



— BUILDING A —
sustainable,
HIGHLY ***productive*** AND
DEEPLY ***humane*** COMPANY



2016 INTEGRATED ANNUAL REPORT SUMMARY

ABOUT GRUPO BIMBO

Grupo Bimbo is the largest baking Company in the world¹, generating US\$13.5 billion² in net sales in 2016. We produce and distribute fresh and frozen sliced bread, buns, cookies, snack cakes, english muffins, bagels, pre-packaged foods, tortillas, salted snacks and confectionery products, among others, in 22 countries throughout the Americas, Europe and Asia. Our shares trade on the Mexican Stock Exchange (BMV) under the ticker symbol BIMBO, and in the over-the-counter market in the United States with a Level 1 ADR, under the ticker symbol BMBOY. We are included in the IPC and the Sustainability BMV Indexes, as well as in the FTSE4Good Emerging Index.

¹Source: IBISWorld Global Bakery Goods Manufacturing Report, August 2016

²US\$1= Ps. 18.66, 2016 average exchange rate

***Building a sustainable,
highly productive and
deeply humane company***



This is our Purpose. It echoes our founders' core commitment to create value for all stakeholders, now and for generations to come. It is embodied in our enduring brands, efficient and low-cost operations, culture of innovation and continuous improvement, and above all, our People.

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IN MEMORIAM



With sadness and profound gratitude for his legacy, we mourn the passing of Don Lorenzo Servitje Sendra, one of the Company's founders, on February 3rd, 2017, at the age of 98.

Grupo Bimbo was founded in 1945, by Don Lorenzo, Jaime Jorba, José Mata, Jaime Sendra and Alfonso Velasco. The Company began with ten vehicles, one brand, four products and 38 associates, the first of whom was his brother Roberto Servitje. Don Lorenzo was Manager, CEO, and Chairman of the Board of Directors of Grupo Bimbo. He left his management position and sat on the Board from 1980 until 1994; he continued to be an inspiring presence for the Company thereafter, until his passing.

He had a great love for Mexico and for every country where we have operations. He always considered that each country has great opportunities and people capable of achieving success, even in the hardest endeavors.

Grupo Bimbo still promotes the values and Philosophy that Don Lorenzo instilled over 70 years ago. We will always remember him as a great man, leader and source of inspiration.

Organic volume growth and market share gains in key categories and brands

Completion of the Panrico acquisition and two frozen bread businesses in Latin America

Net majority margin contracted 10 bps, due to a higher effective tax rate and non-cash items

Successful issuance of Ps. 8,000 million in domestic bonds due 2026

Greater logistics and supply chain productivity, reaching savings of more than US\$ 170 million

Double-digit growth in: net sales 15%, operating income 28%, and adjusted EBITDA 25%

Establishment of a sponsored Level 1 American Depositary Receipt (ADR) program in the US, under the ticker symbol BMBOY

2016 HIGHLIGHTS

Better raw materials use and over 12% waste reduction

Manufactured 350 electric vehicles which are part of our distribution fleet

Grupo Bimbo was confirmed as a FTSE4Good Emerging Index constituent, which measures the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices

123 plants were certified for compliance with the Global Food Safety Initiative (GFSI) standards

Record-setting participation in our second Global Energy Race: 36 cities, 21 countries, 79,000+ participants and +1m bread slices donated to local food banks

Named one of the "World's Most Ethical Companies in 2017" by The Ethisphere Institute

FINANCIAL (millions of Mexican pesos, except EPS)

Consolidated net sales

252,141

vs 219,186 in 2015
15.0% increase

Operating income

18,084

vs 14,121 in 2015
28.1% increase

Net majority income

5,898

vs 5,171 in 2015
14.1% increase

Earnings per share (pesos)

1.25

vs 1.10 in 2015

Adjusted EBITDA

29,298

vs 23,369 in 2015
25.4% increase

Market capitalization
at December 31st

221,097

ENVIRONMENTAL

Electricity consumption (kWh/ton)

231.97

vs 233.23 in 2015
1% reduction

Water consumption (m³/ton)

1.0415

vs 1.1120 in 2015
6.3% reduction

56%

of waste generated in our
production processes was recycled

SOCIAL

Total associates worldwide

130,913

vs 127,152 in 2015
3.0% increase

Accidents frequency rate*

2.0

vs 2.1 in 2015
5.0% reduction

Donations (millions of pesos)

114.6

vs 90 in 2015
27.3% increase

Good Neighbor projects

129

vs 116 in 2015
11.2% increase

*The accidents frequency rate is related to the collective working time in one year (it does not include first aid accidents).





