sembrando juntos | GRUPO BIMBO

SEMBRANDO JUNTOS

A RESPONSIBLE FUTURE

2012 INTEGRATED ANNUAL REPORT

HIGHLIGHTS FROM THE YEAR

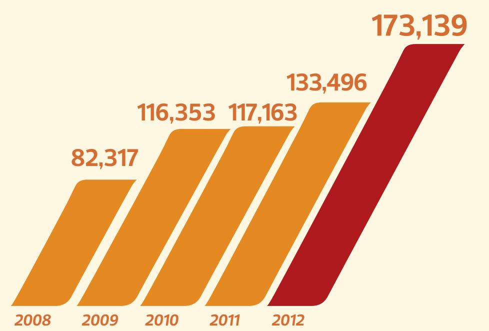
Total Net Sales registered on 2012 **MXN 173.1 BILLION**

FINANCIAL HIGHLIGHTS

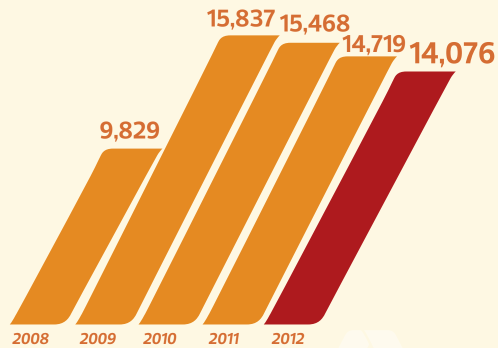
- Integration of three major acquisitions: Sara Lee North American Fresh Bakery, which included certain disposals; Sara Lee in Iberia; and Fargo in Argentina.
- Consolidated sales rose 29.7%, driven by acquisitions and solid organic growth in Mexico and Latin America.
- Operating and EBITDA margins impacted by the integration of acquisitions.
- Issued US$800 in senior unsecured notes and Ps. 5.0 billion in *Certificados Bursátiles* to refinance existing indebtedness.
- Inauguration of the Piedra Larga wind farm, the largest renewable energy project in the food industry.
- The Share Services Center of Grupo Bimbo, received the 2012 Excellency Award and the Barcel Lerma Plant received the National Quality Prize.
- In alliance with Mercedes Benz, the new fleet of ecological vehicles was integrated to the distribution of Grupo Bimbo products. This fleet works with the Blue Efficiency and Natural Gas technologies.
- Grupo Bimbo became 1st place winner of the TV/E Corporate Sustainability Film Awards in two categories: Community investment and Best short film in the 2012 edition.

NET SALES*[1]	2012	2011	% VARIATION
GRUPO BIMBO	**173,139**	**133,496**	**29.7**
Mexico	70,491	64,368	9.5
United States	78,927	53,810	46.7
Latin America	22,674	18,352	23.6
Iberia	5,182	393	>100
OPERATING INCOME*[1]	**2012**	**2011**	**% VARIATION**
	7,387	**9,534**	**-22.5**
Mexico	7,922	7,534	5.1
United States	1,118	3,058	-63.4
Latin America	-1,101	-949	16.0
Iberia	-570	-81	>100
NET INCOME*	**2012**	**2011**	**% VARIATION**
	2,431	**5,206**	**-53.3**
NET MAYORITY INCOME*	**2012**	**2011**	**% VARIATION**
	2,028	**4,875**	**-58.4**
Total Assets	137,140	143,235	-4.3
Total liabilities*	90,082	94,536	-4.7
Stockholders' equity*	47,058	48,699	-3.4
Book value per share[2]	9.51	9.92	-4.1
Earnings per share[2]	0.43	1.04	-58.4
Net debt to EBITDA	2.7X	2.9X	-
Net debt/stockholders' equity	0.80X	0.86X	-
ROA	1.8%	3.6%	-
ROE	5.2%	10.7%	-

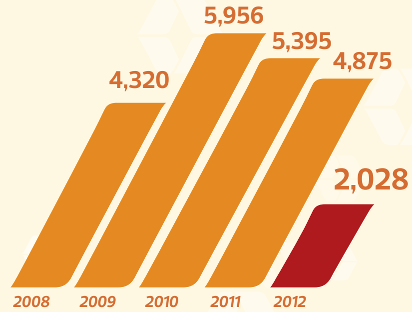
NET SALES *[1]



EBITDA *[1]



NET MAYORITY INCOME *[1]



* Figures expressed in millions of nominal pesos.
(1) 2012 and 2011 expressed in accordance with Internacional Reporting Standards (IFRS). Every other years are expressed in compliance with Mexican Financial Reporting Standards (NIF). Consolidated results exclude inter-company transactions.
(2) Data in Mexican pesos based on outstanding shares of 4,703,200,000 for 2011 and 2012.

Today, Grupo Bimbo is a global baking leader with more than 125,000 associates and operations in 19 countries.

ABOUT GRUPO BIMBO

Global Leadership, local Commitment.

Grupo Bimbo, S.A.B. de C.V. is a global baking leader. We produce more than 10,000 products and we offer a portfolio with more than 100 highly prestigious umbrella brands, that include: Bimbo, Marinela, Barcel, Ricolino, Oroweat, Arnold, Mrs. Baird's Thomas', Brownberry, Entenmann's, Pullman, Plus Vita, Nutrella, Sara Lee, Fargo, Lactal, Silueta, Ortiz, Martínez, and Eagle.

YEAR OF FOUNDATION: 1945
TICKER SYMBOL: BIMBO
WEBSITE: www.grupobimbo.com

Our 150 plants are distributed around the World, among them, 41 are located in Mexico and 69 in the United States of America. During 2012 3 new plants were opened and in the first months of 2013, we acquired the plant at Las Canarias in Spain.

We reach our consumers through more than 2'200,000 points of sale and our products are present in 19 countries worldwide: Argentina, Brasil, Chile, China, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, México, Nicaragua, Panama, Paraguay, Peru, Portugal, Spain, United States, Uruguay, and Venezuela. We reach three continents: America, Asia, and Europe. Our headquarters are located in Mexico City, Mexico.

For a second time, we are integrating our financial and social responsibility reporting in one document. This better reflects how we work at our business strategy and operations, as well as we add value to our business.

GRUPO BIMBO® TODAY

150 PLANTS LOCATED IN 19 COUNTRIES

UNITED STATES

69 Plants

ARNOLD · THOMAS' · Sara Lee · MRS BAIRD'S · Entenmann's · Stroehmann

MEXICO

41 Plants

BIMBO · Marinela · Tía Rosa · Barcel · Ricolino · dulces Vero

LATIN AMERICA

30 Plants

BIMBO · Ana Maria · Fargo · nutrella · IDEAL · Mama Ines · PULLMAN

MORE THAN **2.2 MILLION** POINTS OF SALE

REDUCTION OF **180,000** EQUIVALENT TONS OF CO_2e ELIMINATED BY THE PIEDRA LARGA WIND FARM

MORE THAN $12,000 MILLION

ON MARKET CAPITALIZATION AT DECEMBER 31, 2012

MORE THAN 10,000

PRODUCTS IN OUR PORTFOLIO

IBERIA

8 Plants

Silueta
Martínez
BIMBO
EAGLE

ASIA

2 Plants

宾堡 BIMBO
百萬莊園 Million Land House
FOOD 金红伟 JINHONGWEI

Note: By march 2013, unless otherwise is specified.

MORE THAN 125,000

ASSOCIATES AROUND THE WORLD

6 RESEARCH AND DEVELOPMENT CENTERS

MORE THAN 51,000

DISTRIBUTION ROUTES

LETTER FROM THE CHAIRMAN OF THE BOARD

IMPRESSIVE RISE IN SALES

"Our efforts over the course of the past year were focused largely on assimilating three sizeable acquisitions we had made the year before.".

I am pleased to present to you the results of this Group for fiscal year 2012.

Our efforts over the course of the past year were focused largely on assimilating three sizeable acquisitions we had made the year before.

Each of these acquisitions required the concerted efforts of practically all areas of our general management, in addition to the time of our executive personnel and a significant amount of economic resources.

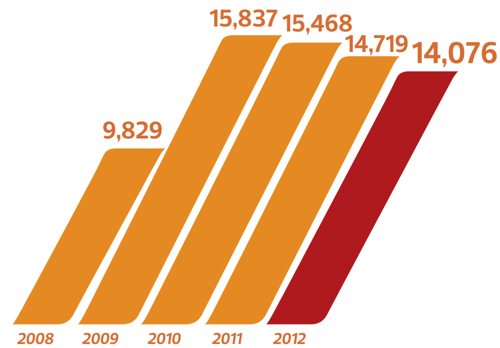
They also turned out into an impressive rise in sales, along with a restriction in profits.

The results of the fiscal year show consolidated sales growth of 29.7% over 2011. EBITDA declined by 4.4% and majority net income dropped by 58.4%.

NATIONAL EFFORT FOR THE ENVIRONMENT

"In October, we inaugurated the Piedra Larga Wind Farm, which has 45 wind generators that provide enough electrical energy to cover consumption in almost all of our plants and other operating centers of Grupo Bimbo in Mexico".

EBITDA *1



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The results of the past year were not what we expected, even though we are confident that the actions taken in response to them will bring more satisfactory results in the future.

Although we started out the year with a clear awareness of the need for prudent management of our investments, we made those outlays that were necessary.

We opened a new bakery plant in Brasilia, a Barcel snack plant in Texas, and recovered a plant in the Canary Islands that we did not own at the time of our acquisitions in Spain and Portugal.

In October, we inaugurated the Piedra Larga Wind Farm, which has 45 wind generators that provide enough electrical energy to cover consumption in almost all of our plants and other operating centers of Grupo Bimbo in Mexico. This is a big step forward, not only because of the savings it brings us, but because of its importance in the nationwide effort to reduce environmental contamination.

We carried out a major remodeling of our corporate headquarters in Santa Fe, which were built almost 20 years ago.

We began significant expansions of plants in Santiago de Chile, Mogi, and Raposo in Brazil and Tenjo in Columbia. We also completed construction of a plant in Topeka, Kansas in the United States.

We closed nine plants in 2012. Six of these were in United States, the result of divestitures ordered by US authorities for the integration of Sara Lee; two were by Barcel in the confectionery business and another was an El Globo plant, because management found that we could operate more efficiently elsewhere.

As is the case every year, I am happy to remark that all of our collective bargaining contracts with workers in Mexico were renewed to the complete satisfaction of all parties, something I am very proud of because it reflects an effort of many years to build a company with a soul.

Among other recognitions, Barcel was awarded the National Quality Prize by the Mexican federal government.

I am also pleased to report that management's administration of the past fiscal year was approved, as well as the report to the Board of Directors. The Board's approval is based on the opinion of our auditors, and the Board considers the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS); the accounting policies and criteria were applied consistently and appropriately to the circumstances of this Group, and the financial information faithfully and reasonably reflects the position and results of this Corporation.

As in the past, together with this report, we are presenting the Shareholders with the following reports:

- **Report of the Audit Committee and Corporate Practices Committee**
- **Report of the Chief Executive Officer**
- **Report on Compliance with Fiscal Obligations**
- **Report on Primary Accounting and Information Policy and Criteria**
- **Report on the Company's Financial Position**

As in previous years, I wish to express my gratitude to our management for its efforts, and to all of our associates, unions and shareholders for their unfailing support.

ROBERTO SERVITJE
CHAIRMAN OF THE BOARD OF DIRECTORS

LETTER FROM THE CHIEF EXECUTIVE OFFICER

SOLID GROWTH

"The Mexican market delivered healthy performance with stable volume growth across all channels and categories supported by effective sales execution initiatives".

2012 was a transitional year for Grupo Bimbo. We focused on integrating three transformative acquisitions while investing in a low-cost production profile, and doing so at a time when consumer demand was still weak in some of our key markets. In that context, we are pleased that performance in the year showed steady volume growth in most regions and a rise in net sales.

Key developments in the year

The Mexican market delivered healthy performance, with stable volume growth across all channels and categories supported by effective sales execution initiatives.

In the United States, despite a still weak consumption environment, volumes trended positively over the course of the year and headed into 2013 with a clear upswing benefitted by new opportunities in the marketplace. The

Sara Lee integration advanced according to plan, strongly positioning the new BBU as a transformative leader creating value for consumers. Synergies from the integration, combined with productivity initiatives such as waste reduction, yielded almost US$120 million in benefits during the year. We continued to invest in modernizing our manufacturing platform and expanding the distribution footprint.

In Latin America, strong net sales growth in the year reflected the integration of Fargo in Argentina as well as volume gains derived from ongoing market penetration efforts across the region. The exception was Brazil. We decided to undertake a comprehensive restructuring process at year-end in order to get the operation back on track. The opportunity remains compelling there, and we enjoy healthy market share and strong brand positioning.

In Iberia, the integration of the Sara Lee business positioned us as the leading branded bread company. While performance was in line with expectation, the cost structure in this region is high and we faced a challenging price and consumption environment. Notwithstanding, we have a strong team in place working hard to leverage our brands and building on the opportunity.

To refinance our debt and extend maturities, we successfully placed US$800 million of notes in the international market and Ps. 5.0 billion of *Certificados Bursátiles* (domestic bonds) in our home market. Both issues were oversubscribed, indicating the market's confidence in our financial profile.

Our safety track record improved in the year, progress that indicates a comprehensive safety culture is developing. Grupo Bimbo places the highest value on its associates thus we must continue to make safety a key priority.

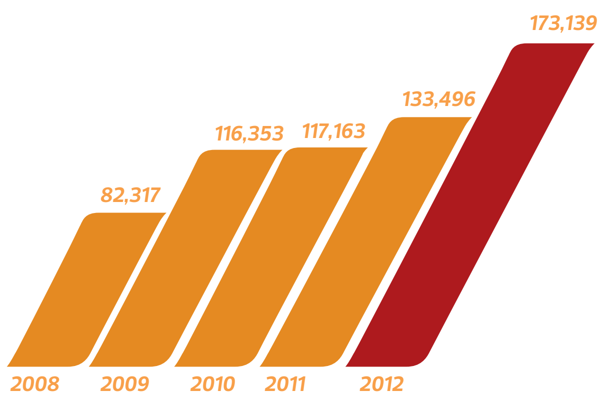
We continue to transform our portfolio as part of our commitment with health and wellbeing, through product reformulation and the adherence to the World Health Organization guidelines.

SAFETY IS FIRST

"Our safety track record improved in the year, progress that indicates a comprehensive safety culture is developing".

Financial results

Grupo Bimbo adopted International Financial Reporting Standards (IFRS) in 2012 thus all figures, including for prior years, have been adjusted accordingly. Net sales in 2012 rose 29.7% over 2011, to Ps. 173.1 billion, primarily reflecting higher volumes in Mexico and Latin America and the integration of the three acquisitions. Consolidated gross margin declined a slight 30 basis points to 50.7%, reflecting the cost increase in raw materials at the beginning of the year and the effect of the exchange rate in the raw materials valued in American Dollars in Mexico and Latin America.



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POSITIVE NET SALES

"Net sales in 2012 rose 29.7% over 2011, to Ps. 173.1 billion, primarily reflecting higher volumes in Mexico and Latin America ".

Profit before other income & expenses rose 2.7% to Ps. 10.5 billion, while operating income, which includes integration expenses, fell 22.5% to Ps. 7.38 billion, with a 2.8 percentage point contraction in the margin to 4.3%.

Total financing costs were higher in 2012 due to a rise in interest expenses reflecting higher interest rates related to the extended average life of debt, and an exchange loss compared to a gain in the previous year.

The effective tax rate for 2012 increased 12.2 percentage points to 47.4%, mainly on a tax charge in the fourth quarter related to the partial cancellation of deferred income tax benefits from previous fiscal losses in Brazil, taken in accordance with International Financial Reporting Standards (IFRS) adopted in 2012. As a result, the net margin contracted by 2.5 percentage points to 1.2%.

The balance sheet remains solid and flexible. Total debt at December 31, 2012 was Ps. 41.9 billion, compared to Ps. 45.9 billion in December 2011. The average maturity is 5.9 years, with a profile that aligns maturities and currencies to expected cash flows. The total debt to EBITDA ratio was 3.0x compared to 3.1x at December 2011.

Outlook

After a challenging 2012, we enter 2013 with greater optimism regarding continued growth and stronger operational performance.

We will focus on improving profitably and reducing debt, with a commitment to lowering our leverage ratio in 2013 though disciplined cash management; advancing the integration of Fargo and Sara Lee; capitalizing on momentum in the US market; implementing company-wide waste reduction initiatives and a global procurement strategy as part of our goal of becoming a low-cost producer; building on our talent development and leadership management model; and enhancing our consumer-facing health, nutrition and wellness initiatives with the support of our R&D teams.

We still face economic weakness in certain markets and gross margins may come under pressure with higher raw material costs, but overall the consumption environment in most of our regions continues to trend positively, and our continued integration efforts combined with ongoing operational improvements should support healthier margins in the year.

I would like to extend my appreciation to the entire Grupo Bimbo team of more than 125,000 associates for their dedication and efforts over the year, as well as to our customers, suppliers, partners and communities for their continued confidence and support.

Sincerely,

DANIEL SERVITJE
CHAIRMAN
OF THE BOARD OF
DIRECTORS

OUR COMMITMENT

"We will focus on improving profitably and reducing debt, with a commitment to lowering our leverage ratio in 2013 though disciplined cash management".

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Grupo Bimbo follows the international code of best corporate governance practices, as well as those that are suggested by the Mexican Stock Exchange.

Our governing bodies are integrated by professionals of remarkable reputation, experience, skills, and knowledge of the Mexican industry.

The highest governing body of Grupo Bimbo is the shareholders' meeting, which has the faculty to name the members of the Board of Directors.

According to the social statutes of Grupo Bimbo, the Board of Directors must be integrated by a minimum of five (5) and a maximum of twenty one (21) board members, from whom at least twenty five percent (25%) must be independent members.

The Board, appointed and ratified during the General Extraordinary and Ordinary Shareholders' Meeting held on April 11, 2012, is made up of 18 (eighteen) regular members, who will remain in their post until the persons appointed to replace them assumes his or her duties.

The Board is in charge of defining the long term business strategy, approve the main business decisions, supervise the organization's management tasks, manage risks, look after the normative compliance, as well as to select, evaluate, and remove the Chief Executive Officer and the top management directives that are relevant for the Society.

The following table shows the names of the members of the Board and the period that they have accomplished as Board Members.

MEMBERS OF THE BOARD

Board Members	Service	Role
Roberto Servitje	35	Advisor/President
Henry Davis	11	Advisor
Arturo Fernández	3	Advisor
Ricardo Guajardo	7	Advisor
Thomas Heather	Less than a year	Advisor
Agustin Irurita	6	Advisor
Luis Jorba	3	Advisor
Mauricio Jorba	16	Advisor
Fernando Lerdo de Tejada	1	Advisor
Nicolás Mariscal	4	Advisor
José Ignacio Mariscal	23	Advisor
María Isabel Mata	4	Advisor
Raúl Obregón	15	Advisor
Javier de Pedro	1	Advisor
Ignacio Pérez	1	Advisor
Lorenzo Sendra	31	Advisor
Daniel Servitje	18	Advisor /President's substitute
Edmundo Vallejo	Less than a year	Advisor.

Chairman	Alternate Chairman
Roberto Servitje Sendra	Daniel Servitje Montull

Secretary	Alternate Secretary
Luis Miguel Briola Clément	Pedro Pablo Barragán Barragán

In order to perform its duties, the Board of Directors is supported in turn by three committees:

Audit Committee

The Audit Committee is made up solely of Independent (outside) Members and 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; investigate violations of internal control and internal auditing policies; and evaluate risk management policies, among others. The Audit Committee may also express its opinion on relevant modifications or changes in the accounting policies, criteria and practices by which Grupo Bimbo's financial statements are prepared, as well as the execution of relevant or unusual transactions, and may issue opinions regarding transactions with related parties.

President	
	Henry Davis
	Arturo Fernández
	Thomas Heather
	Agustín Irurita
	Ignacio Pérez

Evaluation and Results Committee

This committee analyzes and approves 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. The Committee also analyzes the financial results of Grupo

President	
	Raúl Obregón
	Javier de Pedro
	Daniel Servitje
	Roberto Servitje

Finance and Planning Committee

Analyzes Grupo Bimbo's long-term strategies and its primary investment and financing policies, identifies its risks and evaluates policies for managing those risks, and submits these evaluations for approval by the Board of Directors.

President	
	José Ignacio Mariscal
	Ricardo Guajardo
	Luis Jorba
	Raúl Obregón
	Lorenzo Sendra
	Daniel Servitje
	Guillermo Quiroz

Board Members

Roberto Servitje
Chairman, Grupo Bimbo

Board member of:
- Chrysler de México, S.A. de C.V.
- Grupo Altex, S.A. de C.V.
- Escuela Bancaria y Comercial
- Memorial Hermann International Advisory Board (Houston, Texas)
- Grupo Aeroportuario del Sureste, S.A.B. de C.V.
- Member of the International Advisory Board (IAB) IESE Business School, Universidad de Navarra (Barcelona, Spain)

Henry Davis
Chairman, Promotora DAC, S.A.

