



December 2008

## Transaction Overview: A Transformative Opportunity

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

# An Attractive Acquisition

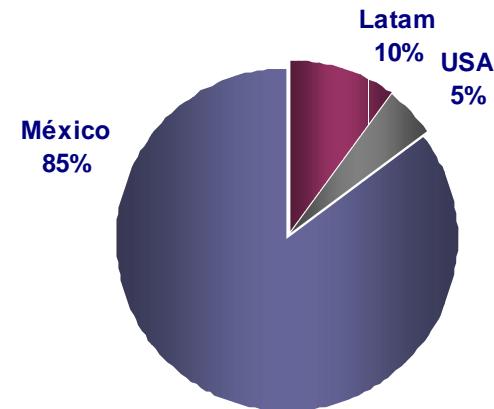
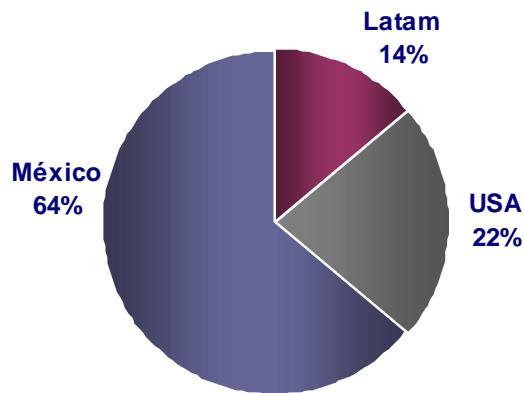
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- **Strengthening our presence in the U.S.**
  - Complementary acquisition with high quality assets (brands, manufacturing and distribution structure, management)
  - More efficient manufacturing and distribution mix
  - Complementary brand portfolio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

# Grupo Bimbo Today

NET SALES: US\$ 7.4 billion 2008E

EBITDA : US\$850 million (11.4%) 2008E



## Mexico

- #1 in baked goods
- #2 in cookies and crackers
- #2 in salty snacks
- #2 in confectionery
- #1 retail pastry chain
- 43 plants

## United States (BBU)

- #1 in the West
- #4 in the country
- 13 plants

## Latin America (OLA)

- #1 in 13 countries
- #2 in Argentina
- 27 plants

## Asia

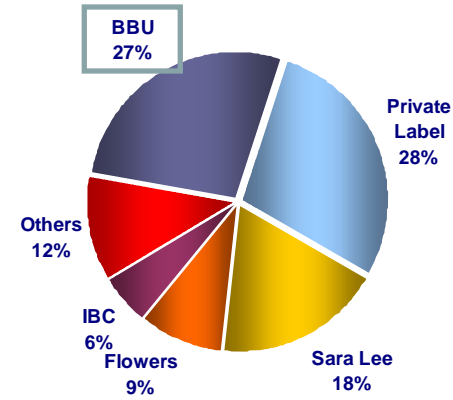
- Leader in Beijing and Tianjin
- 1 plant
- Results consolidated in Mexico



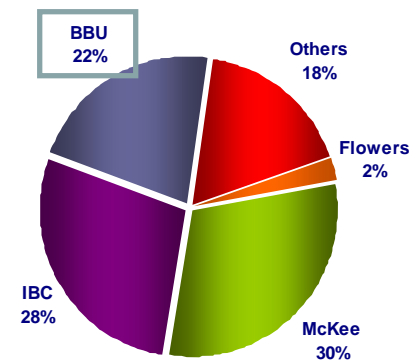
# Grupo Bimbo's US (BBU) Operations Today

US\$ MM	2007	2008E
Net Sales	\$1,463	\$1,626
EBITDA	\$53	\$38
EBITDA Margin	3.6%	2.4%
Plants	13	
Routes	3,000 +	
Associates	7,000 +	

## Western US Bread Share <sup>2</sup>



## Western US Sweet Baked Goods Share <sup>2</sup>



1. Brands distributed under license

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

## Strategy for Long-Term Profitable Growth

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- Optimize product portfolio
- Strengthen brand recognition
- Effectively and thoroughly penetrate our markets
- Foster R&D activity to anticipate and respond to consumer trends
- Enhance margins
- Expand distribution
- Identify and pursue acquisition opportunities