GRUPO BIMBO TODAY

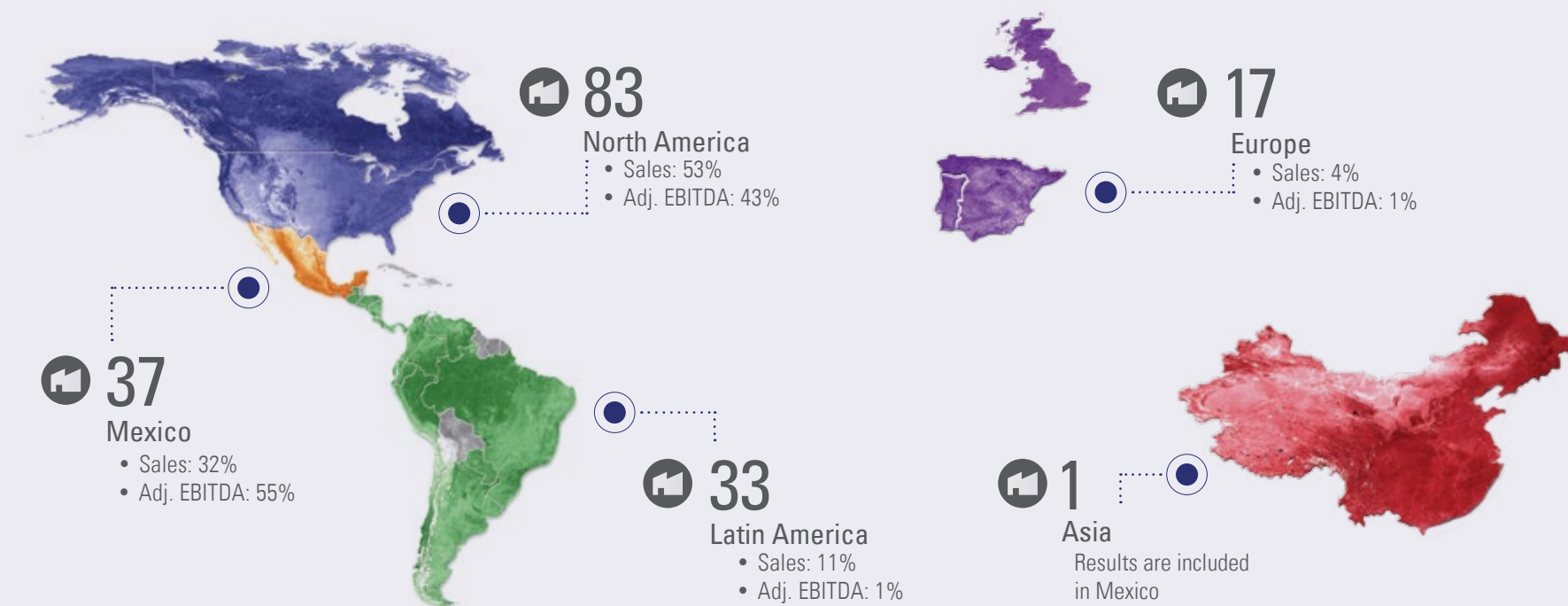
We are a global branded consumer goods Company and the leader in the baking industry