Board member of:
- Kansas City Southern
- Telefónica Móviles México, S.A. de C.V.
- Afianzadora Aserta Insurgentes, S.A.
- Comité Técnico de FIBRA 1

Thomas Heather
Partner, Heather & Heather

Independent board member and chairman of the Audit Committee of:
- Grupo Financiero Scotiabank and subsidiaries
  GSF Telecom, S.A.P.I. de C.V.
- Member of the Advisory Board- Program of International Financial Institutions, Harvard University.
- Member of the Best Practices Committee of the Mexican Businessmen Council (CCE)

Edmundo Vallejo
Professor of Business Policy Panamerican Institute of Management-Ipade
Former President and CEO GE Latin America

Nicolás Mariscal
CEO, Grupo MARHNOS
Board member,
Fundación Mexicana para el Desarrollo Rural, A.C.

Raúl Obregón
Managing Partner, Alianzas, Estrategia y Gobierno Corporativo, S.C.
Affiliated to Proxy Gobernanza Corporativa, S.C.

Board member of:
- Grupo Palacio de Hierro, S.A.B. de C.V.
- Invermat, S.A. de C.V.
- Comercializadora Círculo CCK, S.A. de C.V.
- Altamira Unión de Crédito S.A de C.V.
- Fondo Nacional de Infraestructura, Independent member of the evaluation and finance sub-committee.
- Instituto Tecnológico Autónomo de México, Governing Board member.
- Alternate Board member and audit and corporate governance committee member of:
- Industrias Peñoles S.A.B. de C.V.
- Grupo Nacional Provincial S.A.B. de C.V.
  Grupo Palacio de Hierro S.A.B de C.V.

Ricardo Guajardo

Board member of:
- Grupo Financiero BBVA Bancomer
- Instituto Tecnológico y de Estudios Superiores de Monterrey
- Grupo Fomento Económico Mexicano, S.A.B. de C.V.
- Coca-Cola FEMSA, S.A.B. de C.V.
- Grupo Industrial Alfa
- El Puerto de Liverpool
- Grupo Aeroportuario del Sureste (ASUR)
- Grupo COPPEL
- Vice-Chairman, Fondo para la Paz
- Chairman, SOLFI

Agustín Irurita
Member of the national board and executive committee,
Confederación Patronal de la República Mexicana (COPARMEX)

Board member of:
- Cámara Nacional de Autotransporte de Pasaje y Turismo (lifetimemember)
- Grupo Comercial Chedraui, S.A. de C.V.
- Fincomún Servicios Financieros Comunitarios, S.A. de C.V.
- Grupo Financiero Aserta, S.A. de C.V.

Lorenzo Sendra
Chairman, Proarce, S.A. de C.V. and Plasterex, S.A. de C.V.

Board member of:
- Fundación Mexicana para el Desarrollo Rural, A.C.
- Financiera Finamigo
- Frialsa
- Extended Suites, S.A. de C.V.
- Financiera Equinoccio, S.A. de C.V.
- Fraccionamiento el Santuario en Valle de Bravo

Daniel Servitje
CEO, Grupo Bimbo, S.A.B. de C.V.

Board member of:
- Grupo Financiero Banamex, S.A. de C.V.
- Coca-Cola Femsa
- The Mexican Institute for Competitivness A.C. (IMCO)
- Walmart México Advisory Board of Suppliers
- The Consumer Goods Forum
- Latin America Conservation Council (The Nature Conservancy).

José Ignacio Mariscal
MARHNOS GROUP Executive President

- Executive President, of the Committee of Only One Economy, everyone under the law of the Mexican Business Council (Consejo Coordinador Empresarial, CCE)
- VP, Fincomún Servicios Financieros Comunitarios
- Member of the board, executive committee and Chairman's Office, Coparmex
- Commissioner of Comité de Desarrollo Humano Coparmex
- Member of the Executive Board of Business and Industry Advisory Committee to the OECD (BIAC)
- President, Fundación León XIII
- Member of the Board and Executive Committee, Comisión Ejecutiva de la Confederación USEM
- Grupo Financiero Aserta
- Grupo Calidra
- Arko
- Former President and Member of the Board of
- Uniapac International and Uniapac Foundation
- Former President and Vigilance Committee of the Mexican Institute of CST (IMDOSOC)

María Isabel Mata
CEO, Fundación José T. Mata

- Member of the Board of Tepeyac A.C.

Luis Jorba
CEO, Frialsa Frigoríficos
Chairman, Efform, S.A. de C.V.

Board member of:
- Texas Mexico Frozen Food Council
- International Association of Refrigerated Warehouses
- World Food Logistics Organization
- World Group of Warehouses

Arturo Manuel Fernández
Dean, Instituto Tecnológico Autónomo de México (ITAM)

Board member of:
- Industrias Peñoles, S.A.B. de C.V.
- Grupo Nacional Provincial, S.A.B. de C.V.
- Grupo Palacio de Hierro, S.A.B. de C.V.
- Valores Mexicanos, Casa de Bolsa, S.A.B. de C.V.
- Grupo Financiero BBVA Bancomer
- Fomento Económico Mexicano, S.A.B. de C.V.
- Fresnillo plc

Mauricio Jorba
Chairman Bimbo Iberia

Member of the board:
- VIDAX
- Promociones Monser, S.A. de C.V.

Javier de Pedro
CFO, MXO Trade SA de CV

Member of the board:
- Global Biotherapeutics
- Industrias Rampe
- MXO Trade S.A. de C.V.
- Fundación José T. Mata.

Ignacio Perez Lizaur
Partner, Consultores Perez Lizaur, S.C.

Member of the board:
- Central American Bottling Corporation (Guatemala)
- Fundación Mexicana para el Desarrollo Rural A.C.
- Newell Rubbermaid Inc (Atlanta, USA)

Fernando Lerdo de Tejada
Chairman and CEO Asesoría Estrategia Total, S.C.

Boardmember of:
- Consultoría Estratégica Primer Círculo, S.C.
- Fundación Mexicana para el Desarrollo Rural, A.C.
- Club de Golf Chapultepec, S.A.
- Accenture (México)

Consultant of:
- Walmart
- Breskem Idesa, S.A.P.I.
- MetLife
- AMIIF (Asociación Mexicana de Industrias de Investigación Farmacéutica)
- ANIQ (Asociación Nacional de la Industria Química)
- HP (Hewlett Packard)
- CNET (Consejo Nacional Empresarial Turístico)
- GAPs (Grupo Aeroportuario del Pacífico, Sureste y Centro Norte)

Consultive Committee Latin America South (LAS)

João Alves de Queiroz
President of Monte Cristalina, S.A.
São Paulo, Brasil

Alberto Hoyos
President of Compañía de Galletas Noel, S.A.
Medellín, Colombia

Luis Pagani
President of Grupo Arcor
Buenos Aires, Argentina

Paolo Sacchi
General Manager Alicorp S.A.
Lima, Perú

Lorenzo Sendra
Chairman of the Board Proarce, S.A. de C.V.

Eduardo Tarajano
Private Investor Key Biscayne, Florida

Roberto Servitje
Chairman of the Board Grupo Bimbo

Daniel Servitje
CEO Grupo Bimbo

Guillermo Quiroz
Chief Financial Officer Grupo Bimbo

Miguel Ángel Espinoza
CEO Latin America South (LAS)

Management Committee

Daniel Servitje
Chief Executive Officer, Grupo Bimbo

Joined Grupo Bimbo in 1978; bachelor's degree in business administration from Universidad Iberoamericana, MBA from Stanford University. Member of the Board of Directors of Grupo Financiero Banamex, Coca-Cola Femsa, Mexican Institute for Competitiveness A.C., Walmart México Advisory Board of Suppliers, The Consumer Goods Forum, Latin America Conservation Council (The Nature Conservancy).

Pablo Elizondo
Senior Executive Vice President, Grupo Bimbo.

Joined Grupo Bimbo in 1977; studied chemical engineering. He attended the Advanced Management Program, Harvard Business School.

Javier Augusto González Franco
President, Bimbo S.A. de C.V.

Joined Grupo Bimbo in 1977; degree in chemical engineering, MBA from Universidad Diego Portales in Chile, Advanced Management Program, Harvard Business School, and the Breakthrough Program in the IMD. Chairman of CONMEXICO (Consejo Mexicano de la Industria de Productos de Consumo, A.C.) since 2009.

Gary Prince
President, Bimbo Bakeries USA

Joined Grupo Bimbo in 2009; with 40 years experience in the baking industry. Currently serves on the Grocery Manufacturers Association Board of Directors.

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

Joined Grupo Bimbo in 1981; bachelor's degree in marketing, master's degree in business administration from the University of Miami. Member of the Executive Board of CONMEXICO and member of the Food Group.

Miguel Ángel Espinoza
President, Latin America South

Joined Grupo Bimbo in 1981. Degree in industrial engineering from the Universidad Autónoma de Chihuahua and attended the Advanced Management Program from Harvard Business School in 2006.

Guillermo Quiroz
Chief Financial Officer, Grupo Bimbo.

Joined Grupo Bimbo in 1999; degree in actuarial studies, MBA from IPADE Member of the board of directors of Grupo Altex.

Javier Millán
Chief Human Relations Officer, Grupo Bimbo.

Joined Grupo Bimbo in 1977; studied philosophy and business administration. Board member of the Asociación Mexicana en Dirección de Recursos Humanos. Chairman of Reforestamos México, A.C.

Reynaldo Reyna
Chief Information and Strategy Analysis Officer

Joined Grupo Bimbo in 2001. Studied Industrial and Systems Engineering and obtained a Masters' Degree in Operations Research and Finance from Wharton University.

CHARACTERISTICS OF OUR CORPORATE GOVERNANCE

Grupo Bimbo adheres to the international code of best corporate governance practices, as well as those that are suggested by the Mexican Stock Exchange.

Our governing bodies are integrated by professionals of remarkable reputation, experience, skills and knowledge of the food industry in Mexico and abroad.

The main governing bodies are the Stakeholders' Meeting and the Board of Directors. The Board of Directors is supported by several Committees which function is to delve in different aspects in accordance to the law and best corporate practices.

For more information, please consult the section "Managers and Stakeholders" from the annual Report presented to the Mexican Stock Exchange.

Operations with Shareholders and Conflicts of Interest

Moving forward on transparency and independency on decisions and relations of Grupo Bimbo, we have implemented diverse policies such as the "Policy on Operations with Related Parties", and the "Policy on Conflict of Interest".

The Policy on Operations with Related Parties purpose is that the transactions celebrated between Grupo Bimbo and a related party, can take place under fair market prices and conditions.

On the other side, the Policy on Conflicts of Interest's main purpose is to avoid conflicts between the personal interests of our associates and those of the company. All associates are responsible for declaring any financial or non-financial interest that may enter into conflict with their duties at Grupo Bimbo.

Grupo Bimbo Code of Ethics

In addition to the policies just mentioned, Grupo Bimbo has a Code of Ethics. This document is a formal statement of the values, ideals and conduct that we share at Grupo Bimbo, and which we have made the guiding principles by which we daily set an example in this organization.

In 2011, we updated our Code of Ethics and procedure for monitoring any deviations from this code, to ensure that Associates, organizations and the corporate governance of our Group comply with and, support these principles with their integrity day in and day out. Complying with the Code gives us the satisfaction and confidence that we have conducted ourselves a professional, loyal, clear and, honest manner with our coworkers, stakeholders, and the rest of the company.

The work we carried out this year on expanding and clarifying some chapters are Code of Ethics was inspired by our commitment to excellence in our operation and to our stakeholders. The goal is to guarantee that our corporate practices are optimal, and adapt perfectly to the needs of the climate in which the organization develops.

Visit our Code of Ethics

www.grupobimbo.com/assets/files/Codigo%20de%20Etica/Codigo_de_Etica_Grupo_Bimbo.pdf

Our Grupo Bimbo's Complaints and Suggestions Hot Line

As a complement to our efforts to detect and take action in advance to any conduct that may result contrary to our internal and legal regulations, in 2011, we provided a permanent 24/7 communication channel for associates and suppliers through which they can notify us confidentially about possible deviations from the Code of Ethics. This channel remained open to Associates throughout 2012.

The process of investigating, following up and, resolving any deviations from the Code of Ethics is the subject of a quarter report to the Board of Directors' Audit Committee.

OUR BUSINESS MODEL

***Sembrando Juntos*, translated as sowing (or planting) together, is Grupo Bimbo's Social Responsibility Platform as it was renamed in 2012. This integrated annual report showcases the Company's commitment to sustainable growth and performance.**

The four components of this platform, PLANET, ASSOCIATES, COMMUNITIES, and WELLBEING, are integrated with our business model.

WHAT WE DO

Our core business is the production, marketing, sales and distribution of branded food products. We operate in a non-cyclical environment that is local by nature due to short shelf life. Products are largely non-discretionary and have high frequency consumption. Global players only account for a small share of this fragmented market but over the last decade Grupo Bimbo has evolved from a strong local player to the leading baking company in the Americas and the largest in the world in terms of volume and sales.

OUR MISSION:

To nourish, delight and serve our world.

HOW WE DO IT

Our core business functions are embedded within a robust and comprehensive framework of responsible social, environmental and financial practices. We seek to synthesize these considerations into our day-to-day operations, and believe that true sustainability is derived from integrating social responsibility into our business strategy. This strengthens Grupo Bimbo´s competitive advantage and allows us to create meaningful stakeholder value.

WHAT DIFFERENTIATES US

We strive to be the best baking company in the world and a leader in the food industry in the ways that truly matter. A company with trustworthy, leading brands for our consumers. Our customers' preferred supplier. A forward-looking and innovative company. A strong and sound company. An extraordinary place to work.

- **Dedication to bakery industry**
  Bread and baked goods are the core business of our company since early 1945.

- **Strong brand equity**
  Our brands hold a leadership position in the segments and markets where they compete.

- **Robust investment in innovation**
  Six R&D centers across the Americas translate our understanding of consumers into new products.

- **Exceptional distribution network**
  51,000+ routes to reach our consumers serving 2.2 million points of sale.

- **Experienced management team and strong corporate governance.**

- **Responsible financial management**
  Investment grade ratings, successful deleveraging, strict management of assets and cash.

- **Environmentally and socially responsible**
  First food company to utilize 100% renewable energy, significant commitments to healthy people, products, and planet.

PROCUREMENT AND PRODUCTION

Our goal is to be a low-cost, socially responsible manufacturer of innovative, high quality products.

MARKETING

We seek to create meaningful emotional connections with our consumers and to forge life-long relationships with them.

This requires:

- Economies of scale in procurement; an integrated and efficient supply chain of raw materials and packaging; optimizing energy and water usage; and reducing waste. We are implementing a global purchasing program for key inputs, and continue to work closely with suppliers across our markets.

- Manufacturing assets that are optimally located in their markets with relation to warehousing and population centers, and that employ the most advanced technology in order to increase efficiency and reduce waste.

- Robust product portfolio that delivers value, and an innovative, consumer-focused development pipeline. We offer differentiated and on trend products in each market, with options for every meal, occasion and consumer group. We understand that consumers in different markets have unique preferences, thus regional R&D efforts and localized production help ensure we meet those needs.

- Generations of consumers who grew up with our products now share them with their children and families. We have a strong track record of creating, nurturing and managing brands, resulting in an unrivaled international portfolio of wholesome, indulgent, healthy, and premium products, among others. Some of our brands have developed into true icons, such as Osito (the Bimbo bear), the Gansito goose and the Paleta Payaso clown, recognizable to millions of consumers in our markets.

- Of our 25 top-selling brands, 10 hold the number one or two positions in their respective markets. We invest significant resources to enhance and protect brand equity, with efforts carefully calibrated to enhance long-term positioning. Having a strong brand franchise enables us to innovate and launch line extensions and new products.

SALES AND DISTRIBUTION

We focus on scale, technology and infrastructure to maximize our reach.

- Our exceptional distribution network is a core competitive advantage. We added more than 150 thousand new points of sale and more than 700 new routes in 2012, and have one of the largest fleets in the Americas. Along with investing in market penetration, category and channel management efforts ensure that the specific needs of our clients are met, while in-store execution further strengthens sales.
- For example, we offer pre-sales, mobile and onsite sales, daily deliveries, nighttime stocking, shelf-space optimization, branded display cases, specialized support for mom & pop stores, and differentiated product offerings for each channel.
- In 18 of the 19 countries where we have presence, we produce and distribute directly. In 13 countries we additionally have outsourced distribution units. In each place, our products are customized to the tastes and needs of the local consumers.
- Grupo Bimbo's consumers reach all ages, from the infant market group to the elder ages. This is what makes our business successful, since we have a wide product range for all market groups.

FINANCIAL STRENGTH

A disciplined financial management strategy based on a strong commitment to sustainable and profitable growth that benefits all stakeholders.

This includes:

- A flexible capital structure with a sound balance sheet and investment grade ratings. We are committed to rapidly deleveraging.
- Strict management of capex and working capital, which are allocated to projects that advance our low-cost production strategy, support the integration of acquisitions, strengthen our infrastructure and enhance the efficiency of our operations.
- A conservative dividend policy that balances current shareholder interests with our growth strategy and the needs of our broader stakeholder community.
- Responsible risk management practices that seek to manage and mitigate our exposure to external variables that have high potential impact on our performance, such as the availability and cost of certain key inputs, and exchange rate fluctuations.

OUR STRATEGY

CORPORATE SOCIAL RESPONSIBILITY AT GRUPO BIMBO

We understand Corporate Social Responsibility as the compromise that we assume as a company, with our stakeholders and society as a whole. We are committed to working together with the communities where we have presence, to reach a sustainable development, always being consistent with our philosophy, our Code of Ethics, and the applicable laws.

SOCIAL RESPONSIBILITY STRATEGY

Our Social Responsibility Vision states that:

In 2015 we ensure our leadership in Social Responsibility and the implementation of the model in all our operations, strengthening our competitive advantage and answering to the requests of our stakeholders.

For this reason, Social Responsibility continues to be a core asset of our strategy by strengthening the economic, social, and environmental management of our organization.

RISK MANAGEMENT THROUGH SOCIAL RESPONSIBILITY

Grupo Bimbo relies on the results of its Social Responsibility actions as a source of information that helps us to measure and prepare plans of action. As part of our risk management strategy, we obey local laws and regulations and seek to go beyond what the law requires. We try to mitigate risks in the following three aspects, to promote a climate of preemptive care:

- **Environment.** We are continuously analyzing our operations and seeking out new environmentally friendly technology.

- **Social.** We promote a climate of health and accident prevention among our associates and their families, and we share these principles in various forums, in an effort to spread our message to as many people as possible.

- **Economic.** We have a Risk Committee that evaluates the economic and financial impact of situations that could pose a risk to this company.

We respect the laws in every one of the locations where we operate; we care about our relationship with stakeholders and we are guided by our principles and values at all times.

We are present in very diverse regions of the planet, so we must pay special attention to the regulatory aspects and requirements of each of them, as well as their social and environmental needs.

Among the United States laws governing this company in the sphere of environmental protection are The Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act and Superfund. These regulations establish both individual and joint responsibilities.

In Mexico, Grupo Bimbo is governed by various laws and federal, state and municipal regulations that govern the discharge of waste into the environment, as well as our handling and disposal of hazardous waste and residues. Environmental laws establish that companies are responsible for remediation actions if they discharge hazardous waste. We are also subject to the supervision of the Ministry the Environment and Natural Resources, the Ministry of Labor and Social Planning, the Federal Environmental Protection Agency, the National Water Commission and Federal Commission for Protection against Sanitary Risks. These agencies have the authority to initiate administrative procedures for violations of environmental and workplace safety regulations and to impose fines on companies who fail to comply with them. The Mexican government has recently introduced stricter environmental and workplace safety standards.

The modification of environmental laws and regulations or the introduction of new regulations could make it necessary to invest amounts not currently included in the Group's budget, and could have an adverse effect on the business, financial situation and results of our operations.

One of the latent risks facing this company is the possibility of changes in health regulations in various regions, which could negatively affect this business, specifically in product preparation, distribution and labeling.

Furthermore, in the United States, we are regulated through federal and state permits and inspections for our plants and warehouses, certifications of certain food products and regulation of commercial practices relating to labeling requirements.

In Mexico, we are also subject to various laws, rules, regulations, official hygiene and quality control standards, as well as the supervision of various authorities, like the Ministry of Health, Ministry of Agriculture, Livestock, Rural Development, Fishing and Food, the Federal Commission for the Protection against Sanitary Risks, and the Ministry of the Economy, with regard to the production, packaging, storage, distribution and advertising of our products.