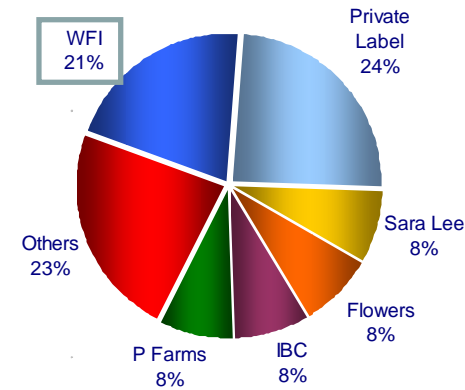
# Weston Foods Inc (WFI)

## U.S. Fresh Bakery Business

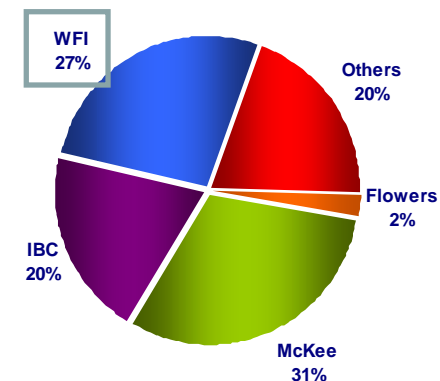
- Bread, rolls, muffins, bagels, sweet goods
- Retail, food service
- Private label, Restaurants & Institutional

US\$ MM	2007	LTM 2008 <sup>2</sup>
Net Sales	\$2,057	\$2,197
Adj. EBITDA <sup>1</sup>	\$249	\$275
EBITDA Margin	12.1%	12.5%
Plants <sup>3</sup>	22	
Routes	4,000 +	
Associates	8,000 +	

## Eastern US Bread Share <sup>4</sup>



## Eastern US Sweet Baked Goods Share <sup>4</sup>



1. Adjusted EBITDA  
3. 15 Bread & Rolls, 4 Cake, 3 Combo

2. LTM as of October 4th, 2008  
4. IRI: Sales dollar data, 13 weeks ending November 2, 2008

# Strong Brand Portfolio

## Overview of WFI's Business Units

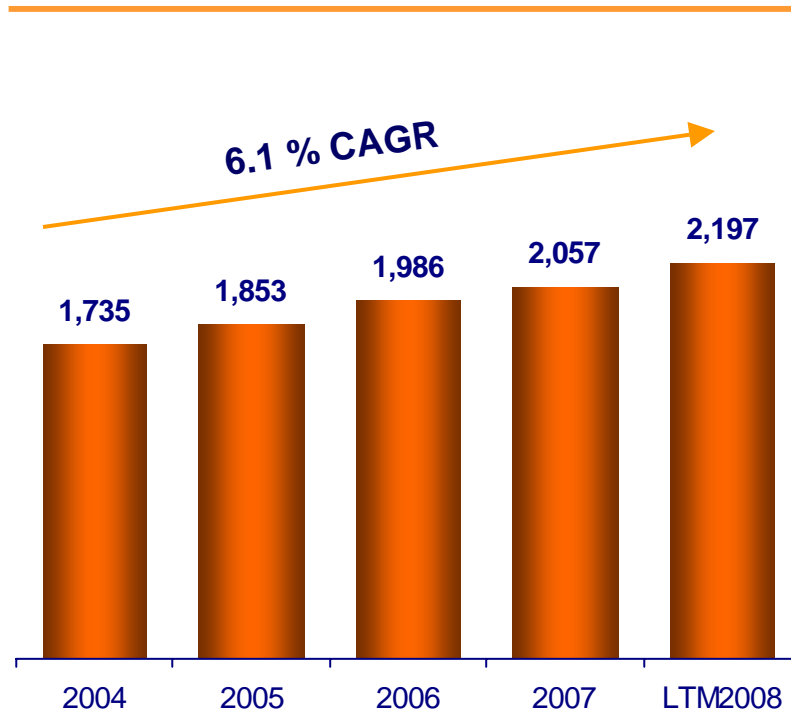


	Bread	English Muffins & Bagels	Cake
Description	<ul style="list-style-type: none"> <li>• Leading baker of premium bread brands</li> <li>• Strong position in the Northeast</li> </ul>	<ul style="list-style-type: none"> <li>• Leading value added baked goods player in English muffins and growing bagel presence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