OUR
FOOTPRINT

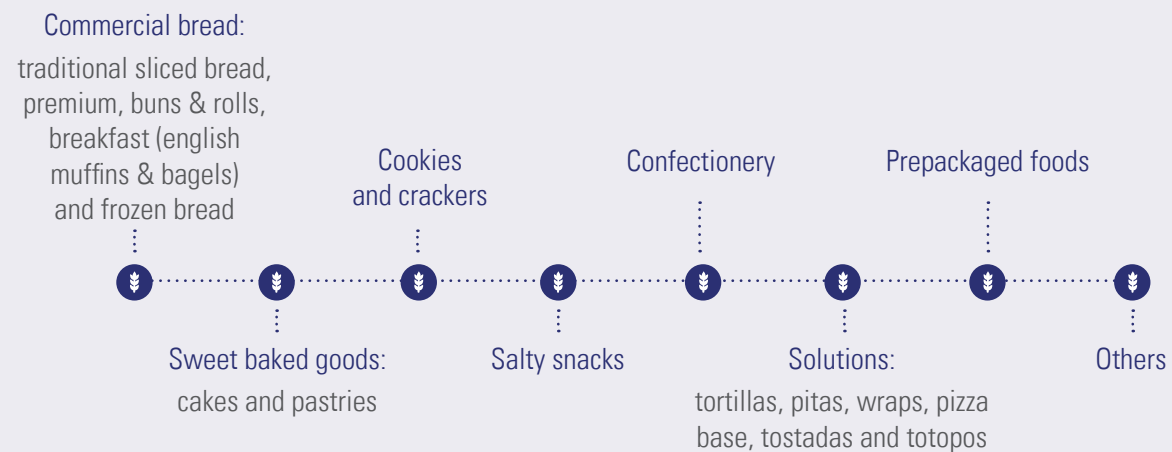
 **171**
Plants

 **130,000+**
Associates

 **2.7+**
millions of points of sale



CORE CATEGORIES



OUR KEY BRANDS



SUSTAINABILITY

Sustainability is our way of doing business. We manage sustainability by focusing our efforts in four areas: Wellbeing, Planet, Community and Associates. These four pillars are integral to our strategy and are overseen by the Sustainability Central Committee, established in 2016, whose participants include members of the Board of Directors and the Executive Committee



WELLBEING

Innovation to improve the nutritional profile of our products; responsible marketing and labeling; and promotion of healthy and active lifestyles



PLANET

Environmental controls along four action lines: carbon footprint, water footprint, waste management, and environmental stewardship



COMMUNITY

Volunteering; donations; *Good Neighbor* program; strategic alliances for educational, environmental and rural development; continuous improvement of our value chain



ASSOCIATES

Health, safety and wellness; professional and personal development; ethical conduct and promotion of our Company's Beliefs



LETTER FROM THE CHAIRMAN & CEO



Dear Shareholders,

On behalf of the Board of Directors and Executive Management, I am pleased to report a year in which we delivered good operating and financial results, enhanced our international profile, and strengthened our brands and market share across key categories.

We launched our new and ambitious 2020 Vision, looking to *transform the baking industry and expand our global leadership to better serve more consumers*. We renewed our Beliefs and Purpose, and defined concrete Transformational Objectives, aligned to our key Capabilities.

Our priorities in 2016 were: organic growth, market share gains, sustainable profitability, and organizational effectiveness. In this regard, we made significant advances.

I would like to share the following highlights:

- 1.9% volume growth and market share gains in key categories, in part driven by investment in our brands as we continue to hone our focus on global power brands, as well as emerging and regional brands.
- During 2016, Thomas' exceeded US \$1 billion in retail sales, positioning itself as one of the Group's five best-selling brands.

- We completed three acquisitions that strengthen our global presence; two of them in the frozen bread category: *Panettiere* in Colombia and the General Mills business in Argentina; and one in the sweet baked goods category, Panrico, which we renamed Donuts Iberia after divesting the bread business. This latter acquisition doubles our size and expands our product portfolio in the Iberian Peninsula.

- With the aim of being a low cost producer and fulfilling our commitment to our consumers, we undertook some actions:

» Greater logistics and supply chain productivity, reaching savings of more than US\$ 170 million.

» The startup of a new plant in Cordoba, Argentina, which brings us closer to consumers beyond the capital cities.

» A new high-volume bread line in Rio de Janeiro.

» We achieved better raw materials utilization and over 12% waste reduction.

» We launched the Zero Based Budgeting initiative (a tool to efficiently manage our expenses), which will be gradually replicated in all our operations.

- In order to better position Grupo Bimbo within the competitive environment and optimize our manufacturing footprint, we closed three facilities, one in the US and two in Canada, and reallocated some production lines.

- Our capital investment exceeded US\$ 650 million.

- Focused R&D investments were primarily allocated to innovation, some examples were the opening of one Food Lab and one Kitchen Lab, the internal development of 350 electric vehicles, and the launch of new products: our *Latte* snack cake, the introduction of *Artesano* bread in almost all our markets, and *The Rustik Bakery*, among others. It is worth noting that 14% of our net sales in 2016 came from product launches in the past 24 months.

- We strengthened our Talent Management platform to provide more career path visibility and professional development to our associates. We trained more than 7,000 associates on Diversity and Inclusion, for a total of more than 13,500 associates trained since the initiative was implemented.

- To further strengthen our culture of regulatory compliance, we trained approximately 100,000 associates on ethics and integrity and

enhanced our control systems and internal audit processes. We were recently named "World's Most Ethical Company 2017" by Ethisphere Institute, as one of the Companies with most ethical reputation globally.

- We had some changes in our Board of Directors. Henry Davis, who served as a board member for 17 years and as the Audit Committee Chairman, retired; Maria Luisa Jordá joined as new board member.

- Our commitment to generate healthier lifestyles was reflected in events like *Futbolito Bimbo*, in which more than 77,000 girls and boys participated in six countries. Also, our second Global Energy Race that set a Guinness Record for the most number of cities participating in a simultaneous race: 36 cities, in 21 countries, with over 79,000 participants. In conjunction with this event, we donated one million slices of bread to local food banks.

