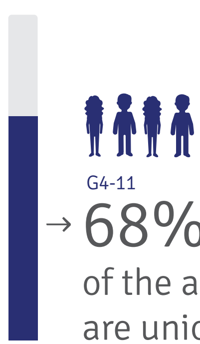
G4-LA1

	Total associates on the payroll	Total workers hired	Total
Mexico	71,403	468	71,871
United States and Canada	26,667	584	27,251
Latin America	22,250	1,878	24,128
Asia	1,198	52	1,250
Europe	2,434	218	2,652
Total in Grupo Bimbo payroll	123,952	3,200	127,152

G4-9

Number of associates





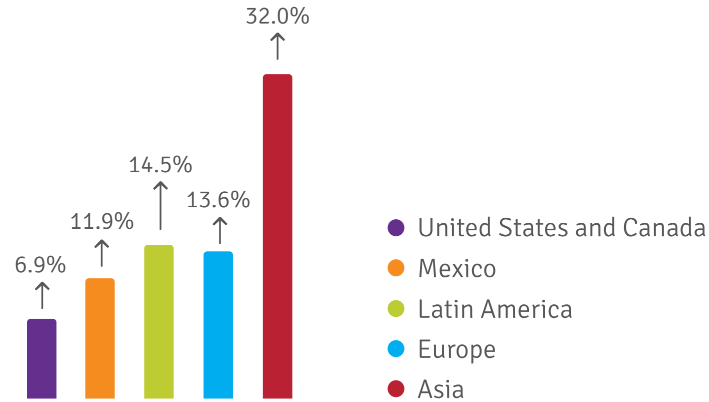
G4-11

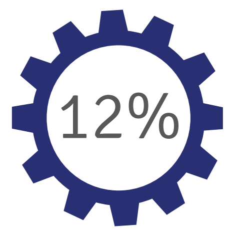
→ 68%

of the associates are union members

G4-LA1

Turnover





Average turnover at Grupo Bimbo in 2015

	New associates hired	Number of associates who left the company	Percentage of people who left the company in their first year
United States and Canada	2,560	119	5
Mexico	9,073	824	9
Latin America	3,784	204	5
Europe	746	118	16
Asia	233	15	6

We are aware that turnover and changing jobs in the first year of employment results from a number of factors, some of them beyond our control. But we also know that with teamwork, ideas and actions in our Personnel area, we can help make this company a more attractive place for new associates to begin building their careers. The work we've done up until now has earned us recognition as one of the best places to work, but we need to back up this perception with facts.

Employment

G4-DMA-B EMPLOYMENT

According to our Policy, we have designed a compensation plan for our associates that remains current and competitive in today's job market. We also make sure that employment and hiring conditions and benefits provided by our suppliers are similar to those offered in the company.

G4-LA2

	Full time	Part time	Temporary	Regions where benefit applies
Stock options for senior management and directors	X	–	–	* Brazil, Canada, China, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Iberia, LAS, Mexico, Nicaragua, Panama, United Kingdom, USA, Venezuela
Senior management and directors	X	–	–	* Colombia, Guatemala, Honduras, Iberia, LAS, Mexico, Nicaragua, Panama, Venezuela
Maternity or paternity leave	X	X	X	* Canada, Iberia, LAS, United Kingdom, USA. * Offered to part-time associates only in: Iberia, United Kingdom, USA, Canada. * Offered to temporary workers only in: Iberia, United Kingdom.
Annual bonus for results	X	X	–	* Argentina, Brazil, Canada, Chile, China, Iberia, LAC, Mexico, Peru, United Kingdom, Uruguay, USA
Medical checkup at least for directors	X	–	–	* LAS, Mexico, United Kingdom
Temporary or permanent disability coverage	X	X	X	* Brazil, Canada, Colombia, Iberia, Mexico, Panama, United Kingdom, USA, Uruguay. * Offered to temporary workers only in: Iberia, United Kingdom.
Life insurance	X	X	X	* Argentina, Brazil, Canada, Chile, Iberia, LAC, Mexico, Peru, United Kingdom, Uruguay, USA * Offered to temporary workers only in: El Salvador, Honduras, United Kingdom, Brazil, Canada.
Medical insurance	X	X	X	* Argentina, Brazil, Canada, Chile, Iberia, Mexico, Peru, United Kingdom, USA. * Offered to part time and temporary workers only in: United Kingdom.

** Shows only benefits offered in more than 40% (9) of the countries where GB operates, and to at least one level of the corporate hierarchy.*
LAC: Groups together Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Venezuela.
LAS: Groups together Argentina, Chile, Peru, Uruguay, and Paraguay.
Iberia: Spain and Portugal

Remuneration is an essential component of compensation. Our intent is to offer competitive and fair salaries to our associates, always above the levels required by law, to guarantee a dignified standard of living. This condition is regulated and formalized in the Compensation Policy, which applies throughout Grupo Bimbo.

Grupo Bimbo Compensation Policy

G4-DMA EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA MARKET PRESENCE

G4-LA13

Our Compensation Policy is based on a "Total Rewards" model, which is based on a comprehensive approach to remuneration, benefits, training, professional advancement and workplace environment.

Remuneration and benefits throughout the group are aligned with a standard payment policy and adjusted for practices in each local market. Each associate is paid a salary in keeping with their responsibilities and what is paid for other positions with similar responsibilities and required experience, education and skills, in the corresponding market.

The wage information used for these comparisons and for setting the respected salary levels if provided by independent consulting firms who are widely recognized around the world for their expertise in compensation.

At Grupo Bimbo we make sure we pay our associates more than the minimum wage in every country where we operate. We want to be competitive and we want to abide by the regulatory guidelines in each of our markets.

The compensation for each associate also takes into account individual performance evaluations, which assess their capacity to achieve or perform outstandingly against established goals, and the aptitudes he or she demonstrates, as well as the financial results of our company in each country and globally.

G4-LA13, G4-EC5

The following section shows the minimum wage as of January 2016 in each Grupo Bimbo Organization, and the average for each of our countries of operation, regardless of gender.

Mexico

- Minimum wage: MXN73.24/day; MXN2,191.20/month.
- Grupo Bimbo´s salary:
  - Average daily minimum wage (national) for the lowest operating position in each organization
  - The specified daily wage was multiplied by 30 to reach the monthly base wage.
  - The amounts were converted into dollars at the exchange rate in effect on January 11, 2016.

	Position title	Daily average wage	Base monthly wage	Value in dollars	Exchange rate
Bimbo	Plant worker	243.17	7,295.10	406.63	17.93
Barcel	Basic plant worker	208.77	6,263.10	349.11	17.93
El Globo	Janitor	133.41	4,002.30	223.09	17.93
Corporate	Level A Administrative	469.37	14,081.00	784.87	17.93
Moldex	General assistant	146.05	4,381.50	244.22	17.93

Values expressed in Mexican pesos

United States

* Monthly minimum wage (40 hour week): USD1,167.10
* For GB Salaries:
  * We used the figure reported only by BBU on a monthly base for the lowest plant associate positions.
  * We calculated the base monthly wage for each state
  * On this basis, we calculated a national average for the US from the states where we operate (this varies by location)

Monthly Payment USD

2,136.41

	Number of associates	Average of monthly wage		Number of associates	Average of monthly wage
State	Per hour	Per hour	State	Per hour	Per hour
AL	29	2,164.75	NC	301	2,664.29
AR	2	2,342.00	ND	42	1,243.11
AZ	163	2,559.62	NE	503	2,491.26
CA	3,083	2,968.51	NH	34	1,837.31
CO	643	1,929.01	NJ	400	1,482.10
CT	470	2,637.91	NM	142	2,367.63
DE	47	1,432.79	NV	93	1,984.46
FL	266	2,101.41	NY	1,206	2,223.24
GA	188	2,950.63	OH	198	1,677.98
IA	333	1,889.78	OK	368	2,083.85
ID	5	2,703.22	OR	356	3,183.89
IL	312	1,686.76	PA	1,588	2,561.52
IN	256	2,284.83	RI	3	2,249.91
KS	213	1,935.37	SC	169	2,613.43
KY	404	2,178.34	SD	140	2,165.56
LA	8	2,489.45	TN	112	1,391.67
MA	231	1,665.82	TX	1,133	2,960.72
MD	292	2,204.38	UT	437	2,113.16
ME	19	1,415.06	VA	109	1,513.93
MI	383	1,964.94	VT	23	1,929.51
MN	390	2,085.95	WA	268	1,986.97
MO	314	1,454.19	WI	655	2,237.08
MS	172	2,615.35	WV	301	2,131.98
MT	3	2,529.60	WY	20	1,263.73

Canada Bread

* National minimum wage: CAD10.69 per hour; converted to monthly: 10.60 * 40 hours a week * 4.33 weeks (average weeks per month according to Canadian labor law). The resulting value of CAD1,851.5 was multiplied by the exchange rate as of January 11, 2016, which was 0.71, resulting in a total of USD1,740.07.
* For GB Base Salaries:
  * We took the starting hourly wage for the lowest plant worker position at CAD from the wage table.
  * We then calculated the national average for the regions of Canada where we operate (this varies by location).
  * We took the hourly wage * 40 hours a week * 4.33 weeks (average weeks per month according to Canadian labor law).
  * The resulting value was multiplied by the exchange rate as of January 11, 2016 to convert it to USD.

	Hourly Wage
Alberta	17.64
Nova Scotia	11.36
Ontario	11.85
BC	15.36
Quebec	15.05
New Brunswick	14.10
NL	14.30

Average monthly age CAD

$2,466.37

Reported salary

US $1,740.63

Average hourly wage

US $14.24

United Kingdom

* The minimum monthly wage in the country was GBP1,088.92. This was converted to USD at the exchange rate in effect on January 11, 2016, which was 1.45 = USD1,580.3
* For the GB Base Salary, the value in local currency was GBP1,088.92. This was converted to USD at the exchange rate in effect on January 11, 2016, which was 1.45 = USD1,643.99.

Latin America

* The minimum base wage reported for the country was the average in USD for the countries that make up the region: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Venezuela, Ecuador and Colombia The resulting value was USD321.30.
* For Grupo Bimbo the calculations were as follows:
  * Average Base Salary for the lowest operating post in each country.
  * For all the countries in LAC, the lowest salary on the wage table is equal to the real base salary paid.
  * Local currencies were converted into USD at the exchange rate in effect on January 11, 2016.
  * The final value reported is the average in USD of the salaries reported in each country of the region.

	Average Base Salary of plant worker in USD
GU	327.16
BE	298.52
H	413.79
NI	209.75
CR	606.60
PA	571.85
VE	82.08
EC	401.50
CO	231.56

Average

US $349.20

Average LAS

US$584.9

LAS

* The minimum base wage reported for the country was the average in USD for the countries that make up the region: Argentina, Uruguay, Paraguay, Chile, Peru. The resulting value was USD332.80.
* For Grupo Bimbo the calculations were as follows:
  * Average Base Salary for the lowest operating post in each country.
  * In some countries, fixed monthly amounts paid were added to the Base Salary.
  * Local currencies were converted into USD at the exchange rate in effect on January 11, 2016.
  * The final value reported is the average in USD of the salaries reported in each country of the region.

	Local currency (Jan. '16)	Remarks (average wage, lowest categories for Bimbo in that country)	Exchange rate	USD Company
Argentina	6,060	Base Salary ARS11,000+ Assist Prem. + Complement + P Daily Benefit+ P Group + Incentive	13.75	955.2
Uruguay	10,000	Base Salary UYU15771+ Attendance 10% + Bakery Ind. Bonus 1145	29.76	621.4
Paraguay	1,824,055	Total Base salary	5724.10	318.7
Peru	750	Wage $1389 + Assist. Prem.	3.33	425.0
Chile	250,000	Total Base Salary $250000 + Bonus + Meal allowance + Mobility + Prod. Bonus.	727.80	604.3

Brazil

* The average monthly minimum age for the country was USD217.50.
* For Grupo Bimbo:
  * Average Base Salary for the lowest operating post in each country.
  * This value was converted into USD at the exchange rate in effect on January 11, 2016.
  * The final value reported was USD467.60.

Iberia

* The minimum base wage reported for the country was the average in USD for the two countries that make up the region: Spain and Portugal.
* For Grupo Bimbo the calculations were as follows:
  * Average Base Salary for the lowest operating post in each country.
  * The final value reported is the average in USD of the salaries reported in Spain and Portugal.

Country	General minimum wage	Monthly Salary in USD
Spain	764.4	1233.9
Portugal	530.0	596.09

Average Iberia

General minimum wage $592.6

Monthly Salary in USD $915.0

Asia

* Minimum wage reported in the country: USD319
* For Grupo Bimbo the calculations were as follows:
  * Average Base Salary for the position of Plant Operator in Beijing, in Chinese Renminbi Yuan (CNY), taken from the Oracle System.
  * Reported Base Salary in the company: USD362.

Developing our people's talent

G4-DMA TRAINING AND EDUCATION

G4-LA9

Training

The momentum of our seventy-year history has taught us first hand that the engine of competitiveness is knowledge.

Knowledge is transmitted, shared and expanded through training.

1,023,302
Hours of training

34,252
Associates

The main topics covered by our 2015 training programs were:

* Development of managerial skills
* Strategic planning
* Courses in handling computer programs and systems
* Grupo Bimbo Philosophy
* Specific knowledge or technical skills needed for each area

Diversity and inclusion

G4- DMA DIVERSITY AND EQUAL OPPORTUNITY

G4-HR2

Our Golden Rule also stresses the importance of fairness, and one of the actions that embody this commitment is our strategy of Diversity and Inclusion. For Grupo Bimbo, all human beings are equal without distinction. Through our Diversity and Inclusion program we continued training associates and extending borders in 2015 through our global communication campaign, which trained more than 5,000 associates.

The first action in this program was to train management and high level executives so that we could be sure the issue was understood in the highest echelons of the organization. The training was given in 17 countries, including Mexico, the United States, Guatemala, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, Venezuela, Ecuador, Chile, Argentina, Uruguay, Paraguay, Peru, Brazil and Spain. We will continue these efforts until they have been extended to every country and region where we operate.

79,989
Hours of training to Directors and high ranks

Gender

Consistent with our most important asset, which is the value Person; in 2014 we started the Global Diversity and Inclusion Program (DI). Diversity and Inclusion Committees were formed in 7 of the Group organizations, covered by a Global Committee which has representation of our business units. Through the committees, we have made action plans aligned to the 4 axes of the global business case.

1. Education and awareness
2. Recruitment and selection
3. Talent Management
4. Planning and Indicators

In 2015 we focus primarily on the first two axes. Our most important deliverables were:

* Development and dissemination of the Global Diversity and Inclusion Policy
* 6,153 leaders trained at the seminar "Leading in a Diversity and Inclusion Culture"
* Global communication and culture campaign in Diversity and Inclusion
* Delivery of recruitment and selection criteria, aligned to the DI policy

Parallel to the Diversity and Inclusion global plan, our local organizations make efforts to advance the issue. For example, in the United States we launched the Diverse Selection pilot program; in Spain we signed a collaboration agreement with *Fundación ONCE*; in Brazil, Portugal and Spain we held the first Diversity week, among other local activities.

Through this program that connects with our business philosophy, we seek to address the global challenges of Diversity and Inclusion. Being a cultural change, progress will be progressive so that there will come a moment when we will be able to report more data associated to gender.

Assessment

G4-LA11

Every year associates from around the world must set goals in alignment with Grupo Bimbo's vision. These goals are reviewed by their immediate superior, who gives them the corresponding feedback and finally reports against progress in the year so the associate can be evaluated and rewarded for his or her performance. The associate in turn evaluates his or her superior once ahead, along with the area director and the company as a whole, in order to learn about how they perceive the working environment.

Regular performance evaluation		
	Women %	Men %
Administrative and Operating Personnel	67.6	72.0
Supervisors	84.8	93.3
Executives and Directors	91.1	94.0
Global Total by Employment Level	70.4	74.7

The Tangible Value of the Person

For Grupo Bimbo, our Golden Rule is the unwavering principle by which interpersonal relations are governed, both within and outside the organization. This rule establishes that people must always treat each other with respect, fairness, trust and affection.

Respect begins with the integrity of the person. That's why we encourage our associates to remain morally and physically sound and to maintain a cordial and respectful attitude in dealing with each other, but above all in the associate-superior relationship.

To achieve this goal, we embody the company's philosophy in a series of courses for those who have people reporting to them, seeking a warmer, more high-quality style of leadership. There are two key courses on this topic: the Leadership Course and the Personal Advancement Course, which are given to directors and senior management..

G4-HR2

These programs are designed to build awareness and prepare associates so that they never forget that humane, respectful, fair and equitable treatment is the basis for productive, long-term operations. The Personal Advancement Course begins by establishing that a person can give the best of themselves when they have gone through a process of personal understanding and reflection. This enables them to better understand others and support them in their daily performance. The course is also a preparation for a broader awareness of Human Rights.

Health and Safety

Another factor that is an essential expression of respect is protecting our associates' physical integrity. Our associates provide support for their families, so their health and safety are basic and indispensable for this Corporation.

Our goal is to strengthen a culture of prevention, closely monitoring the structural and procedural details that make facilities safe for our people and our property. But the human factor is just as essential in safety issues.

That's why we place a priority on keeping our Health and Safety Model up to date and properly managed. Its purpose is to ensure:

- Safety leadership at the managerial level
- Safety in all processes
- A continuous focus on prevention

G4-DMA-B OCCUPATIONAL HEALTH AND SAFETY

This is achieved through efficient, systematic operation of the Health and Safety Committees and Sub-Committees, and a firm commitment to safety at the managerial level. Our Health and Safety Program includes the following components:

G4-LA5

- Promoting the importance of Safety, Health and Wellness among our associates and their families.
- Providing a safe, risk-free workplace.
- Reducing the rate of workplace accidents
- Encouraging a work-life balance, which makes for healthier associates and families.
- Representation of 100% of our associates on the Health and Safety Committees of each work center, in all organizations and in all the countries where we operate.

Some of our most important Health and Safety activities in 2015 were:

* Design and implementation of safety standards for wrapping machines, reducing serious hand accidents throughout Grupo Bimbo to zero.

* Development of multimedia courses on safe motorcycle driving, improving the road safety practices of associates who use them as a personal means of transportation.

* Training courses on highway and industrial safety and health through our sales force, called “Safety Stations”, a program replicated in every Sales Center in Mexico and Latin America.

* “Safe Company” certification from the Ministry of Labor at our Marinela Monterrey and Bimbo Puebla plants. For the second year in a row, our operations in Great Britain at Rotherham and Maidstone won the British Safety Council International Safety Award.

* In our US operations we launched the “Day without Accidents” campaign challenging associates throughout Bimbo Bakery USA (BBU) to avoid accidents on that day--a challenge that has been met more than 50 times.