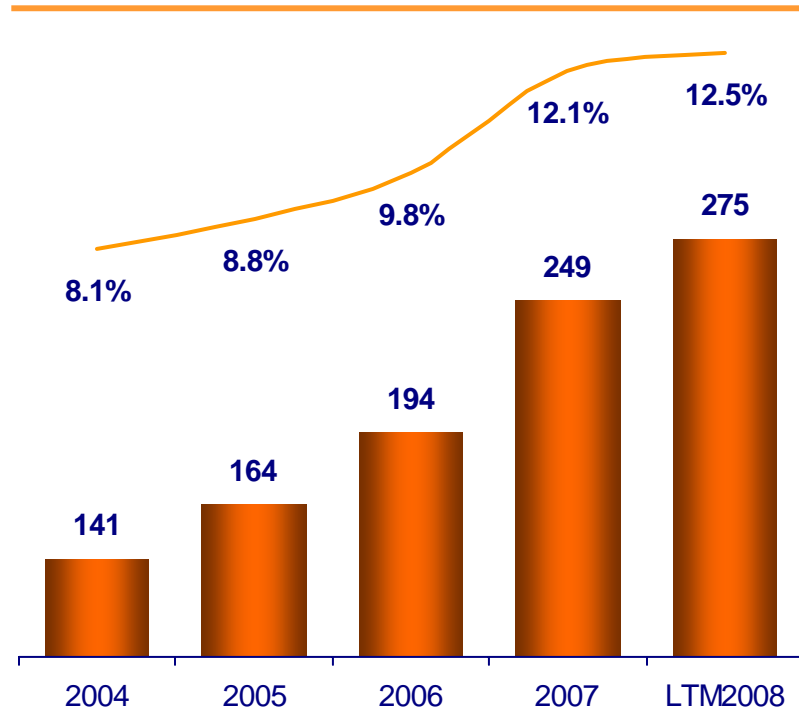


# WFI Track Record of Delivering Results

Net Revenues (US\$ MM)



EBITDA<sup>1</sup> (US\$ MM and % Margin)




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

## Positive Industry Fundamentals

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### Transaction responsive to:

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

# Combination Creates Balanced Brand Portfolio

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## National leader in premium brands

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## Diverse portfolio of mainstream brands

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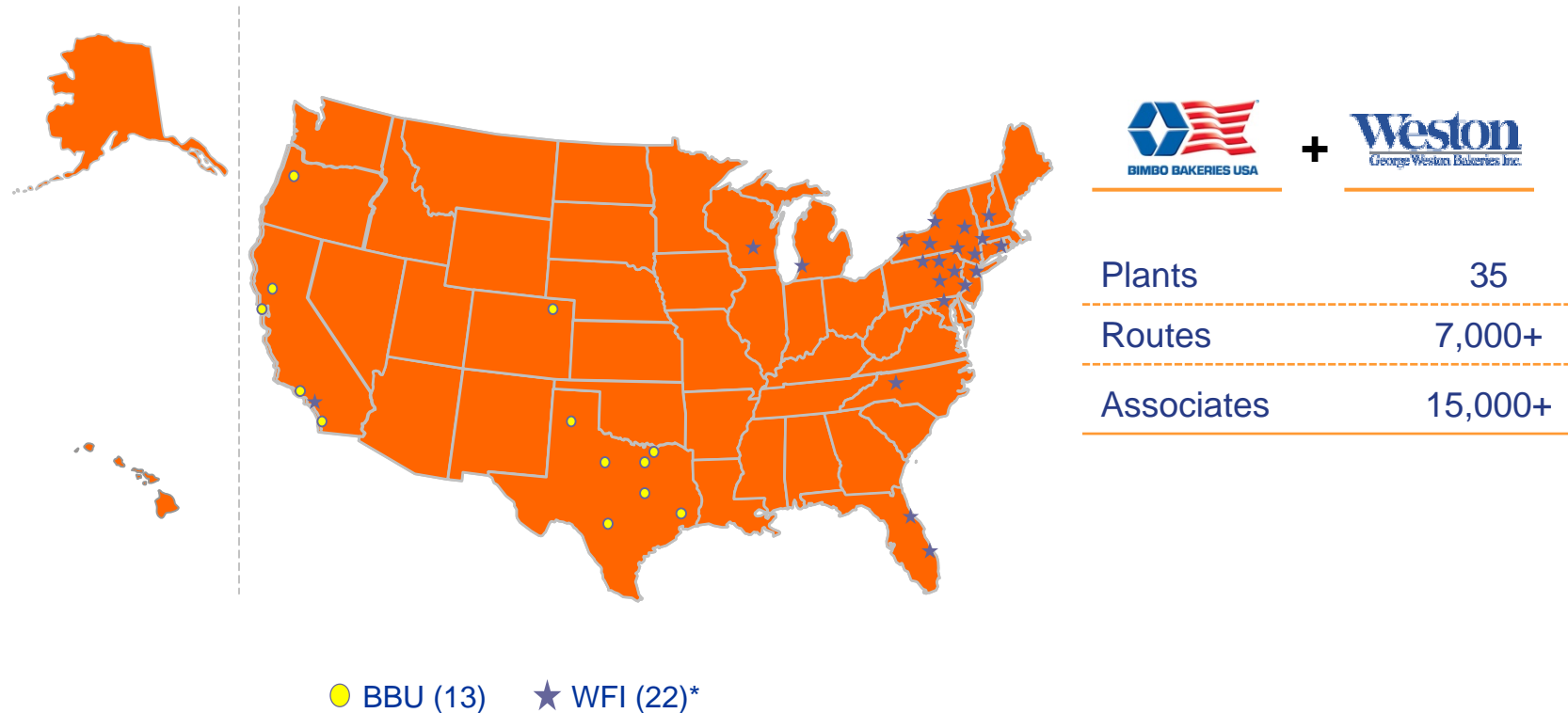
## Leader in niche brands portfolio