- Despite changing industry dynamics and macro-economic conditions that continue to be tough in some of our markets, we generated healthy results during the year.

» In Mexico, a turnaround in the sweet baked goods category; in North America, growth in

strategic brands and a notable expansion in the adjusted EBITDA margin; in Latin America, volume and sales good performance in local currency in most countries. Finally, in Europe, the acquisition of Panrico, that helped generate positive adjusted EBITDA for the first time since 2011.

» Consolidated net sales in 2016 rose 15% over 2015, to Ps. 252.1 billion, reflecting an FX rate benefit in North America, Latin America and Europe, organic growth in Mexico, and the acquisition of Panrico.

» Gross margin expansion of 70 basis points to 54% was driven by lower raw material costs in North America, Latin America and Europe.

» Operating income increased 28.1% to Ps. 18.1 billion, with an 80 basis point expansion in the margin to 7.2%

» Adjusted EBITDA rose 25.4% to Ps. 29.3 billion, resulting in an 11.6% margin. Net majority income rose 14.1% to Ps. 5.9 billion and the margin contracted by 10 basis points, due to a higher effective tax rate and some non-cash charges.

» The balance sheet remains solid and flexible. Total debt at December 31, 2016 was Ps. 82.5 billion, compared to Ps. 67.8 billion in December 2015, primarily reflecting the 20% US dollar revaluation that increased the Mexican peso value of US dollar-denominated debt. Total debt to adjusted EBITDA ratio was 2.8 times, compared to 2.9 times at December 2015.

» We successfully issued a 10 year Ps. 8,000 million domestic bonds paying a fixed interest rate of 7.56% annually. Proceeds from the transaction were used to repay a committed long-term revolving credit facility.

- With the aim of developing our sustainability strategy, this year we formed a Central Sustainability Committee, which will continue to report our sustainability performance via the four pillars (Wellbeing, Planet, Associates and Community) and ensure that sustainability becomes a key factor in the way of thinking, decision-making, and operating in everything we do.

- Since 2014, we have signed our commitment to the UN Global Compact and the 10 principles established by the initiative. During 2016, we continued to work on Grupo Bimbo's Sustainability programs that add value and contribute

to these principles. Today, our Company is committed to welcoming several of the topics raised by these goals. We understand that only a common front, an ecological vision, and an awareness of our reality, will generate a profound change to the wellbeing, dignity and health of the global population.

Despite our size and global profile, we remain energized by the challenges of the marketplace. Ours is still a highly fragmented industry, and low rates of household penetration provide an attractive runway for growth.

As Don Lorenzo said, the Company's success is not of only one person, each one of us contributes with a "small grain of flour". I am grateful for the commitment and efforts of our more than 130,000 associates worldwide, who contribute daily to our Purpose of *building a sustainable, highly productive and deeply humane Company*.

Sincerely,
Daniel Servitje
 Chairman and Chief Executive Officer

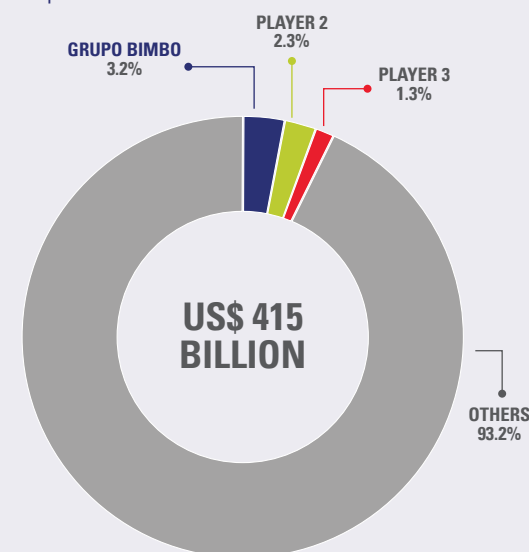




THE OPPORTUNITY: OUR MARKET AND INDUSTRY

INDUSTRY OVERVIEW

We participate in the US\$400+ billion global baking industry, in terms of sales. Although we are the leader, we still hold less than a 5% share of this highly fragmented sector in which local and artisanal bakers in aggregate are the leading participants.



Grupo Bimbo represents
3.2%
of the global market

The potential for growth is significant in terms of consolidation, market penetration and consumer adoption of branded and packaged goods. Further-

more, given that we operate in only 22 out of the more than 190 countries with a commercial baking industry, geographic expansion continues to represent an important growth opportunity.

We also participate in the snacks industry. While our share in this market is small on a relative basis, snacks provide product portfolio diversification, add more value to our sales channels, expand our consumer base and provide access to additional consumption occasions. Growth within certain segments and geographies of this industry far outpaces the food & beverage category as a whole.