At Grupo Bimbo, we comply with hygiene and quality regulations and laws comparable to the ones mentioned above in the other countries where we operate. Government policies and standards in the United States, Mexico, and other countries may negatively affect the supply, demand, and prices of the group's products, limit our capacity to operate in certain domestic and export markets and could affect our financial situation, liquidity, and operating results. Additionally, if the Group is subject to substantial changes in health regulations, it could face a significant rise in its operating costs and be forced to introduce measures that could imply an interruption of operations. Tighter regulations in the food industry, including proposals to improve food safety, the imposition of requirements relating to health or the regulation of imported ingredients, could increase costs for the group and affect our profitability.

RELATIONS WITH OUR STAKEHOLDERS:

In 2012, we worked to redefine our Stakeholders in order to update and forge closer relations with all of the stakeholders with whom we interact. In our policy entitled "Definition of stakeholders," we have identified internal and external groups with which this company interacts, as well is the commitments undertaken by Grupo Bimbo for each of them.

Internal groups:
Grupo Bimbo is committed to its internal stakeholders in the following areas:

- **Shareholder/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 groups:
Grupo Bimbo is committed to its external stakeholders in the following ways:

- **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.

In accordance to our policy for defining stakeholders we strive to comply their expectations and promote a healthier relationship.

Looking for an added value we have invested in developing the principles and several communication channels with our stakeholders.

DIALOGUE WITH STAKEHOLDERS

In 2011, we carried out a detailed process of feedback and analysis by asking our Stakeholders about those aspects they believe should be most important for Grupo Bimbo. According to the information we obtained, we have been working to improve on the points they mention. In 2012, the dialogue was simpler, and we are preparing a new tool for maintaining these channels of communication.

sembrando juntos

Wellbeing

At Grupo Bimbo we are commited with youth promoting physical activity and good eating habits.

SEMBRANDO JUNTOS : WELLBEING

At Grupo Bimbo, we never cease in our efforts to continue earning our customers' trust. Our pillar formerly called "Committed to your Health" has evolved into "Sembrando Juntos for your Wellbeing." This shift signals our renewed resolve to innovate and reformulate our product portfolio, to remain enthusiastic and committed to our alliances with academe, government, and private enterprise, to continue encouraging physical activity and good eating habits.

2012 GOALS AND PROGRESS

Goal

Sweet Baked Goods: 25% reduction in saturated fats in all of our **leading brand** products by 2015.

Snacks: 15% reduction in saturated fats in leading brands for the entire group by 2015

	2010	2011 (Base year 2008)	2012
Number of products in which we have reduced saturated fats	389	114	75
Number of metric tons of fats illuminated per year per category	N/D	1,261	2,030

Goal

Reduce in 30% the total sodium in all of our leading brand products for the entire group by 2015

	2010	2011	2012
Number of products in which we have reduced sodium	256	315	75
Number of metric tons of sodium illuminated per year per category	N/D	3,646	1,727

Goal

Reduce by 10% the sugar content in all of our leading brand products for the entire group by 2015

	2010	2011	2012
Number of products in which we have reduced sugar content	287	140	82
Number of metric tons of sugar eliminated per year per category	N/D	9,970	1,019

Goal

Begin integrating whole grain lines into our line of cookies by 2015

	2010	2011	2012
Number of products in which whole-grain content has been increased	N/D	41	3
Number of products "Healthy/ Good for You" launched in 2012.	N/D	81	68
Number of products addressed to children with improvements in the nutrimental profile.	N/D	36	21

Managing the Wellness pillar is the job of the Innovation Department at Grupo Bimbo. Through this area, we define goals and actions that make it possible to improve the nutritional profile of the products that reach our consumers while bringing them enjoyment at every moment of their day.

PRODUCTS WITH HEALTHY PROFILES

At Grupo Bimbo, we are constantly striving to improve our products. We work on the formulas and the phases of their lifecycle, avoiding any negative impact on health and guaranteeing safety for our consumers in all the countries where we are present. Since 2013, we have been steadily improving and diversifying our portfolio in order to offer products of the highest quality, nutritional content and, help value.

NUMBER OF 2012 PROJECTS UNDER THE NEW INNOVATION SYSTEM (MEXICO)

Bread and Rolls	Sweet Baked Goods	Tortillas	Snacks	Confectionery	Corn	**Others**
13	47	9	8	19	4	2

INNOVATION PROCESS

As we explained in our integrated 2011 report, we have a six-stage process designed by the Innovation and Marketing areas for developing and improving our products. Through this process, we develop healthier products, evaluate their impact on health and consumer safety, and increase their nutritional content.

A tangible example of the progress Grupo Bimbo has made in nutritional value and its contributions to battling malnutrition in some regions is seen in the 2011 results, which continued in 2012, in offering better products for children. We developed 36 new products, 23 of them in the Sweet Baked Goods (SBG) category, which includes cookies, pastries, snack cakes, and puff pastry, fortified with an 80% boost in specific micronutrients that support better nutrition.

We introduced this innovation process to our organizations in Mexico in 2012, working on 102 projects during the year and encompassing 100% of the product categories we make.

REFORMULATION AND INNOVATION

2015 GOAL

**25% reduction in saturated fats.
15% reduction in saturated fats in snacks.**

Following the recommendations of the 2004 World Health Organization (WHO) Global Strategy on Diet, Physical Activity, and Health, we have worked on five different lines of action focused on consumer health and wellness, including product reformulation and product innovation.

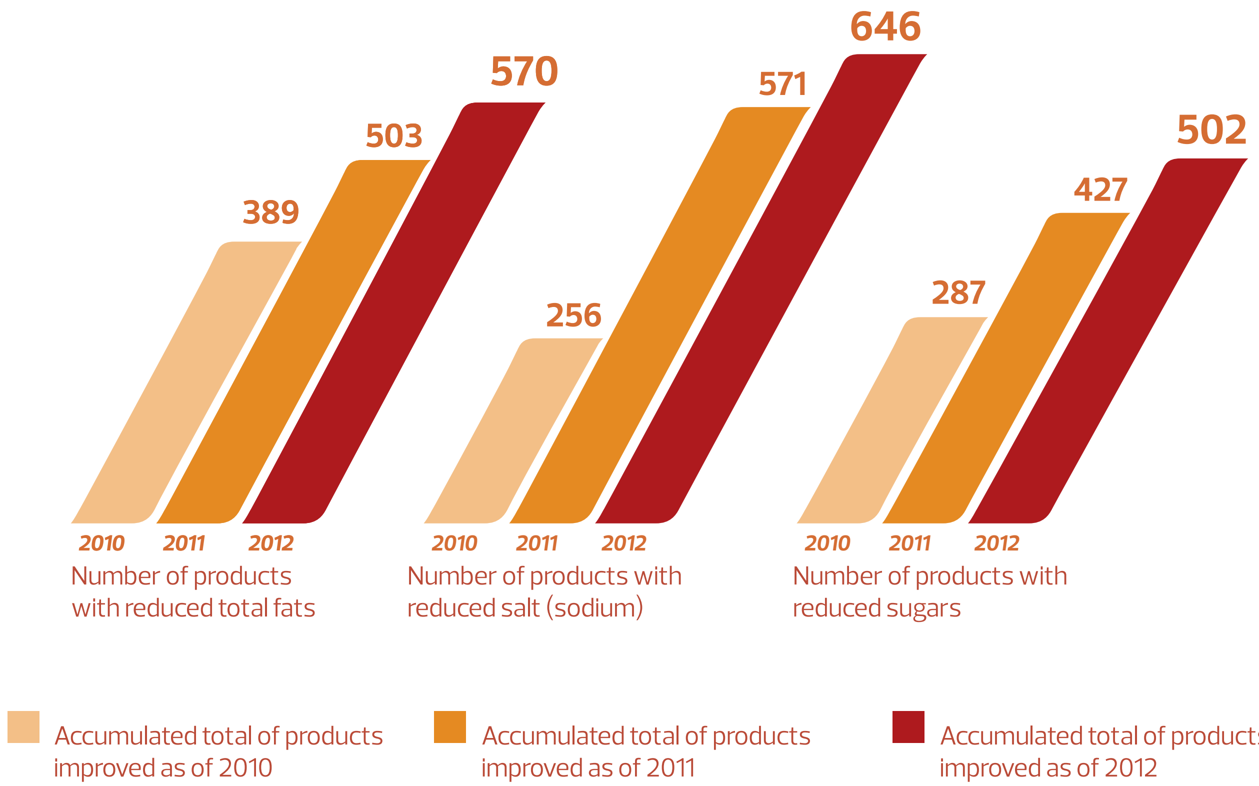
In this effort, we have reduced certain critical nutriments for public wellness, such as total fat content, saturated fats, sodium, and trans fats, as well as including healthy ingredients like whole grains and now Actileche®, a new formula in Bimbo White Bread developed at the Bimbo Innovation Institute in collaboration with the Salvador Zubirán National Nutrition Institute. We are confident that with this formula, which contains milk and a mix of vitamin A, vitamin B one, vitamin B2, folic acid, iodine, zinc, calcium, iron and phosphorus, we are helping to promote healthy development and growth in children.

In 2012, we set new goals for reducing certain nutrients. In the fat category, we focused on improving the type of fats used and reducing the content of saturated fats, as well as working on the total fat content. Our goal for 2005 is to reduce saturated fats by 25% in our leading brands of Sweet Baked Goods (SPG) and by 15% in snacks.

REDUCTION OF SATURATED FATS, TRANS FATS, SODIUM, AND SUGARS

	Breads and Rolls	*SBG*	Snacks	Total
Number of products in which we have reduced saturated fats	0	75	0	75
Number of products in which we have reduced sodium	75	0	4	79
Number of products in which we have reduced sugar content	0	82	0	82
Number of metric tons of fact eliminated per year per category	0	2,030	0	2,030
Number of metric tons of sodium eliminated per year per category	213	0	1,515	1,727
Number of metric tons of sugars eliminated per year per category	0	1,019		1,019
Percent reduction of fat in 2012 versus goal for 2015	0	Mexico: 53% (2012) Latin America: 7% (2012)	0	
Percent reduction in sodium in 2012 versus goal for 2015	United States:33% (aprox.) Mexico: 26% (aprox.). Latin America: 8%	0	Mexico: 4% (2012)	
Percent reduction of sugars in 2012 versus goal for 2015	0	Mexico: 9% Latin America: 3%	0	

NUMBER OF IMPROVED PRODUCTS



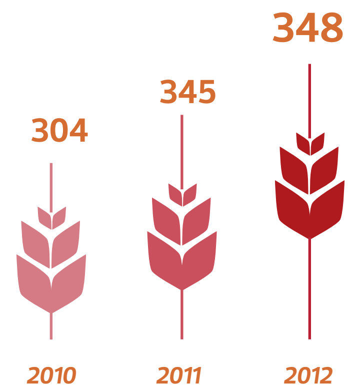
Also starting in 2012, in an effort to improve our results, we concentrated on more leading products in order to have a greater impact on the amount of metric tons reduced, so this could be noted in the saturated fats that are being eliminated every year by reformulations made on 2012.

Improving the nutritional profile of our products is a priority for this Group, so we are continuing to increase whole-grain content, fiber, vitamins and minerals in their formulas. Our goal is to offer our customers food that is part of a healthy lifestyle.

INCREASE IN NUTRITIOUS INGREDIENTS

	Breads and Rolls	*SBG*	Snacks	Tortillas	Candy	Others	Total
Total number of "Healthy/Good for you" products launched in 2012	55	9	1	3	0	0	68
Number of products in which Hold Green content has been increased			3	0			3
Number of products aimed at children with improved nutritional profile	2	17	0	0	1	1	21

TOTAL NUMBER OF PRODUCTS WITH INCREASED WHOLE GRAIN CONTENT



The actual number of products may differ; in 2012 we continue to develop and launch new whole-grain products but also took others off the shelves.

REFORMULATION AND INNOVATION
CASE STUDY

In the following products: Canelitas, Sponch, Príncipe for saturated fats (Mexico) and Takis Fajita, Golden Nuts Enchilados, Chips a la Diabla and Hot Nuts Fuego for sodium (Mexico).

WHOLE GRAINS COUNCIL
Whole Grains at Every Meal

In Mexico, we are continuing to work together with the Whole Grains Council (WGC). Currently, on the webpage of this Council, we have 250 products registered worldwide, enabling us to continue incorporating the authorized "Whole Grains" seal on our labels. In order to keep consumers informed about the benefits of whole grains and national and international recommendations on these, all the products that bear the whole grain seal (endorsed by the WTC) refer the consumer to the Grupo Bimbo Nutrition site, where there is a special section about whole grains.

Maintaining a portfolio of more than 250 products with whole grains is a challenge that we face every day due to changing dietary habits and purchasing preferences among consumers.

This is an ongoing effort at Grupo Bimbo, and our goals for 2015 are focused on cookies, where we intend to integrate whole-grain products in non-Bread and roll categories. With the change in the focus of our goals, we are beginning a new measurement in 2013.

LABELING UPDATES

It is important to mention that in 2012 we managed to comply with our labeling policy for our last acquisitions: Sara Lee, United States, and Bimbo Iberia.

NUTRITIONAL INFORMATION FOR CONSUMERS IN MEXICO

For our portfolio in Mexico, we have a labeling policy that complies with the highest regulatory standards in all the countries where we make and sell our products. One example of this is our internal policy on whole-grain products, specifying that labels must show the seal of the Whole Grains Council, backing the use of whole-grain flours in their preparation, along with a policy on allergens where we must indicate the presence of any such substances in our list of ingredients, in addition to warnings.

Labeling, and particularly nutritional information, plays an important role in communicating the basics about the nutritional value and composition of our products. At Grupo Bimbo, we are committed to giving our customers easy-to-understand, accessible nutritional information, so they can make better-informed decisions when buying and consuming food products.

Our Labeling Policy in Mexico, includes the following commitments:

- Providing nutritional information at least on the most important nutrients for public health (energy content, total carbohydrates, proteins, fats, sodium, and other nutrients for which some beneficial property is claimed).
  Where there is not enough space on the package for full information, we make sure this information reaches our customers in other ways, like webpages and social networks, among others.

- Complying fully with applicable labeling laws and regulations in every country where our products are sold.

- Continuing our efforts to incorporate other information in addition to basic nutritional data in simple and understandable package-front labels (GDAs).

PHYSICAL ACTIVITY

In 2012, we continued to place messages on all of our packaging encouraging people to practice at least 30 minutes of physical activity a day.

PROMOTING PHYSICAL ACTIVITY AND HEALTHY LIFESTYLES

One of our greatest commitments at Grupo Bimbo is to continue promoting healthy lifestyles based on getting physically active and eating right. We carried out a number of promotional activities for the general public and our associates, and in 2012 this included around 67 events or programs impacting more than 1 million people, 11 of which were focused on promoting healthy lifestyles within our organization. These programs reached more than 100,000 associates.

Some examples of the activities carried out for the general public are the following:

- United States
  Stroehmann Walk Against Hunger
  Little Bites "Kick It" Soccer Tournaments
  Project Bread—the Walk for Hunger (Sponsor)
  Tobacco Cessation Program (For our Associates)

- Mexico
  Bimbo Junior Soccer: Interschool Seven-A-Side Children's Soccer Tournament
  ¿Estás en el Juego? (Are You in?) Sponsored by Bimbo
  Weight reduction program
  Barcel Moves your world

- Latin America
  Bimbo Honduras Junior soccer
  Lose to win (El Salvador)
  Bimbo Cup (Uruguay)
  8K Marathon University of San Andres ABA (Argentina)
  National Nutrition Days (Argentina)

Activities within the company in Mexico

- Medical visits, reaching a total of 6,138 physicians in Mexico City in the metropolitan area with the brands Sanissimo, Madre Tierra and Bimbo White Bread with Actileche®. We also began a program of Medical Visits in Guadalajara and Monterrey, reaching 1,240 positions and nutritionists with the Saníssimo brand.

- In Mexico, we launched a number of initiatives to reduce the risk of developing or suffering from chronic degenerative diseases: a weight reduction program and a "Plus 40" program, benefiting 65,000 associates, and our "Healthy Company" program, where we helped 357associates that entered the program to lose a total of 527.1 kilos, both at our Santa Fe Corporate Headquarters and at the Tecnoparque facilities in Azcapotzalco, Mexico City.

We currently have more than 33 thousand followers on Twitter and 36,545 fans on Facebook, through our account @Nutrion Grupo Bimbo.

TWITTER FOLLOWERS

Account	Followers
@BimboMx	6,940
@Rapiditas Bimbo	1,436
@Bimbo Venezuela	19,811
@Pan_Bimbo	5,200
Total	33,387

Another aspect of our efforts to promote healthy lifestyles is our presence in various social networks that are widely accepted and available to consumers—Twitter, Facebook, YouTube, blogs, etc.—through which we provide readers with nutritional articles, diet plans, recipes, video recipes, and information about our products, among others.

Our nutrition website offers consumers a number of tools for eating right and obtaining health advice, like our "Con M de Mamá" (With an M of Mom) blog, which receives around 5,000 visits a month, where mothers with children from 0 to 12 years of age can find feeding suggestions for their children and themselves.

RESPONSIBLE MARKETING

In the globalized world in which we live today, we want to satisfy the tastes and needs of our customers. That is why we are always striving to provide the additional value customers are seeking.

At Grupo Bimbo, we make products that are the best of their kind, and we want to tell consumers about it through responsible marketing.

In applying our responsible marketing practices, we pay close attention to the needs and interests of our stakeholders throughout the value chain, promoting their long-term wellness, and we comply with voluntary and self-regulatory international codes that set the standards for responsibility in marketing communication.

Our internal communications policy obliges us to adopt strictest regulatory standards in the countries where we operate, and in 2012 we continue to meet our commitment with the International Food and Beverage Alliance (IFBA), through an initiative called Pledge, promising that all of the advertising prepared and aimed at children under 12 years old will meet those standards.

REDUCTION ON TOTAL FATS, SATURATED FATS, SUGAR, AND SODIUM

DEVELOPMENT OF PLEDGE PRODUCTS IN 2012

Mexico	3 products
Latin America	18 products

NEW PLEDGE PRODUCTS

We have integrated 21 new products into the Pledge initiative in Mexico and Latin America

FOOD SAFETY

The process of improving the nutritional quality of our products is highly important for Grupo Bimbo, and we complement it with a series of actions to ensure food safety and quality throughout our production process.

In 2011, we launched our Global Food Safety Standard (GFSS) with the motto "food safety every day and in every package," and this year we have met our commitment of working with each of our organizations to ensure this standard is applied to every one of them.

Grupo Bimbo participates in the GFSI (Global Food Safety Initiative), under which 123 of our plants currently have Hazard Analysis and Control of Critical Points (HACCP) certification, and comply with the insurance of reliability and quality of our products.

Nutrimental profiles of phase 2

Since 2010, the Mexican government has published official guidelines on products that are sold in primary schools. At Grupo Bimbo, because we abide by the law and are committed to our customers, we only sell products that fully meet the official qualifications in public schools. In order to attain those standards, in 2011 we developed the necessary technological innovations to create a portfolio of products that meets the profiles for phase 2 (2011-2012 school year).

Nutrimental profiles of phase 3

As of 2013, we are applying the phase 3 school guidelines, where Grupo Bimbo has developed a portfolio with the following nutritional qualities:

SECOND PHASE

	Cookies/ Cakes	Snacks
Calories	130	130
Total fats (% TEV)	40%	40%
Saturated Fats (% TEV)	20%	25%
Trans Fats (g/Portion)	0.5	0.5
Added Sugars (% TEV)	25%	10%
Sodium (g/Portion)	200	200

THIRD PHASE

	Cookies/ Cakes	Snacks
Calories	130	130
Total fats (% TEV)	35%	35%
Saturated Fats (% TEV)	15%	15%
Trans Fats (g/Portion)	0.5	0.5
Added Sugars (% TEV)	20%	10%
Sodium (g/Portion)	180	180

Phase 3 Portfolio

The phase 3 school portfolio implies a reduction on the variety of products, responding to stricter regulatory guidelines.

MEXICO: COOKIES / CAKES

Barritas Fresa Marinela	26.5g
Barritas Piña Marinela	26.5g
Canelitas Marinela	20g
Submarinos Fresa Escolar Marinela	25g
Submarinos Vainilla Escolar Marinela	25g
Deliciosas Lara	25g
Marías Lara	24g
Minichips Gabi	25g
Circus Gabi	25g

MEXICO: SNACKS

Lagartos	20g
Bravos	28g
Tostachos	28g
Chipotles	28g
Picapapas Chipocludas	25g
Picapapas Picosísimas	25g
Fruty Uva	30g
Fruty Naranja	30g
Fruty Chamoy	30g
Fruty Manzana	30g

ALLIANCES, RESEARCH AND CERTIFICATIONS

Mexico: four alliances

- Including sponsorship of a "Tour for Health" with the SSA (nutrition and general health checkups for visitors).