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

# The New BBU Profile



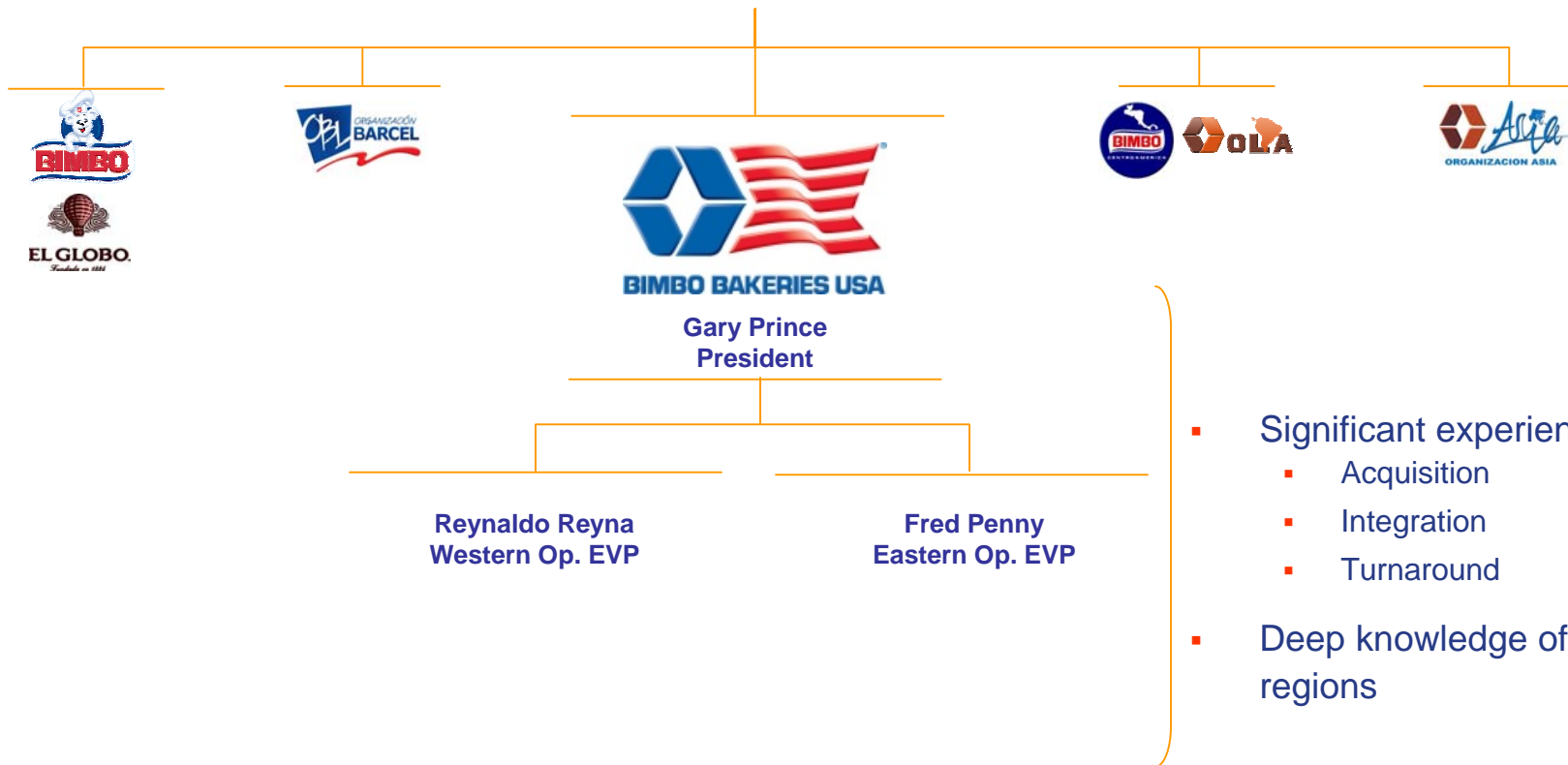
- Pro-Forma LTM2008 sales of US\$3.8 bn and EBITDA US\$313 mn (8.2% margin)
- National presence to better serve our customers
- Expected net synergies of US\$95 mm