MARKET DRIVERS AND CONSUMER TRENDS

While consumption of mainstream packaged bread has slowed in some mature markets such as North America and Europe, demand from markets like Latin America, Asia, the Middle East and Africa is higher and expected to continue to rise, driven by factors such as rising discretionary income and changing consumer habits. In snacks, consumer demand has grown as eating between meals has become more popular, and there are more choices between brands and varieties than ever before.

A number of megatrends continue to shape both industries:

- Convenient, ready-to-eat products
- Responsible consumption: authentic, "better for you", artisanal, clean labels, "all natural", organic and portion control
- Indulgence
- Premium quality
- Authenticity, variety and differentiation
- New ingredients and biotechnology

LEVERAGING THE OPPORTUNITY

Grupo Bimbo is well balanced geographically, spanning mature and high-growth markets and holding strong local leadership positions in each. Our presence in 22 countries is one of our competitive advantages. We leverage our global presence to share innovative products, processes and capabilities. The size and scale of our operations provide a natural advantage in mitigating some of the inherent challenges of the industry. We have the resources to invest across our business in: market and consumer research; product innovation and development; food safety and quality control; advertising, marketing and sales platforms; and talent development. Furthermore, building on the strength of our strategic global brands and powerful national and regional brands, we can leverage cross-market opportunities in category development, while our increasingly efficient production platform and extensive distribution assets support profitable growth and market penetration.

**Source: IBISWorld Global Bakery Goods Manufacturing Report, August 2016*



BUILDING A SUSTAINABLE, HIGHLY PRODUCTIVE AND DEEPLY HUMANE COMPANY

We are working to transform the baking industry and expand our global leadership to better serve more consumers. To do so, we are leveraging our five Key Capabilities.

1 OUR ASSOCIATES' ENGAGEMENT AND COMMITMENT TO OUR VISION

Our associates contribute with their time, talent and commitment. In Grupo Bimbo they find opportunities to achieve their full potential.

To be the preferred place to work in our industry, we must lead with safety and superior organizational health.

We monitor and measure workplace satisfaction, and we focus on building leadership skills with professional training and development starting with an associate's onboarding. At Grupo Bimbo a safety culture with measurable outcomes and accountability is of the highest importance, as is our support for our associates' healthy lifestyles.

- GB University, our multiplatform training and development system, is available to all our associates globally; it is accessible in five languages, has web-based and instructor-led curricula covering an extensive range of global and local content, as well as leadership and technical skills.

- On our safety journey, during 2016 we had a 12% reduction in disabling days and 8% fewer injuries vs. 2015.
- During 2016 our journey to become a more diverse and inclusive Company continued, with more women being promoted to senior management roles as well as at the Board of Directors. We have now trained more than 13,000 associates on our seminar: "leading in a diverse and inclusive Company".
- We have finalized the deployment of a global digital platform to manage our talent, which provides greater visibility into our people's potential and their needs, and allows them to explore career opportunities and lends transparency to employment decisions.

2 ENDURING MEANINGFUL BRANDS

Our brands hold strong leadership positions in each market where we operate, and 20 of our top-selling brands hold the #1 or #2 position in their category. We continue to build global brands so that they are available in multiple countries, as well as sharing best practices, leveraging ideas, developing and "pushing" regional brands to reach more countries.

- Quality and brand image consistency are a key priority.
- Snacking: Growing our snacks business by delighting consumers with great choices for any time of consumption.
- Ensuring our breads are the global reference for healthy nutrition and delivering superior quality always.
 - » Billion dollar brands*: Bimbo, Marinela, Oroweat/Brownberry/Arnold, Barcel and Thomas'
 - » >500 million US dollar brands*: Entenmann's and Sara Lee

3 UNIVERSAL PRESENCE WITH SUPERIOR EXECUTION

Our distribution capabilities include one of the largest fleets in the Americas that exceptionally serve distribution channels. We aim to extend our reach, be the preferred supplier to our customers, and profitably penetrate each channel, while enhancing route productivity through point of sale intelligence, and the deployment of new technologies.