G4- DMA OCCUPATIONAL HEALTH AND SAFETY

* As part of the Occupational Health and Wellness Project, we continued our pro-health activities, organizing more than 130 educational, training, consultancy, prevention and risk control events for our associates, their families, or community members. These included:

  * Vaccination Campaigns
  * Health and Quality of Life weeks
  * Talks and conferences
  * Maternity support
  * Promotion of physical activity and sports

Incident rate (IR) reduced

2.33 (2014) VS **2.10** (2015)

G4-LA6

Type of injury, rate of accidents resulting in injury, work-related illness index, days lost index, absenteeism rate and fatalities

Associates	Incidence rate (IR)		Days Lost (DL)		Absenteeism Rate (AR)		Fatalities		Occupational disease rate	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Mexico	1.88	0.33					0	1	0	1
	2.22		66.46		440.54		1		1	
North America	1.56	0.25					0		0	
	1.81		111.09		636.18					
Europe	1.70	0.35					0		0	
	2.06		33.46		183.32					
Latin America (LAC, LAS, Brazil)	1.98	0.28					0	1	0	
	2.26		48.21		335.97		1			
Asia	ND	ND					0		0	
	0.48		17.42		119.32					
Total GB	2.10		68.62		443.97		2		1	

Respect is combined with justice at Grupo Bimbo, where we work every day to build a company that fully respects human rights.

For this reason we have adopted a series of criteria to protect them.

G4-DMA FORCED OR COMPULSORY LABOR

G4-HR6

1. We are rigorously opposed to any kind of forced labor, and we monitor and audit our work centers in order to ensure that every one of them is free of this type of practice. We also take very seriously any reports made to our Whistleblower's Hotline --our toll-free number for complains and suggestions--where callers can report on incidents involving force labor or other violations, and we follow up rigorously on them and take the necessary corrective action.

G4-DMA CHILD LABOR

G4-HR5

2. We do not accept or support child labor. At Grupo Bimbo we believe childhood is an essential phase for the formation of the individual, and we do not employ underage workers. We understand the complexities and ramifications of this issue, however, so we have added a clause to our contracts with suppliers clearly establishing that employing underage workers is grounds for termination of the contract. Our Code of Ethics also contains a specific provisions prohibiting the employment of minors. We are strict about complying with the terms and guidelines established by local laws everywhere we operate.

G4-DMA FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA-B FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-HR4

3. In our work contracts and Code of Ethics, we explicitly support freedom of association, guaranteeing that all our associates can freely decide to belong to any type of organization. None of our policies, manuals, contracts or labor documents contain any element that violates or restricts our associates' freedom of choice.

For the year 2020, we are committed to establishing controls by which we can measure and map out the risks in each of our work centers, and take preventive measures to guarantee the welfare of all our associates. Once these control mechanisms are established and tested, we will share them with our suppliers, clients and distributors in order to work comprehensively on their wellbeing.

G4-LA12

The next has to do with the composition of our governance bodies. We must work on improving the structure and assembling a more diverse Board. This is not yet a reality for Grupo Bimbo, but we are on the way, and we are preparing to achieve this in the near future.

In some countries where we work, trends in freedom and respect include a focus on the confidentiality of certain personal data like age. For this reason, and in line with our respect for the freedom of our associates, we do not publish this information.

We know we have a long road yet to travel, but we are confident that the foundations laid by our founders 70 years ago are solid, universal, and consistent with the principles of respect, the law and fairness, and if we follow their teachings we can always stay on the right path.

Corporate Governance

G4-34, G4-38

Grupo Bimbo and its affiliates follow the best international practices in corporate governance, including the Code of Professional Ethics of the Mexican Securities Community, the Securities Market Act, the New Securities Market Act, the Code of Business Integrity and Ethics, and the Code of Best Corporate Practices of the Mexican Business Coordinating Council.

All of the executives that hold some position in our governance bodies are professionals with extensive experience in and knowledge of our industry, and the support the organization's strategy in economic, environmental and social matters.

Our highest governing body is the Shareholders' Meeting, which meets every year and has the authority to designate members of the Board of Directors.

Board of Directors

By statute, the Board of Directors of Grupo Bimbo must be made up of between five (5) and twenty-one (21) regular members, at least twenty-five percent (25%) of which must be outside members. The Board is the governance body in charge of determining the company's long-term business strategy, approving its main business decisions, overseeing management, managing risks, monitoring regulatory compliance, and choosing, evaluating and dismissing the Chief Executive Officer and other key company executives.

The Board of Directors, appointed and ratified during the General Extraordinary and Ordinary Shareholders' Meeting held on April 10, 2015, is made up of eighteen (18) regular members, who will remain in their post until the persons appointed to replace them assumes his or her duties.

G4-7

Board of Directors, Grupo Bimbo S.A.B. de C.V.
Shareholders' meeting, April 10, 2015.

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

The Board of Directors is supported by the specialized work of three Committees:
G4-34,G4-38, G4-39, G4-40

Audit and Corporate Practices Committee

The Audit Committee is made up at least 3 Independent (outside) Members appointed by the Board of Directors of the shareholders' Meetings.

Its primary duties are:

* To ensure that Grupo Bimbo operates in accordance with the applicable laws and regulations, with the faculty to evaluate and supervise administrative efforts regarding compliance with accounting policies and practices and the performance of Grupo Bimbo's internal and external auditor or auditors.
* Review and analyze the company's financial results and provide an opinion on material modifications.
* Evaluate the risk management policies
* Identify relevant or unusual transactions
* Transactions with related parties, and the appointment, evaluation and removal of the Chief Executive Officer and other key executives.
* The comprehensive compensation packages provide to the Chief Executive Officer and other key executives of Grupo Bimbo.

Henry Robert Davis Signoret, President
Arturo Manuel Fernández Pérez
Thomas Stanley Heather Rodríguez
Agustín Irurita Pérez
Ignacio Pérez Lizaur
Edmundo Miguel Vallejo Venegas

Evaluation and Results Committee

This committee is in charge of:

* Analyzing and approving the general compensation structure for executives of Grupo Bimbo, as well as general compensation policies and guidelines and development programs for executives and associates of Grupo Bimbo and its subsidiaries.
* Analyzing the financial results of Grupo Bimbo and their impact on the general compensation structure of the Group.

Raúl Carlos Obregón del Corral, President
Thomas Stanley Heather Rodríguez
Luis Jorba Servitje
Daniel Javier Servitje Montull
Edmundo Miguel Vallejo Venegas

Finance and Planning Committee

This committee is responsible for:

* Analyzing Grupo Bimbo's long-term strategies and its primary investment and financing policies and submitting these evaluations for approval by the Board of Directors.
* Identifying the risks entailed in those strategies and evaluate policies for managing them.

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

For more information, please visit our Investor Relations site at:
http://www.grupobimbo.com/ri/

Management Committee

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

Grupo Bimbo's Global Integrity Policies

We are proud to be a company made up of hundreds of businesses that share a single Vision, working under common processes and systems. With this, we can pursue joint projects, generate synergies and enjoy a healthy climate where our associates can perform productively and express themselves freely.

Because we are a global company, we also share a series of policies integrated into a Global Policy Manual, by which our business activities are conducted under the same standards no matter where in the world we work.

Anti-Corruption Policy

G4-SO3, G4-SO4

G4-DMA ANTI-CORRUPTION

At Grupo Bimbo, we are committed to honest, ethical management, free of corruption and bribery, which are strictly prohibited in all our business relations with the public and private sector and by any person acting on our behalf.

To assist in implementing, monitoring and reinforcing our Anti-Corruption Policy, we have appointed a Global Compliance Officer and created a Compliance and Ethics Committee. If any transaction is detected that violates this policy, the corresponding charges must be reported to these figures or to the Legal Department through our Whistleblower's Hotline.

Donations Policy

Grupo Bimbo associates can make cash or in-kind donations through the company to entities or civil organizations that promote social welfare and the quality of life of communities in the various countries where we are present. But they are not permitted to grant any type of concession or donation that may be understood as or favors bribery.

The Donations Committee (coordinated by Institutional Relations) must sign off on the approval format for the corresponding donation and make sure it is supported by the necessary documentation and orderly follow-up on the receiving institution.

Policy on Public Contributions

G4-SO6

Except where otherwise established in the company's regulations, no associate may offer or make political contributions for electoral campaigns or other activities of this type on behalf of Grupo Bimbo. The company contributes regularly to business organizations, for example the American Bakers Association.

Lobbying

Lobbying activities are strictly regulated around the world. We abide fully by all lobbying laws and regulations, respecting variations from country to country. Only authorized associates may participate in lobbying activities.

Before beginning any type of lobbying activity, authorized associates must approach the Compliance Officer, the Ethics and Compliance Committee and the Department of Corporate Affairs to receive the necessary guidance and instruction.

Code of Conduct for Independent Parties

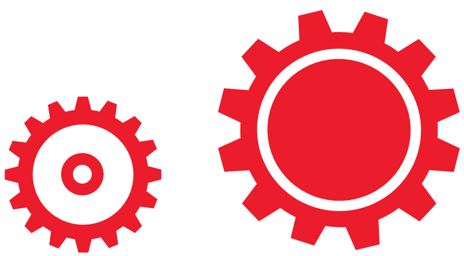
Independent parties involved in Grupo Bimbo activities must also comply fully with the Code of Conduct and the laws, regulations and rules of the countries where we operate. We expect them to abide by internationally recognized standards and to adopt best practices aimed at taking action in favor of society, the environment and business ethics.

Because we believe in the value and strength of our people

G4-42, G4-56

The Grupo Bimbo Code of Ethics sets forth the principles by which associates and shareholders must abide anywhere in the world, and which they must espouse in going about their institutional duties. The Code of Corporate Governance serves as a complement in this regard.

Together with our Code, we have an Ethics Committee that promotes organizational values and reinforces regulatory and voluntary compliance in our worldwide operations. It also formulates and issues policy recommendations to the Board of Directors and CEO.



With our associates

G4-41

Our relationship with our people is guided by our Golden Rule: Respect, Fairness, Trust and Affection.

G4-HR3

NON-DISCRIMINATION

This company recognizes that every associate has unique value and that his her individual contribution is important. That's why respect is fundamental, and it begins with eliminating any kind of discrimination on the basis of religion, gender, race or sexual preference. We respect any condition that protects local laws in all aspects of employability, from recruitment and promotion to the conclusion of the labor relationship.

Our responsibility is to be competitive in attracting high-level talent that meets the necessary qualifications to satisfy the market, and especially our consumers. We consider retaining this talent a priority, along with promoting our associates so that they achieve their maximum potential.

G4-41

To avoid conflicts of interest between associates and the company and help resolve any such cases that arise, all our associates are responsible for declaring any financial or other kind of interest they have that may conflict with those of the company.

With our suppliers

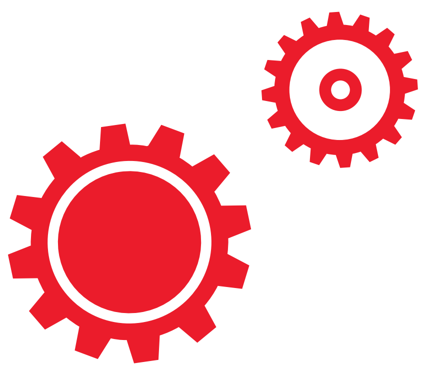
We are committed to conducting ourselves honestly and fairly without discriminating against or imposing upon our suppliers. Our relationship with suppliers, as with our associates, is guided by our Golden Rule: Respect, Fairness, Trust and Affection.

G4-SO7

G4-DMA ANTI-COMPETITIVE BEHAVIOR

All proposals by our suppliers are reviewed painstakingly for price, added value, quality and service, and we place a priority on fair competition in the evaluation process to ensure we select the best option.

We must be careful to avoid involvement with suppliers that violate laws on corruption or money-laundering, or evade the environmental and social obligations consigned by local laws. Grupo Bimbo will terminate any commercial relationship with suppliers who have been found to engage in such practices.



With our clients and consumers

Our clients and consumers are the essence of our existence. Their satisfaction is very important to the success of our enterprise, and we are constantly working to offer them products with better quality, safety and service excellence.

We follow and apply best market practices. We are convinced that good corporate governance, together with good administration and socially responsible operations, will provide total transparency and confidence to our investors. We are committed to supplying our stakeholders and commercial partners with a reasonable return on their investment and creating value over the long term.

G4-57, G4-58

Compliance with our Code is strictly mandatory. All levels of the company must monitor and ensure compliance with its provisions and distribute it to all associates. Any failure to comply with the Code must be met by disciplinary action. The Audit Department conducts random reviews and reports on the results every quarter to the Ethics Committee and the Audit and Corporate Practices Committee.

G4-57

Our associates have the option of anonymously reporting any ethical violation of concern. The mechanisms to do so are available globally, except in places where the law prohibits it. Aspects reported through these mechanisms are evaluated and, when necessary, the case is investigated in order to reach an appropriate solution.

About this report

G4-28, G4-29, G4-30, G4-31, G4-32, G4-33

The information contained in our Fifth Integrated Annual Report includes the global results of our activities in economic, social and environmental terms for the period between January 1 and December 31, 2016, except for the Planet Pillar results, which are reported from November 2014 to October 2015 and whose scope and coverage is specified in the corresponding section.

This document covers activities in the following regions, through qualitative and quantitative information: Mexico, the United States, Latin America, Iberia, Asia and Canada. Any lack of information with regard to any one of these is clearly indicated in that section of the report.

We present our report each year. The previous report covered the period from January 2013 to December 2014. We have once again followed the Global Reporting Initiative (GRI) Guide, G4 version, according to the “core” in-accordance option, and included indicators from the Food Industry Supplement as well as the information requested to be included in the Mexican Stock Exchanges’ Sustainable IPC Index. This report has not been verified independently.

This year we renewed our materiality analysis based on dialogue with our stakeholders. The effort involved associates and clients of Grupo Bimbo as well as external stakeholders (sustainability experts from non-government organizations, colleagues, academics and specialized study enters) for the purpose of reaffirming the material aspects on which we report in this document.

We also prepared a summary version of the report, and, in respect for the environment, a digital version so we could avoid the unnecessary use of paper in printing it.

The report reflects the 10 principles of the UN Global Compact as part of our commitment to respecting these principles in all our operations. This document also represents our 2015 Communication on Progress Report for that commitment.

Throughout the document you will find reference to the GRI and the Material Aspects identified in our materiality analysis. For more information, we have a micro-site at www.grupobimbo.com/rse, where you can find data about the company, our financial and sustainability reports and reference documents, as well as a feedback section. We await your comments, which we consider highly valuable for helping us make Grupo Bimbo a better company.

Changes during the reporting period

G4-13

The Group's growth in recent years, requires adjustments in roles and functions at all levels to enable a more efficient and agile management. During 2015, the following appointments were made:

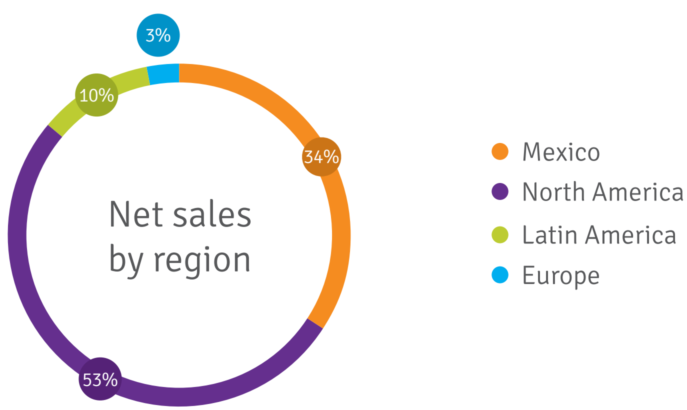
* Liliana Mejia Chief Global Corporate Affairs Officer
* Jorge Espuny of Bimbo Iberia Chief Global Sales Officer.
* Jose Gabriel Calderon Goyenaga of Central America as Corporate Internal Audit Officer.
* Ricardo Padilla Anguiano, leaves the General Directorate of Brazil and incorporates as CEO of Organizacion Barcel, position that was occupied by Gabino Gomez, who was appointed Deputy Chief Officer of Grupo Bimbo.
* Pablo Elizondo Huerta takes on new responsibilities as Chief Officer for Europe, the Middle East and Africa.
* Gabino Gómez Carbajal, who was CEO for Barcel, is now Chief Officer of Grupo Bimbo.

Within infrastructure, Bimbo Iberia inaugurates its new plant in Guadalajara, Spain, which will have the capacity to produce 15,000 breads per hour becoming the largest industrial project in the country.

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.

Latin America: The **10.7%** rise in net sales reflected positive volume performance in several countries, notably Brazil and most Central American countries, as 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.

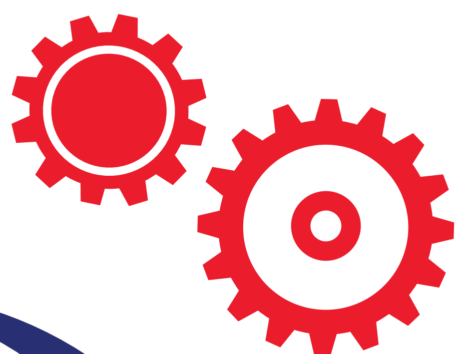
Comprehensive financial result

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.

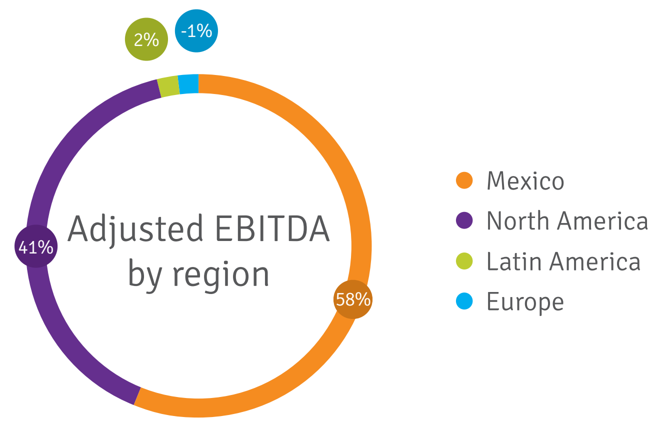
Earnings per share totaled **Ps. 1.10**, compared to **Ps. 0.75** in the prior year.



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

Audit and Corporate Practices Committee's 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 planes 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,

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.