\* Note: Includes one plant supplying Thomas' English muffins for BBU in the West

# Talented Management: Best in Class



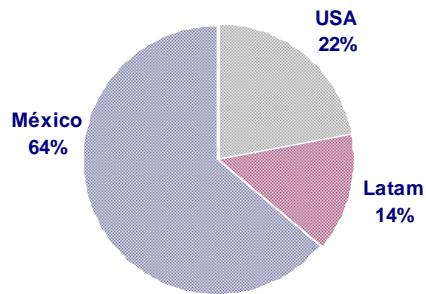
Daniel Servitje  
CEO



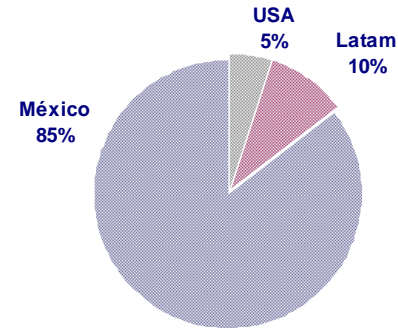
- Significant experience
  - Acquisition
  - Integration
  - Turnaround
- Deep knowledge of heritage regions

# Grupo Bimbo's Pro-Forma Mix

**NET SALES: US\$ 7.4 billion 2008E**

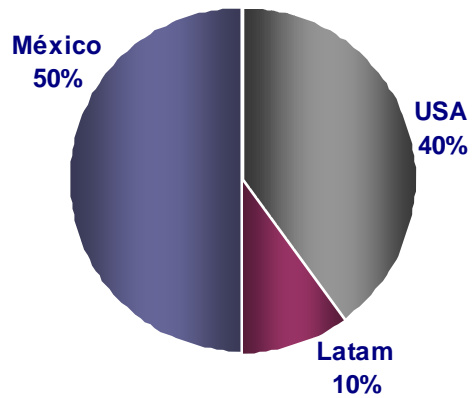


**EBITDA : US\$850 million (11.4%) 2008E**

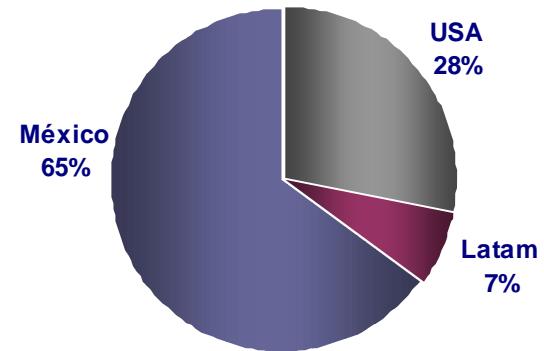


Current Mix

**NET SALES: US\$ 9.6 billion 2008E**



**EBITDA : US\$1.1 billion (11.7%) 2008E**



Pro-forma Mix

## Attractive Purchase Price

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

### **Business Assets Acquired:**

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- Stock of WFI
- Trademarks

### **Implied multiples:**

EV / EBITDA 8.6x