*Retail sales price

- We travel the equivalent to 79+ trips around the earth every day
- 350 electric vehicles developed internally
- 62 tract trucks with AdBlue post-combustion that only emit air vapor as emissions
- Superior execution at the point of sale that allows us to better manage drop size and reduce returns
- 40 million packages are produced daily

- This year we reassessed and emphasized our commitment towards superior quality always as we improved our supply chain processes, from field to consumers, enhancing productivity
- 7 innovation centers: 2 in the US, 1 in Canada, 1 in Mexico, 1 in Latin America and 2 in Europe
- We created a Food and a Kitchen Lab that enrich creativity among our teams through fast prototyping

4 WINNING INNOVATION IN PRODUCTS AND PROCESSES

We have been developing products and categories that adapt to current megatrends, and our increasing use of new digital tools will make our innovation process more robust by accelerating product development and enabling us to adapt more quickly to consumer trends. Furthermore, innovation in production—from automation and advanced engineering, to better resource utilization and packaging applications— is enhancing product freshness and quality while boosting productivity and reducing costs.

- 14% of total revenues in 2016 were derived from SKUs launched within the previous 24 months
- In 2016, as a result of 5 years of improvements in our products, 37% have improved their nutritional profile, as we aim to increase our share in the health & wellness product categories

5 OUR CULTURE OF CONTINUOUS IMPROVEMENT

We lead with world-class efficiency through a lean culture execution that drives labor productivity and reduces waste and our carbon footprint. Through technology and with the digital transformation underway across the entire organization, we can increasingly leverage all our Capabilities.

- Lean supply chain efforts in 2016 generated savings of over US\$170 million
- We reduced manufacturing waste over 12% vs. 2015
- Virtual sales centers in Latin America
- Zero Based Budgeting initiative: an enabler tool, cultural change for world class efficiency that makes us think differently
- Process innovation and productivity improvement across the supply chain
- Closed three plants, opened one in Argentina and one line in Brazil
- US \$678 million in capital investments
- Environmental Management plan deployment; climate change, water and waste strategies





PERFORMANCE REVIEW

SUMMARY OF FINANCIAL PERFORMANCE

NET SALES

Net sales rose 15.0% reflecting an FX rate benefit in North America, Latin America and Europe, as well as organic growth in Mexico and the acquisition of Donuts Iberia.

Mexico: Net sales rose 8.0% over 2015, mainly driven by solid volume performance in most categories and every channel. Of particular note, the positive trend and volume recovery in sweet baked goods continued, in part driven by promotional strategy. Higher volumes were also supported by portfolio innovations such as *Latte* snack cake.

North America: Net sales in peso terms grew 16.2%, primarily reflecting the exchange rate benefit, while dollar-denominated sales declined 1.1% and volumes remained unchanged. Performance in the frozen, snacks and sweet baked goods categories, as well as growth in strategic brands, helped offset the overall challenges in bread consumption. Artisanal products performed well in Canada, as did bread alternatives such as bagels, english muffins and tortillas.

Latin America: The 19.9% rise in net sales was primarily due to the revaluation of almost all currencies versus the Mexican peso, as well as solid volume progress in most countries, notably Peru, Chile and the *Latin Centro* division, reflecting more efficient routes

and broader distribution. However, Brazil and Argentina faced a difficult economic environment that put pressure on consumption and volumes.

Europe: Net sales rose a strong 54.4% during the year, mainly as a result of the Panrico acquisition, FX rate benefit, and healthy sequential volume growth in Iberia, in part due to good performance in the traditional channel, the *Oroweat* and *The Rustik Bakery* bread brands, as well as the snacks category.

GROSS PROFIT

Lower raw material costs in North America, Latin America and Europe helped drive the 16.6% increase in the consolidated gross profit, and the 70 basis point margin expansion, to 54.0%.

In Mexico, the effect of a stronger US dollar on raw material costs put pressure on the margin, in both the quarter and year, notwithstanding underlying efficiency improvements and cost control initiatives. In Latin America, the fourth quarter margin contraction reflected soft volume performance in some markets and higher indirect costs arising from the inflationary environment.

PROFIT BEFORE OTHER INCOME & EXPENSES

Profit before other income and expenses increased 23.1% in the period, with a 60 basis point expan-

sion in the margin to 8.9%. This reflected the positive benefit coming from supply chain efficiencies and cost control initiatives on marketing and distribution expenses in Mexico, as well as lower distribution expenses in North America and Europe.

The abovementioned was offset by higher administrative expenses and increased marketing to drive growth in strategic brands in North America and higher general expenses in Latin America, in part due to the opening of the Cordoba plant in Argentina.

OPERATING INCOME

Operating income rose 28.1% over the prior year, with an 80 basis point expansion in the margin to 7.2%, mainly reflecting the abovementioned gross margin benefit, lower restructuring expenses in the US and Europe, and lower “other expenses” in Mexico, North America and Europe.

These factors were partially offset by:

- i. Higher integration and restructuring expenses in:
 - » Canada and the frozen business, related to the ERP migration and investments in manufacturing efficiency;
 - » Argentina, primarily arising from the new plant and the frozen business acquisition; and
 - » Europe, following the Donuts Iberia acquisition.