GRI content index

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General Standard Disclosures	Page Number (or Link)
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G4-4	1
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G4-7	90
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G4-9	4, 5, 20, 78
G4-10	4, we only report total of associates (See page 85)
G4-11	78
G4-12	65
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G4-15	34, 47
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Identified material aspects and boundaries	
G4-17	15
G4-18	23
G4-19	24
G4-20	36, 45
G4-21	45
G4-22	We did not detect significant changes that could afect the performance of the Group. However, as a measure for assessing risk and making more objective decisions, we are implementing a management information system that will identify more accurately all the changes that take place during the year. This system will be ready and functional during 2016, although it will not have historical data that allow comparability in this first year.
G4-23	47, 48, 49, 51, 52, 53, 55

General standard disclosures	
General Standard Disclosures	Page Number (or Link)
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G4-DMA	7, 13, 58			
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G4-DMA	80			
G4-EC5	80	Gender	Information is not available	See page 85
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G4-DMA	59			
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Material aspect: procurement practices				
G4-DMA	17, 18, 65			
G4-EC9		Percentage of expenditure	Information is not available	During 2016 we will work on the value chain data measurement.
Category: environmental				
Aspect: materials				
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G4-EN1	54			
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G4-DMA	46, 47			
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G4-EN5	50			
G4-EN6	46			
Aspect: water				
G4-DMA	55			
G4-EN8	55			
G4-EN10	55			

Specific standard disclosures				
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)
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G4-DMA	56			
G4-EN13	56			
Aspect: emissions				
G4-DMA	51			
G4-EN15	51			
G4-EN16	51			
G4-EN17	51			
G4-EN19	52			
G4-EN21	52			
Aspect: effluents and waste				
G4-DMA	53			
G4-EN23	53	Waste management method	Information is not available	We are workin n obtaining the information
Aspect: products and services				
G4-DMA	45, 54			
G4-EN27	46, 47, 48, 49, 54			
Aspect: transport				
GA-DMA	52			
G4-EN30	52			
Category: social				
Sub-category: labor practices and decent work				
Material aspect: employment				
GA-DMA	72, 79			
G4-LA1	17, 78	Gender	Information is not available	See page 85
G4-LA2	79			
Aspect: occupational health and safety				
G4-DMA	86, 87			
G4-LA5	86			
G4-LA6	4	Gender	Information is not available	See page 85

Specific standard disclosures				
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)
Material aspect: training and education				
GA-DMA	84			
G4-LA9	84	Gender	Information is not available	See page 85
G4-LA11	85	Gender	Information is not available	See page 85
Material aspect: diversity and equal opportunity				
G4-DMA	84			
G4-LA12	88	Gender	Information is not available	See page 85
Material aspect: equal remuneration for women and men				
G4-DMA	80			
G4-LA13	80	Gender	Information is not available	See page 85
Aspect: supplier assessment for labor practices				
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Aspect: Child labor				
G4-DMA	88			
G4-HR5	88			
Aspect: forced or compulsory labor				
G4-DMA	88			
G4-HR6	88			

Specific standard disclosures				
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)
Material aspect: security practices				
G4-DMA	During 2015, about 500 guards received a training called Training Course for Security, where safety procedures and mechanisms are reviewed to established the utmost respect for the person´s dignity.			
G4-HR7	During 2015, about 500 guards received a training called Training Course for Security, where safety procedures and mechanisms are reviewed to established the utmost respect for the person´s dignity.			
Aspect: assessment				
G4-DMA	70			
G4-HR9	In 2015 we conducted environmental assessments for our suppliers and in 2016 we will start preparing social and human rights evaluation schemes, to achieve the first assessments in 2018.			
Aspect: supplier human rights assessment				
G4-DMA	In 2016 we will start preparing human rights assesment schemes for our suppliers.			
G4-HR10	71			
Sub-category: society				
Material aspect: local communities				
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G4-DMA	95			
G4-SO7	95			

Specific standard disclosures				
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)
Sub-category: product responsibility				
Material aspect: customer health and safety				
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G4-PR1	32			
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G4-DMA	36			
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G4-PR4	36			
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G4-FP5	31			
G4-FP6	32, 36			
G4-FP8	36			

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Financial Statements

for the Years Ended December 31, 2015 and 2014,
and Independent Auditors' Report Dated March 30, 2016

Contents

Index to the notes to the consolidated financial statements

Independent Auditors' Report

To the Board of Directors and Stockholders of
Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

We have audited the accompanying consolidated financial statements of Grupo Bimbo, S. A. B. de C .V. and its Subsidiaries (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statement of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Grupo Bimbo, S. A. B. de C .V. and its subsidiaries as of December 31, 2015 and 2014 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Octavio Aguirre Hernández
Mexico City, México
March 30, 2016

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2015 and 2014
(In millions of Mexican pesos)

Assets	Notes		2015		2014
Current assets:					
Cash and cash equivalents		$	3,825	$	2,572
Accounts and notes receivable – net	6		19,047		19,028
Inventories – net	7		5,509		4,978
Prepaid expenses			861		695
Derivative financial instruments	14		885		386
Guarantee deposits for derivative financial instruments			1,501		18
Assets available for sale	9		502		188
Total current assets			32,130		27,865
Non–current assets:					
Notes receivable from independent operators			950		1,109
Property, plant and equipment– net	9		58,073		52,475
Investment in shares of associated companies	10		2,106		2,031
Derivative financial instruments	14		3,346		1,653
Deferred income taxes	18		10,705		8,709
Intangible assets – net	11		42,535		37,960
Goodwill	12		49,196		45,257
Other assets – net			592		702
Total assets		$	199,633	$	177,761

(Continue)

Liabilities and stockholders' equity	Notes		2015		2014
Current liabilities:					
Current portion of long-term debt	13	$	8,282	$	1,789
Trade accounts payable			13,146		11,867
Other accounts payable and accrued liabilities			14,046		12,432
Due to related parties	17		401		789
Income tax	18		2,845		3,232
Statutory employee profit sharing payable			1,110		1,114
Derivative financial instruments	14		3,208		673
Total current liabilities			43,038		31,896
Non-current liabilities:					
Long-term debt	13		59,479		60,415
Derivative financial instruments	14		1,707		1,540
Employee labor obligations and workers' compensation	15		25,932		23,292
Deferred income taxes	18		3,359		3,380
Other liabilities			4,259		3,636
Total liabilities			137,774		124,159
Stockholders' equity:					
Capital stock	16		4,227		4,227
Reserve for repurchase of shares			770		916
Retained earnings	16		52,146		46,975
Accumulated translation effects of foreign subsidiaries	16		2,107		(1,026)
Remeasurement effects of employee benefits	16		669		103
Valuation effects of cash flow hedges	14		(964)		(220)
Equity attributable to owners of the Entity			58,955		50,975
Non-controlling interests in consolidated subsidiaries			2,904		2,627
Total stockholders' equity			61,859		53,602
Total liabilities and stockholders' equity		$	199,633	$	177,761

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Income

For the years ended December 31, 2015 and 2014
(In millions of Mexican pesos, except earnings per common share)

	Notes		2015		2014
Net sales		$	219,186	$	187,053
Cost of sales	19		102,421		88,298
Gross profit			116,765		98,755
General expenses:					
Distribution and selling			84,192		71,862
Administrative			14,351		11,215
Integration costs			1,933		2,489
Other general expenses	20		2,168		2,877
	19		102,644		88,443
Operating income			14,121		10,312
Interest expense					
Interest income			4,576		3,692
Exchange gain, net			(212)		(271)
Monetary position gain			18		(90)
Net financing costs			(192)		(66)
			4,190		3,265
Equity in loss of associated companies			47		(61)
Income before income taxes			9,978		6,986
Income tax expense	18		4,063		2,955
Consolidated net income		$	5,915	$	4,031
Net income attributable to owners of the Entity		$	5,171	$	3,518
Net income attributable to non-controlling interests		$	744	$	513
Basic and diluted earnings per common share		$	1.10	$	0.75
Weighted average number of shares outstanding (000's)			4,703,200		4,703,200

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2015 and 2014
(In millions of Mexican pesos)

		2015		2014
Consolidated net income	$	5,915	$	4,031
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Net change in actuarial gain (loss) on defined benefit plans of labor obligations		877		(1,411)
Income taxes relating to items that will not be reclassified		(315)		430
		562		(981)
Items that may be reclassified subsequently to profit or loss:				
Hedges of net investments in foreign operations, net		(7,109)		(5,463)
Exchange differences on translating foreign operations		8,121		6,974
Net fair value loss on hedging instruments entered into for cash flow hedges		(1,105)		(19)
Income taxes related to items that will be reclassified in the future		2,466		1,682
		2,373		3,174
Other comprehensive income for the year		2,935		2,193
Total comprehensive income for the year	$	8,850	$	6,224
Comprehensive income attributable to owners of the Entity	$	8,126	$	5,517
Comprehensive income attributable to non–controlling interests	$	724	$	707

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2015 and 2014
(In millions of Mexican pesos)

	Capital stock	Reserve for repurchase of shares	Retained earnings	Accumulated other comprehensive income (loss)	Equity attributable to owners of the Entity	Non-controlling interests in consolidated subsidiaries	Total stockholders' equity
Balances as of January 1, 2014	$ 4,227	$ 917	$ 43,617	$ (3,142)	$ 45,619	$ 2,164	$ 47,783
Consolidation effect of structured entities	–	–	–	–	–	(244)	(244)
Loss on investment of associate due to dissolution	–	–	(160)	–	(160)	–	(160)
Decrease in reserve for repurchase of shares	–	(1)	–	–	(1)	–	(1)
Balances before comprehensive income	4,227	916	43,457	(3,142)	45,458	1,920	47,378
Consolidated net income for the year	–	–	3,518	–	3,518	513	4,031
Other comprehensive income	–	–	–	1,999	1,999	194	2,193
Total comprehensive income	–	–	3,518	1,999	5,517	707	6,224
Balances as of December 31, 2014	4,227	916	46,975	(1,143)	50,975	2,627	53,602
Consolidation effect of structured entities	–	–	–	–	–	(447)	(447)
Decrease in reserve for repurchase of shares	–	(146)	–	–	(146)	–	(146)
Balances before comprehensive income	4,227	770	46,975	(1,143)	50,829	2,180	53,009
Consolidated net income for the year	–	–	5,171	–	5,171	744	5,915
Other comprehensive income	–	–	–	2,955	2,955	(20)	2,935
Total comprehensive income	–	–	5,171	2,955	8,126	724	8,850
Balances as of December 31, 2015	$ 4,227	$ 770	$ 52,146	$ 1,812	$ 58,955	$ 2,904	$ 61,859

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014
(In millions of Mexican pesos)

	2015	2014
Cash flows from operating activities:		
Income before income taxes	$ 9,978	$ 6,986
Adjustments for:		
Depreciation and amortization	7,050	5,831
Loss on sale of property, plant and equipment	132	330
Equity in loss of associated companies	(47)	61
Impairment of long–lived assets	1,839	166
Multi–employer pension plan provision	359	1,990
Interest expense	4,576	3,692
Interest income	(212)	(271)
Changes in assets and liabilities:		
Accounts and notes receivable	1,373	(881)
Inventories	(297)	630
Prepaid expenses	(183)	789
Trade accounts payable	735	84
Other accounts payable and accrued liabilities	(317)	2,280
Due to related parties	(388)	266
Income tax paid	(3,884)	(3,921)
Derivative financial instruments	(2,161)	260
Statutory employee profit sharing	(2)	238
Employee labor obligations and workers' compensation	(446)	(211)
Assets available for sale	11	–
Net cash flows generated by operating activities	18,116	18,319

(Continue)

		2015		2014
Investing activities:				
Acquisition of property, plant and equipment		(9,604)		(6,829)
Acquisition of businesses, net of cash received		(1,641)		(22,351)
Proceeds from sale of property, plant and equipment		726		85
Acquisition of trademarks and other assets		(1,060)		(1,415)
Other assets		8		(672)
Investments in shares of associated companies		(45)		(120)
Interest collected		212		270
Net cash flows used in investing activities		(11,404)		(31,032)
Financing activities:				
Proceeds from long-term debt		13,954		46,476
Payment of long-term debt		(15,928)		(30,231)
Interest paid		(3,899)		(3,128)
Payments of interest rate swaps		(1,384)		(1,277)
Interest rate swaps collected		1,623		1,478
Net cash flows (used) obtained from financing activities		(5,634)		13,318
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects		175		(537)
Net increase in cash and cash equivalents		1,253		68
Cash and cash equivalents at the beginning of the year		2,572		2,504
Cash and cash equivalents at the end of the year	$	3,825	$	2,572

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Notes to Consolidated Financial Statements

For the years ended December 31, 2015 and 2014
(In millions of Mexican pesos)

1. Activities and significant events

Activities – Grupo Bimbo, S. A. B. de C. V. andSubsidiaries ("Grupo Bimbo" or the "the Entity") is engaged in the manufacture, distribution and sale of bread, premium bread, breakfast bread "muffins and bagels), frozen bread, cakes and smaller cakes, sweet and nonsweet cookies, tortillas, pita bread, pizza bread, tostadas and tortillas, snacks, salads, candies and processed foods, among others.

The Entity operates in the following geographical areas: Mexico, the United States of America ("USA"), Canada, Central and South America, Spain, Portugal, United Kingdom, and China. Due to its minimal significance, the financial information of China is aggregated with Mexico in the disclosures that follow. Reporting segments are grouped based on the geographical areas as follow: Mexico, USA and Canada, referred to as "North America", Organization Latinamerica ("OLA"), and Europe.

Corporate offices are based in Santa Fe, Mexico City, Mexico, 1000 Prolongación Paseo de la Reforma, Colonia Peña Blanca Santa Fe, Álvaro Obregón, Zip code 01210, Distrito Federal, Mexico.

During 2015 and 2014, net sales of Bimbo S. A. de C. V. and Barcel, S. A. de C. V, classified in the Mexico segment, represented approximately 32% and 36%, respectively, of consolidated net sales. During 2015 and 2014, net sales of subsidiaries Bimbo Bakeries USA, Inc. ("BBU"), and Canada Bread Company Limited("Canada Bread" or "CB"), which are classified in the "North America" segment represented approximately 53% and 48%, respectively, of consolidated net sales.

Significant events –

2015 acquisitions

Acquisition of Saputo

On February 2, 2015, the Entity acquired, through its subsidiary Canada Bread, 100% of the shares of Saputo Bakery, Inc., which on the same day, changed names to Vachon Bakery, Inc. ("Vachon"). Such company is leader in the production and sale of bakery products in Canada and strengthens the Entity's position in the country. The acquisition includes leading brands such as Vachon®, Jos Louis®, Ah Caramel®, Passion, Flakie® and May West®, among others. The acquisition cost was $1,369.

Funding sources

To finance the transaction, Canada Bread used financing resources available under existing long-term committed credit lines.

Accounting effects of the acquisition of Vachon

The valuation process and the acquisition were performed in accordance with International Financial Reporting Standard ("IFRS") 3, *Business Combinations*. The following table presents the fair values of the assets acquired and liabilities assumed that were recognized for the acquisition on February 2, 2015 using the exchange rate as of the date of the transaction:

Consideration transferred		$ 1,369
Fair value of identifiable assets acquired and assumed liabilities		
Accounts receivable	84	
Inventories	60	
Property, plant and equipment	778	
Intangible assets	431	
Other assets	10	
Total identifiable assets		1,363
Goodwill		604
Total acquired assets		1,967
Current liabilities	136	
Deferred tax liability	179	
Long-term liabilities	283	
Total assumed liabilities		598
Acquired investment value		$ 1,369

Goodwill recorded in 2015 as result of this transaction totaled $604, which is representative of the expected synergies from the acquisition.

Asset acquisition

During 2015, the Entity acquired, through its subsidiary Canada Bread, certain assets of Sobey's West, Inc. and Italian Home Bakery, for a total amount of $272. The acquisitions were comprised mainly of property, plant and equipment and intangible assets.

2014 Acquisitions

During 2014, the Entity purchased 100% of several businesses in Canada, United States and United Kingdom, referred to as Canada Bread and in Ecuador, referred to as Supan, SA ("Supan") as described below:

Entity	Country	Transaction Amount	Date
Canada Bread	Canada,USA and United Kingdom	$ 21,731	May 23, 2014
Supan	Ecuador	858	July 15, 2014
		$ 22,589	

Canada Bread

Canada Bread is one of the leading companies in the production and sale of bakery products, including the categories of bread, buns, bagels, english muffins and tortillas in Canada, frozen bread in North America and specialized bakery in the UK.

This acquisition impulses the global growth strategy of Grupo Bimbo and enables its foray into the attractive Canadian market through recognized brands, such as DEMPSTER'S®, POM®, VILLAGGIO®, BEN'S®, BON MATIN® and MCGAVIN'S®. Canada Bread has a strong relationship with major supermarkets and institutional channels in Canada and is recognized for its strong market position in all baking categories.

Funding sources

To finance the transaction, Grupo Bimbo used its own resources as well as financing resources available under long-term committed credit lines and the issuance of international bonds.

Accounting effects of the acquisition of Canada Bread and Subsidiaries

The valuation process and the acquisition were performed in accordance with IFRS 3. The following table presents the fair values of the assets acquired and liabilities assumed that were recognized for the acquisition on May 23, 2014 using the exchange rate as of the date of the transaction:

Consideration transferred		$ 21,731
Fair value of identifiable assets acquired and assumed liabilities		
Cash and cash equivalents	200	
Accounts receivable	1,359	
Inventories	719	
Property, plant and equipment	6,334	
Intangible assets	7,746	
Other assets	122	
Total identifiable assets		16,480
Goodwill		10,624
Total acquired assets		27,104
Current liabilities	2,274	
Deferred taxes	1,974	
Long-term liabilities	1,125	
Total assumed liabilities		5,373
Acquired investment value		$ 21,731

Purchase accounting was concluded in January 2015, within the 12 months subsequent to the acquisition, resulting in an increase of property plant and equipment and deferred tax liability of $303 and $91, respectively, as well as the decrease of goodwill of $212.

Supan

On July 15, 2014, the Entity acquired 100% of the fresh bakery business in Ecuador "Supan". With this purchase, the Entity enters the market in Ecuador and strengthens its operation in Latin America with brands such as Supan, Guile, Braun, Dulzones and Rey Pan.

Accounting effects of the acquisition of Supan

The valuation process and the acquisition were performed in accordance with IFRS 3. The following table shows the fair values of the assets acquired and liabilities assumed that were recognized for the acquisition on July 15, 2014 using the exchange rate as of the date of the transaction.

Consideration transferred		$	858
Fair value of identifiable assets acquired and assumed liabilities			
Cash and cash equivalents	38		
Accounts receivable	27		
Inventories	33		
Property, plant and equipment	500		
Identifiable intangible assets	347		
Other assets	10		
Total identifiable assets			955
Goodwill			232
Total acquired assets			1,187
Current liabilities	174		
Long–term liabilities	58		
Deferred tax	97		
Total assumed liabilities			329
Acquired investment value		$	858

Purchase accounting was concluded during the 12 months following the purchase of Supan, resulting in an increase of property, plant and equipment, intangible assets and the deferred tax liability of $91, $347 and $97 respectively, as well as the decrease of goodwill of $341.

Funding sources

To complete the acquisition of Supan in 2014, the Entity obtained funding for an amount equivalent to the amount of these transactions.

Consolidated amounts

The following table presents the amounts contributed by CB and Supan to the consolidated figures of Grupo Bimbo for the 222 and 169 days from the date of each acquisition, respectively, through December 31, 2014:

	December 31, 2014		
	Consolidated January 1st to December 31, 2014	Canada Bread May 23 to December 31, 2014	Supan July 15 to December 31, 2014
Net sales	$ 187,053	$ 10,735	$ 438
Operating income	$ 10,312	$ 684	$ 20
Net income attributable to controlling interest	$ 3,518	$ 406	$ 12

	As of December 31, 2014		
	Consolidated	Canada Bread	Supan
Total assets	$ 177,761	$ 34,873	$ 852
Total liabilities	$ 124,159	$ 5,925	$ 153

Consolidated net sales and consolidated net income, if Canada Bread and Supan had been consolidated from January 1, 2015, would have been $193,821 and $4,293, respectively.