Latin America: 15 major alliances, including:

- "Nutrition Tour," in alliance with Compañía Dos Pinos, benefiting 1,500 individuals.
- BEN Project in Guatemala. Under an alliance with BEN! and other countries to promote healthy lifestyles in schools. Benefited more than 8,000 people.
- SUNED(Uruguayan Society for Diabetes Nutrition).
- Uruguayan Association of Dietitians and Nutritionists.
- Alliance with the Ministry of Health for salt reduction (ADA).
- "Always Nutritious" Lunch Hour.

sembrando juntos | Planet

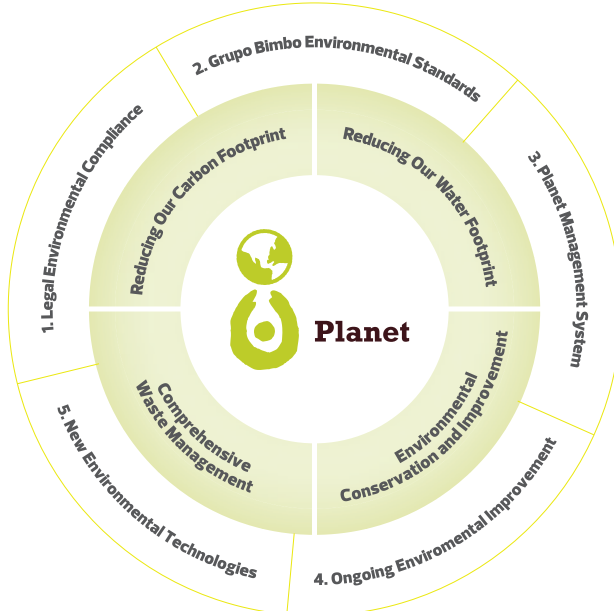
Through the program "Reducing our Environmental Footprint," we have achieved important improvements to reach more efficient processes.

SEMBRANDO JUNTOS: PLANET

At Grupo Bimbo, we work day in and day out to reduce our impact on the environment and preserve it for present and future generations, and we are continually working to promote the efficient use of our planet's resources.

Through our program "Reducing our Environmental Footprint" we have accomplished important advances to reach a diminishing of:

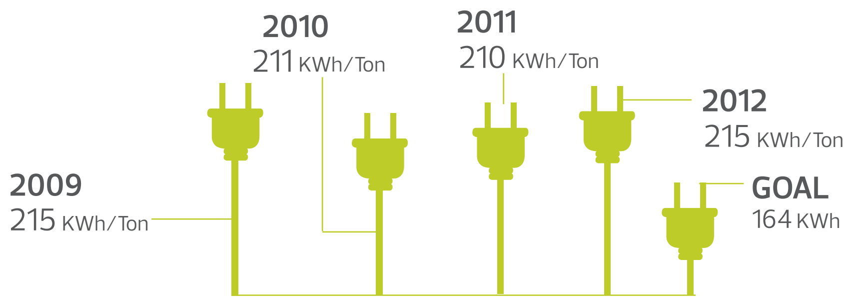
Our carbon footprint and our water footprint; and we pursue comprehensive waste management along with the conservation and improvement of our environment. These are the central premises of our program. We also concentrate on replicating these good practices in all the countries where we operate.



2012 GOALS AND PROGRESS

Progress

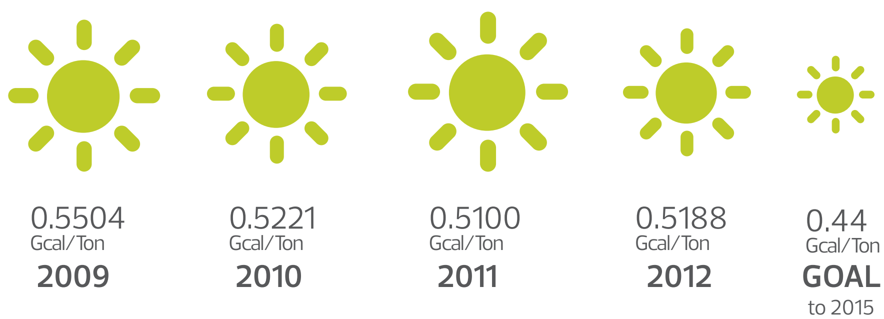
By the end of 2012, 43 facilities of Grupo Bimbo in Mexico started to receive their electrical power from the Piedra Larga Wind Farm.



Electrical energy consumption
(Base 2009)

Progress

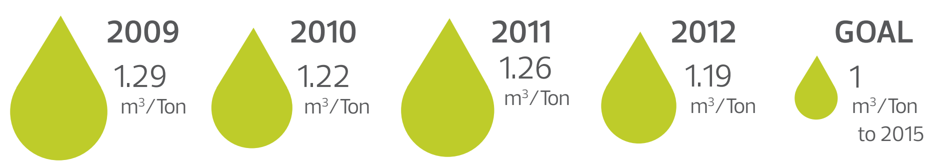
Our indicator has been reduced from 0.5221 to 0.5188 since 2010 in Grupo Bimbo



Thermal energy consumption
(Base 2009)

Progress

6% Reduction in Grupo Bimbo



Water historical consumption

ENVIRONMENTAL FOOTPRINT

At Grupo Bimbo, we are aware of our responsibility and are committed to reducing the impact of our activities on the environment, working together with our consumers, clients, shareholders, suppliers and, associates.

We continue to follow our Vision 2015, which will make our model the globally recognized benchmark in environmental care. We have integrated our economic and social goals with an awareness and commitment to reducing our environmental footprint, while building up this Group's competitive advantages.

We intend to remain at the forefront of the industry in identifying, testing, and using new environmentally friendly technologies and applying them across the value chain in each of our organizations.

As an additional activity, we have worked together with the PROFEPA (Federal Governmental Body for the Environmental Protection), to run the Environmental Leadership Program, where 26 of our suppliers participated to develop 50 eco-efficiency projects, in order to detect some opportunities to reduce our use of water, energy, and generation of waste.

The process began with the identification of projects for improvement at our suppliers' facilities, involving potential savings (according to the PROFEPA methodology) of up to:

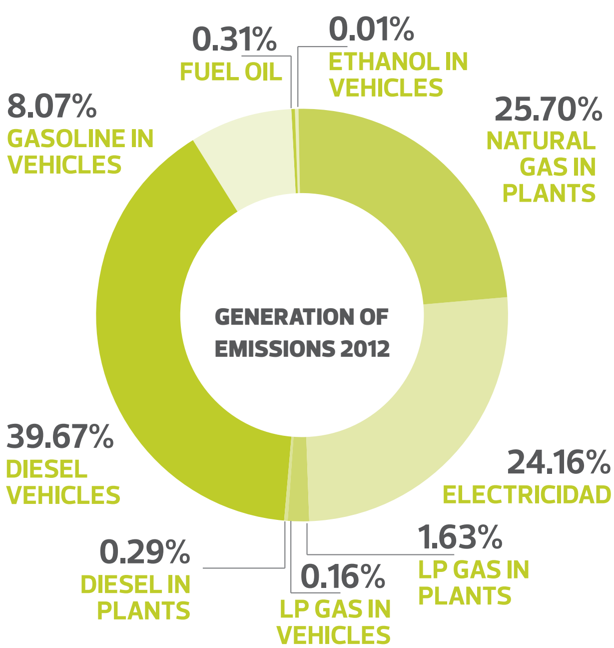
- 19,122,000 kilowatts of energy supply, equivalent to the consumption of 6,590 families of five.
- 266,000 m^3 of water per year, equivalent to the consumption of 527 families of five.
- 21,098 metric tons of CO_2, equivalent to taking 3,149 automobiles off the road.
- 10,382 metric tons of waste, equivalent to the waste generated by 5,689 families of five.

CARBON FOOTPRINT

In 2010 we started to measure our impacts according to the internationally comparable units established by the Global Reporting Initiative's (GRI) methodology.

To evaluate our environmental footprint, and to continue improving our productive and logistical efficiency, in 2011 we began reporting an Index of CO_2 Generation per metric ton produced.

As in 2011, we used the emission factors from the guide included in the Greenhouse Gas Protocol Initiative (GHG Protocol) and the GHG Mexico Protocol the purposes of calculating CO_2 emissions from the use of fossil fuels. To prepare our emissions report, we used the following methodologies: GHG Protocol: a Corporate Accounting and Reporting Standard, and the GHG Mexico Program. In 2012, we continued to replicate and follow up on the practices reported in 2011.



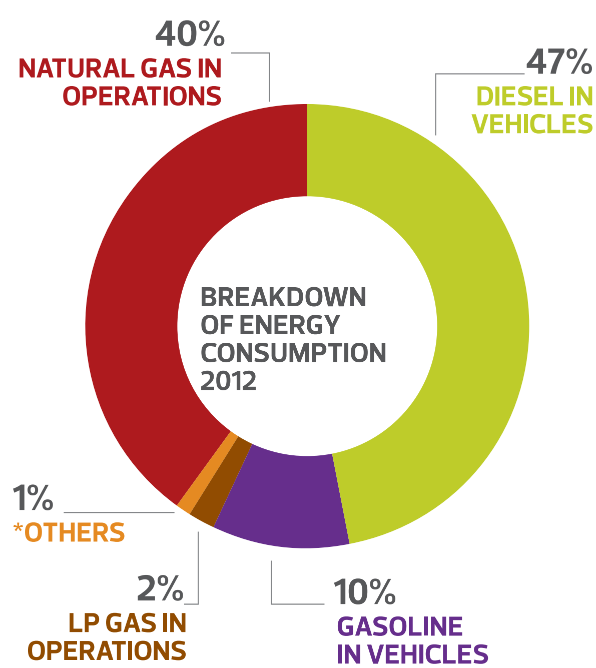
1,756,493.28
metric tons of CO_2

In 2012, our plants generated 4.54 metric tons of nitrogen oxide (NOX) and 14.83 metric tons of methane (CH_4). For the purposes of calculating emissions, our total direct energy consumption (fossil fuel) for the operation of offices, preparation of products and services, and company-owned vehicles, was 4,875,708.07 Gcal.

DIRECT ENERGY CONSUMPTION FOR OPERATIONS: OFFICES, PRODUCTION, AND TRANSPORT

PRIMARY SOURCES	TOTAL GCAL	BREAKDOWN OF ENERGY CONSUMPTION 2012
Natural gas for operations	1,919,865	39.38%
LP Gas in operations	108,426	2.22%
LP Gas in Vehicles	10,690	0.21%
Diesel in operations	5,939*	0.12%
Diesel in vehicles	2,305,084	47.28%
Gasoline in vehicles	503,592	10.33%
Fuel Oil in operations	22,109	0.45%
Ethanol in Vehicles.	329	0.01%
TOTAL.	4,875,708	100%

Note: *Direct thermal energy consumption from thermal energy. Data corresponds to the Vero, Matehuala, and Lagos plants.



***Others includes** LP Gas in vehicles, 0.21%, Diesel in operations, 0.12%, Fuel oil in operations, 0.45%

In comparison to 2009, we reduced 42,573 Tons of CO_2e

NEW TECHNOLOGIES

Our fuel efficiency improved from 4.93 km/L in 2011 to 5.35 km/L in 2012.

Greater efficiency in our vehicle fleet

In 2011, we began improving our logistical model in order to control, manage and optimize fuel use in our fleet of distribution and transport vehicles, and in 2012 we continued this effort with an eye to better serving our clients and optimizing operating costs.

The average age of our vehicle fleet in Mexico is 6.8 years. Compared to 2008, we have improved the yield of our fleet by 11%, through the actions described below.

- Organización Bimbo and Barcel México incorporated 3,585 new vehicles in 2012 with new fuel-saving technology that reduced the volume of $C0_2$ emissions by 14,154.3 metric tons—3.96% less than in 2011—and improved the yield by 5.35km/lt, +2.64% compared to the same year.
- We switched from LP and gasoline-fueled vehicles to diesel-powered vans.
- In 2012, we signed up 375 vehicles for the Diesel Engine Self-Regulation program in place. This exceeds our internal goal and is also 40% above the nationally mandated opacity reading prepared by an external auditor.
- We continue to participate in the Clean Transport Program of the Ministry of the Environment and Natural Resources (SEMARNAT), introducing new technology to our tractor-trailers, like the use of catalytic converters, super-wide tires, self-inflation systems, and, in the past year, aerodynamic optimizations, minimum idle speed control and an improved maintenance program.
- We trained our drivers in properly using and driving vehicles to ensure the most efficient handling of our distribution fleet, improving its yield.
- First inclusion of Stop&Go technology in natural-gas fueled vans
- The use of Euro-4 model trucks, which have a redesigned trailers intended to improve capacity and cabin configuration, reducing the number of trips between factories.

Finally, we gave redoubled our efforts substantially reduce our fuel consumption, particularly through procurement and process efficiency, and the use of other renewable energy sources besides ethanol, like thermal, solar, and wind energy.

In 2012, the Piedra Larga wind farm, dedicated to Grupo Bimbo, began operations in the community of Unión Hidalgo in the State of Oaxaca. The wind farm has 45 107-meter-high wind turbines that supply an average of 38 MW a year.

Piedra Larga Wind Farm, Mexico

With the capacity to produce 90 MW (megawatts), Piedra Larga supplies electrical energy from a renewable, clean source, to 45 Grupo Bimbo plants and consumption centers throughout Mexico. This is the largest plant in the world operated by a food company and also produces energy for other partners including Frialsa Frigoríficos, Grupo Calidra, and Papalote Children's Museum. PiedraLarga puts us on the right path to making great contributions to environmental improvement, promoting the use of renewable energy sources. The wind park reduces annual fuel consumption and the emission of gas into the atmosphere by approximately:

- 65 million liters of diesel fuel.
- 108,000 metric tons of CO_2

Equivalent to:

- The carbon dioxide absorption capacity of close to five million trees, a little more than five times the area of the La Marquesa National Park in Mexico State.
- Enough electrical energy to run a city of a just over 1 million inhabitants.

Reduction of indirect energy consumption

In 2012, we continued with the implementation of initiative to reduce th indirect energy consumption, reported on the previous year. To review historic consumption, please see figures in the Appendix section.

In some of our sales centers located in Mexico, we have introduced pilot projects to reduce the environmental impact of our operations, which are at various states of progress, including:

- Change to energy-saving lights in our lightbox-based advertisements.
- Use of translucent ceiling materials to take better advantage of sunlight.
- Installation of photovoltaic panels for night lighting in the sales center.
- Use of recyclable and washable panels for promotional ads that avoid waste generation and paint contamination.

REDUCTION IN ELECTRICAL ENERGY CONSUMPTION

IMPROVEMENTS IN ELECTRICAL ENERGY MANAGEMENT IN PRODUCTION AND SALES CENTERS

REGION	MANAGEMENT AND AWARENESS	CONTROL AND ANALYSIS	MAINTENANCE	GOOD PRACTICES	PROCESS EFFICIENCY	SERVICE EFFICIENCY
ASIA	●	●	●	●	●	●
UNITED STATES	●	●	●	●	●	
IBERIA			●	●		
MEXICO	●	●	●	●	●	●
LATIN AMERICA	●	●	●	●	●	●

The data in the table above show the results obtained from more than 200 electrical energy-saving actions introduced in each of the group's organizations.

In 2011 we began efforts to replicate good business practices in the area of process efficiency, like compressed air equipment, air conditioning, and refrigeration, and lighting services. We continued these energy-saving projects in 2012.

PLANET, CASE STUDY

IMPROVEMENTS IN ELECTRICAL ENERGY MANAGEMENT

1. Installation of magnetic induction lamps.
2. Use of motion sensors for lighting.
3. Constant checking of refrigeration systems.
4. Placement of timers are photocells for lighting billboards.
5. Replicating best practices in air purifiers and air conditioners.
6. Installation of high-efficiency hand dryers.
7. Constant audits on thermal and electrical energy savings.
8. Installation of variable frequency drives for mixers.
9. Regular meetings with personnel to promote energy savings in the home and in the workplace.

REDUCTION OF THERMAL ENERGY CONSUMPTION

IMPROVEMENT IN THERMAL ENERGY MANAGEMENT IN PRODUCTIVE PROCESSES AND SALES CENTERS

REGION	FOLLOW-UP AND TRAINING	CONTROL	GOOD PRACTICES	PROCESS EFFICIENCY	MAINTENANCE
ASIA	◎	◎	◎	◎	◎
BBU	◎	◎	◎	◎	◎
MEXICO	◎	◎	◎	◎	◎
LATIN AMERICA	◎	◎	◎	◎	◎

Continuing the series of efforts involving the installation of high-efficiency burners and ignition and shutoff control, together with equipment optimization, in 2012 we applied more than 120 good practices for reducing thermal energy consumption.

PLANET, CASE STUDY
TOP 10 BEST PRACTICES

1. High-efficiency lighting (induction technology).
2. Heat exchangers for recovering energy from combustion chimneys.
3. Magnetic treatment for water heaters.
4. Solar panels (thermal-solar systems).
5. Variable frequency drives for tortilla presses and equipment with engines larger than 30hp, as well as temperature controls.
6. High-efficiency burners.
7. Daylight optimization through skylights.
8. Improvement in steam systems.
   - Easy heat: Hot water efficiency steam exchanger.
   - Recovery and condensation systems: traps and pumps.
   - Automatic system for purging heaters.
10. Installation of radiant surfaces.
11. High efficiency engines.

COMPREHENSIVE WASTE MANAGEMENT

Efficient use of the materials needed to package our products is and will continue to be a priority for Grupo Bimbo. We are continually working to optimize our packaging, improving the materials used and creating more environmentally friendly packaging.

REDUCTION OF 100,000 KG
OF PLASTIC PACKAGING EQUIVALENT TO 155 METRIC TONS OF CO_2e

REDUCTION OF 160,000 KG
KILOGRAMS OF PLASTIC PACKAGING EQUIVALENT TO 270 METRIC TONS OF CO_2e

Waste recovery

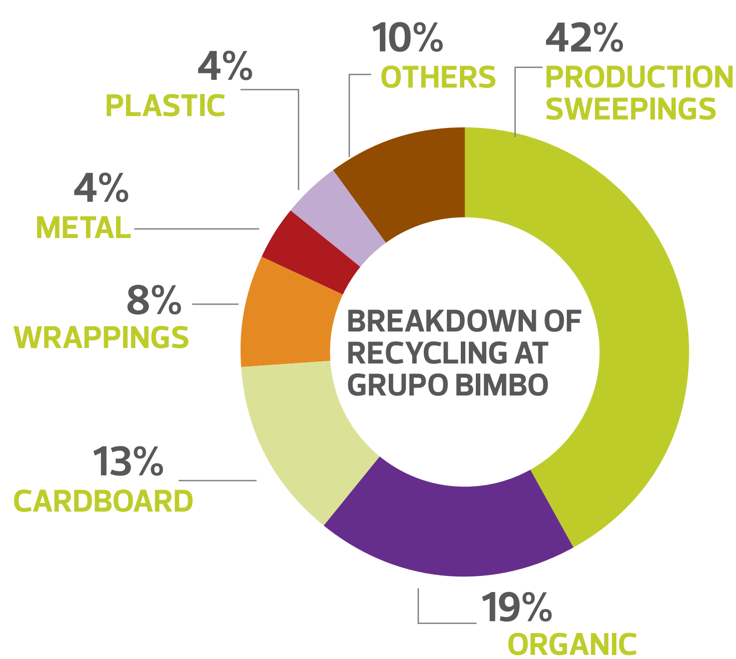
All of our sales centers have been ordered to introduce a permanent campaign called "Reduce, Reuse, or Recycle," providing them with banners, posters, and waste bins with divisions for various materials.

The Latin American region has explored actions to be taken in coming years, which included the development of recycling companies and application of the Kaizen procedure for waste reduction.

Across all of the organizations of Grupo Bimbo, except for Asia, in 2012 we generated 246,039 metric tons of waste.

93%
OF THE TOTAL WASTE GENERATED IS RECYCLED WORLDWIDE.

100%
OF WASTE GENERATION IS RECYCLED IN SIX OF OUR PLANTS IN MEXICO.



Sustainability in packaging.

At Grupo Bimbo, we aim to continue at the vanguard in identifying, validating, and using new and environmental friendly technologies, not only with our packages, but also along our value chain. In 2012, we continued with the research and development practices that could confirm the functionality and degradability of our packages. For this reason, we made an alliance with The Metropolitan Autonomous University in Mexico City, to develop some research and validation of our polyethylene bags degradation behavior in a compost ambience. Results confirmed the biodegradation of these materials in a controlled composting.

On the other hand, we started to classify the resins for the polyethylene packages and design a specialized usage. We worked on thickness reduction and appearance improvement, maintaining the mechanic properties. In Mexico, during 2012, we concentrated on the Bimbo White Bread of 640 grams, one of the largest production lines, which represents a reduction of 17% in the amount of plastic used for this matter. We also changed the Oroweat brand packages, achieving a 33% reduction on the plastic volume consumption.