- ii. The following non-cash charges:
 - » around Ps. 1.7 billion in Latin America due to certain brand impairments, goodwill, fiscal provisions and the disposal of assets, among others; and
 - » a net Ps. 473 million (US\$21 million) charge for multi-employer pension plans (“MEPPs”) liabilities in North America, which included the actual or expected restructuring of three plans, partially offset by the impact of higher discount rates.

COMPREHENSIVE FINANCIAL RESULT

Comprehensive financing resulted in a Ps. 4,592 million cost in the period, compared to Ps. 4,190 million in 2015, Ps. 402 million higher. This increase is the reflection of the incremental interest expense related to the change in the Mexican peso/US dollar FX rate. It should be noted that because of the Company's strict and effective hedging policy, no significant FX loss was recorded in the period.

NET MAJORITY INCOME

Net majority income rose 14.1%, while the margin declined a slight 10 basis points to 2.3%; this was due to the aforementioned non-cash charges and a higher effective tax rate of 50.3% compared to 40.7% in the prior year. This increase was mainly a result of:

- i. the cancellation of deferred income taxes due to accumulated losses in Brazil and no longer carrying deferred income tax benefit in some countries;
- ii. better earnings in the US, naturally subject to a higher rate;

- iii. a higher taxable base due to inflationary gains related to the financial debt; and
- iv. the partial deductibility of certain fringe benefits in Mexico.

Earnings per share for the period totaled Ps. 1.25, compared to Ps. 1.10 in the prior year.

ADJUSTED EBITDA

Adjusted EBITDA increased 25.4%, while the margin improved by 90 basis points to 11.6%. This was primarily due to good operating performance in most regions, including a swing to profitability in Europe and underlying sales growth and cost control initiatives in Mexico.

FINANCIAL STRUCTURE

Total debt at December 31, 2016 was Ps. 82.5 billion, compared to Ps. 67.8 billion at December 31, 2015. The 22% increase was primarily due to a 20% US dollar revaluation that increased the Mexican peso value of US dollar-denominated debt.

Average debt maturity was 8.3 years with an average cost of 4.5%. Long-term debt comprised 97% of the total; 63% of the debt was denominated in US dollars, 23% in Canadian dollars, 10% in Mexican pesos and 4% in Euros.

Notwithstanding the FX rate impact, leverage ratios improved in the year; total debt to adjusted EBITDA was 2.8 times compared to 2.9 times at December 31, 2015, and net debt to adjusted EBITDA was 2.6 times.



GRUPO BIMBO'S SUSTAINABILITY ACTIONS AND NUMBERS

79k+ people

from **36** cities and **21** countries, participated in the **Global Energy Race**, setting a **Guinness World Records®** for the 10k race with the largest number of cities participating in the same day

1m+  **slices of bread** were **donated to local food banks** in line with our commitment to give 1 slice of bread per covered kilometer in the race

77k+

boys and girls participated in the **Futbolito Bimbo** tournament in Chile, Costa Rica, El Salvador, United States, Guatemala and Mexico

123 plants were certified

under the food safety standards, endorsed by the **Global Food Safety Initiative** (GFSI)

7 innovation centers , **1** food lab

and **1** kitchen lab work on improving nutritional profiles and developing new products

After 5 years of continuous reformulation and improvements,

37% of our **products** have improved their **nutritional profile**

Grupo Bimbo has manufactured

350 electric vehicles that are part of **our distribution fleet**

The **Piedra Larga wind farm** produced

825,734 GJ throughout the year

Our **carbon footprint** remained stable at

1,562,800

tons of CO₂, despite the increase in number of plants and distribution routes

56% of waste generated

in our production processes was **recycled**, including new operations

We **reduced** by **6%** or

312,758 m³

the consumption of water vs. 2015

597k m³

of water were cleaned at our treatment plants, **75%** of this water was reused

3 plants certified in **Europe** under the **ISO14001**

32 plants in **Clean Industry** in Mexico

15 plants in the **United States**

and **3** plants in **Mexico** successfully implemented **waste management processes** to entirely eliminate landfill deliveries

89k+ people,

among associates, relatives and friends participated in **volunteer** programs of **Grupo Bimbo**

US \$6.1 m

donated to social development nonprofits **around the world**

Ps. 85 million

donated to social development nonprofits in **Mexico**

129

Good Neighbor projects took place across our plants, to improve the quality of life for thousands of people

1m+

hours of training were provided to associates through GB Virtual University

7k+ associates

participated in the **Diversity and Inclusion** Course; **61** associates were certified as instructors to conduct the program



AUDIT AND CORPORATE PRACTICES COMMITTEE REPORT

Mexico City, April 18, 2017

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, 2016. 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 five 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 associates of the Company with the Groups 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 preceding years, and a single firm is responsible for auditing the results of all the operations and countries where Grupo Bimbo has a presence.