The contributions of Vachon to total assets and liabilities, net sales, operating and net profit, are not considered material for the consolidated financial statements of the Entity for the year ended December 31, 2015.

Goodwill recorded in 2014 as result of these acquisitions totaled $11,409, which is representative of the expected synergies in both acquisitions. This amount was adjusted in 2015 to $10,856, once the purchase accounting was concluded.

In 2015 and 2014, the Entity incurred $19 and $124, respectively, in fess and expenses to carry out these acquisitions, which are included in general expenses.

Panrico acquisition

On July 9, 2015, the Entity announced it reached an agreement to acquire, through its subsidiary in Spain, Bakery Iberian Investment, 100% of the shares of Panrico, S.A.U. (“Panrico”), excluding the loaf bread segment, for a price of 190 million euros.

The acquisition is subject to authorization of the appropriate regulatory authorities and it is expected to conclude during the second quarter of 2016. To ensure such acquisition, the Entity provided an escrow deposit of 15 million euros, equivalent to $281.

2. Basis of preparation

Application of new and revised International Financial Reporting Standards

a. *Amendments of new and revised International Financial Reporting Standards ("IFRSs" or "IAS") and interpretations that are mandatorily effective for the current year*

In the current year, the Entity had no impact on its financial statements for the application of new or amended IFRSs, issued by the International Accounting Standards Board ("IASB") that are mandatorily effective on or after January 1, 2015.

Annual Improvements to IFRSs 2010 – 2012 and 2011– 2013

The Entity has applied the amendments to the IFRSs included in the Annual Improvements to IFRSs 2012–2014 and 2011–2013 for the first time this year. One of the annual improvements require the entities to disclose judgments made by management in applying the aggregation criteria set out in paragraph 12 of IFRS 8 *Operating Segments*. The application of amendments has had no impact on the disclosures or amounts recognized on the consolidated financial statements.

b. *New and revised IFRSs in issue but not yet effective*

The Entity has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instrument[2]
IFRS 14	Regulatory Deferral Accounts[1]
IFRS 15	Revenue from Contracts with Customer[3]
IFRS 16	Leases[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014[1]

[1] Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

The Entity is in the process of determining the potential impacts on its consolidated financial statements, from the adoption of these new IFRSs and amendments.

c. *Comprehensive income*

The Entity presents comprehensive income in two different statements: (i) a statement of income and (ii) a statement of comprehensive income. The expenses in the statement of income are presented according to their function, as this is the common practice in the sector to which the Entity belongs. The nature of these expenses are presented in the notes. Additionally, the Entity presents the subtotal operating income, which, although not required by IFRS, is included as it contributes to a better understanding of the economic and financial performance of the Entity.

d. *Cash flow statement*

The Entity presents its cash flow statement using the indirect method. Proceeds from interest and dividends are presented in investing activities, whereas payment of interest and dividends are presented as financing activities.

3. Summary of significant accounting policies

a. *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB.

b. *Basis of preparation*

The consolidated financial statements have been prepared on the historical cost basis except for certain assets and liabilities (derivative financial instruments) that are measured at fair value at the end of each period, as explained in the accounting policies below.

i. Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

c. *Basis of consolidation*

As of December 31, 2015 and 2014, the consolidated financial statements incorporate the financial statements of the Entity and those entities over which it exercise control, including structured entities ("SE"). Control is achieved when the Entity:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

An SE is consolidated when the Entity concludes that it controls the SE based on the evaluation of the substance of the relationship with the Entity and the risks and benefits of the SE. The most significant subsidiaries are shown below:

Subsidiary	% of ownership	Country	Segment	Main activity
Bimbo, S. A. de C. V.	97	Mexico	Mexico	Baking
Barcel, S. A. de C. V.	98	Mexico	Mexico	Sweets and snacks
Bimbo Bakeries USA, Inc.	100	United States	North America	Baking
Canada Bread Corporation, LLC	100	Canada	North America	Baking[1]
Bimbo do Brasil, Ltda.	100	Brazil	OLA	Baking
Bimbo, S.A.U.	100	Spain and Portugal	Europe	Baking

[1] Canada Bread was acquired on May 23, 2014, date in which the Entity took control over it.

Subsidiaries are consolidated from the date on which control is transferred to the Entity and are no longer consolidated from the date that control is lost. Gains and losses of subsidiaries acquired during the year are included in the consolidated statements of income and other comprehensive income results from the acquisition date, as applicable.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Entity and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All relevant intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated on consolidation.

Changes in the Entity's ownership interests in subsidiaries that do not result in the Entity losing control over the subsidiaries are accounted for as equity transactions.

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Entity, liabilities incurred by the Entity to the former owners of the acquiree and the equity interests issued by the Entity in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Entity entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share based payments* at the acquisition date (as of December 31, 2015 and 2014 the Entity does not have share-based payments); and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Entity in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Entity's previously held equity interest in the acquire is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

e. Assets available for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The long-lived asset (and asset disposal groups) classified as held for sale are valued at the lower of their carrying amount and fair value of assets less costs to sell.

f. Recognition of the effects of inflation

Inflationary effects are recognized in the financial statements when the economy of the currency in which the Entity's transactions are recorded is considered hyperinflationary, defined generally as economies in which inflation in the preceding three fiscal years equals or exceeds 100%. The Mexican economy ceased to be hyperinflationary in 1999. Therefore, inflation effects for the Entity's Mexican operations were recognized through that date, except for certain office equipment, machinery and equipment, for which inflation was recognized through 2007, as permitted by Mexican Financial Reporting Standards ("MFRS"), and retained as deemed cost as permitted by the transition rules of IFRS. Inflation continues to be recognized for operations in those countries operating in hyperinflationary economic environment. In 2015 and 2014, the operation in Venezuela qualified as hyperinflationary in relation to the inflation of the three preceding years and for which the effects of inflation were recognized. These effects are not material to the financial position, performance or cash flows of the entity.

g. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- **The Entity as lessee**
  Assets held under finance leases are initially recognized as assets of the Entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

  Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.

  Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

h. Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 14).

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Entity's foreign operations are translated into Mexican pesos using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Entity's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Entity are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

i. Cash and cash equivalents

Consist mainly of bank deposits in checking accounts and investments in short-term securities, highly liquid, readily convertible into cash, maturing within three months from the date of purchase and are subject to insignificant risk of changes in value. Cash is stated at nominal value and cash equivalents are measured at fair value, fluctuations in value are recognized in income (see financial assets below). Cash equivalents consist primarily of investments in government debt instruments with daily maturities.

j. Financial assets

Financial assets are recognized when the Entity becomes part of the contractual arrangements of the instruments.

1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

2. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Regarding trade receivables, the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

k. Inventories and cost of sales

Inventories are stated at the lower of cost and net realizable value. Cost is comprised of acquisition cost, import duties, transport, handling, loading, and storage cost at the customs and distribution centers; returns on purchases are deducted from cost. Net realizable value represents the estimated selling price for inventories in the normal course of operations less all estimated costs of completion and costs necessary to make the sale. Cost is determined by using the average cost method.

l. *Property, plant and equipment*

Property, plant and equipment are carried at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Balances from certain acquisitions made through December 31, 2007 were restated for the effects of inflation by applying factors derived from the National Consumer Price Index ("NCPI") through that date, which became the deemed cost of such assets as of January 1, 2011 upon adoption of IFRS.

Cost include those costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost for expansion, remodeling or improvements that enhance the capacity and extend the useful life of the asset are also capitalized. The carrying amount of the replaced asset, if any, is derecognized when replaced, and the effect is recognized in profit and loss. Repairs and maintenance costs are recognized in profit and loss of the period they are incurred.

Freehold land is not depreciated. Depreciation of other property, plant and equipment is determined using the straight-line method to distribute the cost of the asset down to its residual value during the estimated useful lives are as follows:

	Years
Infrastructure	15
Building foundations	45
Roofs	20
Fixed facilities and accessories	10
Manufacturing equipment	10
Vehicles	13
Office furniture and fixtures	10
Computer equipment	3
Leasehold improvements	Term of the related lease

The Entity allocates the amount initially recognized in respect of an item of buildings and manufacturing equipment to its various significant parts (components) and depreciates each of such components separately.

The carrying value of an asset is reduced to its recoverable value, when the carrying amount exceeds its recoverable value.

An item of property, plant and equipment is derecognized when sold or when no future economic benefits arising from the continued use of the asset are expected. The gain or loss arising from the sale of assets results from the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in 'other expenses, net', in general expenses.

Leasehold improvement and adaptations to buildings and premises in which the Entity is the lessee are recognized at historic cost less the respective depreciation.

m. *Investments in associates*

An associate is an entity over which the Entity has significant influence. Significant influence is the ability to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non- current assets held for sale and discontinued*. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Entity's share of the profit or loss and other comprehensive income of the associate. When the Entity's share of losses of an associate exceeds the Entity's interest in that associate (which includes any long-term interests that, in substance, form part of the Entity's net investment in the associate), the Entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Entity's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The entity discontinues the use of the equity method from the date the investment ceases to be an associate or when the investment is classified as held for sale.

When the Entity reduces its ownership interest in an associate but the Entity continues to use the equity method, the Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Entity, profits and losses resulting from the transactions with the associate are recognized in the Entity's consolidated financial statements only to the extent of interests in the associate that are not related to the Entity.

n. Intangible assets

Intangible assets are primarily comprised of trademarks and customer relationships resulting from the acquisition of businesses in the USA, Canada, Iberia, Compañía de Alimentos Fargo, S.A. ("Fargo") and certain trademarks in South America. Intangible assets are recognized at cost. Intangible assets acquired through an acquisition are recognized at fair value as of the acquisition date, separately from goodwill. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally-generated intangible assets, except for development costs, are not capitalized and are recognized as expenses in profit and loss in the period in which they are incurred.

Intangible assets are classified as having either finite or indefinite useful lives. Amortization of intangible assets with finite useful lives is recognized on a straight-line method over their estimated useful lives. Such assets are reviewed for impairment when there is an indicator of impairment. The amortization methods and useful lives of the assets are reviewed and adjusted, if necessary, annually, at the end of each reporting period. Amortization is recognized in profit and loss, within selling, distribution and administrative expenses. Intangible assets with indefinite useful lives are not amortized, but are at least tested annually for impairment.

o. Impairment of tangible and intangible assets, other than goodwill

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives or not yet available for use, are subjected to tests for effects of impairment at least every year, or more often if there is evidence that such assets could have been impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

p. Goodwill

Goodwill arising on acquisition of a business is carried at cost, which is determined as explained in the business acquisitions policy note above, less accumulated impairment losses, if any (see Note 12).

For purposes of impairment testing, goodwill is allocated to each cash-generating unit (or group of cash generating units) that is expected to benefit from the synergies of the business combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash–generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Entity's policy for goodwill arising on the acquisition of an associate is described at note 3m.

q. Financial liabilities

Financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the issuance of financial liabilities (except for those financial liabilities classified as at fair value with changes through profit and loss) are deducted from the fair value of the financial liability. Subsequent measurement depends on the category in which the financial liability is classified.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Note 14 describes the category of each financial liability of the Entity.

r. Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Presentation of the related gain or loss from changes in fair value of the derivative financial instrument depends on whether they are designated as hedging instruments, and if so, the nature of the hedging relationship. The Entity only holds derivative financial instruments classified as cash flow hedges and hedges of net investment in foreign operations.

The Entity documents all hedging relationships at the beginning of the transaction, including their objectives and risk management strategies for undertaking derivative transactions. Periodically, the Entity documents whether the derivative financial instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under "Valuation effects of cash flow hedges". The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued when the Entity revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Hedges of net investment in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of "Translation effects of foreign subsidiaries". The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "Exchange loss (gain), net" line item. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated other comprehensive income are reclassified to profit or loss on the disposal of the foreign operation.

s. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the needed disbursement to settle the present obligation, keeping in mind risks and uncertainties that surround the obligation. When a provision is valued using estimated cash flows to settle the present obligation, its carrying value represents the present value of such cash flows (when the effect of money´s value in time is material).

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 and the amount initially recognized less cumulative amortization recognized in accordance with IAS 18 Revenue.

t. Income taxes

Income tax expense comprises current tax and deferred tax.

1. **Current income taxes**
Current income taxes are calculated in accordance with rates that have been enacted or substantively enacted as of the end of the reporting period for the countries in which the Entity operates and taxable profit is determined, and the related income tax expense is recorded in the results of the year in which it is incurred. In Mexico, the income tax determined related to the Impuesto sobre la renta ("ISR").

2. **Deferred income taxes**
Deferred tax liabilities and assets are measured according to the tax rates and tax laws that have been enacted or substantively enacted as of the date of the report and that are expected to be applicable when the temporary differences reverse.

The deferred income tax is recognized on temporary differences between the financial statement carrying amounts and the corresponding tax bases of assets and liabilities used for determining taxable income by applying the rate corresponding to these differences, including benefits from tax loss carryforwards and certain tax credits, if applicable. The liability for deferred income taxes are generally recognized for all temporary tax differences. An asset is recognized deferred tax for all deductible temporary differences to the extent that it is probable that the Entity will have future taxable income against which to apply those deductible temporary differences.

Deferred income tax is not recognized on the following temporary differences: i) amounts that arise from the initial recognition of assets or liabilities resulting from transactions other than in a business combination, that affects neither the accounting profit nor the taxable profit; ii) those related to investments in subsidiaries and associates, to the extent that it is not likely they will reverse in the foreseeable future and the reversal in within the control of the Entity, and, iii) those that result from the initial recognition of goodwill. The deferred income tax asset is recognized only to the extent that it is likely there will be future taxable profits against which it can be used.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Assets and deferred tax liabilities are offset when a legal right to offset assets with liabilities exists and when they relate to income taxes relating to the same tax authorities and the Entity intends to liquidate its assets and liabilities on a net basis.

3. **Current and deferred tax for the year**
Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

u. Employee benefits from termination, retirement and statutory employee profit sharing ("PTU")

i. **Pensions and seniority premiums**
Defined contribution plans are post–employment benefit plans under which an entity pays fixed contributions into a separate entity or a fund and will have no legal or constructive obligation to pay further contributions. The obligation is recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The amount recognized in the consolidated statement of financial position as a liability or asset for defined benefit plan represents the present value of the net defined benefit obligation (defined benefit obligation minus the fair value of plan assets). The present value of the net defined benefit obligation is determined based on the discounted value of estimated net cash flows, using interest rates tied to government bonds denominated in the same currency in which the benefits are to be paid and whose terms are similar to those of the obligation.

The Entity provides a bonus in cash to certain executives, which is calculated using performance metrics. The bonus is paid 30 months after being granted.

ii. Statutory employee profit sharing

In Mexico, Venezuela and Brazil, there is an obligation to recognize a provision for the statutory employee profit sharing when the Entity has a legal or constructive obligation, as a result of past events and the amount can be reliably estimated. PTU is recorded in profit or loss of the year in which it is incurred.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

iii. Termination benefits

The Entity recognizes a liability for termination benefits only when the Entity is without realistic possibility of withdrawal from an offer to provide termination benefit to employees, or before, if it complies with the criteria for recognition of a liability related to a restructuring.

iv. Multi-employer pension plans ("MEPP")

The Entity classifies the multi-employer plans as defined contribution plans or defined benefit plans in order to determine the accounting for such plans. If the MEPP is classified as a defined benefit plan, the Entity accounts for its proportionate share of the defined benefit obligation, plan assets and costs associated with the plan in the same manner as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a MEPP, the Entity accounts for such plan as a defined contribution plan.

Liabilities related to the wind-up or the Entity's withdrawal from a multi-employer plan is recognized and measured in conformity with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

v. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account the estimated customer returns, rebates and other allowances.

– Sale of products

Revenue from the sale of products is recognized when the goods are delivered, at which time all the following conditions are satisfied:

- The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Entity.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

– Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

w. Reclassifications

Certain amounts within the consolidated financial statements at and for the year ended December 31, 2014 have been reclassified for certain accounts to agree with the presentation used in 2015.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Critical judgment in applying accounting policies

Consolidation of structured entities

As described in more detail in Note 8, BBU and Sara Lee have entered into agreements with third party contractors ("Independent Operators"), in which they hold no direct or indirect interest but that qualify as structured entities ("SE"). The Entity has concluded that they have control with respect to certain independent operators, primarily with respect to rights or obligations to secure or grant financing, as well as the maintenance obligation related to distribution routes. In other cases, the Entity has concluded it does not exercise control over such independent operators.

b) Key sources of estimation uncertainty

1. **Useful lives, residual values and depreciation and amortization methods of long–lived assets**
   As described in Note 3, the Entity periodically reviews the estimated useful lives, residual values and depreciation and amortization methods of long–lived assets, including property, plant and equipment and intangibles. Additionally, for intangibles, the Entity determines whether their useful lives are finite or infinite. During the periods presented in the accompanying consolidated financial statements, there were no modifications to such estimates.

2. **Allowance for doubtful accounts**
   The Entity considers the credit risk of the customer, unguaranteed accounts and significant delays in collection according to the established credit limits in determining the allowance for doubtful accounts.

3. **Goodwill impairment**
   Determining whether goodwill is impaired involves calculating the greater of its value in use and fair value of the cash generating unit to which goodwill has been allocated. The calculation of value in use requires the Entity to determine the expected future cash flows from the cash generating units, using an appropriate discount rate to calculate the present value. Fair value is determined based on multiples of earnings before interest, depreciation and amortization and other non–cash items ("EBITDA"). For the determination of an appropriate multiple, the Entity identifies comparable entities.

4. **Fair value measurements**
   Derivative financial instruments are recognized at fair value as of the date of the consolidated statement of financial position. Additionally, the fair value of certain financial instruments, mainly with respect to long–term debt, is disclosed in the accompanying notes, although there is no risk of adjustment to the related carrying amount. A detailed description of the methodologies to determine fair values of derivative instruments as well as to determine fair value disclosures for long–term debt is included in Note 14. Finally, the Entity has acquired business that require fair value to be determined, at the date of acquisition, for consideration paid, identifiable assets acquired and liabilities assumed and non–controlling interest, as noted in Note 1.

   The fair values described above are estimated using valuation techniques that may include inputs that are not based on observable market data. The main assumptions, used by management are described in the respective notes. Management considers the valuation techniques and selected assumptions appropriate.

5. **Employee benefits**
   Cost of defined benefit plans and MEPP provided to employees is determined using actuarial valuations that involve assumptions related to discount rates, future salary increases, employee turnover rates and mortality rates, among others. Due to the long–term nature of these plans, such estimates are sensitive to changes in assumptions.

6. **Determination of income taxes**
   To determine whether a deferred income tax asset related to tax losses carryforwards is impaired, the Entity prepares tax projections to determine its recoverability.