The projects for optimization and reduction of materials used for our packages, continued to work for several regions, as for example the case of Brazil, where we had a 19% reduction on the thickness for the Tortilla packaging.

As a result of all these actions, in 2012 we ceased using around 160 thousand kilograms of materials for plastic packaging, with is equivalent to stop producing around 270 tons of Carbon Dioxide (CO_2).

From the works done by the Strategic Alliance and Innovation Nets (AERI's), the Science and Technology National Council (CONACYT) in México and some of our packaging suppliers together, we developed some alternatives for reducing the thickness of the molds used for bakery and sweet baked goods by 10%.

Shoulder by shoulder with our suppliers and the Research and Development area, we keep on searching for projects and new technologies development that allows us to count with friendlier packages for the environment.

On the other hand, we have projects that diminish the impact caused by waste generation that come from the packaging and wrapping for our prime sources. An example of this is the initiative of in bulk purchasing implemented for this process.

Bimbo Bread Brigade

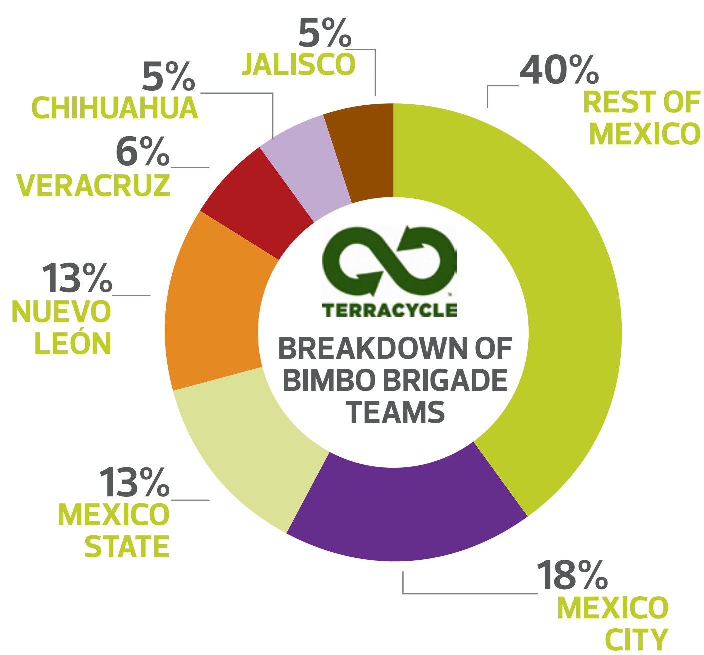
To give a second life to our packages, raise awareness about the environment and promote recycling among children and their families, we went to schools, foundations and NGOs, and for every package collected, we donated an amount of money for nonprofit institutions. Since March 2012, the Bimbo Bread Brigade has partnered with TerraCycle®, an international organization that recycles and upcycles waste.

For every recovered package we donated an amount of money for social non-profit organizations. Since march 2012, Grupo Bimbo started the Bimbo Bread Brigade in alliance with TerraCycle®.

In the first 10 months, we formed 595 brigades, involving 41,925 volunteers collecting waste throughout Mexico.

Taking our commitment to recycling awareness one step further, 2013 will see the formation of Pastry Brigades in Mexico and "mini-Muffins" Brigades in the United States, activating this Brigade commercially and extending our brand stewardship to more than 20 cities

This year, we filled out the Forest Footprint Disclosure (FFD) questionnaire, which enabled us to detect scenarios of opportunities in our company and develop sustainable actions that can guide us toward better practices in the acquisition of wood, palm, and soy oil.



WATER FOOTPRINT

As part of our commitment to efficiently use our natural resources, we continued work on developing precise measurements of our water consumption in the various organizations that make up this group. In 2012, we consumed a little over 4.8 million m^3 of water around the world.

In our new sales centers in Mexico, rainwater is captured for use in washing vehicles. We also continue to replicate and follow-up on the practices reported in 2011.

WATER SAVINGS
PERCENTAGE CHANGE VERSUS 2009

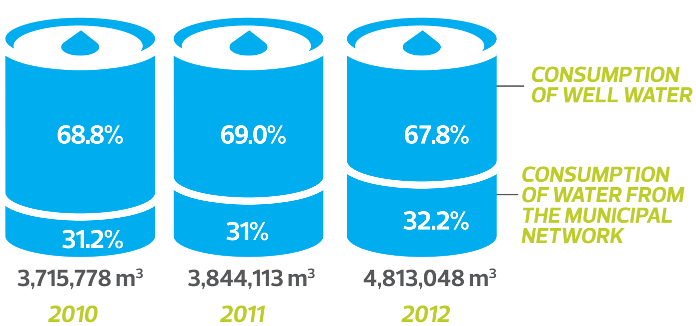
PRACTICES REPLICATED IN SUSTAINABLE SALES CENTERS

4.1%	95.9%	Water-saving showers and pedal operated sinks
2.1%	97.9%	Grey water recovery systems
9.1%	90.9%	Change of air conditioning equipment
53%	47%	Solar heaters
65%	35%	Motion sensors for light control
93%	7%	Acrylic materials to improve lighting conditions
81%	19%	Energy-saving lamps
71%	29%	Water fountains
83%	17%	Refiltration of water tables
72%	28%	Rainwater capture
72%	28%	Sinks (general)
77%	23%	Water recyclers
70%	30%	Water-saving toilets

Note: This graph includes the 243 Sales Centers located in Mexico.

13 PLANTS REUSE 100% OF THE TREATED WATER.

VOLUME OF WATER USED BY SOURCE
2010-2012 (M^3)



CASE STUDY
THE TOP 10 BEST PRACTICES

1. Introduction of dry cleaning technologies.
2. Steam cleaning.
3. Installation of environmentally friendly water saving toilets.
4. Recovery of water for irrigation.
5. Reuse of treated water in cooling towers.
6. Regular checking for leaks.
7. "Grey water" recovery systems.
8. Capture of rainwater in cisterns.
9. Recovery of water used in softening processes.
10. Awareness-raising campaigns.

Water reuse

At Grupo Bimbo, we had 44 waste treatment plants operating in 2011, and in 2012 we added another 14, which have already begun operating. Those plants are set up at factories in Mexico, Latin America, Iberia, and Asia.

The wastewater that comes from our processes undergoes a series of physiochemical and/or biological treatments in order to remove contaminants. As a result of these processes, we obtain water that complies with regulatory standards while enabling us to reuse it for various purposes like watering green areas, washing vehicles or in cooling towers. In 2012, we remove 10,464 metric tons of COD (a measurement of the amount of oxygen consumed by substances present in water).

In 2012 there was an incident at one of the plants of a Grupo Bimbo subsidiary in Jalisco, Mexico, involving the discharge of wastewater. To avoid future incidents like this, we intend to work closely with the local authorities, and to abide by current laws and regulations at all times.

Steam cleaning in the Food Safety area

One of the practices we have incorporated for water recycling is a system of dry steam cleaning in our most critical production lines, and at the close of 2012 we had 5 such machines at various plants. In 2013 we will add another 7, bringing the total to 12.

The system has enabled us to save up to 95% of the water used in the equipment where it is installed, in addition to considerably lowering the amount of time spent on this task. The dry steam cleaning system has a device for cleaning and maintaining sanitary conveyor belts. Finally, this system has eliminated much of the wastewater drainage from equipment cleaning, since the amount of water used is minimal, improving processes at our Wastewater Treatment Plant.

27% OF THE WATER

we use is recycled or reused.

PLANET, CASE STUDY

MACHINE ROOMS FREE OF COOLING TOWERS

15% of the monthly consumed water is used in cooling towers. In Bimbo Santa María and Yucatán Plants we developed machine rooms free of cooling towers. The practice consists on the instalation of air and refrigeration compressors with the following features: air cooling, high efficiency engines and frequency drives, achieving considerable water, and electrical energy savings.

1,801,863 m³

treated water

1,278,768 m³

total reused water

ENVIRONMENTAL CONSERVATION AND IMPROVEMENT

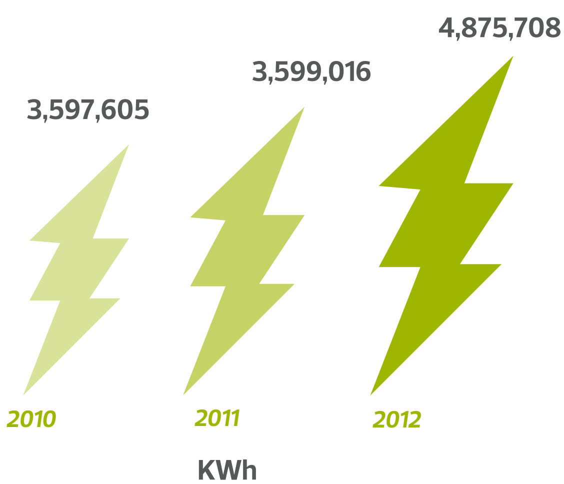
Reforestamos México, A.C.

Grupo Bimbo partners with Reforestamos México (Reforest Mexico), a civil association created by the Group that works to ensure the sustainability of the forests in Mexico in the medium and long term, and to guarantee our supply of forestry products and environmental services through collaboration with private enterprise, government, nonprofit organizations, farming cooperatives and communities, academe and the media.

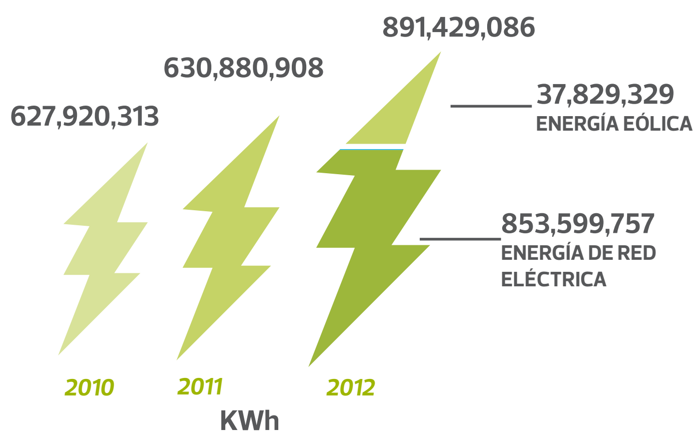
SEE REFORESTAMOS MÉXICO A.C. CHAPTER.

ANNEX

DIRECT ENERGY CONSUMPTION



INDIRECT ENERGY CONSUMPTION ELECTRICITY USED IN OPERATIONS



*Total indirect Energy Consumption coming from primary, non renewable sources (acquired).

10 AÑOS REFORESTAMOS MÉXICO, A.C.

In 2012, Reforestamos México celebrated its 10th anniversary. Its experience in a variety of programs and the proximity of its advisory board have been useful in facing down the challenges to Mexico's rain forests and woodlands.

ENVIRONMENTAL CONSERVATION AND IMPROVEMENT

Reforestamos México now works not only in the areas of reforestation and conservation.

We have also worked in the advancement of people living in nearby areas, making farming cooperatives and local communities that work with certified woodlands more prosperous, and solving priority issues for the development of the Mexican forestry industry, like legality, value chains, responsible investment in the industry, local and community leadership, community business development, and complete, timely information on the industry.

Ten years of work in Mexico's woodlands have given this organization the opportunity to join various national and international organizations in identifying the needs of the industry and developing strategies that can yield medium and long-term results, addressing the obstacles that make the forest industry less competitive today. A forest that does not provide a living for the communities around it, a forest that is not profitable, is a forest that is not sustainable.

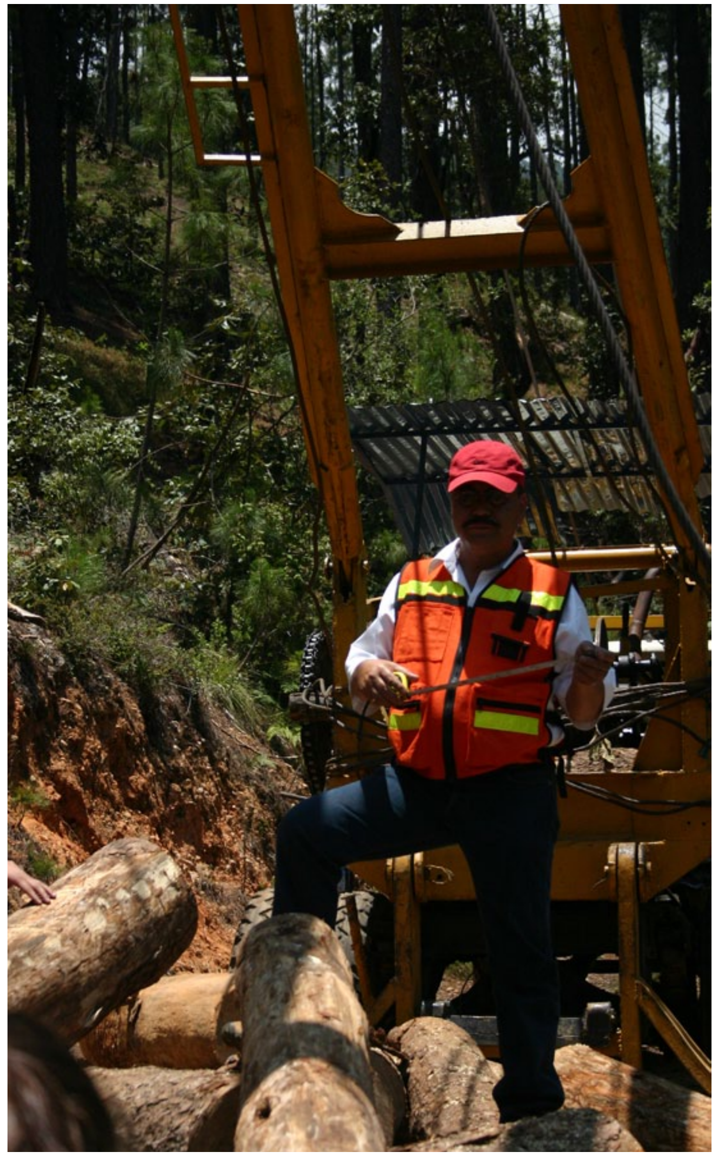
With this in mind, the organization works with people in farming cooperatives and organized forestry communities in the responsible procurement of wood products, as well as other goods and services related to the woodlands, to develop a business mentality and encourage them to take sustainable advantage of the resources of their forests. It is through actions like these that the organization intends to achieve its vision in which Mexico's woodlands and rainforests produce abundant goods and services, and their inhabitants live in a dignified and harmonious manner with nature.

Reforestamos México relies on close ties with society to encourage all to participate in forestry development and in conserving our forestry resources.

During this important year, Reforestamos México worked with 13 community forestry companies, which sustainably managed 263,476 hectares of woodlands, and supported the development of 233 individuals and 26 communities that worked on 27 productive projects. It also joined forces with 40 allied companies and more than 9,943 volunteers. Additionally, and together with other organizations, it conducted studies on the impact of agricultural subsidies on natural capital. Because 2012 was an election year in Mexico, Reforestamos México encouraged a debate on the public agenda in order to direct the attention of candidates and the transition team, as well as legislators, on the need for public resources for the forestry industry in the 2013 budget.

Reforestamos México served as local representative to the Forest Disclosure Project, took part in dialogues on investment and locally controlled woodlands (community forests) and organized spaces and forums to discuss the legality and risks of the forestry product supply chain.

As part of a business-based volunteer effort, we also conducted two tree-planting campaigns in August, in *Nevado de Toluca* National Park in Mexico State and at *Bosque de la Primavera* in Jalisco. At the *Nevado de Toluca* event, 500 people joined in, including associates and their families, planting 4,000 Hartweg's Pines, which covered four hectares of reforested land. In the event at the *Bosque de Primavera*, 560 people took part, planting 4,250 Pinus Devoniana trees, commonly known as the Michoacán Pine, covering four hectares of land.



263,476

HECTARES OF WOODLAND ARE SUSTAINABLY MANAGED TOGETHER WITH 13 COMMUNITY FORESTRY COMPANIES.

In order to give more meaning to the *Nevado de Toluca* reforestation campaign, we made a commitment to the development of communities living in that area. In 2012, we supported the *Agua Blanca* community by sponsoring 15 people who gained productive knowledge, including intensive livestock farming (stabling) of sheep, production of rainbow trout and construction of a forest nursery. The social component of these activities is highly important, because the organization's energy and efforts go beyond simply planting trees, to encouraging the social development of the communities where the activities are carried out, giving these people the opportunity to develop a dignified means of living.

Also last year, toward the same end of promoting environmental care, we sponsored the third annual "Sentinels of Time" photography contest, which calls for entries that identify and recognize the most majestic trees in the country. This contest has become Mexico's most important nature photography competition.

The purpose of this contest is not only to recognize the best photographs highlighting the natural and cultural beauty of Mexico's trees, but also to raise awareness about the importance of conservation among the general public. The 3rd edition of "Sentinels of Time" displayed an exemplary collection of 700 photographs, with 90 finalists divided into 3 categories: urban, rural and wilderness.

With the information compiled through this contest, the National Majestic Tree Registry continues to grow, and now catalogs 230 trees and 14 groves. The next call for entries will go out in 2013.

Finally, through joint work between Reforestamos México and Grupo Bimbo, we identified the group's biodiversity priorities in its productive process. This information will enable the company to make better decisions and incorporate biodiversity into its business strategy.

Our biodiversity measurement tool

The Integrated Biodiversity Assessment Tool (IBAT) is intended to give decision-makers access to critical information about priority biodiversity sites and deal with the potential impact on their health and survival.

IBAT was developed in association with world conservation leaders, including Birdlife International, Conservation International, the United Nations Environment Program World Conservation Monitoring Centre (UNEP-WCMC) and the International Union for the Conservation of Nature (IUCN).

To determine which of our plants might have the greatest impact on biodiversity, we developed a system for prioritizing data, where each category of protected spaces and threatened species received different value according to their critical importance. In other words, the critically endangered category receives higher points than the almost threatened category, and the sites were prioritized according to the level of wildlife protection. The results of the index show that there might be 10 plants of Grupo Bimbo that may have an impact on biodiversity. Reforestamos Mexico provides Grupo Bimbo with a tool to measure and mitigate the impacts that our operations may cause to the environment.

Our proposed actions in the area biodiversity consist of:

- Research and analysis of the impact our plant operations can have on biodiversity, in order to determine whether or not an action plan needs to be generated at the plant level involving authorities and local participants.
- Parallel to this process, and through the use of the IBAT, we will begin to identify priority sites in terms of supply, in order to have an initial idea of the impact that this link in our chain may have on biodiversity.

Three plants located in Mexico, Latin America, and Europe are 1 kilometer radio with some kind of protection area.

sembrando juntos

Community

In Grupo Bimbo we look forward to contribute with the wellbeing of the societies where we have presence.

SEMBRANDO JUNTOS: COMMUNITY

At Grupo Bimbo, we are deeply interested on improving our operations and contributing to the well-being of the communities where we operate. Our social initiatives revolve around 3 central issues: promoting physical activity, caring for the environment, and education. As proof of this commitment, in 2012 we donated the equivalent of 1.5% of our net earnings in the preceding year to nonprofit organizations.

2012 PERFORMANCE

		2011	2012
EDUCATION	Organizations supported for education purposes.	60	27
ENVIRONMENT AND RURAL DEVELOPMENT	Organizations supported for the environment and rural development.	19	9
HEALTH AND PHYSICAL ACTIVITY	Organizations supported for health purposes.	30	15
VOLUNTEERING FROM OUR ASSOCIATES AND THE COMMUNITY	Volunteers number.	46,667	55,000

EVOLUTION

The pillar "Committed to our Society" evolves together with the new Social Responsibility Communications Platform of Grupo Bimbo, to be named now as Sembrando Juntos with our Community. (Sowing together with our Community).

DEVELOPING OUR VALUE CHAIN

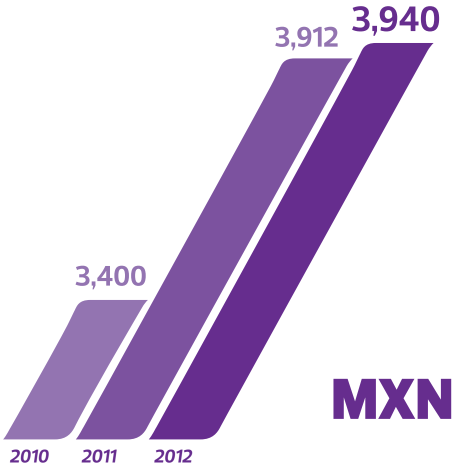
Suppliers

Our suppliers are a fundamental part of our value chain, because they enable us to maintain the quality of our products and compete in international markets. In return, we are prepared to contribute to the development to activities in which we share with them our best practices and philosophy we have developed at Grupo Bimbo.

Working with local suppliers—those who supply our plants within the same locality where we operate—is a practice that has had a positive impact both directly and indirectly, guaranteeing the economic and social development of the communities where we operate around the world.