We approved the fee 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, 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 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 2016 and were promptly informed of the preliminary financial statements.

INTERNAL AUDIT

We reviewed and approved the annual work plan and activities budget for 2016.

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 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; to maintain the members with updated information on the appropriate topics.

We reviewed and approved the transformation program to strengthen the Internal Audit Department.

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 publications. 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 accounting policies and standards and the information used by management in the preparation of the financial statements was appropriate and sufficient and had been applied in a consistent manner with their 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 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 reviewed the Company's various tax, legal and labor contingencies and confirmed that appropriate procedures were in place and consistently followed, so that Management could identify and address them in an appropriate manner.

The Risks Committee 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 main guidelines that governs the anti-corruption policy, as well as plans for its dissemination and for checking on compliance with that policy, which we found satisfactory.

COMPLIANCE WITH OTHER OBLIGATIONS

We met with Management executives and officers as we 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 operations 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 of each and every related party transaction requiring approval by the Board of Directors for fiscal year 2016, as well as for recurring transactions that are expected to be conducted in fiscal year 2017 that require Board approval.

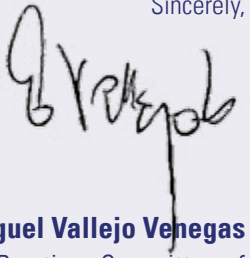
EVALUATION OF MANAGEMENT

We reviewed and recommended for approval by the Board the designation, evaluation and compensation of the Chief Executive Officer as well as the members Bimbo's Executive Committee in 2016.

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,



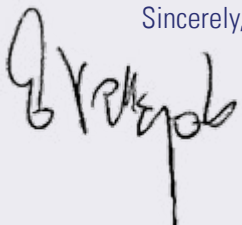
Edmundo Miguel Vallejo Venegas
Chairman of the Audit and Corporate Practices Committee of
Grupo Bimbo, S.A.B. de C.V.

Mexico City, April 18, 2017

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, 2016.

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, 2016and for the year ended on that date.

Sincerely,


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

BOARD AND MANAGEMENT

BOARD OF DIRECTORS

Daniel Javier Servitje Montull, Chairman

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

* Independent

AUDIT & CORPORATE PRACTICES COMMITTEE

Edmundo Miguel Vallejo Venegas, Chairman

Arturo Manuel Fernández Pérez
Thomas Stanley Heather Rodríguez
Agustín Irurita Pérez
María Luisa Jorda Castro
Ignacio Pérez Lizaur

EVALUATION & RESULTS COMMITTEE

Raúl Obregón del Corral, Chairman

Thomas Heather Rodríguez
Luis Jorba Servitje
Daniel Javier Servitje Montull
Edmundo Miguel Vallejo Venegas

FINANCE & PLANNING COMMITTEE

José Ignacio Mariscal Torroella, Chairman

Javier de Pedro Espínola
Ricardo Guajardo Touché
Luis Jorba Servitje
Raúl Obregón del Corral
Daniel Javier Servitje Montull

EXECUTIVE MANAGEMENT

Daniel Javier Servitje Montull

Chief Executive Officer & Chairman of the Board

Pablo Elizondo Huerta

Executive Vice President

Javier Augusto González Franco

Executive Vice President

Gabino Miguel Gómez Carbajal

Executive Vice President

Guillermo Jorge Quiroz Abed

Chief Global Financial and Administration Officer

Raúl Argüelles Díaz González

Chief Global Human Relations Officer

Reynaldo Reyna Rodríguez

Chief Global Services Officer

Miguel Ángel Espinoza Ramírez

President of Bimbo, S.A. de C.V.

Ricardo Padilla Anguiano

President of Barcel, S.A. de C.V.

Alfred Penny

President of BBU, Inc.

STAKEHOLDER INFORMATION



Stock exchange: Mexican Stock Exchange (BMV)

BMV Ticker: BIMBO

ADR Level 1 Ticker: BMBOY



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



Investor relations contact: ir@grupobimbo.com

Institutional relations contact: responsabilidadsocial.gpobimbo@grupobimbo.com

Online: www.grupobimbo.com
twitter.com/Grupo_Bimbo
facebook.com/GrupoBimbo



This 2016 Integrated Annual report is intended to be a summary document.
The Company's full annual report, which adheres to the Global Reporting Initiative's G4 guidelines, can be found at: www.grupobimbo.com/informe/