7. **Employee benefits, insurance and other liabilities**
   Insurance risks exists in the USA which respect to the liability for general damages to other parties, car insurance and employee benefits that are self–insured by the Entity with coverage subjected to specific limits agreed in an insurance program.

Provisions for claims are recorded on a claim-incurred basis. Insurable risk liabilities are determined using historical data of the Entity. The net liabilities at December 31, 2015 and 2014 amounted to $3,288 and $3,204, respectively.

5. Transactions that did not result in cash flows

In 2014, the Entity acquired $315 of equipment under financial leases, which represents a non-cash financing activity and investment that is not reflected in the consolidated statements of cash flows. In 2015, there were no transactions that did not result in cash flows.

6. Accounts and notes receivable

	2015	2014
Trade receivables	$ 13,882	$ 13,596
Allowance for doubtful accounts	(515)	(498)
	13,367	13,098
Notes receivable	170	151
Notes receivable from independent operators	468	468
Income, value -added and other recoverable taxes	4,206	4,782
Other receivables	836	529
	$ 19,047	$ 19,028

The average credit terms on sales of goods in Mexico are 30 days, in the USA is 60 days, Canada is 21 days and OLA, which includes the countries of Central and South America, is 30 days. Amounts past due but not impaired are not significant as of the dates of the consolidated statement of financial position. Amounts due over 90 days are 50% reserved and amount due over 180 days are 100% reserved.

7. Inventories

	2015	2014
Finished products	$ 2,159	$ 1,891
Orders in-process	79	100
Raw materials, containers and wrapping	3,019	2,644
Other	317	282
Allowance for slow-moving inventories	(235)	(84)
	5,339	4,833
Raw materials in-transit	170	145
	$ 5,509	$ 4,978

8. Structured entities

The Entity, through BBU mainly Sara Lee, enters into distribution agreements with independent operators that own distribution rights to sell and distribute the Entity's products via direct-store-delivery to retail outlets in defined sales territories. The Entity does not hold equity interest in any of the independent operator entities. Independent operators generally finance the purchase of distribution rights through note agreements with the Entity or a financial institution. Note agreements with a financial institution are, in the aggregate, partially guaranteed by the Entity. To maintain working routes and ensure the delivery of products to customers, the Entity, through BBU, assumes explicit and implicit commitments. The Entity has concluded that all the independent operators established as legal entities qualify as structured entities ("SE"), which in substance are controlled by such subsidiaries, principally through their guarantee of or providing actual financing, as well as the obligation that such subsidiaries have assumed to keep the routes operating. Based on this conclusion, SE's are consolidated by the Entity.

As of December 31, 2015 and 2014, the assets and liabilities of independent operators included in the accompanying consolidated financial statements are as follows:

	2015	2014
Property – vehicles	$ 2,415	$ 1,687
Intangible distribution rights	5,097	3,767
Total assets	$ 7,512	$ 5,454
Current maturities of long–term debt:		
Obligations under finance leases	$ 481	$ 367
Independent operator loans	38	32
Long–term debt:		
Obligations under finance leases	1,462	965
Independent operator loans	43	65
Due to affiliates (net of receivables)	3,905	2,781
Total liabilities	$ 5,929	$ 4,210
Noncontrolling interest	$ 1,583	$ 1,244

Financing provided by BBU to independent operators that have been classified as SE's and consolidated, are eliminated in the accompanying consolidated financial statements.

Lease obligations presented within long–term debt on the consolidated statements of financial position are secured by the vehicles subject to leases and do not represent additional claims on the Entity's general assets. The Entity's maximum exposure for loss associated with independent operators entities is limited to $81 of long–term debt of the independent operators as of December 31, 2015.

In addition, the Entity has sold certain equipment and distribution rights in the US to the Entity's former employees and individuals, also considered as independent operators, but have not been classified as consolidated SE's. Such amount equals in 2015 and 2014 $1,418 and $1,577, respectively, which are presented in the statement of financial position as receivables from independent operators.

BBU funds 90% of the distribution rights sold to certain independent operators at rates between 5% and 11%, with 120 months installments. Independent operators make an initial payment to the Entity for the remaining 10% of the purchase price. In most cases, an independent third party lender finances the down payment. Both the Entity and the financing of independent third parties are insured by the distribution rights, equipment, customer lists, and other assets. The independent third party lender has priority over the collateral.

9. Property, plant and equipment

Reconciliation of beginning and ending carrying values in 2015 and 2014 is as follows:

	Balances as of January 1, 2015	Additions	Additions from business acquisitions(1)	Transfers	Translation effect	Retirements	Impairment	Revaluation for inflation	Balance as of December 31, 2015
Investment:									
Building	$ 16,971	$	$ 214	$ 1,350	$ 821	$ (326)	$ –	$ 127	$ 19,157
Industrial machinery and equipment	47,703	–	754	6,062	2,509	(1,784)	–	218	55,462
Vehicles	12,582	577	13	783	489	(628)	–	52	13,868
Office furniture	662	–	16	35	29	(29)	–	–	713
Computer equipment	3,267	–	7	409	256	(220)	–	–	3,719
Total investments	81,185	577	1,004	8,639	4,104	(2,987)	–	397	92,919
Depreciation:									
Building	(7,080)	(901)	–	(1)	(445)	224	(43)	(18)	(8,264)
Industrial machinery and equipment	(24,155)	(3,992)	–	(343)	(1,247)	1,361	(335)	(89)	(28,800)
Vehicles	(5,691)	(1,011)	–	65	(168)	542	(1)	(31)	(6,295)
Office furniture	(376)	(76)	–	87	(18)	25	(27)	–	(385)
Computer equipment	(2,441)	(458)	–	–	(221)	213	(2)	–	(2,909)
Total accumulated depreciation	(39,743)	(6,438)	–	(192)	(2,099)	2,365	(408)	(138)	(46,653)
	41,442	(5,861)	1,004	8,447	2,005	(622)	(408)	259	46,266
Land	6,093	–	272	251	263	(236)	(10)	40	6,673
Projects–in–progress and machinery in transit	5,128	9,027	143	(8,698)	47	–	–	–	5,647
Reclassified as assets available for sale	(188)	(294)	–	–	(31)	–	–	–	(513)
Net investment	$ 52,475	$ 2,872	$ 1,419	$ –	$ 2,284	$ (858)	$ (418)	$ 299	$ 58,073

	Balances as of January 1, 2014	Additions	Additions from business acquisitions	Transfers	Translation effect	Retirements	Revaluation for inflation	Balance as of December 31, 2014
Investment:								
Building	$ 14,273	$	$ 1,673	$ 704	$ 406	$ (418)	$ 333	$ 16,971
Industrial machinery and equipment	39,772	–	3,589	3,543	1,286	(1,225)	738	47,703
Vehicles	11,291	–	60	1,423	136	(416)	88	12,582
Office furniture	544	–	92	269	17	(260)	–	662
Computer equipment	3,159	–	25	388	156	(472)	11	3,267
Total investments	69,039	–	5,439	6,327	2,001	(2,791)	1,170	81,185
Depreciation:								
Building	(6,519)	(522)	(16)	–	(202)	240	(61)	(7,080)
Industrial machinery and equipment	(21,073)	(3,495)	(46)	–	(621)	1,158	(78)	(24,155)
Vehicles	(5,198)	(864)	(14)	–	(18)	416	(13)	(5,691)
Office furniture	(456)	(41)	(5)	–	(13)	139	–	(376)
Computer equipment	(2,344)	(486)	(9)	–	(74)	472	–	(2,441)
Total accumulated depreciation	(35,590)	(5,408)	(90)	–	(928)	2,425	(152)	(39,743)
	33,449	(5,408)	5,349	6,327	1,073	(366)	1,018	41,442
Land	5,280	111	586	–	141	(45)	20	6,093
Projects–in–progress and machinery in transit	4,008	7,033	505	(6,327)	(87)	(4)	–	5,128
Reclassified as assets available for sale	(54)	(127)	–	–	(7)	–	–	(188)
Net investment	$ 42,683	$ 1,609	$ 6,440	$ –	$ 1,120	$ (415)	$ 1,038	$ 52,475

(1) This column includes:
i) acquisition of Vachon in 2015,
ii) adjustment to purchase price of Canada Bread and Supan recorded in 2015 and,
iii) acquisition of assets through Canada Bread.

Impairment losses recognized in the year

In 2015, the Entity performed a review of unused buildings and industrial machinery and equipment, resulting in an impairment of $418, recorded in profit and loss of the year, within other expenses. Impairment per segment was Mexico $166, North America $33, OLA $175 and Europe $44.

10. Investment in shares of associated companies

The investments in associated companies are as follows:

Associated companies	% of ownership		2015		2014
Beta San Miguel, S. A. de C. V.	8	$	570	$	528
Mundo Dulce, S. A. de C. V.	50		349		271
Fábrica de Galletas La Moderna, S. A. de C. V.	50		232		247
Blue Label de México, S. A. de C. V.	46		274		376
Grupo La Moderna, S. A. de C. V.	3		207		156
Congelación y Almacenaje del Centro, S. A. de C.V.	15		137		126
Productos Rich, S. A. de C. V.	18		133		118
Fin Común, S. A. de C. V.	36		90		96
Ovoplus, S. A. de C. V.	25		–		47
Solex Alimentos, S. A. de C. V.	49		25		–
B37 Venture, LLC	24		22		–
Others	Various		67		66
		$	2,106	$	2,031

All associated companies are incorporated and operate mainly in Mexico and are recognized using the equity method in the consolidated financial statements. Equity investments in Beta San Miguel, S.A. de C.V., Grupo La Moderna, S.A. de C.V., Congelación y Almacenaje del Centro, S.A. de C.V. and Rich Products, S.A. de C.V., are considered to be associated entities over which the Entity exercises significant influence, based on its representation in the Board of Directors. In December 2015 the Entity sold its participation in Ovoplus, S.A. de C.V., at which time the Entity ceased to recognize the equity method.

In 2015, the Entity recorded an impairment of $50, related to goodwill recorded in the investment of associate Blue Label, S.A. de C.V.

11. Intangible assets

Following is an analysis of the balance of intangible assets by segment as of December 31 are:

		2015		2014
Mexico	$	1,613	$	1,654
North America		36,766		32,488
Europe		1,871		1,743
OLA		2,285		2,075
	$	42,535	$	37,960

As of December 31, 2015 and 2014, the detail of intangible assets is as follows:

	Average useful life		2015		2014
Trademarks	Indefinite	$	29,799	$	27,116
Use and distribution rights	Indefinite		5,508		4,061
			35,307		31,177
Trademarks	4 and 9 years		263		35
Customer relationships	18, 21 and 22 years		9,828		8,650
Licenses and software	8 and 2 years		1,108		471
Non-compete agreements	5 years		111		104
Others			38		38
			11,348		9,298
Accumulated amortization			(4,120)		(2,515)
		$	42,535	$	37,960

The carrying amount of trademarks with indefinite life as of December 31, 2015 and 2014 was $29,072 and $26,910, respectively. The Entity owns intangible assets related to customer relationships, resulting from the acquisition of Weston Foods, Inc. in 2009, Sara Lee Bakery Group, Inc. in 2011 and Canada Bread in 2014. The carrying value of the assets related to these acquisitions at December 31, 2015 and remaining useful lives are $3,243, $1,242 and $2,228 and 11, 14 and 20 years, respectively, and at December 31, 2014, $3,029, $1,141 and $2,350, and 12, 15 and 21 years, respectively.

The intangible assets by geographical segment correspond to the following:

	2015	2014
Mexico:		
Barcel	$ 930	$ 930
El Globo	357	357
Bimbo	299	299
Others	27	68
		(Continue)
North America:		
USA	28,682	25,082
Canada	8,084	7,406
Iberia:		
Spain	1,038	991
United Kingdom	833	752
OLA:		
Argentina	975	1,058
Brazil	432	540
Ecuador	459	–
Others	419	477
	$ 42,535	$ 37,960

Cost

	Trademarks	Use and distribution rights	Clients relationships	Licenses and software	Non-compete agreements	Others	Total
Balances at beginning of 2014	$ 20,139	$ 2,514	$ 5,664	$ 336	$ 92	$ 34	$ 28,779
Additions	–	6	–	–	–	–	6
Structured entities	–	1,226	–	–	–	–	1,226
Acquisitions through business combinations	5,473	–	2,186	87	–	–	7,746
Effect of exchange rate differences on foreign currency	1,539	315	800	48	12	4	2,718
Balances as of December 31, 2014	27,151	4,061	8,650	471	104	38	40,475
Additions	–	–	–	360	–	–	360
Structured entities	–	700	–	–	–	–	700
Acquisitions through business combinations	559	–	219	206	–	–	984
Effect of exchange rate differences on foreign currency	2,352	747	959	71	7	–	4,136
Balances as of December 31, 2015	$ 30,062	$ 5,508	$ 9,828	$ 1,108	$ 111	$ 38	$ 46,655

Accumulated amortization and impairment

	Trademarks	Use and distribution rights	Clients relationships	Licenses and software	Non-compete agreements	Others	Total
Balances at beginning of 2014	$ (118)	$ (194)	$ (1,267)	$ (177)	$ (20)	$ (26)	$ (1,802)
Structured entities	–	183	–	–	–	–	183
Amortization expenses	(4)	–	(362)	(42)	(15)	–	(423)
Impairment	(69)	(97)	–	–	–	–	(166)
Effect of exchange rate differences on foreign currency	(19)	(38)	(222)	(28)	–	–	(307)
Balances as of December 31, 2014	(210)	(146)	(1,851)	(247)	(35)	(26)	(2,515)
Structured entities	–	8	–	–	–	–	8
Amortization expenses	(17)	–	(503)	(76)	(16)	–	(612)
Impairment	(356)	(74)	–	–	–	–	(430)
Effect of exchange rate differences on foreign currency	(165)	(35)	(315)	(51)	(5)	–	(571)
Balances as of December 31, 2015	$ (748)	$ (247)	$ (2,669)	$ (374)	$ (56)	$ (26)	$ (4,120)
Net balances as of December 31, 2014	$ 26,941	$ 3,915	$ 6,799	$ 224	$ 69	$ 12	$ 37,960
Net balances as of December 31, 2015	$ 29,314	$ 5,261	$ 7,159	$ 734	$ 55	$ 12	$ 42,535

In 2015, the Entity recognized an impairment loss in the value of the trademarks Iron LKids and Beef Steak, in the North America segment for $168, and the trademarks Jinhongwei and Million Land in the Mexico segment for $120 and Fargo, Pasa Bimbo Bere in the OLA segment for $68. In the aforementioned cases, the loss resulted from a decrease in sales of these brands.

In 2014, the Entity recognized an impairment loss in the value of the trademarks Earth Grains, Iron Kids and Various Interstate brands, assigned to the USA segment, for $37. In the Mexico segment recognized an impairment related to the trademarks of el Molino, Beijing Jinhongwei, Rutti–Mania and Veggi–Mania for a total of $32.

For the purpose of impairment tests, the fair value of trademarks was estimated using the relief from royalty valuation technique, using a range of royalty rates between 2% and 5%, being 3% the rate used for most trademarks.

12. Goodwill

Following is an analysis of the balance of goodwill by geographical segment:

	2015	2014
Goodwill:		
Mexico	$ 1,268	$ 1,264
North America	52,093	46,292
Europe	254	220
OLA	2,434	2,638
	56,049	50,414
Accumulated impairment:		
Mexico	(500)	(383)
North America	(5,321)	(4,532)
OLA	(1,032)	(242)
	(6,853)	(5,157)
	$ 49,196	$ 45,257

Movements in goodwill during the years ended December 31, 2015 and 2014 were as follows:

	2015	2014
Balance as of January 1	$ 45,257	$ 29,822
Acquisitions	336	11,409
Impairment	(941)	–
Adjustments due to variations in exchange rates	4,544	4,026
Balance as of December 31	$ 49,196	$ 45,257

Movement in accumulated impairment losses as of December 31, 2015 and 2014 is as follows:

	2015	2014
Balance as of January 1	$ 5,157	$ 4,671
Impairment	941	–
Adjustment due to variations in exchange rates	755	486
Balance as of December 31	$ 6,853	$ 5,157

Allocation of goodwill to cash generating unit

When analyzing impairment, goodwill is allocated to cash-generating units (“CGU”), which are represented mainly by Mexico (Bimbo, Barcel and El Globo), USA, Canada, Brazil, and others (Iberia and Argentina).

Balances of goodwill assigned to each cash-generating unit, after impairment losses, are as follows:

	2015	2014
USA	$ 35,164	$ 30,059
Brazil	–	668
Argentina	266	541
China	–	103
Other CGUs	13,766	13,886
	$ 49,196	$ 45,257

USA

The recoverable amount of the UGE in the USA is estimated based on the greater of the value in use ("VU") and fair value less cost to sell ("FVLCTS"). The Public Company Guideline Method ("GPC") was used to estimate the FVLCTS.

To calculate the multiple, the Business Value ("BV") of each comparable business is divided by the EBITDA of the last 12 months and estimate for 2015. The BV is determined by multiplying the number of outstanding shares by the price of each share, plus net debt, preferred stock and non-controlling interest. The median of the resulting multiples of comparable companies was selected, including that of Grupo Bimbo, and was applied to the EBITDA of the last 12 months and the estimate for 2015. Subsequently, net debt is subtracted and a similar weighting is applied to both values to reach a market value of stockholders' equity.

Given that such value represents the value of the non-controlling interest because it derives from using the price per share, a control premium of 20% was applied. Finally, net debt is added, together with a deficit adjustment in the working capital (excluding cash in hand), the present value of the accumulated losses and transaction costs, to reach the FVLCTS.

By applying the aforementioned methodology, the Entity concluded that there is no impairment in the goodwill of this UGE.

Brazil and China

In the case of Brazil and China, the recoverable amount was also estimated by FVLCTS. The discounted cash flows methodology was applied to estimate the FVLCTS, using the authorized budget for 2016 and the projections estimated by both companies.

To apply this methodology, a 12.5% discount rate is determined for Brazil and 10.5% for China, which reflect the business risk, as well as the time value of money. The calculation method of the discount rate results in a weighted average cost of capital, which weights the cost of stockholders' equity with the cost of debt, based on the weighting of such resources on the balance sheet. The method to determine the cost of stockholders' equity is the cost of capital. The estimate of the variables both for the cost of capital and for debt is based on market information available at the valuation date.

With regard to the estimate of projections, those provided by both companies were used and were adjusted based on historical results, together with other adjustments to reflect figures from a market participant perspective. Finally, in the terminal value, the Entity considered a normalized flow perpetuity with growth in line with the long-term inflation for Brazil and China.

By applying the aforementioned methodology, the Entity concluded impairment in the value of goodwill of $107 for China and $534 for Brazil, as both operations did not reach budget either in previous years or in the current year.

Argentina

In the case of Argentina, the recoverable amount was estimated by VU. The discounted cash flows methodology was applied to estimate the VU, using the authorized budget for 2016 and the projections estimated by the Entity.