In 2008 we began to formally establish sustainable practices in our Procurement area. Our first actions had to do with biodegradable packaging, the inclusion of more suppliers in the categories of palm oil, certified wood and the first draft of our Code of Conduct which, among other themes, incorporated the issue of sustainability.

The process of selecting suppliers to provide basic inputs with the highest quality standards and specifications involves a number of factors, like price competitiveness, on-time delivery, quantity and speed of response, quality and innovation, and a supplier audit program that gauges the institutional performance of each supplier and the extent to which it complies with our requirements. Today, sustainability is an additional element to take into account in our procurement decisions, and a document establishing these criteria is currently in the process of publication.



MXN 3.94 BILLION

IN 2012, GRUPO BIMBO EXTENDED MORE THAN MXN 3.94 BILLION IN FINANCING TO ITS SUPPLIERS.

In 2012 we began the process of auditing our suppliers to determine how many of them met our purchasing policies in terms of sustainability and international food safety standards. In 2012, we conducted a survey of 160 of our largest suppliers of ingredients. We asked them about their sustainability practices and their current projects and initiatives, enabling us to verify their compliance with these policies.

As a company, we have established various methodologies for working together with our suppliers. One example is the project we devised together with our flour supplier to measure and reduce its carbon footprint.

One of our commitments for 2013 is to have all of our suppliers sign a mandatory sustainability pledge, the text of which will appear on our Suppliers website, ensuring that all of them are serious about sustainability and about respect for human rights.

Green Purchasing Program

In an effort to begin "buying green" to guarantee that the raw materials we use come from sustainable sources and companies that are respectful of the environment, society and the laws of the countries where we operate, in 2011 we began to develop purchasing practices for two certified inputs: palm oil and wood. For the former, our suppliers of palm oil around the globe have pledged to ensure that 100% of the raw material they supply to us is sustainable by the year 2015. This includes product certification by the Roundtable on Sustainable Palm Oil (RSPO), an international seal of approval indicating that the product comes from sustainable sources.

In the case of certified wood, 100% of the wood we buy in Mexico today is guaranteed by the Ministry of the Environment and Natural Resources (SEMARNAT), and we have developed a program of support for our suppliers backed by the Forest Stewardship Council (FSC). We have a goal of ensuring that by 2015, 100% of the wood we use is endorsed by the FSC, and thus be able to battle illegal woodcutting.

Under a program developed with Nacional Financiera de México (NAFIN), we once again gave our regional suppliers access to a source of funding with lower bank fees. This helps them improve liquidity, strengthens their relationships with banks and helps them build a credit history.

Programs to support our suppliers

Grupo Bimbo is part of Red A.C., an alliance of Mexican companies committed to the country's development, which created the Monterrey Center for Competitiveness (CCM) so that small and mid-sized businesses that are part of our value chain can become more competitive.

Through this center, we have participated in the development of business workshops that provide ongoing training and, since 2009, in a program called "From Entrepreneur to Entrepreneur" where members of the business community can share experiences, connect with other companies and do business together. This program, involving 30 of our suppliers, provides degree programs totaling 648 hours of training given to 260 participants from 85 organizations, with more than 30 instructors and 19 visits to the plants of the presenting companies.

Clients

Day after day, we work closely with our clients to develop long-term alliances that can benefit all of us.

We encourage the development of small and mid-sized businesses through training and specialized consultancy, helping them to become more professional and productive.

We seek to have a measurable impact, both direct and indirect, on our suppliers, and in 2012 we continued hands-on training and on-site consultancy to clients who operate traditional stores, providing them with knowledge and practices that can help them compete with the major retail chains.

In 2012, through the ProEmpleo Productivo Foundation, we helped 300 entrepreneurs to start up or grow their own businesses.

Continuing the support we gave in 2011, last year we contributed MXN250,000 to the Small Business Training Center (CEDEPEC). We also granted Small Business Degrees in 17 cities, where we trained 306 clients (341 individuals) in this program.

In another program called the National Micro-Business Program (formerly "MiTienda") we trained 178 clients (183 individuals) through FUNDES consultancy, and through IMICAM we trained another six clients in the Mexico City metropolitan area. This national program is funded in part by the Ministry of the Economy.

Another way our organization indirectly benefits clients is through training, modernization and technological advancement in the retail channel, an effort that will continue in 2013, promoting growth and helping them to compete against the fast-growing retail chains. All in all, we have trained 490 clients (530 individuals) across the country.

At Grupo Bimbo, we are a formal, serious company, respectful of the law and all legally constituted institutions and authorities in each of the countries where we are present.

300 PEOPLE

WERE SUPPORTED IN 2012 TO BEGIN OR GROW THEIR OWN BUSINESS THROUGH *FUNDACIÓN PROEMPLEO PRODUCTIVO*.

We are actively involved in business chambers and organizations, where we can identify common concerns and explore alternative solutions to our problems. This company does not view direct lobbying as a tool consistent with its principles and values in the form of promoting and defending its interests. Grupo Bimbo recognizes the efforts of the business chambers and organizations to which it belongs, in encouraging consensus and acting as facilitators in an interactive, purposeful and dynamic cooperation with authorities at the various levels, promoting above all a sense of shared responsibility.

We belong to various chambers and associations that promote growth and social development, among them:

BRAZIL
- ASEMEXBRA

COLOMBIA
- GS1 Colombia Comités GS1 (Logistics)
- ICONTEC
- Asociación Cámara de Comercio e Integración Colombo Mexicana
- ASOOCCIDENTE
- Chamber of Commerce
- Superintendencia de Sociedades

COSTA RICA
- Cámara de Exportaciones de Costa Rica
- Cámara Costaricense de Industria Alimenticia (CACIA)
- Cámara de Comercio Costa Rica/ México

EL SALVADOR
- Asociación Salvadoreña de Industriales
- Chamber of Commerce
- Consultoría y asesoría económica y financiera (COPADES)

UNITED STATES
- Grocery Manufacturers Association
- Grain Foods Foundation
- American Bakers Association
- Timestar Technologies LLC
- DemandTec, Inc.
- The Association of Food & Dairy Retailers, Wholesalers & Manufacturers
- Corporate Executive Board
- California Grocers' Association
- Pennsylvania Chamber of Business
- Foodservice Report
- American Logistics Association
- Wheat Quality Council
- Texas Retailers Association
- North Carolina Chamber

GUATEMALA
- Gremial de Fabricantes de productos Alimenticios GREFAL
- Cámara de Comercio de Guatemala
- Cámara de Industria de Guatemala
- Cámara de Comercio Guatemalteco Americana
- Cámara de Comercio e Industria Guatemalteco Mexicana
- Asociación de Gerentes de Guatemala
- Asociación de Recursos Humanos
- Asociación Guatemalteca de Exportadores
- Asociación Centrarse

HONDURAS
- Chamber of Commerce
- Instituto de Formación Profesional

MEXICO
- COPARMEX.
- CANACINTRA.
- Consejo de la Comunicación.
- CONMEXICO.
- CESPEDES.

In 2012, we sat on a number of Boards, which included:

- The 2012 Business Conference organized by COPARMEX, an annual gathering of entrepreneurs in Mexico to promote civic involvement.
- Biyearly meetings of the Communication Counsel, attended by Mexican entrepreneurs, whose purpose is to promote a number of positive campaigns for the general public, like "Read More".
- The Mexican Business Council on Foreign Trade, Investment and Technology, in which business leaders meet every year to discuss the issue of Mexican Foreign Trade.
- The National Advertisers' Association (ANDA)

PANAMA
- Sindicatos de Industriales de Panamá

PERU
- APECOM
- Cámara de Comercio de Lima
- Sociedad Nacional de Industrias

URUGUAY
- Cámara de Industrias del Uruguay
- Cámara de Comercio Mexicana
- Cámara Nacional de Comercio y Servicios
- Cámara de Anunciantes
- Liga Defensa Comercial

Our commitment to society is reflected in our donation policy and in the many actions we carry out over the course of the year. Globally, our donations committee is in charge of authorizing the donation budget. In Mexico, this committee decides on the allocation of our charitable funding, while the Department of Institutional Relations is responsible for managing the donations once they are approved. At the global level, these donations are defined and managed by the steering committee of each respective organization.

Grupo Bimbo has been a pioneer in Mexico in developing and practicing Corporate Social Responsibility, and since our founding we have devoted a percentage of every year's net profits to the benefit of the community as a form of giving back the many things we have received from them.

In 2012, in recognition of our actions in the area Corporate Social Responsibility, we received the following distinctions:

- The Sustainable Seal from the Mexican Stock Exchange, which is given annually the most Socially Responsible Corporations listed on the exchange.
  The Socially Responsible Company distinction, given annually by the National Philanthropic Council (CEMEFI) to outstanding companies in the area of Corporate Social Responsibility.

- For the second year in a row, Grupo Bimbo was included in the Mexican Stock Exchange's Sustainable Index.

Commited to our community through our donations policy.

There are also a number of external social, environmental and economic initiatives that we support and promote as part of our social responsibility strategy.

- The creation of Reforestamos México, a nonprofit arm of Grupo Bimbo, founded in 2002.

- The Grupo Bimbo Fund for natural disasters, a volunteer program that emerged in Mexico in 1985 after the earthquake that devastated Mexico City. In all the countries where we operate, we have provided voluntary support in natural disasters since that same year, in order to prevent and react to those events.

- The "Let's Clean Up Mexico," (Limpiemos Nuestro México) program, that we began in 2011 and are now replicating in Guatemala and Peru.

- We support the Puebla State Family Services Department in promoting family togetherness by hosting free games and recreational activities during the Christmas season, benefiting almost 78,000 families.

PROGRAMS TO PROMOTE HEALTHY LIFESTYLES

Bimbo Junior Soccer

In March and June 2012, we held the Bimbo Junior Soccer Tournament, involving more than 40,000 boys and girls from different public and private schools in Mexico, aged between 9 and 12 years. The soccer teams, each made up of 12 players, competed at 3 stages: local, state and regional, until reaching the final stage in Mexico City. The purpose of the tournament is to promote physical activity as part of a healthy lifestyle, and to promote universal values like sportsmanship, teamwork, solidarity, and trust.

Our commercial support for professional sports activities motivates many people to pursue a career in sports based on their admiration for well-known sports figures.

Other activities we have developed to promote healthy lifestyles include:

- Through Fundación NEMI, we supported 1,000 workshops for high school students in 12 cities of Mexico, teaching them about healthy lifestyles and benefiting more than 123,000 young people.
- Wonder sponsored an artistic gymnastics show called "Mexican Gymnastics Gala," held in the city of Guadalajara, inspiring thousands of children and young people to try their skill at gymnastics.
- Grupo Bimbo supports the America, Rayados and Chivas soccer teams.
- The Big Mix and Kiyakis brands sponsor the Mazatlán Venados baseball team.
- Barcel supports the Monterey Rayados, and is also known for its support for movement by sponsoring electronic music events.

Volunteering

The Grupo Bimbo Volunteer Program encourages people to participate in socially beneficial projects.

The Institutional Relations Department coordinates the efforts of our Social Responsibility and Volunteer program, which extends to all of this company's operations and involves a number of its areas.

Through cash and in-kind donations, Grupo Bimbo supports a number of nonprofit organizations that promote health and physical activity, the environment and rural areas, and education. To magnify the impact of this support, Grupo Bimbo invites its Associates to join in by contributing through payroll discounts, cash donations, and donating their time outside of working hours. Our most notable achievements in 2012 were:

- For the third year in a row, we took part in the massive "Let's Clean up Mexico" initiative by Fundación Azteca, which is sponsored by Grupo Bimbo. The campaign raises awareness in the community about the problem of trash and litter, its devastating impact on the environment, and the need for solutions. Grupo Bimbo participated in the national cleanup day as more than 55,000 associates, family members and friends in Mexico showed up to help, 20% more than in 2011. The volume of trash collected in 2012 was almost 60% greater than 2011.
- In addition to the national campaign, we also conducted the first local cleanup days, organized by Bimbo on different days and in various regions of the country, giving continuity and life to the nationalprogram. In this initiative, 2427 associates, family members and friends collected more than 7 metric tons of trash in 5K equivalent bags. On average, every participant collected 1 bag of trash and this was the average used by Fundación Azteca in its final report for 2012.
- Together with these efforts, we organized a "Let's Clean up Guatemala" day, where Bimbo also sponsored the national day and worked together with volunteers and families to help to clean up various areas in the country.

As part of Grupo Bimbo's volunteer program, in 2012 we carried out the SOS Horn of Africa fundraising campaign to help battle famine in that continent.

ILLNESS PREVENTION AND COMMUNITY WELLNESS PROGRAM

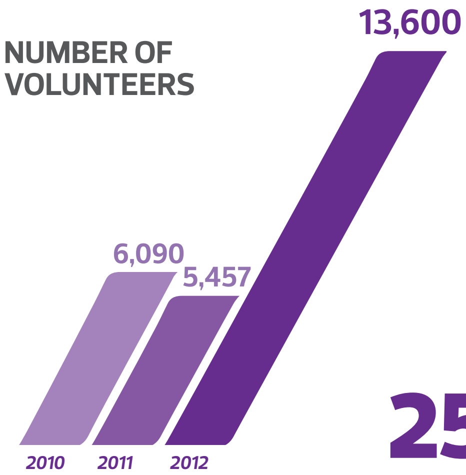
Horn of Africa

This is the first internal fundraising campaign by Grupo Bimbo, focused on helping a highly vulnerable zone where extreme famine and illness are serious problems. This, despite the fact that Grupo Bimbo has no operations or businesses they are nor has it suffered any natural disaster in the region.

We were moved to launch this distinctive effort to assist countries like Somalia, Kenya, Uganda, Ethiopia and Djibouti, out of our human concern for remedying the shortage of food in that region.

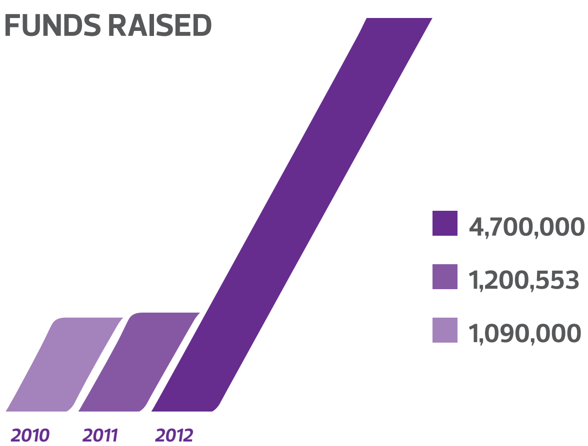
More than 31,000 associates from Mexico, Central America and South America (except for Honduras, Nicaragua and Venezuela) participated, and we raised US$ 302,798.92, which we turned over to the U.N. World Food Program (UNWFP). With these funds, we estimate that around 829 women and children were provided with food and assistance for a period of 52 weeks.

In Mexico, we also carried out a campaign of payroll discount donations in which we raised more than 13,600 cash donations to benefit seven institutions: APAC, Casa de la Amistad, Casa Paterna La Gran Familia, Nutre a un Niño, Pro-Mixteca, Pro-Mazahua and Reforestamos México, with total annual donations of more than MXN 4.7 million.



25,147

ASSOCIATES FOR THE 2010–2012 PERIOD



TEAMWORK

We began a pilot project in the city of San Luis Potosí, in which a citizen committee headed by associates of Bimbo, Barcel, and Fundación Azteca will work together with civil society and local governments on ongoing waste management projects. We hope that these efforts will earn San Luis Potosí the distinction of being one of "Mexico's Cleanest Cities."

Community Development

Our social efforts have enabled us to support the neediest through donations. In 2012, our donations were equivalent to 1.5% of the net profits of the previous year, in support of the community.

Grupo Bimbo also has a support fund for natural disasters, created in 1985 in operating in Mexico. These actions in favor of our associates and community were carried out in a joint effort with Associates, the government, the general public and volunteers.

Shelters for Indigenous Schoolchildren

Among the actions we take to benefit our communities and which have an indirect economic impact are the opening of shelters for indigenous schoolchildren, like the "Rey Nayar" and "Emiliano Zapata" facilities opened in 2012 in the towns of Jesús María and Potrero la Palmita, municipality of El Nayar, in the state of Nayarit. The reconstruction and official opening of these shelters took place in 2012 through the CIE Foundation and 3 other corporate partners.

The "Rey Nayar" shelter originally opened its doors in 1977, offering children from 21 communities a better future with the support of the National Commission for the Development of Indigenous Peoples, companies and civil associations. The shelter usually houses 70 young people, providing them a totally self-sustainable space that strengthens the culture and traditions of the peoples in their region. We supported renovations at these shelters that included:

- Construction of a rainwater capture and hydraulic network
- Installation of a waste management system
- Creation of a cultural wing where workshops on sustainable and human development in inter-cultural contexts could be given.
- Equipping areas for a poultry farm, a pork farm, and a space for producing organic fruits and vegetables.

In Potrero de Palmita, at the "Emiliano Zapata" shelter, we supported a number of sustainability activities, such as:

- Fruit greenhouse-orchard, with citrus trees, bananas, lychees, mangos and pineapples, along with cucumbers, tomatoes, beans and corn.
- Installation of solar cells.
- We equipped a music room and a computer room with trained personnel to assist kids who want to use these spaces.
- A rainwater capture tank with the capacity to hold 4,000 m^3 of water, supplying enough water to support the shelter, the greenhouse, sanitary facilities, fruit orchard, and gardens.
- A bakery.

In 2012, we pursued a number of initiatives to benefit our communities, in areas of education, the environment and rural development, as well as health and physical activity volunteer work and social programs.

Education

- We supported the DARE Association in Mexicali, which works to prevent addiction in children and teenagers, by training 199 workshop leaders, benefiting 966 students.

- We offered support the Colonia Juvenil, Internado Infantil Guadalupano, and Abriendo Nuevos Caminos shelters and their residents, and to the Hogar Bambi and Unidad de Conocimiento foundations in Colombia, which provide a home and schooling for 836 orphaned or abused children and young people.

- Together with Fundación Televisa and other institutions, we published a book entitled "Living the Values," which promotes the inclusion of human values into daily life. We also printed and distributed 560,000 calendars and teacher's guides on the theme of Values in all the primary schools of the country, reaching 14,654,135 boys and girls between the ages of 6 and 13.

- We helped in projects to improve the quality of education in Mexico, through the following institutions: Fundación Empresarios por la Educación Básica, A.C. (México y Colombia), Centro Chihuahuense por la Calidad Educativa, IMPULSA (Desem and Jalisco), Instituto de Pensamiento Estratégico Ágora and SIFE Worldwide in various countries.

- We have introduced various educational projects including support for the Instituto Crisol, for disadvantaged primary and middle school students, benefiting 426 families; an educational empowerment contest held by "Diseña el Cambio", through which we benefit more than 430,000 students, teachers and families and 4,300 schools.

- At the higher educational level, we support the Escuela Bancaria y Comercial, the Universidad Popular del Estado de Puebla, the Instituto Tecnológico y Autónomo de México, Instituto de Fomento Educativo y Cultural de Guanajuato, Fundación Roberto Pla, Universidad La Salle Noroeste, Universidad de Monterrey and Stanford University.

- Finally, in support of children, we sponsor the Papalote Children's Museum in bringing more than 11,000 public school children of Mexico City and Cuernavaca to visit the museum, as well as Papalote Verde in Monterrey and the "La Rodadora" Museum in Ciudad Juárez, benefiting 3,000 children.

Health and physical activity

In 2012, we worked on a number of programs that encourage health, physical activity, and proper nutrition, among other social beneficial programs.

- We continued our support for the "Comer y Crecer, A.C." and "Comedores Ernesto Meneses" soup kitchens, which help children suffering from malnutrition, and in Colombia, we gave our support to food banks benefiting more than 50,000 poor people.
- Under an alliance with Fundación NEMI, we sponsored 1,000 talks on healthy lifestyles, physical activity and nutrition in public and private high schools in ten cities of Mexico, with an impact on more than 123,000 students as direct beneficiaries.
- We provided support for people with disabilities through institutions like Asociación Pro Personas con Parálisis Cerebral, Centro de Habilitación e Integración para Invidentes, and the Instituto José David, and also sponsored horse-back riding therapy for more than 200 children.
- Through the "Nutre un Niño" program, we helped 68 poor children under the age of six who were diagnosed with some degree of malnutrition, the Costa Chica region of Guerrero.
- In Mexico, we supported the Red Cross in 16 of the city's boroughs (Delegaciones) in their treatment of people without access to public health care.
- We donated funds to the Fundación para los Niños de las Californias in putting together a calendar that they could use in turn to raise funds for the hospital.
- We supported the Escuela Sociodeportiva de la Fundación Real Madrid, led by the NGO CRECEMOS and under an agreement with the Spanish NGO CESAL.