Price / Sales 1.1x

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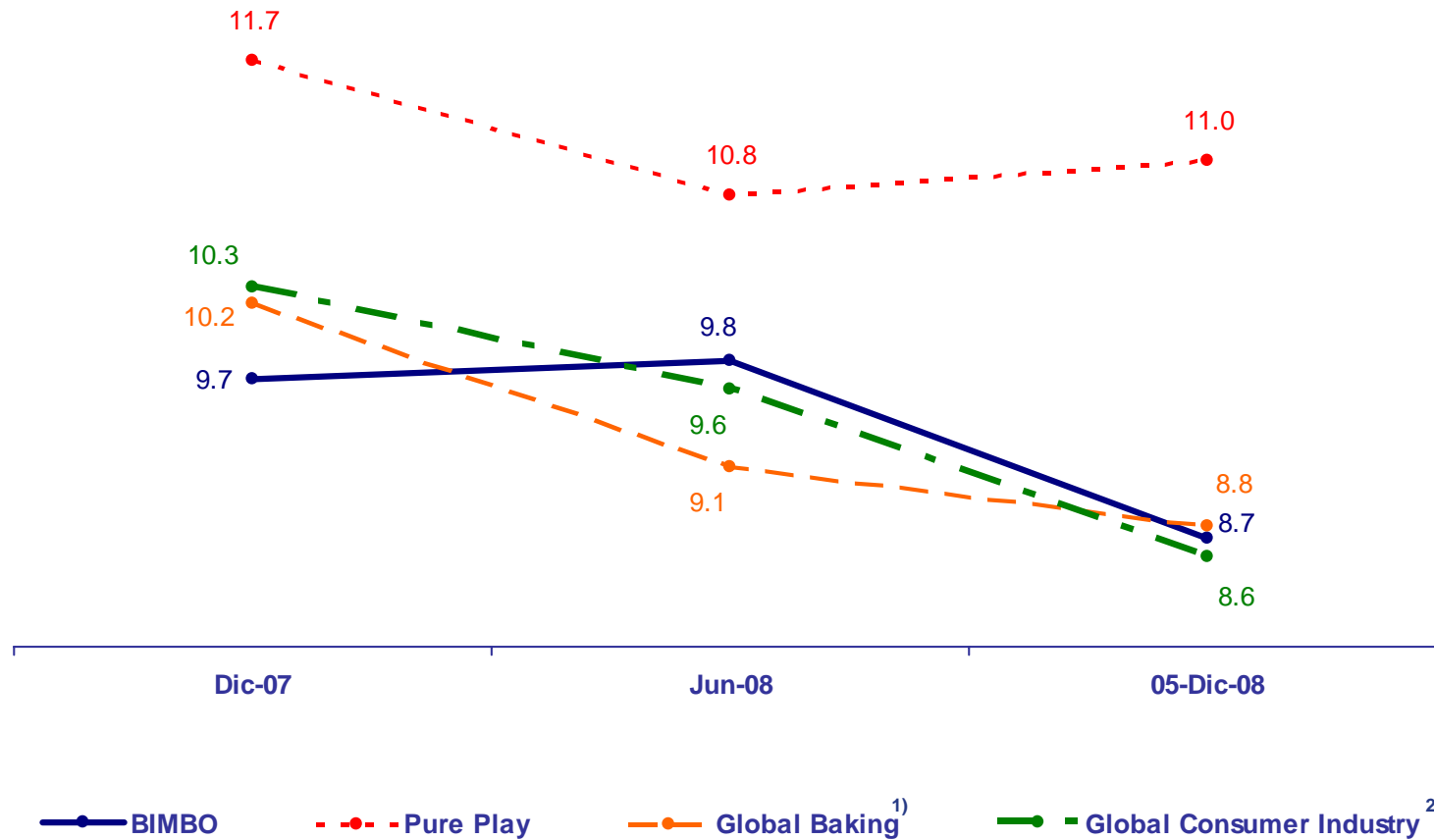
**Payment of  
US\$ 125 million**

### **Financial Assets Acquired:**

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

# Favorable Ratios Comparison: EV / EBITDA



1) Global Baking includes: Grupo Bimbo, Flowers Foods, General Mills, George Weston, Goodman Fielder, Kellogg, Kraft, Krispy Kreme, Sara Lee and Yamazaki

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



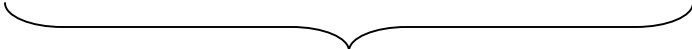
# Significant Synergy Potential

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## Full Run Rate Synergies by Year 5

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<b>Run Rate Synergies:</b>	<b>US\$ 95 mn *</b>
<b>Cumulative Costs to Achieve Synergies:</b>	<b>US\$ 30 mn</b>
<b>Cumulative Capex (IT):</b>	<b>US\$ 60 mn</b>