To apply this methodology a discount rate of 33.7% is determined, which reflects the business risk, as well as the time value of money. The calculation method of the discount rate results in a weighted average cost of capital, which weights the cost of stockholders equity with the cost of debt, based on the weighting of such resources on the balance sheet. The method to determine the cost of stockholder's equity is the cost of capital. The estimate of the variables for both the cost of capital and for debt is based on market information available at the valuation date.

With regard to the estimate of projections, those prepared by the Argentina operation were used, and were adjusted based on historical results. Such projections include those projects which are authorized at the valuation date. Finally, in the termination value, the Entity considered a normalized flow perpetuity based on growth in line with long-term inflation for Argentina.

By applying the aforementioned methodology, the Entity concluded that there was impairment in the assets of this UGE of $276, because the operation has not reached budget in previous years or in the current year.

Rest of operations

For the rest of the UGE's the recoverable amount was determined by VU. The methodology used was the discounted cash flows approach, considering a discount rate and projections provided by the same operations. The planning horizon considered was five years, with a terminal value based on a normalized flow perpetuity with growth in line with inflation for each of the countries where they operate.

By applying this methodology, the Entity concluded that there are no indications of impairment in the rest of the UGE's.

13. Long–term debt

	Fair Value	2015	2014
International bonds –			
On June 30, 2010, the Entity issued a bond under U.S. Securities and Exchange Commission ("SEC") Rule 144 A Regulation S for US$800 million maturing on January 30, 2020. Such bond pays a fixed interest rate of 4.875% with semiannual payments. The proceeds from this issuance were used to refinance the Entity's debt, extending the maturity date.	$ 14,620	$ 13,765	$ 11,774
On January 25, 2012, the Entity issued a bond under U.S. SEC Rule 144 A Regulation S for US$800 million maturing on January 25, 2022. Such bond pays a fixed interest rate of 4.50%, with semiannual payments. The proceeds from this issuance were used to refinance the Entity's debt.	14,220	13,765	11,774
On June 27, 2014, the Entity issued a bond under U. S. SEC Rule 144 A Regulation S for US 800 million maturing on June 27, 2024. Such bonds pay a fixed interest rate of 3.875% with semiannual payments. The proceeds from this issuance were to refinance the Entity's debt, extending the average maturity. See note 14.2.3 (B).	13,396	13,765	11,774
On June 27, 2014, the Entity issued a bond under U. S. SEC Rule 144 A Regulation S for US 500 million maturing on June 27, 2044. Such bonds pay a fixed interest rate of 4.875% with semiannual payments. The proceeds from this issuance were to refinance the Entity's debt, extending the average maturity. See note 14.2.3 (C).	7,625	8,603	7,359

	Fair Value	2015	2014
Local bonds –			
As of December 31, 2015, the Entity holds the following local bonds due as follows:			
Bimbo 12– Issued on February 10, 2013, maturing in August 2018, with a fixed interest rate of 6.83%. See note 14.2.3 (F)	5,226	5,000	5,000
Bimbo 09–2 – Issued June 15, 2009, maturing in June 2016, with a fixed interest rate of 10.60%. See note 14.2.3 (D)	2,057	2,000	2,000
Bimbo 09U – Issued June 15, 2009 in the amount of 706,302,200 UDIs, maturing in June 2016, with a fixed interest rate of 6.05%. The UDI value at December 31, 2015 and 2014 was $5.3812 and $5.2704, Mexican pesos per UDI, respectively. See note 14.2.3 (A and E)	3,823	3,801	3,722

Commited Revolving Credit Line (Multicurrency)–
In December 2013, the Entity renewed and amended the terms and conditions of the committed multicurrency credit line, originally issued on April 26, 2010.

According to the new terms and conditions there are 9 financial institutions engaged in this credit line. The total amount is up to 2,000 million US dollars, maturing on March 13, 2019 and with an applicable interest rate of London Interbank Offered Rate ("LIBOR") plus 1% for the provisions in US dollars, Canadian Dealer Offered Rate ("CDOR") plus 1% for provisions in Canadian dollars, and Interbank Equilibrium rate ("TIIE") plus 0.75% for provisions in Mexican pesos.

	Fair Value	2015	2014
The credit line has been withdrawn during 2014 primarily for the acquisition of Canada Bread and Supan. Withdrawals were made in US dollars, Canadian dollars and Mexican pesos.	1,854	1,854	6,656
Secured working capital loans – The Entity occasionally enters into unsecured short-term loans to cover working capital needs.	–	–	280
Others – Certain subsidiaries have entered into other direct loans to meet their working capital needs, maturing from 2015 to 2020. Loans have a weighted interest rate of 7.8%.	5,584	5,585	2,295
Debt issuance cost	(377)	(377)	(430)
		67,761	62,204
Less –			
Current portion of long-term debt		(8,282)	(1,789)
Long-term debt		$ 59,479	$ 60,415

At December 31, 2015, long-term debt matures as follows:

Year	Amount
2017	$ 443
2018	5,236
2019	2,031
2020	15,818
2021 and thereafter	35,951
	$ 59,479

The committed dual-currency revolving credit facility, local bonds, international bond and syndicate bank loan 2009 are guaranteed by the principal subsidiaries of Grupo Bimbo. At December 31, 2015 and 2014, the Entity has complied with all the obligations, including financial ratios established in the loan agreements for the Entity and its subsidiaries.

14. Financial instruments

1. *Categories of financial instruments as of December 31, 2015 and 2014:*

	2015	2014
ASSETS		
Financial assets:		
Cash and cash equivalents	$ 3,825	$ 2,572
Accounts and note receivables, net	14,841	14,246
Derivative financial instruments	885	386
Guarantee deposits for derivative financial instruments	1,501	18
Total current assets	21,052	17,222
Non-current assets:		
Notes receivable from independent operators	950	1,109
Derivative financial instruments	3,346	1,653
Total financial assets	$ 25,348	$ 19,984
LIABILITIES		
Financial liabilities:		
Bank loans	$ 8,282	$ 1,789
Trade accounts payable	13,146	11,867
Other accounts payable	1,401	1,414
Due to related parties	401	789
Derivative financial instruments	3,208	673
Total current liabilities	26,438	16,532
Bank loans	4,958	7,442
Bonds	54,521	52,973
Derivative financial instruments	1,707	1,540
Total financial liabilities	$ 87,624	$ 78,487

2. *Risk management*

During the normal course of its operations, the Entity is exposed to risks inherent with variables related to financing as well as variations in the prices of some of its raw materials that are traded in international markets. The Entity has established an orderly risk management process that relies on internal bodies that assess the nature and extent of those risks.

Main financial risks the Entity is exposed to are:

- Market risk
- Interest rate risk
- Foreign currency risk
- Price risk
- Liquidity risk
- Credit risk
- Capital risk

The Entity's Corporate Treasury is responsible for managing the risks associated with interest rate, foreign currency, liquidity and credit risk that result from the ordinary course of business. Meanwhile, the purchases department is responsible for risk management of purchase prices of commodities and reviews the consistency of Entity´s open positions in the futures markets with the Entity's corporate risk strategy. Both departments report their activities to the Risk Management Department. The main objectives of the Risk Management Department are as follows:

- Identify, evaluate and monitor external and internal risks that could significantly impact the Entity;
- Prioritize risks;
- Secure the assignment and monitoring of risk;
- Validate the functions and/or those responsible for risk management;
- Validate the progress in each of the prioritized risks; and
- Recommend future action to take.

Given that the variables the Entity is exposed are dynamic in behavior, hedging strategies are evaluated and monitored formally on an ongoing basis. Additionally, such strategies are reported to the relevant governing body within the Entity. The primary purpose of hedging strategies is to achieve a neutral and balanced position in relation to the exposure created by certain financial variables.

2.1 *Market risks*

The Entity is exposed to the financial risks associated with fluctuations in foreign currency and interest rates, which are managed by Purchases department. The Entity is also exposed to price risk related to certain commodities purchased in its operation, which is managed by commodities subcommittees. The Entity occasionally uses derivative financial instruments to mitigate the potential impact of fluctuations in these variables and prices on its results. The Entity considers that the derivative financial instruments it enters into provide flexibility that allows for greater financial stability, better earnings visibility and certainty regarding costs and expenses to be paid in the future.

The Entity determines the amounts and objective parameters of the primary positions for which the derivative financial instruments are entered into, with the objective of minimizing one or more of the risk exposures in a transaction or group of transactions associated with the primary position.

The Entity only enters into derivative financial instrument contracts with recognized financial institutions of well-known solvency and within the limits set for each institution.

The principal types of derivative financial instruments used by the Entity are:

a) Contracts that establish a mutual obligation to exchange cash flows on specific future dates, at the nominal or reference value (swaps):

   1. Interest rate swaps to balance the mix of fixed and variable interest rates used for financial liabilities.
   2. Cross currency swaps, to change the currency in which both the principal and interest of a financial liability are expressed.

b) Foreign currency exchange forwards;
c) Foreign currency exchange calls;
d) Commodity futures;
e) Options on commodities futures; and
f) Inputs swaps

Market risk exposure is monitored and reported on an ongoing basis to the responsible governing area within the Entity.

The Entity has established a policy that derivative financial instruments are entered into exclusively to hedge a risk. Accordingly, in order to enter into a derivative financial instrument contract, it must necessarily be associated with a primary position that exposes the Entity to a specific risk. Consequently, the notional amounts of the Entity's derivative financial instruments will be consistent with the amounts of the primary positions that are being hedged. The Entity does not enter into derivative financial instruments for speculative purposes. If the Entity decides to enter into a hedging strategy whereby options are combined, the net premiums paid/collected must represent a cash outflow, meaning the Entity should not enter into derivative financial instrument transactions for speculative purposes.

Derivative financial instruments are comprised as follows:

		2015		2014
Assets:				
Current –				
Forwards	$	22	$	16
Premiums paid on options, net		69		146
Swaps		794		–
Futures contracts:				
Fair value of natural gas, diesel and soy oil		–		224
Total asset derivatives – current	$	885	$	386
Long-term swaps	$	3,346	$	1,653
Liabilities:				
Current –				
Swaps	$	(1,989)	$	–
Forwards		–		(8)
Forwards on raw material		–		(1)
Guarantee deposit		–		(76)
Futures contracts:				
Fair value of natural gas, diesel and soy oil		(1,219)		(588)
Total derivatives liabilities current	$	(3,208)	$	(673)
Long term swaps	$	(1,707)	$	(1,540)

		2015		2014
Stockholders' equity:				
Fair value of financial instruments designated as cash flow hedges, net of accrued interest	$	(1,411)	$	(362)
Closed contracts for unused futures		(73)		(17)
		(1,484)		(379)
Deferred income tax, net		504		159
Accumulated other comprehensive income related to derivative financial instruments	$	(980)	$	(220)

2.2 Interest rate risk management

The Entity is exposed to interest rate risk, mainly with respect to its financial liabilities. The risk is managed through an adequate mix of fixed and variable rates, which on occasion, is achieved by entering into derivative financial instruments, such as interest rate swaps, which are accounted for as hedging instruments when they comply with the all criteria to be classified as such.

Management considers that its interest rate risk related to its financial assets is limited as their maturities are generally current.

As of December 31, 2015 and 2014, the Entity held long-term debt that accrues interest at variable rates referenced to the TIIE, UDI, CDOR, LIBOR and EURIBOR respectively, and entered into interest rate swaps to fix such interest rates. The swaps have been designated as cash flow hedges.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on balances exposed to interest rate risk, considering both derivative and non-derivative instruments at the date of the consolidated statement of financial position; therefore, the analyses may not be representative of the interest rate risk during the period due to variances in the balances exposed to such risk. For floating rate instruments, for which the Entity has not contracted a hedge to fix the rate, the sensitivity analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A change of 20 basis points in the one-month LIBOR and 20 basis points in the one-month CDOR and a change of 100 basis points in the 28 days TIIE represents management´s best estimate of a reasonable potential change with respect to those rates. The Entity has fully mitigated interest rate risks related to fluctuations in the value of UDI through interest rate swaps.

An increase/decrease of 20 basis points in LIBOR, would result in a decrease/increase in profit or loss of approximately $2.7 and $2.5 for the years ended December 31, 2015 and 2014, respectively. Such amounts are not deemed significant to the results of the operations of the Entity.

An increase/decrease of 20 basis points in CDOR would result in a decrease/increase in profit or loss of approximately $6.2 and $7.4 for the years ended December 31, 2015 and 2014, respectively. Such amounts are not deemed significant to the results of the operations of the Entity.

An increase/decrease of 100 basis points in TIIE, would result in an decrease/increase in the Entity's profit or loss of approximately $0.8 and $9.7, for the years ended December 31, 2015 and 2014, respectively.

2.3 Foreign currency risk management

The Entity undertakes transactions denominated in a variety of foreign currencies and presents its consolidated financial statements in Mexican pesos; it also has investments in foreign operations whose currencies differ from the Mexican peso. Accordingly, it is exposed to foreign currency risk (i.e., the forecasted purchase of inputs, contracts and monetary assets and liabilities) and foreign currency translation risk (i.e. net investments is foreign subsidiaries). The main risk is with respect to the parity of Mexican pesos to US dollars, Mexican pesos to Canada dollars, and Canada dollars to US dollars.

Management of translation of foreign currency risk

The Entity has investments in foreign subsidiaries whose functional currency is other than the Mexican peso, which exposes it to the risk of foreign currency translation. Also, the Entity has contracted intercompany financial assets and liabilities with those foreign subsidiaries, in various currencies, therefore representing a foreign currency risk.

The risk is mitigated through the issuance of one or more loans denominated in currencies other than the functional currency to naturally hedge exposure to foreign currency, and presented as a net investment in foreign subsidiaries within other comprehensive income.

As of December 31, 2015 and 2014, loans that have been designated as hedges on the net investment in foreign subsidiaries amounted to USD 2,876 and USD 2,867 million, respectively.

As of December 31, 2015 and 2014, the amounts that have been designated as hedges for long–term intercompany loans are $2,017 and $2,811 million, respectively.

As of December 31, 2015 and 2014, amounts that have been designated as hedges of intercompany long–term debt are EUR 30 for both years.

As of December 31, 2015 and 2014, the amounts of loans that have been designated as hedges for net investment in foreign subsidiaries totaled CAD 998 and 1,393 million, respectively.

As of December 31, 2015 and 2014 the amounts that have been designated as a hedge for intercompany asset positions are CAD 650 million for both years.

As of December 31, 2015 and 2014, the amount that has been designated as a hedge for intercompany liability positions are USD 8 and USD 24 million, respectively.

Management of foreign currency transactional risk

Risk management policy regarding foreign currency also contemplates hedging expected foreign currency cash flows, mainly related to future purchases of inputs. Such purchases qualify as hedged items, represented by "highly probable" forecasted transactions for purposes of hedge accounting. At the time the purchase occurs, the Entity adjusts the non–financial asset that is considered the hedged item for the gain or loss previously recognized in other comprehensive income.

Foreign currency sensitivity analysis

The sensitivity analyses below have been determined based on the balances exposed to foreign currency exchange rate risk for both derivative and non–derivative instruments as of the date of the consolidated statement of financial position; therefore, the analyses may not be representative of the foreign currency exchange rate risk that existed during the year due to variances in the balances exposed to such risk.

A depreciation/appreciation of 1 peso per US dollar, represents management´s estimate of a reasonable potential change on the parity of both currencies, and would result in an increase/decrease of approximately $54 and $19 in profit or loss for the years ended December 31, 2015 and 2014, respectively.

Detail of derivative financial instruments that hedge interest rate and foreign currency risk

Detail of the derivatives utilized to hedge the aforementioned risks and the fair value of such derivatives as of December 31 are as follows:

		2015	2014
Swaps that modify the Bimbo 09U local bond currency and interest rate, current portion.	(A)	$ 794	$ –
Swaps that modify the Bimbo 09U local bond currency and interest rate.	(A)	–	738
Swaps that convert the 2044 144A bond from American dollars into Canadian dollars and change the fixed interest rate in US dollars to fixed interest rates in Canadian dollars.	(B)	2,932	794
Swaps that convert the 2044 144A bond from American dollars into Canadian dollars and change the fixed interest rate in US dollars to fixed interest rates in Canadian dollars.	(C)	414	121
Total long term assets		$ 3,346	$ 1,653
Swaps that convert the Bimbo 09-2 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed, current portion.	(D)	$ (677)	$ –
Swaps that convert the Bimbo 09U local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed.	(E)	(1,312)	–
Total current liabilities		$ (1,989)	$ –

		2015	2014
Swaps that convert the Bimbo 09-2 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed.	(D)	$ –	$ (257)
Swaps that convert the Bimbo 09U local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed.	(E)	–	(663)
Swaps that convert the Bimbo 12 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed.	(F)	(1,707)	(620)
Total long-term liabilities		$ (1,707)	$ (1,540)

(A) In connection with the issuance of the Bimbo 09U local bonds, between June 10 and 24, 2009, the Entity entered into two foreign currency swaps for $1,000 and $2,000 that together hedge the entire Bimbo 09U issue and converts the debt from 6.05% in UDIs to Mexican pesos at fixed rates of 10.54% and 10.60%, respectively.

(B) In order to convert the total amount of the 2024 International 144A Bond, in the amount of USD 800 million, from US to Canadian dollars, issued between June 30 and July 21, 2014, cross currency swaps were contracted for a notional amount of $240, $290, $110, $10.73, $108.34 and $99.3 Canadian dollars. These instruments receive 3.875% interest in USD and pay 4.1175%, 4.1125%, 4.1558%, 4.1498%, 4.1246% and 4.0415% interest in Canadian dollars, respectively.

(C) In order to convert a portion of the 2044 International 144A Bond, that amounts USD 500 million, from US to Canadian dollars, on July 21, 2014, a cross currency swaps was contracted in a notional amount of $107.4 million Canadian dollars. This instrument receives 4.875% interest in US dollars and pays 5.0455%.

(D) In connection with the issuance of the Bimbo 09-2 local bonds, for a notional amount of $2,000 (equivalent to US$155.3 million), in 2010 the Entity entered into a foreign currency swap, which convert the debt from Mexican pesos to US dollars. Maturity is June 6, 2016. The exchange rate was set at $12.88 Mexican pesos per US dollar, and the fixed interest rate to be paid is 6.35%.

(E) In order to convert the liability positions of instruments related to the issuance of the Bimbo 09-U bonds from Mexican pesos to US dollars, on February 17, 2011, the Entity entered into two foreign currency and interest rate swaps, with a notional amount, one for $1,000 (equivalent to US$83.1 million) and the second for $2,000 (equivalent to US$166.3 million), respectively. Maturity date is June 6, 2016. The exchange rates applicable to these instruments were set at $12.03 Mexican pesos per US dollar and interest was fixed at 6.47% and 6.53%, respectively.

(F) In order to convert all the Bimbo 12 local bonds from Mexican pesos to US dollars, between February 14 and 17, 2012 the Entity entered into 6 cross currency swaps for a notional amount of $50, $50, $50, $72.1, $70 and $100 USD respectively. All the instruments have a maturity date of August 3, 2018 and earn interest at a rate of 6.83% in Mexican pesos and pay interest at a rate of 3.24%, 3.30%, 3.27%, 3.33%, 3.27% and 3.25% respectively.