Environment and rural development

We make a constant and uninterrupted effort to care for the environment, an issue of tremendous importance to Grupo Bimbo. The following are some examples of our environmental care initiatives.

- We continue to work together with Reforestamos México, A.C., CICEANA y Sustenta (Brazil), and The Climate Project, associations through which we seek to raise awareness about and encourage care for the environment by people of all ages.
- We support sustainable indigenous development, working closely with institutions like: Patronato Pro ZonaMazahua, Fundación Mexicana para el Desarrollo Rural, Fundación León XIII and the Fundación Pro Mixteca.

50,000 PEOPLE

BENEFITED THROUGH THE LUNCH ROOMS IN COLOMBIA

Through Fundación NEMI, we sponsored 1,000 talks about healthy lifestyles to more than 123,000 young people.

"Good Neighbor"

Keeping a promise we made in 2011, we began our "Good Neighbor" program in 2012, which promotes wellbeing in the communities surrounding our plants.

The program has three main aspects:

- Promoting physical activity
- Caring for the environment
- Safety

Under this program we developed 31 social initiatives with an estimated impact on more than 26,000 people in seven countries: Mexico, Honduras, Colombia, Guatemala, Panama, El Salvador and Chile.

- In Mexico, we supported the Fundación de Reintegración Social, an institution that works to prevent crime in children and young people, benefiting 80 teenagers and 160 parents or guardians currently facing trial.

- In the same country we helped Obra Social y Cultural Sopeña in providing comprehensive training to low-income individuals, benefiting almost 800 disadvantaged people

"GOOD NEIGHBOR" PROGRAM RESULTS IN MEXICO AND SEVEN COUNTRIES IN LATIN AMERICA

Organization	Total Projects	No. benefited
Mexico	24	16,585
Latin America	7	12,852

The Wind Farm: Social aspects

Our construction of a wind farm in Unión Hidalgo, Oaxaca in 2012 will have long-lasting economic and environmental benefits for society, but for local residents the farm was a huge change in their environment. Grupo Bimbo was aware of the implications of this project for the community, so helped DEMEX, the construction company that built the facility, to design a social plan that would accompany the community before and after its construction.

Before construction:

- Summer school for boys and girls seven years and up.
- Sponsored volleyball tournament (team uniforms)
- Soccer tournament to encourage parents to get tighter with coaches, organizers and tournament staff
- Mural contest
- Construction of a bridge over the *Espíritu Santo* river, benefiting both administrators of the wind farm and local farmers.

After construction:

- Academic, nutritional, and psychological and teaching support for children and young people suffering from extreme poverty in the city of Oaxaca and surrounding municipalities, through the *Escuela Sociodeportiva de la Fundación Real Madrid* school, operated by the NGO CRECEMOS under an agreement with the Spanish NGO CESAL.
- Support for the children's families through professional personnel.
- The sports program was complemented by educational support for children and young people of Unión Hidalgo, teaching them values that are fundamental for their emotional development, like respect, equality, discipline, hard work, sportsmanship, fair play, and developing their individual and social abilities.

ANNEX

The "Promoting healthy lifestyles" section describes other Grupo Bimbo programs and sponsorships to promote health and physical activity.

The following table is a more detailed description of our donations in 2012.

Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
Abriendo Nuevos Caminos	Promote individual development in the fullest sense, particularly in areas with greater social or economic needs, promoting ongoing sustainable development projects that take into account the basic needs expressed by the communities.	130
APAC	Improve the quality of life for people with cerebral palsy and other disabilities and their families.	200
Fundación Empresarios por la Educación / Bimbo Colombia	Stimulate, support, develop and promote education in Colombia, with an emphasis on primary school teaching, based on the principles of universal access to education, quality improvement and strengthening of educational policies.	N/A
Fundación Banco Arquidiocesano de Alimentos de Medellín / Bimbo Colombia	Help address problems of food insecurity through assistance programs, human promotion and the construction of social fabric in this field, particularly serving as an intermediary for the organized and meaningful redistribution of foods and other goods and services offered in solidarity by individuals, corporations or religious groups	23,000 people per month
Fundación Banco Arquidiocesano de Alimentos de Cali / Bimbo Colombia	Help solve the problem of hunger, offering organized and comprehensive intermediation through collecting and delivering donated foods.	30,000 affiliates
Fundación Ayuda a la Infancia Hogar Bambi Bogotá / Bimbo Colombia	Protect the rights of vulnerable boys and girls in a shared effort between family, government and civil society. The work is based on all areas of human rights (health, education and protection) with the constant participation of the family.	346
Fundación Parque Museo de Infantería de Marina / Bimbo Colombia	Obtain, increase, finance, execute and administer financial, academic, cultural, social, scientific, human, environmental, artistic, sports, recreational, welfare and comprehensive development resources in cash or in-kind donations for use toward social, academic, cultural, scientific, research and innovation, human, environmental, artistic, sports and recreational activities, with an emphasis on orientation, dissemination, promotion, respect, defense of human rights, international humanitarian law and social and cultural development.	4,000 people per month on average
Programa Arquidiosesano Banco de Alimentos de Barranquilla	The Barranquilla Food Bank provides perishable and nonperishable foods to various dining rooms and NGOs in the city that are affiliated with the program, from donations made by supporters. Also provides psychological counseling and follow-up along with the support given to our beneficiaries.	33,159
Bomberos de Nuevo León, ABP	Administer and operate the firefighting departments of the State of Nuevo Leon that fight fires and conduct rescue efforts.	Operating support

Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
Centro Chihuahuense para la Calidad y Productividad, A.C.	Encourages civil society to become aware of the importance of quality in government in order to increase the competitiveness of public administration and its ability to improve living conditions socially and economically.	69,256 students
Caminata Nacional del Paciente Diabético, A.C	Helps people with diabetes to improve the quality of their life through exercise, and encourages them to play an active role in controlling their illness.	4,570
Caracol de Plata, A.C.	A nonprofit organization that was created 14 years ago to search for innovative ways to support civil society initiatives and causes for the common benefit. Its purpose is to promote corporate social responsibility and civic participation in the area of communications in order to create and disseminate more and better public service messages.	Universities (students, academics and networks) – 500,000
	Centro de Comunicación para la Evangelización.	N/A
Companies, agencies, non-profits, media – 250,000	Inauguración del albergue escolar "Emiliano Zapata", en la comunidad de Potrero de la Palmita, Municipio de El Nayar. El objetivo es apoyar a niñas y niños indígenas para que tengan una educación continua y concluyan sus estudios, proporcionándoles hospedaje, alimentación, atención médica y apoyos para realizar estudios extraescolares, permitiéndoles el sano desarrollo integral	140 niños
Conferencia del Episcopado Mexicano a través de Caritas Mexicana, I.A.P.	Communication Center for Evangelization	N/A
Grupo Bimbo and three other companies	The Emiliano Zapata shelter in the community ofPotrero de l Palmita, in the municipality of El Nayar, whose objective is to support indigenous boys and girls to continue their education and finish their studies, providing lodging, food, medical attention and support for extracurricular activities, encouraging a healthy and balanced development	140 children
Promoción Social Integral, A.C.	Support for poor children from rural communities in completing high school, preparatory and/or university studies, offering them courses, lodging, food and integral training	160 children and youth
Colonias de Vacaciones, I.A.P.	Promotes children's right to recreation and overall development, providing primarily disadvantaged school-age children an opportunity to enjoy the vacation camp experience including a program of recreational and educational activities in the context of contact with nature and responsibility for the environment.	114 children of associates at the Marinela, Barcel, La Corona, El Globo, Galletas Lara and Ricolino plants.
Comer y Crecer	Serves a total of 550 children through the provision of balanced meals, which contain 80% of the nutrients needed to grow strong and healthy, during school days. To complement this assistance, children are also given a course on Growing with Values, and introductory reading course, and mothers are given a course in personal advancement.	150 children

Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
Consejo de la Comunicación, A.C.	Serves asthe public voice of companies regarding the most important causes in Mexico.	N/A
DARE Mexicali	A preventive program in which trained DARE instructors give talks in schools to children and young people on staying away from drugs and violence	119 workshop leaders y 996 students.
Desarrollo de la Comunidad, A.C.	With more than 27 years of experience, this organization has developed a model for training members of disadvantaged communities as community promoters, creating people with an in-depth knowledge of their own communities, committed to their development. The institution promotes relationships of respect, equity and interpersonal warmth, as well as self-employment and productive projects, increasing family income and improving their quality of life.	19,328 persons per year.
Sistema Municipal DIF Puebla	The "Magic City" project was held from December 16, 2012 to January 6, 2013 in the capital of Puebla State. The purpose was to create a massive Christmas Village in a centrally-located and popular park in the city: Paseo Bravo, where residents were treated a 20-day program of free activities to encourage family togetherness and revive traditional Mexican Christmas traditions. With this action, primarily poor families found opportunities for leisure and fun and could take part in other attractions like ice sledding, a dome for projecting Christmas films, a miniature train, nine cycles of Christmas carols, free photographs, piñatas, 13 days of snow, the largest Three-Kings cake in Puebla, a huge parade, and air balloon launched with 10,000 letters to the Three Kings, a huge Three-Kings parade, and toys. Since our primary objective was family togetherness and preserving traditions, the only requirement for families attending the park was to visit one of the four welcome houses and take part in games and integration activities for family members. The activities of "Magic City" included a main stage and an alternative stage where cultural and artistic activities were held and the star presentation of Christmas stories was presented. All of this could not have been achieved without the support of socially responsible companies like Bimbo, whose support went to create the greatest attraction of Magic City, the ice sled, where 31,868 people experienced unforgettable thrills and enjoyment. "Bimbo's wonderful team of promoters and lovable bear mascot also took part in a stand where affordable products were sold, and the brand was promoted in events on the main stage, 24 internal parades, the big Three-Kings Parade and a float. Our greatest satisfaction is that thanks to its generous contributions together we created this space of peace, harmony and healthy togetherness, so needed today, and strengthened ties among the families of Puebla."	More than 77,970 families
Diseña el Cambio	The worldwide school contest that originated in India in 2009 and in 2010 was brought to Mexico by Fundación Educar Uno. The main idea of the contest is to empower primary school students from the country to become protagonists of development and implement ideas to transform their environment with an attitude of leadership and proactivity. This is done by promoting a mentality of self-sufficiency: "I Can," "I am capable," "change begins with me." There is growing interest in this program, and in the two years in which Diseña el Cambio has been active, 750,000 students from more than 6500 students have participated in different municipalities of the country.	430, 000 students

Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
Fundación Escuela Bancaria y Comercial, A.C.	Scholarships for talented students with economic disadvantages who are studying in higher educational institutions authorized or officially recognized under the General Law on Education.	12 scholarships 11 students 1 renovation
Endeavor México	A company accelerator, this project selects and mentors high impact entrepreneurs across the nation through strategic consultancy. In order to maximize the impact of Endeavor, major companies are invited to participate in its mission. Endeavor leads a global movement for catalyzing stronger economic growth. It selects, accelerates and mentors the best high-impact entrepreneurs around the world. Through a rigorous process of selection of entrepreneurs with the best ideas most ambitious plans, Endeavor and its entrepreneurs will contribute to Mexican GDP growth.	42 high-impact entrepreneurs in Puebla
Rehabilitación Infantil Equinoterapéutica, I.A.P	Creates and carries out programs for differently-abled disadvantaged people through horseback riding therapy sessions and alternative therapy for improving the quality of life.	80 children
Fundación Empresarios por la Educación Básica, A.C.	Introduced a model of self-management for schools through Social Participation School Boards, in which public schools are able to significantly improve the quality of their education. The School Self-Management model begins with the an awareness of the importance of shared responsibility for education and strengthening the human factor in our schools.	294 schools and more than 117,000 students.
Fundación Eudes	Comprehensive treatment of poor patients with AIDS and their families through the Eudes system of medical attention for control and monitoring of opportunistic infection, personalized nutritional advice for diet control and change of habits, psychological therapies through alternative methods, and social activities for managing illness and emotional stabilization, as well as training workshops for developing abilities and encouraging self-employment.	150 individuals
Fundación León XIII, I.A.P.	Provides social orientation to poor people, groups and regions, indigenous communities and groups that are vulnerable by reason of their age and/or gender, in the areas of family, education, nutrition, labor, promotion and defense of human rights, prevention of family violence and health, so that every member of the community can develop and learn to take charge of their lives and contribute with their efforts to the common task or well-being of the group to the best of their abilities. Promotes organized participation of poor people and indigenous communities in addressing urgent issues, strengthens their capacity to resolve needs and improve their living conditions while providing assistance or recovery for one or more members of the community in the event of a disaster or accident. Benefits poor and indigenous people and communities through job training in order to promote their comprehensive advancement and improve their living conditions. Supports the defense and promotion of human rights among poor communities. Provide economic support to other non-profit organizations that work for poor people and communities.	N/A
Fundación NEMI, A.C.	Offers spaces for participation in development for children and youth throughout Mexico, through all types of cultural, educational, and counseling activities, for the benefit of health, science, technology and in general, all activities related to social improvement.	123,728 students
Fundación Pro Mixteca		Operating expenses N/A

Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
Fundación Roberto Pla Inchausti, I.A.P	Scholarships for disadvantaged youth studying undergraduate degrees. This donation was applied to cover the cost of the Childhood Nutrition Program for the Sierra Taramuhara region	80 / operating expenses
FundaciónTarahumara José A. Laguno	Support for the Tarahumara indigenous community by sponsoring an annual calendar issued by the institution.	N/A
Fundación para los Niños de las Californias, I.B.P.	Improved health and nutrition for children under 18, providing highly specialized medical services regardless of their socioeconomic resources or origins.	N/A
Instituto de Fomento e Investigación Educativa	A private, independent nonprofit whose mission is to contribute to ongoing improvement in public and private education in Mexico through research that can help build consensus on implementing practices, changes and innovations that demand educational excellence across the nation	Live conference attendees class of 2013: 1,710 / Live transmission: 25,000 viewers.
IMPULSA (DESEM)	Inspire children and young people to learn how our economy works, the influence it has on their lives, and how to use it to improve their quality of life; teaches the principles of creating businesses as an engine of social and economic growth. Brings together companies, educational institutions and teachers in educational programs aimed at students from 6 to 21 years of age under the principle of "learn by doing". Impulsa has been working in Mexico since 1974 and currently holds programs in various states of Mexico and Mexico City. Its mission is to give as many children and young people as possible the opportunity to know and understand the market economic system with social emphasis, encouraging them to develop their entrepreneurial spirit.	215,000 students.
Patronato para el Desarrollo Empresarial Mexicano, A.C. IMPULSA Jalisco	Develops and operates business education programs in order to encourage the formation of entrepreneurs from primary school through university. Inspires and educates children and young people to work in the free market system, understand how the economy works and to be part of the skilled workforce. Positively impact society through investment in education.	3840 students
Instituto Educativo, A.C.	School with Catholic origins that promotes educational excellence at the spiritual, academic, emotional and physical level, for children, teenagers, parents and school personnel.	426 families sharing their children's education with the institution; 76 staff (teachers, security, janitors, administrators).
Instituto José David, A.C.	Comprehensive attention to people with hearing, language, and learning disorders and autism and their families and training high-level professionals in these areas	Eight students
Internado Infantil Guadalupano, A.C.	Assists male children aged 8 to 14 who have not finished primary school and live in conditions of extreme poverty or are victims of abandonment, abuse, or drug addiction. These children are cared for through six different departments	200 students

Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
Universidad La Salle Noroeste, A. C.	Private higher educational institution that conducts teaching and research activities, applies and transfers knowledge, supports and disseminates cultural information and other activities associated with comprehensive university outreach: cultural, sports, social and pastoral support.	1,170 students
Espacio Interactivo La Rodadora	Will shortly become the first interactive museum in Ciudad Juarez, a city that has for a long time lacked appropriate public spaces, social and cultural infrastructure. Since Ciudad Juárez is primarily an industrial city, its community has few points for family and social enjoyment. The main purpose of this interactive museum is to provide transformational experiences to users in the area ofthe society, culture and the natural bounties of the region, promote traditions and the social dynamics of the region and become an important asset in the city's educational and cultural infrastructure, providing educational content to more than 120 interactive exhibitions and complementary spaces like the library and 3-D Room.	3,000 children
Nutre a un niño, A.C.	Helps children from six months to six years of age who have been detected and diagnosed with some degree of malnutrition, by taking anthropometric measures, supervising and recording their growth and providing them a special food supplement.	68 children
Obra Social y Cultural Sopeña (OSCUS), I.A.P	Integral advancement of the individual, based on the principle that solid training is the best instrument we can offer for people to develop on all levels (personally, and their families and in their environment). Helps people to confront their problems and improve their economic situation, offering tools for people to be agents of their own development, discovering their skills and abilities.	788 people
Papalote Museo del Niño (Ciudad de México y Cuernavaca)	An independent nonprofit organization whose mission is to contribute to the intellectual, emotional and interpersonal development of children and families, offering the best interactive experiences of togetherness, communication and learning, were play is the primary tool.	11,186 people
Papalote Museo del Niño	In 2012, Grupo Bimbo sponsored a movie called "Flight of the Monarch Butterflies" In 3-D, which was projected on the IMAX Mega-Screen from October 30, 2012 to June 30, 2013. In eight months, between 150 and 200,000 people will enjoy this dazzling audiovisual spectacle.	Entre 150 y 200 mil people
Servi Museos A.C. / Papalote VERDE (Monterrey)	Dissemination and promotion of culture through the operation of children's museums	N/A
Padrinos de Nuevo León, A.B.P.	Training and professionalization in the area of fundraising through three conferences by various experts in the field, lasting for two hours each	15 attendees
Patronato Pro Zona Mazahua, A.C.	The Arte Si NaNaGenze Embroidery Workshop whose purpose is to provide employment to craft women embroiderers. The institution had a very productive year, and resources were used to acquire materials like towels, thread, packaging, labels, etc.	150 women

Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
Fundación Pro Empleo Productivo, A.C.	A nonprofit organization created in 1995 by entrepreneurs and social leaders committed to improving living conditions for Mexican families headed by Alfredo Achar, chairman of the board of Comex and Lorenzo Servitje of Grupo Bimbo, as founder and board member. Its mission is to help people to achieve a dignified and productive life through training and consultancy for creating or improving micro-businesses and self-employment. Trains people in the starting up or improving their company through an 80-hour workshop. Through this training, participants can raise their self-esteem, learn rapid and easily applicable solutions to sell their products or services, using an appropriate sales strategy, correctly calculating the costs, and efficiently managing their resources to start up or strengthen their companies. Students complete their course with a business plan that is reviewed by expert advisors, many of them retired entrepreneurs themselves, who contribute their time voluntarily to provide advice and counsel. Includes a traditional business incubator in which, thanks to consulting service, more than 82 percent of the companies helped remain open after two years of operation. In comparison, national statistics indicate that 80 percent of micro and small businesses fail during the first two years.	300 people
PRO-CUAJI, A.C.	Mutual social assistance for families in the community of Cuajimalpa	Around 50 families
Fundación Mexicana de Reintegración Social Reintegra, A.C.	A civil organization with 29 years of experience in crime prevention and social rehabilitation. Its mission is to prevent crime and reincorporate former convicts into society, and to strengthen the capacities of poor people, families and communities.	80 teenagers and 160 parents or guardians
SIFE MEXICO, A.C.	A member of SIFE Worldwide, which works with university students in creating productive sustainable projects in favor of needy communities. Involves more than 1700 universities in more than 50,000 students in 38 countries. In Mexico, 47 universities are associated with this program.	600 students in 36 universities.
Talleres Productivos para discapacitados Tecámac, I.A.P.	Provides training for physically challenged individuals through productive workshops. Makes wheelchairs and will soon start up a rabbit farm and fruit and vegetable garden.	330 poor people with disabilities.
México SOS	Works to create a more secure and fair Mexico.	More than 402,000 people
Reforestamos México, A.C.	Medium and long-term efforts in favor of the sustainability of our forests and the preservation of forestry products and services through the joint participation of private enterprise, government, organized civil society, farming cooperatives and communities, academe and the communications media. Supported 13 community forestry companies, which sustainably managed 263,476 hectares of woodlands, and supported the development of 233 individuals and 26 communities that worked on 27 productive projects. In reforestation events, at the Nevado de Toluca event, 500 people joined in, including associates and their families, planting 4,000 Hartweg's Pines, which covered four hectares of reforested land. In the event at the Bosque de Primavera, 560 people took part, planting 4,250 PinusDevoniana trees, commonly known as the Michoacán Pine, covering 4 hectares of land.	13 community forestry companies 233 people