**80% by the third year**

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

\* Net of one-time costs

# Financing Structure: Solid Bank Group

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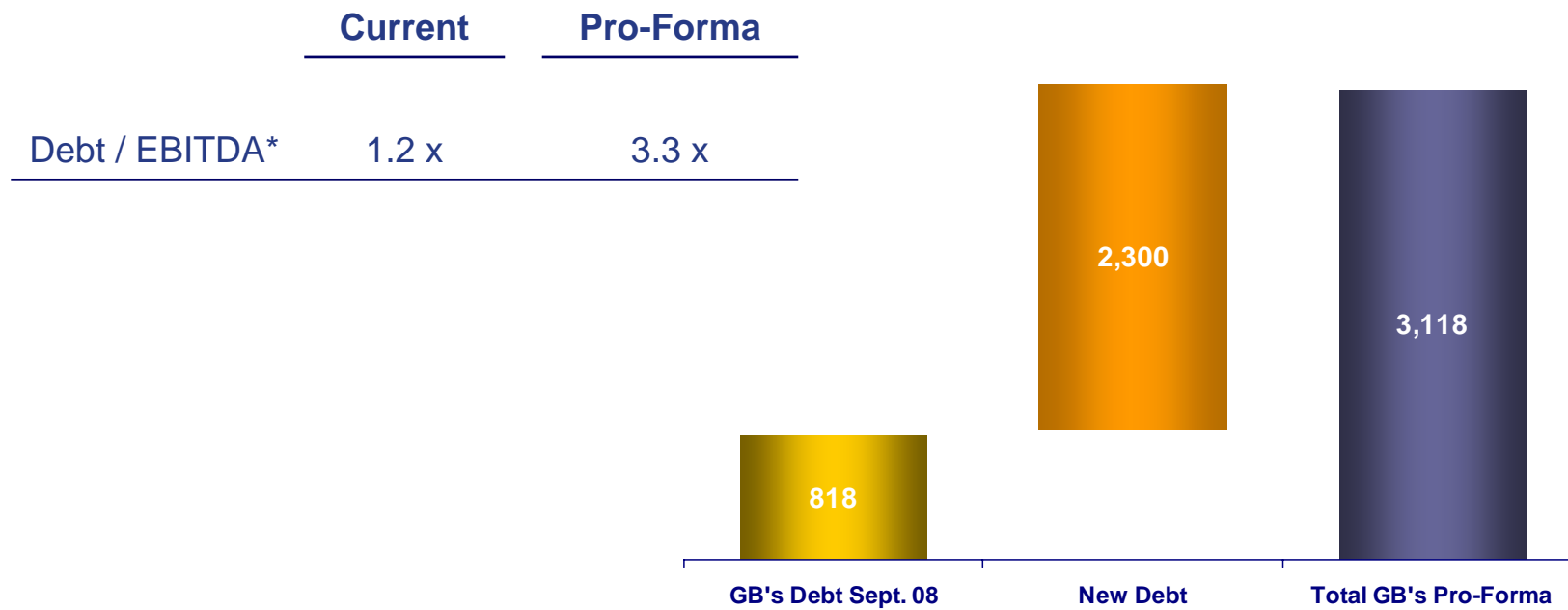
Joint commitment of US \$2,300 million



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

1. To be funded in Mexican Pesos and / or USD Dollars

# Acquisition Impact: Total Debt



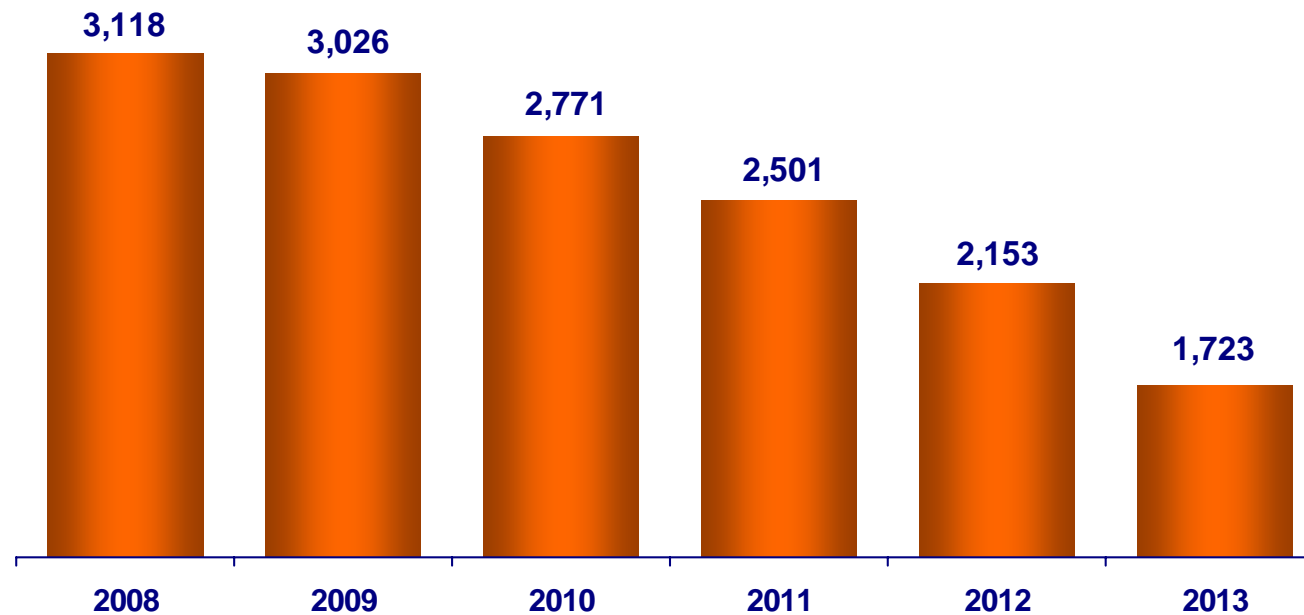
Figures in millions of dollars 2008e (FX 14.00)