Foreign Currency Hedge

Based on its projections of expense, Corporate treasury has diverse obligations in USD, for which reason, at December 31, 2015 and 2014, it maintains a portfolio of options and forwards that result in a long-term position in forwards with monthly maturities of $35 and $8 million USD, respectively, at an average exchange rate of $16.71 and $13.9039 Mexican pesos per USD.

In addition to hedge a portion of the debt in US dollars and convert it into Canadian dollars, the Entity keeps as of December 31, 2015 a portfolio in forwards that result in a short position for a total of $85 million Canadian dollars at an average exchange rate of $1.1662 Canadian dollars per USD.

In order to meet the needs of corporate treasury in euros tied to various forecasted transactions, the Entity held as of December 31, 2015, a portfolio of options and forwards that result in a long position for a total of EUR$9 million, at an exchange rate of $17.85 pesos per euro.

As of December 31, 2015 and 2014, these aforementioned instruments have a net market value (asset) of $22 and $(8), respectively.

As of December 31, 2015 and 2014, the Entity had forwards to hedge currency risk of raw materials associated with the operation of Mexico. These instruments hedged a notional amount of $131.25 and $137.7 million US dollars, respectively, fixing the exchange rate for the purchase of currency at a price of $16.84 and $13.73 Mexican pesos per US Dollar.

In 2015 and 2014, the Entity entered into a forward to hedge the exchange risks related to the purchase of commodities in Uruguay. This instrument hedges a notional amount of $1.9 and $3.9 million USD and fixed the exchange rate at $30.63 and $25.26 Uruguayan pesos per USD, respectively.

As of December 31, 2015, the Entity had forwards to hedge currency risk of raw materials associated with the operation of Chile. These instruments cover a notional amount of US$6 million, fixing the exchange rate for the currency purchase at a price of $609.8 Chilean pesos per USD.

As of December 31, 2015, the Entity entered into two forward contracts to hedge the risks related to the purchase of commodities in Argentina. Such instruments hedge a notional amount of 2.8 million USD, and fixed the exchange rate at 11.98 Argentinan pesos per USD.

As of December 31, 2015, the Entity had forward contracts to hedge the risks related to the purchase of commodities in Canada. Such instruments hedge a notional amount of 5.8 million USD, and fixed the exchange rate at 1.34 CAD per USD.

As of December 31, 2015 and 2014, these operations have a net fair value of $69 and $146, respectively.

2.4 Commodities price risk management

In accordance with the Entity´s risk management policies, it enters into wheat, natural gas, and other commodities futures contracts to minimize the risk of variation in international prices of such inputs.

Wheat, the main input used by the Entity, together with natural gas, are some of the commodities hedged. The transactions are carried out in recognized commodity markets, and through their formal documentation are designated as cash flow hedges of forecasted transactions. The Entity performs prospective and retrospective effectiveness tests of the instruments to ensure they mitigate the variability of cash flows from fluctuations in the price of such inputs.

As of December 31, 2015 and 2014, the Entity has recognized, in other comprehensive income, closed contracts that have not yet been transferred to cost of sales due to the fact that the wheat under these contracts has not been used for flour consumption.

Detail of derivative transactions that hedge commodities price risk

As of December 31, 2015 and 2014, the contracted futures and their main characteristics were as follows:

	2015 Contracts				2014 Contracts			
	Number	Maturity		Fair Value	Number	Maturity		Fair Value
Wheat	–	–		–	8,427	Mar–Dec 2015	$	218
Corn	–	–		–	219	Mar–May 2015	$	10
Soybean oil	–	–		–	779	Mar–Dec 2015		(4)
Total current assets			$	–			$	224
Wheat	15,766	Mar–Dec 2016		(594)	–	–		–
Corn	308	Mar–Dec 2016		(5)	–	–		–
Soybean oil	1,320	Mar–Dec 2016		7	–	–		–
Diesel	1,539	Various		(186)	2,486	Various		(112)
Gasoline	3,347	Various		(391)	5,687	Various		(421)
Natural gas	1,143	Various		(39)	1,495	Various		(55)
Poliethylene	23,700	Jan–Sep 2016		(10)	–	–		–
Aluminium	360	Jan–Sep 2016		(1)	–	–		–
			$	(1,219)			$	(588)

Embedded derivative instruments – As of December 31, 2015 and 2014, the Entity has not identified any embedded derivative financial instruments that require bifurcation.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of financial assets and liabilities is determined as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active, liquid markets are determined with reference to their quoted market prices. Derivative financial instruments fall in this category Therefore, these instruments are considered as hierarchy level 1 according to the classification of fair value hierarchy described below.

The fair value of other financial assets and liabilities carried at fair value are determined in accordance with accepted pricing models, generally based on discounted cash flow analysis.

As of December 31, 2015 and 2014, the carrying value of financial assets and liabilities, does not vary significantly from their fair value.

The fair value of market long-term debt, such as bonds, was determined based on the prices provided by Valuación Operativa y Referencias de Mercado S. A. de C. V. (“VALMER”) which is an entity supervised by the Mexican National Securities and Banking Commission (Comisión Nacional Bancaria y de Valores), that provides prices for financial instruments. Such valuation is considered as Level 1, according to the hierarchy described as follows:

Fair value hierarchy

The amount of assets and liabilities in the consolidated statements of financial position, measured at fair value, are grouped into one of the following three hierarchy levels. Categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Liquidity risk management

Corporate treasury is responsible for managing liquidity risk. Risk management allows the Entity to determine its short-, medium- and long-term cash flow needs, while seeking financial flexibility. The Entity maintains sufficient liquidity through an orderly management of its resources and permanently monitoring of cash flows, as well as maintaining a variety of credit lines (some of them committed) with bank institutions and proper management of working capital. These actions ensure the payment of future obligations. The Entity believes that due to the nature of its business, liquidity risk is low.

Obligations resulting from accounts payables, financial instruments and debt amortization are as follows:

	X<1 year	1 year <X <3 years	3 years<X <5 years	X> 5 years
Debt	$ 11,230	$ 11,549	$ 20,270	$ 48,360
Trade accounts payable	13,146	–	–	–
Derivative instruments	1,987	1,293	–	–
Total	$ 26,363	$ 12,842	$ 20,270	$ 48,360

2.6 Credit risk management

Credit risk arises from the possible loss if a customer is unable to pay its obligations, loss on investments and principally the risk related to derivative financial instruments.

When accounts receivable to customers is impaired, the Entity recognizes an allowance for doubtful accounts. The allowance is increased for those accounts beyond 90 days past due, for fifty percent of the account and for the total when it reaches 100 days past due. The methodology used to determine the allowance has been applied consistently and the allowance has been historically sufficient to cover impaired unrecoverable accounts.

With respect to operations with derivative financial instruments related to interest rate and exchange rate hedges, and some commodities like natural gas, these instruments are entered into bilaterally (“OTC”), with counterparties of high repute that meet certain criteria mentioned below, and who maintain a significant and continuous commercial relationship with the Entity.

These counterparties are deemed of high repute, as they are sufficiently solvent –based on their “counterparty risk” rating from Standard & Poor´s– for short– and long–term obligations in local and foreign currency. The principal counterparties with whom the Entity has contracts with respect to derivative financial instruments are:

Banco Nacional de México, S. A., BBVA Bancomer, S. A., Barclays Bank, PLC W. London, Bank of America México, S. A., Citibank N.A., Merrill Lynch Capital Services, Inc., HSBC Bank, ING. Capital Markets, JP Morgan Chase Bank, N. A., Banco Santander, S. A., Mizuho Corporate Bank, Ltd, Mizuho Capital Markets Corporation and The Bank of Tokyo Mitsubishi ufj, Ltd.

Principal commodities derivatives financial instruments are contracted in the following recognized markets:

a. Minneapolis Grain Exchange (MGE)
b. Kansas City Board of Trade (KCBOT)
c. Chicago Board of Trade (CBOT)
d. New York Mercantile Exchange (NYMEX)

Exposure to each counterparty is monitored on a monthly basis.

All derivative financial instrument transactions are performed under a standardized contract and duly executed by the legal representatives of the Entity and those of the counterparties.

Appendix and annexes to the contract, establish the settlement and other relevant terms in accordance with the manners and practices of the Mexican market.

Some derivative financial instrument contracts include the establishment of a security deposit or other securities to guarantee payment of obligations arising from such contracts. Credit limits that the Entity has with its counterparties are large enough to support its current operations; however, the Entity maintains cash deposits as collateral for payment of derivative financial instruments.

For those commodities future contracts executed in recognized, international markets, the Entity is subject to the regulation of those markets. These regulations include, among others, establishing an initial margin call for futures contracts and subsequent margin calls required of the Entity.

2.7 Equity structure management

The Entity maintains a healthy relation between debt and equity, to maximize the shareholders’ return.

The leverage ratio at the end of each period is as follows:

	2015	2014
Debt [i]	$ 67,761	$ 62,204
Cash and cash equivalents	3,825	2,572
Net debt	63,936	59,632
Stockholders’ equity	61,859	53,602
Net debt to stockholders’ equity	1.03 times	1.11 times

[i] Debt is comprised of bank loans and short– and long–term bonds, net of issuance costs pending amortization.

The Entity is not subject to any externally imposed capital requirements.

15. Employee benefits and workers’ compensation

The net liabilities generated by employee benefits and long–term social security benefits by geographical segment, is integrated at December 31, 2015 and 2014 as follows:

	2015	2014
Retirement and post– retirement benefits		
Mexico	$ 3,466	$ 2,922
EUA	3,707	4,899
Canada	758	542
OLA	63	136
Total retirement and post–retirement benefits	7,994	8,499
Workers´compensation – USA	2,598	2,104
Multi– Employer Pension Plan – USA	14,851	12,345
Bonuses to employees, long term	489	344
Total net liability	$ 25,932	$ 23,292

a. Mexico

The Entity has a defined benefit pension and seniority premium plan. The Entity is also required to pay termination benefit obligations, which do not qualify as post-retirement benefit plans under IFRS, for which reason a liability for the benefits is not recognized until the obligation occurs, generally upon payment. The Entity´s funding policy is to make discretionary contributions. During 2015 and 2014, the Entity has not contributed to the plans.

Seniority premiums payment consist of a one-time payment of 12 days for each year worked based on the final salary, not exceeding twice the minimum wage, applicable at the payment date, established by law for all its personnel, as stipulated in the respective employment contracts. Such benefits vest for employees with 15 or more years of service.

The most recent actuarial valuations of the plan assets and present value of defined benefits obligation were performed as of December 31, 2015 and 2014 by Bufete Matemático Actuarial, S.C., member of Colegio Nacional de Actuarios, A. C. The present value of defined benefits obligation, cost of services of the year, and past service cost were measured using the projected unit credit method.

b. USA

The Entity has established a defined benefit pension plan that covers eligible employees. Some of the benefits of the plan were frozen. The Entity´s funding policy is to make discretionary contributions. As of December 31, 2015 and 2014, the Entity contributed to such plan $826 and $641, respectively.

The Entity also has established post-retirement employee welfare plans, which covers the medical insurance of certain eligible employees. The Entity has insurance and pays these expenses as they occur.

The most recent actuarial valuations of the plan assets and present value of defined benefits obligation were performed as of December 31, 2015 and 2014 by Mercer (US), Inc., member of the Institute of actuaries in the U.S. The present value of defined benefits obligation, cost of services of the year, and past service cost were measured using the projected unit credit method.

c. Canada

The Entity has established a defined benefit plan for covering pension payments to eligible employees. Some of the benefits of unionized personnel plans were frozen. The funding policy of the Entity is to make discretionary contributions. The contributions made during 2015 and 2014 amounted to $121 and $43, respectively.

The most recent of the plan assets and the present value of the defined benefit obligation actuarial valuations were performed as of December 31, 2015 and 2014 by Mercer (Canada), Inc. The present value of the defined benefit obligation, the labor cost of current service and past service cost were calculated using the method of projected unit credit.

The company also has established a defined contribution plan in which contributions are paid as incurred.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2015	2014
Mexico		
Discount rate	7.50%	7.50%
Expected rate of salary increase	4.50%	4.50%
Inflation rate	3.50%	3.50%
Expected weighted return	7.50%	7.50%
Real weighted return	1.19%	6.40%
EUA		
Discount rate	4.25%	3.80%
Expected rate of salary increase	3.75%	3.75%
Inflation rate	2.75%	2.75%
Expected weighted return	4.25%	3.80%
Real weighted return	(2.50%)	15.19%
Canada		
Discount rate	3.90%	3.90%
Expected rate of salary increase	3.00%	3.00%
Inflation rate	2.00%	2.00%
Expected weighted return	3.90%	3.90%
Real weighted return	3.70%	0.20%

The amounts recognized in profit or loss with respect to defined benefit pension plans and post–retirement benefits:

		2015		2014
Current service cost	$	757	$	523
Interest cost		1,565		1,378
Interest income on plan assets		(1,134)		(1,048)
	$	1,188	$	853

The net cost of the period was allocated $212 and $216 in 2015 and 2014, respectively, in the consolidated statements of income as cost of sales and the remainder as general expenses. The interest on the obligation and the expected return on the plan assets are recognized as finance costs.

The following table shows the funded status of the pension and seniority premium obligations as of the date thereon:

		2015		2014
Present value of defined benefit obligation	$	32,253	$	30,086
Less – Fair value of plan assets		24,149		21,723
		8,104		8,363
Add: Retirement benefit OLA		63		136
Less: Current portion of retirement benefit		(173)		–
Present value of unfunded defined benefits	$	7,994	$	8,499

Movements in the present value of the defined benefit obligation:

		2015		2014
Present value of the defined obligation as of January 1	$	30,086	$	22,425
Service cost		757		523
Interest cost		1,565		1,378
Actuarial loss on estimate of obligation		60		735
Effect of experience adjustments		(453)		(236)
Effect of changes in demographic assumptions		(675)		563
Effect of changes in financial assumptions		(1,359)		1,846
ABA Plan (1)		809		–
Assumed liabilities in business acquisition		2,083		2,194
Adjustment for fluctuation in currency exchange		3,330		1,893
Benefits paid		(3,950)		(1,235)
Present value of the defined benefit obligation as of December 31	$	32,253	$	30,086

Movements in fair value of plan assets:

		2015		2014
Plan assets at fair value as of January 1	$	21,723	$	16,675
Interest income, and others		1,134		1,047
Actuarial (loss) gain		(1,402)		1,316
Employer and employee contributions		947		749
ABA Plan (1)		660		–
Assets on business acquisition		1,783		1,570
Adjustment for fluctuation in currency exchange		2,520		1,473
Benefits paid		(3,216)		(1,107)
Plan assets at fair value as of December 31	$	24,149	$	21,723

(1) In 2015, the Entity determined that the American Bakers´Association (“ABA Plan”) pension plan, that had been determined to be a multi–employer pension plan, qualified as an other defined benefit plan for retirement. Therefore, in 2015, this plan is presented as such.

Categories of plan assets:

		Fair Value of plan assets 2015		2014
Equity instruments	$	9,123	$	12,362
Debt instruments		11,384		6,871
Others		3,642		2,490
Total	$	24,149	$	21,723

Fair value of the assets of the plan are measured using valuation techniques that include inputs that are not based on observable market data.

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and expected wage increase. The sensitivity analysis presented below were determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

In Mexico, if the discount rate increases/decreases 100 basis points, the expected benefit obligation would decrease/increase by $1,183 and $1,711, respectively.

If the expected wage increases/decreases 1%, the defined benefit obligation would increase/decrease by $1,116 and $849, respectively.

In USA, if the discount rate increases/decreases 50 basis points, the expected benefit obligation would decrease/increase by $(1,296) and $987, respectively.

If the expected wage increases/decreases 100 basis points, the defined benefit obligation would increase/decrease by $197.

In Canada, if the discount rate increases/decreases 0.25%, the expected benefit obligation would decrease/increase by $(68) and $71, respectively.

If the expected wage increases/decreases 0.5%, the defined benefit obligation would increase/decrease by $8.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

The Entity's technical committee has the responsibility to define and monitor on a quarterly basis, the strategy and investment policies in order to optimize the risk / performance at long term.

Investment strategies in the actuarial and technical policy document of the Fund are:

- Asset mix on December 31, 2015 is 33% equity instruments, 54% debt instruments and 13% other instruments or alternative. The mix of assets as of December 31, 2014, is 31% equity instruments, 56% debt instruments and 13% other instruments or alternative.

The technical committee of the Entity has the responsibility to define and monitor quarterly, strategy and investment policies in order to optimize the risk / return over the long term.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. Also, there has been no change to the process followed by the Entity to manage the plan assets compared to previous years

In Mexico the average duration of the benefit obligation as of December 31, 2015 is 19 years. This number can be analyzed as follows:

- Active members: 20 years (2014: 21 years) and
- Retired members: 11 years (2014: 12 years).

In USA the average duration of the benefit obligation as of December 31, 2015 is 13 years. This number can be analyzed as follows:

- Active members: 15 years (2014: 16 years);
- Deferred members: 16 years (2014: 18 years), and
- Retired members: 9 years (2014: 9 years).

In Canada the average duration of the benefit obligation as of December 31, 2015 is 12.6 years. This number can be analyzed as follows:

- Active members: 16.2 years (2014: 16.2 years);
- Deferred members: 18 years (2014: 18.2 years), and
- Retired members: 8.7 years (2014: 8.6 years).

The amounts of experience adjustments are as follows:

	2015	2014
Present value of defined benefits obligation	$ 32,253	$ 30,086
Less – Fair value of plan assets	24,149	21,723
Underfunded status	$ 8,104	$ 8,363
Experience adjustments on plan obligation	$ (393)	$ 499
Experience adjustments on plan assets	$ (1,402)	$ 1,316

Multi–employer pension plans ("MEPP")

The Entity participates in benefit plans known as MEPPs. A MEPP is a fund in which several unrelated employers, in the same or similar industry, make payments to fund retirement benefits for unionized employees enrolled in the plan. Originally, it was set to facilitate the mobility of employees between companies in the same industry preserving pension benefits. Usually they are managed by a trust that is overseen by representatives of all employers and employees. Currently BBU participates in 32 MEPPs.

Unless the Entity determines that exit of the MEPP is highly probable, they are measured as a defined contribution plan, as the Entity does not have sufficient information to calculate the liability, due to the collective nature of the plan, and that the participation of the Entity is limited. The responsibility of the Entity is to provide contributions as set forth in the collective contracts.

Contributions to MEPPs for the years ended December 31, 2015 and 2014 amounted to $1,663 and $1,640, respectively. The estimated contributions for 2016 are approximately $1,777. Annual contributions are charged to profit or loss of the year.

In the event that another employer(s) exits the MEPP without satisfying its obligation related to its exit, the non–covered amount is distributed to the other active employers. Generally, the distribution of the liability for the exit of the plan is based on the Entity's contributions to the plan compared to the contributions of the other employers in the plan.

When the exit of a MEPP is highly probable, a provision is recognized for the present value of the estimated future cash outflows, discounted at the accrual rate. The Entity recognizes the withdrawal liability related to two MEPPs for which a contract exits. The total liability related to MEPPs is included in the employee labor obligations line.

The provision for the MEPP mainly corresponds to the Entity´s intention of exiting the plan.

During 2015 and 2014, the Entity recorded a charge to results with respect to the liability for MEPPs of $359 and $2,022, respectively.

Liabilities recognized with respect to MEPPs are updated each year derived from changes in wages, aging and the mix of employees in the plan, which are recorded in results of the income year, in addition to amounts that are contributed regularly to different MEPPs.

The Entity has provisioned $14,581, that represent the withdraw estimation of some plans. The Entity has not provisioned for the MEPPs for which it has no intention to exit.

Welfare benefit plans USA

The Entity maintains a welfare benefit plan that covers certain eligible employees' postretirement medical expenses. Amounts correspond to expenses that are recorded in profit or loss as incurred. These obligations are classified as current or long–term welfare benefit plans and the amounts are included in the income statement. As of December 31, 2015 and 2014, these liabilities were:

	2015	2014
Welfare benefit plans		
Current [(a)]	$ 505	$ 471
Long–term	2,598	2,104
	$ 3,103	$ 2,575

[(a)] Included in other accounts payable and accrued expenses.

16. Stockholders' equity

At December 31, 2015 and 2014, stockholders' equity consists of the following:

	Number of shares	Amount
Fixed capital		
Series A	4,703,200,000	$ 4,227
Total	4,703,200,000	$ 4,227

Capital stock is fully subscribed and paid–in and represents fixed capital. Variable capital cannot exceed 10 times the amount of minimum fixed capital without right of withdrawal and must be represented by Series "B", ordinary, nominative, no–par shares and/or limited voting, nominative, no–par shares of the Series to be named when they are issued. Limited voting shares cannot represent more than 25% of non–voting capital stock.

i. There were no dividends declared during 2015 and 2014.

ii. An additional income tax, in Mexico, Income Tax on dividends was enacted in 2015 of 10% when such dividends are distributed to individuals and persons residing outside the country The income tax is paid via withholding and is considered a final payment by the shareholder. For foreigners, treaties to avoid double taxation may apply. This tax will apply to the distribution of profits generated beginning 2015.

iii. Retained earnings include the statutory legal reserve. Mexican General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of capital stock at par value (historical Mexican pesos). The legal reserve may be capitalized but may not be distributed unless the entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2015 and 2014, the legal reserve, in historical Mexican pesos, was $500.

iv. Stockholders' equity, except restated paid–in capital and tax–retained earnings, will be subject to income taxes payable by the Entity at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

v. The balances in the stockholders' equity tax accounts at December 31 are:

		2015		2014
Paid–in capital	$	29,338	$	28,464
Net after–tax income		42,372		37,174
Total	$	71,710	$	65,638

17. Transactions and balances with related parties

Balances and transactions between the Grupo Bimbo and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note.

a. *Transactions with related parties, carried out in the ordinary course of business, were as follows:*

		2015		2014
Expenditures for purchases of:				
Raw material				
Beta San Miguel, S.A. de C.V.	$	1,030	$	429
Frexport, S.A. de C.V.		661		592
Industrial Molinera Monserrat, S.A. de C.V.		300		385
Ovoplus del Centro, S.A. de C.V.		26		320
Paniplus, S.A. de C.V.		–		57
Finished inventory				
Fábrica de Galletas La Moderna, S.A. de C.V.	$	537	$	517
Mundo Dulce, S.A. de C.V.		716		624
Pan–Glo de México, S. de R.L. de C.V.		48		48
Stationary, uniforms and others				
Efform, S.A. de C.V.	$	163	$	156
Galerias Louis C Morton, S.A. de C.V.		8		4
Marhnos Inmobiliaria, S.A.		–		29
Proarce, S.A. de C.V.		123		123
Uniformes y Equipo Industrial, S.A. de C.V.		103		69
Financial services				
Fin Común Servicios Financieros, S.A. de C.V.	$	464	$	456

Transactions with related parties are carried out at market prices expected between independent parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior years for bad or doubtful accounts in respect of the amounts owed by related parties.

b. Accounts payable to related parties

As of December 31, 2015 and 2014 the net balances due to related parties are:

		2015		2014
Beta San Miguel, S. A. de C. V.	$	190	$	326
Efform, S. A. de C. V.		31		41
Fábrica de Galletas La Moderna, S. A. de C. V.		53		65
Frexport, S. A. de C. V.		13		116
Industrial Molinera Montserrat, S. A. de C. V.		6		34
Makymat, S. A. de C. V.		–		4
Mundo Dulce, S.A. de C.V.		48		48
Ovoplus del Centro, S. A. de C. V.		–		7
Pan–Glo de México, S. de R. L. de C. V.		10		14
Proarce, S. A. de C. V.		9		47
Fin Común Servicios Financieros, S.A. de C.V.		8		8
Uniformes y Equipo Industrial, S. A. de C. V.		22		21
Otros		11		58
	$	401	$	789

c. Compensation of key management personnel

Compensation management and other key members of management during the year was as follows:

		2015		2014
Short– and long –term direct benefits	$	601	$	409
Severance benefits		653		576
Bonus		107		103
	$	1,361	$	1,088

The compensation of management and key executives is determined by the Compensation Committee based on the performance of individuals and market trends.

18. Income taxes

Income taxes in México –

Mexican entities are subject to income tax ("ISR")

ISR –The rate was 30% in 2015 and 2014 and as a result of the 2014 ISR law, the rate will continue at 30% in 2016 and thereafter.

Income taxes in other countries –

Subsidiaries established abroad calculate the income tax on the individual results of each subsidiary and in accordance with the regulations of each country. USA has an authorization to file a consolidated income tax return. Spain has authorization to file a consolidated income tax beginning from the year 2013.

Each company calculates and pays under the assumption of individual legal entities. The annual tax return is submitted within six months following the end of the fiscal year; companies must make monthly payments during the fiscal year.

The tax rates applicable in other countries where the Entity mainly operates and the period in which tax losses may be applied, are as follows:

	Legal tax rate (%)				Due date tax loss
		2015		2014	carryforward
Argentina		35		35	5 (A)
Brazil		34		34	(B)
Canada	(C)	15		15	20
Spain	(D)	28	(D)	30	(E)
USA	(F)	35	(F)	35	20
Mexico		30		30	10

Tax losses caused by the Entity are mainly in the USA, Mexico, Brazil and Spain.

(A) Losses on sales of shares or other equity investments may only be offset against income of the same nature. The same applies to losses on derivatives. Foreign source tax losses may only be amortized with income from foreign sources.

(B) Tax losses may be applied indefinitely, but may only be offset each year up to an amount equivalent to 30% of the net taxable profit for each year.

(C) The general corporate income tax rate is a combination of the federal corporate income tax rate, of 15%, and relevant state (provincial) corporate income tax rates, where the Entity has a permanent establishment. State tax rates vary from 10% to 16%. Therefore the combined tax rate may vary from 25% to 31%.

(D) The tax rate was reduced to 28% in 2015, and will be 25% for the following years.

(E) Tax losses have no expiration date, however they can only be offset to a portion of the net taxable profit for each year as follows: 50–25% in 2015, 60% in 2016 and 70% from 2017 and thereafter.

(F) A state tax in each state must be added to the federal rate. The weighted statutory tax rate for the Entity for the years 2015 and 2014 was 37.75% and 38.8%, respectively.

Operations in the USA, Canada Argentina, Colombia, Guatemala, Panamá, Honduras, Nicaragua and Ecuador are subject to minimum payments of income tax.

Details of provisions, effective tax rate and deferred effects

a. Income tax in profit and loss:

	2015	2014
Income tax:		
Current	$ 3,884	$ 3,921
Deferred	179	(966)
	$ 4,063	$ 2,955

b. The reconciliation of the statutory and effective ISR rates expressed as a percentage of income before taxes on income for the years ended December 31, 2015 and 2014:

	2015	2014
Income before taxes	$ 9,978	$ 6,986
Statutory rate in Mexico	30%	30%
ISR at statutory tax rate	2,993	2,096
Add (less) tax effects of the following items:		
Inflationary effects on the monetary financial position	246	524
Nondeductible expenses, nontaxable revenues and other	575	390
Difference in tax rates and currency of subsidiaries in different tax jurisdictions	(106)	(286)
Effects on the tax base values of property, plant and equipment	(137)	(131)
Participation in the results of associates	(14)	18
Change in unrecognized tax benefits	506	344
Income tax recognized in profit or loss	$ 4,063	$ 2,955
Effective tax rate	40.7%	42.3%

To determine deferred ISR at December 31, 2015 and 2014, entities applied the tax rates expected to be in effect to temporary differences, based on the estimated reversal date of the temporary difference.

Certain companies that have tax losses have not recognized the deferred benefit as they do not believe they have projections of sufficient taxable income in order to recover the benefit of such losses. Unrecognized benefits were $3,007 in 2015 and $3,524 in 2014.

The main items originating a deferred income tax asset as of December 31, 2015 and 2014 are:

	December 31, 2014	Effects through profit or loss	Effects through comprehensive income	Translation effects	Business combinations	December 31, 2015
Allowance for doubtful accounts	$ (321)	$ (14)	$ –	$ –	$ –	$ (335)
Inventories and payments in advance	(12)	(21)	–	–	–	(33)
Property, plant and equipment	4,460	(349)	–	–	256	4,367
Intangible and other assets	8,317	1,436	–	–	175	9,928
Other reserves	(12,614)	(1,033)	315	–	(64)	(13,396)
Employee profit sharing	(318)	5	–	–	–	(313)
Tax loss carry forwards	(5,444)	(2,518)	–	–	–	(7,962)
Derivative financial instruments	–	2,121	(2,121)	–	–	–
Other items	603	552	(345)	(412)	–	398
Total (assets) liability, net	$ (5,329)	$ 179	$ (2,151)	$ (412)	$ 367	$ (7,346)

	December 31, 2013	Effects through profit or loss	Effects through comprehensive income	Translation effects	Business combinations	December 31, 2014
Allowance for doubtful accounts	$ (317)	$ (4)	$ –	$ –	$ –	$ (321)
Inventories and payments in advance	230	(241)	–	–	(1)	(12)
Property, plant and equipment	3,627	328	–	–	505	4,460
Intangible and other assets	5,493	969	–	–	1,855	8,317
Other reserves	(9,999)	(1,992)	(430)	–	(193)	(12,614)
Employee profit sharing	(246)	(72)	–	–	–	(318)
Tax loss carry forwards	(3,152)	(2,009)	–	–	(283)	(5,444)
Derivative financial instruments	–	1,649	(1,649)	–	–	–
Other items	519	406	(33)	(289)	–	603
Total (assets) liability, net	$ (3,845)	$ (966)	$ (2,112)	$ (289)	$ 1,883	$ (5,329)

The deferred income tax asset and liability have not been offset in the accompanying consolidated statements of financial position as they result from different taxable entities and tax authorities. Gross amounts are as follows:

	2015	2014
Deferred income tax asset	$ (10,705)	$ (8,709)
Deferred income tax liability	3,359	3,380
Total asset, net	$ (7,346)	$ (5,329)

c. As of December 31, 2015, tax loss carry forwards, pending amortization against future income taxes, expire as follows:

Years	Amount
2016	$ 331
2017	314
2018	351
2019	238
2020	459
2021	1,851
2022	86
2023	1,232
2024	5,510
2025	9,301
2026 and thereafter	15,591
	35,264
Unrecognized tax losses	(9,782)
Total	$ 25,482

19. Costs and expenses by nature

Cost of sales and distribution, selling, administrative, and other general expenses presented on the consolidated statements of income, are comprised as follows:

	2015	2014
Cost of sales		
Raw materials and manufacturing expenses	$ 95,008	$ 82,391
Freight, fuel and maintenance	3,053	2,527
Depreciation	4,360	3,380
	$ 102,421	$ 88,298

	2015	de 2014
Distribution, selling, administrative and other expenses		
Wages and salaries	$ 41,229	$ 36,674
Depreciation	2,078	2,028
Freight, fuel and maintenance	5,660	4,415
Professional services and consulting	13,358	10,098
Advertising and promotional expenses	7,935	6,951
Other	32,384	28,277
	$ 102,644	$ 88,443

20. Other general expenses

a. Other general expenses are comprised as follows:

		2015		2014
Tax incentives	$	(78)	$	(3)
Loss on sale of property, plant and equipment		124		330
Impariment of goodwill		991		–
Impirement of brand and distribution rights		430		166
Impirement fixed assets		418		–
Recovery on claims		–		(8)
Provision for updating MEPPs		359		2,022
Others		(76)		370
	$	2,168	$	2,877

21. Commitments

Guarantees and/or guarantors

a. Grupo Bimbo, S.A.B. de C.V. along with certain subsidiary companies have issued letters of credit to guarantee certain commercial obligations and contingent risk related to workers' compensation of certain subsidiaries. The value of such letters of credit at December 31, 2015 and 2014 are US$344 and US$270 million, respectively.

b. The Entity entered into contracts, which requires it to acquire certain amounts of renewable energy for an 17-year period at a fixed price, that will be updated according to changes in the INPC factors for the first 15 years. Even though the contracts have derivative financial instruments characteristics, they fall within the exception of "own-use"; therefore, they are recognized in the financial statements as the consumption of energy occurs. The estimated commitment to purchase energy in 2016 amounts to $254, and is to be updated annually based on inflation, for the remaining 13 years of the contract.

Lease commitments

a. The Entity has long-term commitments under operating leases, related to the facilities used to produce, distribute and sell its products. These commitments vary from 3 to 14 years, with a renewal option of between one and five years. Certain leases require the Entity to pay all related expenses, such as taxes, maintenance and insurance for the term of the contracts. Lease expense was $4,136 and $ 3,485 for the years ended December 31, 2015 and 2014, respectively. The total amount of future minimum lease commitments is as follows:

Years		Operating leases		Finance leases		Finance leases Non-controlling Interest
2016	$	2,299	$	25	$	446
2017		1,699		5		362
2018		1,231		–		288
2019		915		–		206
2020		2,058		–		–
2021 and thereafter		202		–		–
Total minimum lease payments		8,404		30		1,302
Amounts representing interest		–		3		388
Present value of net minimum lease payments	$	8,404	$	27	$	914

22. Contingencies

Certain contingencies exist, of varying nature, that have arisen in the normal course of business of the Entity, for which management has evaluated the likelihood of loss as remote, probable or possible. Based on such evaluation, for those contingencies for which the Entity believes it is probable it will be required to use future resources to settle its obligation, the Entity has accrued the following amounts:

Type		Amount
Labor-related	$	201
Tax-related		56
Civil-related		24
Other		97
Total	$	378

Those contingencies for which management does not believe it is probable that it will be required to use future resources to settle its obligations and that are not expected to have a material adverse effect are not accrued until other information becomes available to support the recognition of a liability.

The Entity has restricted cash of $177 and pledged certain assets in Brazil amounting to an additional $204 million as a guarantee of certain tax contingencies, which are presented in other long-term assets.

Derived from the purchase of items of property, plant and equipment and intangible assets in Brazil concerning the Firenze brand, made in 2008, the Entity is subject to tax liens and presumed successor of companies involved in these actions. The court issued an injunction, ordering the restriction of the accounts receivable of the Entity from the sale of branded products "Firenze". The Entity continues to defend itself regarding this claim, which is expected to be resolved in the long-term. There is a provision recorded for $21.

23. Segment information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on four geographical zones: Mexico, North America, OLA and Europe. Segment revenue is comprised of bread (for all segments) and confectionery products (Mexico and USA only)

The following presents the condensed financial information by reportable segment based on the geographical areas in which the Entity operates for the years ended December 31, 2015 and 2014:

	2015											
		Mexico		North America		OLA		Europe		Consolidation eliminations		Total
Net sales	$	76,295	$	116,399	$	24,272	$	7,560	$	(5,340)	$	219,186
Operating income (loss) (*)	$	10,920	$	5,024	$	(1,310)	$	(601)	$	88	$	14,121
Depreciation, amortization, impairment and other non-cash	$	2,511	$	4,641	$	1,829	$	267	$	–	$	9,248
EBITDA (*)(**)	$	13,431	$	9,665	$	519	$	(334)	$	88	$	23,369
Net income of controlling stockholders	$	5,497	$	1,462	$	(1,662)	$	(892)	$	766	$	5,171
Interest income	$	(372)	$	(190)	$	(30)	$	(181)	$	561	$	(212)
Interest expense	$	3,541	$	1,221	$	361	$	1	$	(548)	$	4,576
Total assets	$	43,020	$	130,148	$	19,332	$	8,253	$	(1,120)	$	199,633
Total liabilities	$	82,868	$	45,890	$	6,690	$	2,881	$	(555)	$	137,774

	2014											
		Mexico		North America		OLA		Europe		Consolidation eliminations		Total
Net sales	$	72,098	$	90,375	$	21,931	$	6,897	$	(4,248)	$	187,053
Operating income (loss) (*)	$	10,132	$	392	$	7	$	(209)	$	(10)	$	10,312
Depreciation, amortization, impairment and other non-cash	$	1,917	$	5,196	$	849	$	146	$	–	$	8,108
UAFIDA (*)(**)	$	12,049	$	5,588	$	856	$	(63)	$	(10)	$	18,420
Net income of controlling stockholders	$	4,977	$	(1,011)	$	(492)	$	(53)	$	97	$	3,518
Interest income	$	(303)	$	(309)	$	(34)	$	(324)	$	699	$	(271)
Interest expense	$	3,007	$	942	$	300	$	29	$	(586)	$	3,692
Total assets	$	36,449	$	115,427	$	20,176	$	6,844	$	(1,135)	$	177,761
Total liabilities	$	78,238	$	37,935	$	5,941	$	2,516	$	(471)	$	124,159

(*) Amount does not include intercompany royalties.
(**) The Entity determines EBITDA as operating income plus depreciation, amortization, impairment and other cash items.

For the years ended December 31, 2015 and 2014 the sales to its largest customer represented 11.8% and 12% respectively of consolidated net sales of the Entity, which corresponds mainly to the regions of Mexico and the US and Canada. There are no other customers whose sales exceed 10% of total consolidated sales.

24. Financial statements issuance authorization

On March 30, 2016 the issuance of the accompanying consolidated financial statements was authorized by Lic. Daniel Servitje Montull, Chief Executive Officer, and the Board of Directors of the Entity. Consequently, they do not reflect events occurred after that date. These consolidated financial statements are subject to the Entity stockholders' approval at the General Stockholders' meeting, where they may be modified, based on provisions set forth by Mexican General Corporate Law.

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Stakeholder information

BIMBO

Stock exchange:
Mexican Stock Exchange (BMV)

Ticker symbol:
BIMBO

G4-5

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

G4-31

Institutional relations contact:
responsabilidadsocial.gpobimbo@grupobimbo.com

Online:
www.grupobimbo.com
twitter.com/Grupo_Bimbo

Design and production: milenio3genera

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