\* Ratio calculated with Debt and EBITDA in Mexican pesos according to Mexican GAAP

# Pro-Forma Performance: Deleveraging Impact

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## Total Pro-Forma Debt

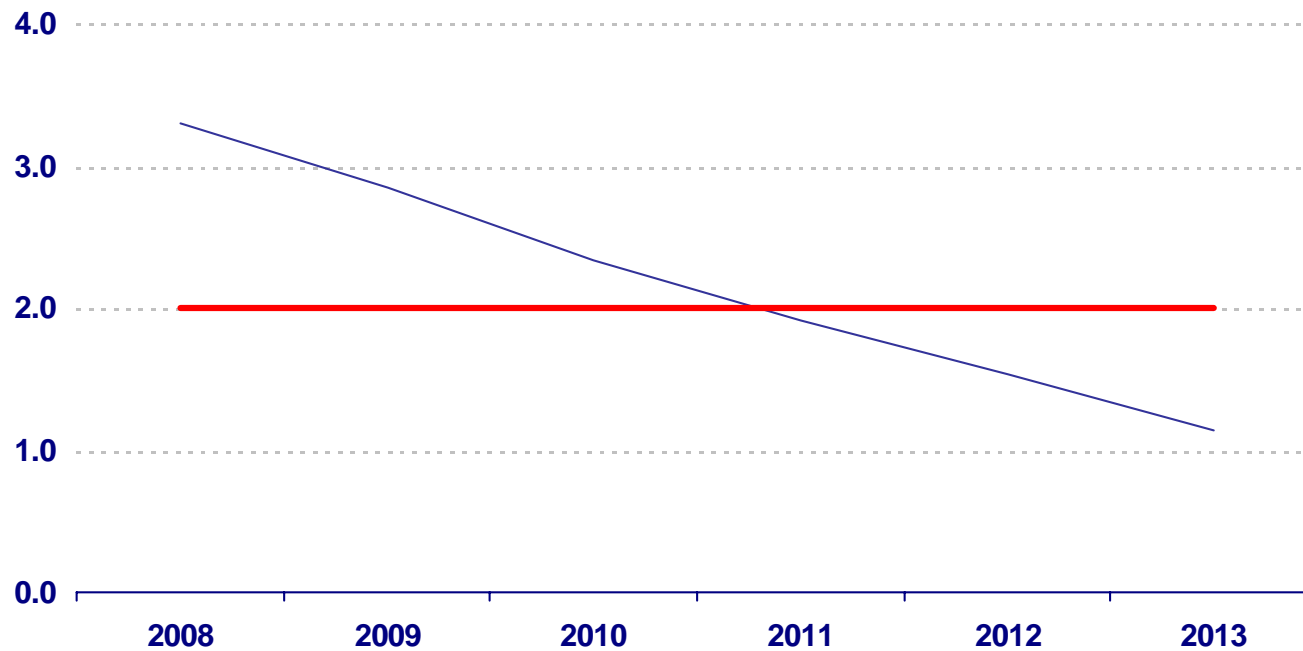


Prospective figures in millions of dollars

# Pro-Forma Leverage Performance

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## Total Debt/ EBITDA



\* Prospective numbers

2008 Ratio calculated with Debt and EBITDA in Mexican Pesos according to Mexican GAAP

## Grupo Bimbo's Focus will remain on Execution

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

# Bimbo Bakeries USA: A New Industry Leader

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## An attractive acquisition

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



**North America's  
Top Baker**

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