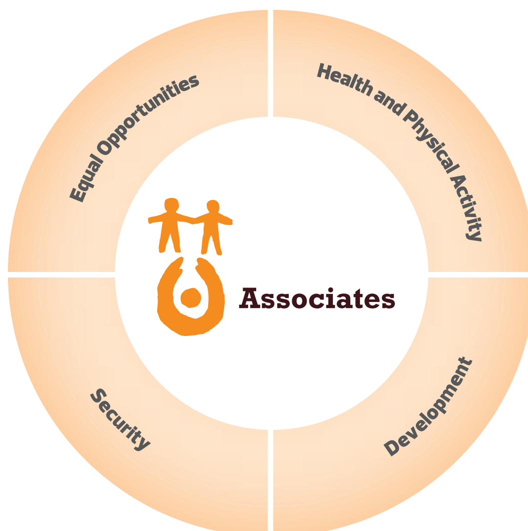
Association or Non-Profit	Objective, mission or outstanding actions	Persons benefited
UPAEP	Private higher educational institution. Its mission is to "create currents of thought and create leaders that can transform society." By 2015 it has the goal of providing a prompt and in-depth response to the needs of society consistent with its values. Offers 42 undergraduate programs, four of them in the areas of Health Sciences, where around 34 percent of the students are enrolled	3,116 students pursuing undergraduate degrees in nursing, medicine, dentistry and physical therapy.
Voluntarias Vicentinas de la Ciudad de México, A.C.	Supports the San Jose shelter for patients who come from outlying regions to hospitals in northern Mexico City to receive therapy and have no place to stay for the duration of their treatment. The Estancia CADI 18 facility houses 50 children of working mother, who receive preschool education, breakfast and lunch.	50 patients
SIFE – Students in Free Enterprise	To bring together the top leaders of today and tomorrow to create a better, more sustainable world through the positive power of business (2011 Sponsor).	BBU
Junior Achievement	Junior Achievement uses hands-on experience to help young people understand the economics of life.	BBU
Pitt Hopkins Syndrome Fund / The Winston-Salem Foundation	Donation in honor of Calvin Lapidus to the Pitt Hopkins Syndrome Fund	BBU
Have it Your Way Foundation	To make a positive impact in our communities by building brighter futures through the BURGER KING® Scholars Program and providing hardship assistance to the BK™ family.	BBU
Children's Miracle Network	Donates life-saving equipment, educational programs and specialized services for children in our communities through Janet Weis Children's Hospital Pediatric services.	BBU
Elizabeth T. McNamee Memorial Fund Inc.	The Elizabeth T. McNamee Memorial Fund was established to raise funds for the awareness and education of our public and healthcare professionals and to provide support services to those affected by hypertrophic cardiomyopathy (HCM) and their families.	BBU
Here's Help	A private, nonprofit comprehensive rehabilitation agency that assists to inner city adolescents with substance dependency and addiction	BBU
Egg Productions LLC	Sponsorship of the Jetro International Latino Festival.	BBU
Fundación de la familia Vida Saludable / Programa Elige Vivir Sano	Encourages family ties and social skills for family members through recreational and educational spaces	Bimbo Chile
JUMP UC para Emprendedores	Encourages innovation and entrepreneurship, inviting undergraduate and postgraduate students to present their business ideas	Bimbo Chile

	Association or Non–Profit	Objective, mission or outstanding actions
Ciudad de los Niños	Shelter that provides protection and mentor underprivileged young people who have victims of abandonment physical or emotional abuse	Bimbo Peru
Escuela 64 / Latin Sur	School's Out Festival	100
Escuela 131 República de Chile / Latin Sur	Children's Day	200
Piñeyro del Campo – Club de Leones / Montevideo Anfitrión / Latin Sur	Christmas Festival	300
Mexicanos Primero (Mexicans First)	An independent civil initiative that looks after the promotion of a civic cultural change, developing participation, commitment and civil demand tools.	Almost 2 million people had access to the different programas such as "De panzazo". More than 4,178 teachers, parents and citizens received the report called Now is the time (Ahora es cuando). 230 thousand mexicans joined the initiative "Fin al abuso" (End the abbuse) to demand the end of the union fees.

We believe all of our associates are capable of advancement, not just professionally but personally.

SEMBRANDO JUNTOS: OUR ASSOCIATES

At Grupo Bimbo, our treatment of our associates is based on what we call the Golden Rule: Respect, Fairness, Trust and Affection.



2012 PERFORMANCE

PROGRESS IN THE INTEGRATION OF ASSOCIATES IN COLLECTIVE BARGAINING

	2010	2011	2012
Mexico	76%	75.60%	75.80%
Worldwide	70.80%	69.50%	68.70%

*The percentage of progress was affected by the growth in the number of associates due to the acquisitions.

TRAINING

	2010	2011	2012
Total of training hours	340,126	2,403,358	1,066,835
Investment on training	*$115,006,000	$208,093,013	$270,865,063.62
Total of training hours to associates in aspects related to human rights	90,514	234,808	N/D

*Numbers in Mexican pesos.

TOTAL OCCUPATIONAL HAZARD INDEX

	2010	2011	2012
Accident rate	2.20%	2.32%	2.28%
Lost days rate	60%	163%	87.89%

TRAINING

	2010	2011	2012
CUSUPE (Personal Advancement Course)	N/A	232,056	104,994

TOTAL NUMBER OF ASSOCIATES

	2010	2011	2012
Worldwide	108,000	124,604	125,351

*The number of associates in 2011, was estimated before the acquisitions. The real associates' number is the one that is actually reported, derived from a precise counting.

HUMAN RIGHTS AND EQUAL OPPORTUNITY

Since our founding, at Grupo Bimbo we have abided by the principle of caring for our people. This vision of our company's founders remains with us today, and we strive to always create the best conditions possible for those who work here.

We are vigilant about human rights in all of our work centers and prohibit any type of forced work or child labor as stipulated in our Code Ethics.

Visit our Code of Ethics

www.grupobimbo.com/assets/files/Codigo%20de%20Etica/Codigo_de_Etica_Grupo_Bimbo.pdf

We also comply with voluntary standards, rules, and labor laws in all the countries where we operate.

Throughout our history, we have been distinguished as an inclusive company in which associates receive equal treatment, and which is continually working to diversify its family of associates.

To create an optimum working environment in this organization and maintain the principles of respect, our Code of Ethics is central to everything we do at Grupo Bimbo. To find the right balance and as a complement to that Code, we also have a Manual of Philosophy and Policies, in which human relations policy is part of each section.

These two documents find practical application in all of this organization's processes and procedures, compiled into the Bimbo Model, which is this company's management system.

The Personnel area is directly in charge of managing activities that make up the "Sembrando Juntos: Associates," which replaces the former pillar "Committed to our Associates."

The values of Grupo Bimbo are shown in the following chart. Through them, we express that the highest value for our Group is the individual, and this is one of the reasons why we promote a climate of respect, personal value and equal opportunities throughout the organization.

At Grupo Bimbo we promote the enthusiasm for knowledge amoung our associates.

At Grupo Bimbo, we know that support for human rights and equal opportunity begins with the promotion of knowledge. It is through knowledge that a person can enforce and defend their rights, and this is the principle of personal and professional development.

At Grupo Bimbo, we promote an enthusiasm for knowledge among our associates, through a number of actions, including promoting reading through internal campaigns and providing continuing education through Grupo Bimbo University. We also seek to develop the talent of each and every one of our associates, respecting gender equality and diversity, and avoiding any type of discrimination. To attain these objectives, we have a number mechanisms in place that are described below.

OUR CODE OF ETHICS:

This document establishes that "at Grupo Bimbo we seek to ensure that every Associate is respected and finds an appropriate space for their development, both professionally and personally," a guideline that is expressed without distinction and with equal opportunities for all associates.

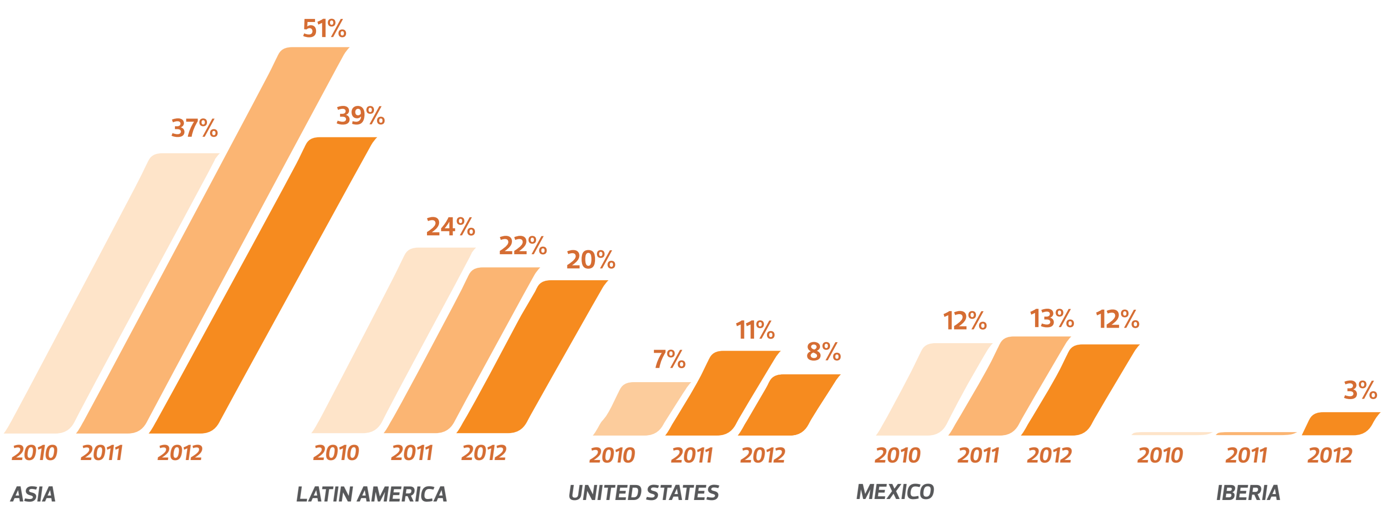
Associates' hotline

We have a hotline where associates can express any complaint or commentary about any situation, among them those that might affect equal opportunities or fair treatment in the workplace.

Grupo Bimbo University

Through our Virtual University, available on the Grupo Bimbo internal network, our associates have access to tools for continuing their professional formation through more than 600 online courses. Additionally, one of the innovations in 2012 was the introduction of automatic registry of associates directly with the system for some of our courses. This enables them to enter the course they require to continue their professional advancement.

AVERAGE PERCENTAGE NON-PERMANENCE AMONG ASSOCIATES



*At Grupo Bimbo, we refer to personal turnover as "non-retention," intending this change of language to bring about a change in attitude toward one in which we are concerned about our snow retention because we consider it healthy for both the company and the individual."

Through our Promotion Policy it is stipulated that "In Grupo Bimbo we are committed to the development of our associates. This is why the first level positions and members of the Regional or Managers' Meetings, as possible, should be covered by internal associates. When there are no candidates with the required competencies profile by these positions inside the team, we shall seek for the right candidate externally".

PERCENT OF MANAGEMENT FROM LOCAL COMMUNITIES IN SIGNIFICANT OPERATIONAL UNITS

MEXICO	97.4%
UNITED STATES	96.2%
LATIN AMERICA	41.55%
IBERIA	77.8%
ASIA	0.0%
TOTAL PERCENT OF THE ORGANIZATION	89.1%

Associates relations

At Grupo Bimbo, we want our people to be represented and to participate in local labor organizations, a condition that is stipulated in our Code of Ethics.

The total number of Associates in Mexico working under collective bargaining agreements in 2012 was 75.8%, while globally the total is 68.7%. This also promotes a healthy coexistence within the Group. We recognize the legitimacy of unions in all the countries where we operate.

In order to minimize the impact of organizational changes on our associates and to ensure an open and timely dialogue, any notification regarding changes is conducted in accordance with the law in each country where we operate.

With respect to participation in political activities, section 6 of our Code of Ethics stipulates that we do not hold any ideological or party affiliation, but we encourage civic collaboration and professional associations and civic organizations, while we encourage the responsible exercise of political rights. The participation of our associates and political and electoral processes are entirely their own responsibility and may not include contributions of time, financial support or resources from the Group.

When one of our associates decides to participate in a political cause, to express an opinion, they do so as an individual, and must not give the appearance of acting on behalf of and/or in representation of Grupo Bimbo.

Security for our Associates

The security of our Associates is a primordial importance for Grupo Bimbo. We will therefore continue to apply our model of workplace risk prevention, created in 2009, the purpose of which is to standardize safety activities and procedures in all of our operations. This model incorporates the practices defined by the Occupational Safety and Health Administration (OSHA).

All of our organizations (business units) have a structure of Safety and Health Committees, where the highest body is the Central Safety and Health Committee, which in turn supports the Board Committees for each organization (business unit) and four sub-groupings for each plant.

Committees and sub-committees are organized by country, and represent the entire nation. For China and Nicaragua, there is only one Health and Safety Committee, and in the Iberian Peninsula there are no committees at the moment, but there are executives who handle the responsibilities of prevention.

For the commercial areas in Mexico, we have a team called the Road Safety Commission, which is in charge of coordinating preventive and corrective actions focused on the safety of all of our sales force and Associates that drive a company vehicle. In the United States, there is one committee for each sales center. In Latin America, they are represented by committees integrated into the Managing Board for each country.

Additionally, in most countries, we have legal safety committees staffed by our associates.

100% of the Associates of Grupo Bimbo are represented by formal safety and health committees.

The efforts we have made in recent years in the area of health and safety are beginning to bear fruit both in the increasingly safe behavior of our associates and in the reduction of risks at various of our facilities. We are therefore proud to report abroad-based reduction in work-related accidents around the world, compared to the 2011 results.

Each organization strives to enforce the Health and Safety Policy in its workplace, encouraging top-level managers to assume leadership in the field of safety, accountability, the correct functioning of Safety Committees and the Management Model. As a result, we brought about an improvement in the seriousness and frequency of accidents compared to 2011, even with the incorporation of Dulces Vero in Mexico, Fargo in Argentina and Sara Lee in the United States.

NUMBER OF PERSONS REPRESENTED IN COMMITTEES

ORGANIZATION	PERCENTAGE	TOTAL ASSOCIATES	PARTICIPATING ASSOCIATES
Latin America	4.1%	19,801	815
Mexico	3.72%	74,394	2,771
Iberia	2.26%	1,768	40
Asia	1.17%	1,359	16
United States	5.06%	25,664	1,300
TOTAL GB	4%	122,986	4,942

2012

	INCIDENT RATE (IR)		PROFESSIONAL ILLNESS RATE (PIR)		LOST DAYS RATE (LDR)		ABSENTEEISM RATE (AR)		FATALITIES	
	IR -GRUPO BIMBO	IR-CONTRACTORS	PIR-GR	PIR-CONTRACTORS	LDR-GRUPO BIMBO	LDR-CONTRACTORS	AR -GRUPO BIMBO	AR - CONTRACTORS	NUMBER OF FATALITIES-GRUPO BIMBO	NUMBER OF FATALITIES-CONTRACTORS
GRUPO BIMBO	**2.28%**				**87.89%**				**5 ***	
LATIN AMERICA	**2.62%**				**36.32%**		**2.76%**		**0**	
MEXICO	**2.43%**	**0**	**0**	**0**	**86.58%**	**0**		**N/A**	**3**	**0**
UNITED STATES	**1.54%**				**143.72%**				**2**	
ASIA	**0.85%**				**12.09%**		**1.24%**		**0**	
IBERIA	**2.44%**				**45.46%**		**1.45%**		**0**	

Note: These indicators only count accidents that resulted in one or more days of disability. Accidents that merited slight attention (first aid) are not considered. In the case of fatality, we are counting the five deaths that occurred in 2012, two of them for reasons beyond the company's control and beyond the control of the Associates involved.

Health and Physical Activity

At Grupo Bimbo, we know that in order to increase the safety and productivity of our company, it is important that our associates are in good physical and health conditions.

For this reason, throughout the year we hold a series of events in various facilities, all of him for the sole purpose of promoting healthy lifestyles among our associates and their families.

Campaigns in all of our organizations as well as health initiatives are focused basically on prevention, detection and control of the following illnesses: diabetes, obesity, heart problems, lung problems, detection of illnesses like AIDS, prostate problems, cervical uterine and breast cancer.

In the area of health and wellness, in 2015, Grupo Bimbo intends to offer medical exams and follow-up for 100% of its Associates over 40, to detect metabolic syndrome and other delicate conditions. We will also be offering alternative healthy menus in all of our industrial dining rooms. Permanent support for activity and sports among all our associates, training and communication in the areas of health, wellness and prevention through focus campaigns and activities.

The involvement of our associates' family members is a basic strategy in achieving these objectives.

Throughout 2012, we have been working to control health risks from exposure to noise, extreme temperatures, dust, hazardous materials and heavy loads, all of which has avoided health-related illness in 2012.

Development of our associates.

At Grupo Bimbo, we are convinced that the training of our personnel is fundamental for their ability to do their jobs well and for their personal and professional advancement.

In 2012, we provided a total of 1,066,835 training hours around the world, equivalent to an average of 8.7 hours per associate, with a total investment of more than MXN270 million.

In human rights training, in 2012 we gave a total of 104,994 hours of Personal Advancement Training (CUSUPE) around the world to administrative and operating personnel, supervisors, executives and directors. Similarly, we gave other courses not dependent on the level of employment, including 1,208 hours of training United States on sexual harassment in the workplace, meaning 4.5% of the Group's associates have been trained in policies and procedures regarding respect for relevant human rights in their activities.

In 2013 we will continue our efforts to communicate and train workers in the Grupo Bimbo Code of Ethics.

2012

COUNTRY	ACTIVITY	PREVENTION/ CONTROL OF RISKS	TREATMENT	ADVICE	EDUCATION/ TRAINING
MEXICO	PREVENIMSS in all plants		✓	✓	
	Health weeks in all plants	✓	✓	✓	✓
	Application of "Plus 40" exams		✓		
	Application of healthy dining room methodology			✓	
	Seasonal vaccination campaigns		✓		
	"Gain kilos, lose weight" contest at Bimbo Corporate Offices	✓	✓	✓	✓
	Healthy heart campaigns at Bimbo Corporate Offices	✓			✓
	Therapeutic support to associates at Barcel Lerma, Ricolino Toluca, Ricolino San Luis Potosí, Barcel Atitalaquía, Barcel and Dulces Vero			✓	
	Good Neighbor Program			✓	✓
	Introduction of healthy dining rooms	✓		✓	✓
	"Take a break for health" program at Barcel Lerma and Ricolino Toluca	✓		✓	✓
	Zumba for associates and family members at Barcel Lerma and Ricolino Toluca			✓	✓
LATIN AMERICA	Health campaigns in all the countries	✓	✓	✓	✓
	Campaigns on excess weight, diabetes, smoking and hydration and all countries		✓		
	"Plus 40" programs in all countries (except for Colombia)	✓		✓	
	"Active breaks" in Venezuela	✓		✓	
	"Gain kilos, lose weight" contest in El Salvador	✓	✓	✓	✓
	Vaccination campaigns	✓	✓		
	Application of health survey			✓	
	Psychological support for associates at the Argentine plant			✓	
	Safety month in all countries	✓	✓	✓	✓

REGIONAL PERFORMANCE

MEXICO

The Mexico operation, which includes the Bimbo, Barcel and El Globo businesses, enjoys strong leadership across multiple categories. Volume and sales performance in the year reflected a healthy recovery in the consumption environment.

Operational developments in 2012 included the outsourcing of our chocolate compound production to Barry Callebaut, to whom we sold our chocolate production lines as part of an effort to focus on core business lines; the opening of a new Barcel plant in Guadalajara; and the implementation of a conversion plan for manufacturing and point-of-sales at El Globo. In addition, as sales channels diversify and segments such as convenience, wholesale and self-service grow, we reconfigured sales strategies and worked closely with clients, primarily in the traditional channel, to improve execution. We also continued to invest in strengthening distribution capabilities.

Steady volume growth and higher average prices generated healthy organic growth of 9.5% in 2012, to Ps. 70,491 million. The bread, sweet baked goods and cookies categories outperformed in the year, with the benefit of unique marketing campaigns such as the relaunch of white bread with soccer star Lionel Messi and innovative digital and social media campaigns.

Higher raw material costs and the impact of a stronger dollar for much of the year resulted in preassure for the gross margin. Operating expenses remains nearly unchanged in the year, thus operating income increased 5.1% to Ps. 7,922 million, while the margin declined 50 basis points to 11.2%.

MEXICO [1*]

Financial Regional Highlights

	2012	2011	% VAR.
Net Sales	70,491	64,368	9.5%
Operating Income	7,922	7,534	5.1%
EBITDA	9,735	9,206	5.7%
Total Assests	45,287	46,585	-2.8%
Total liabilities	58,188	64,890	-10.3%

(1) Consolidated results exclude inter-company transactions. /

*Figures expressed in millions of nominal pesos.

UNITED STATES

For the first time in 2012, operations in the United States comprised more than half of Grupo Bimbo's consolidated sales, underscoring the rapid growth of Bimbo Bakeries USA (BBU), as the business is known, driven by a number of high-profile acquisitions in recent years, including the landmark purchase of Sara Lee's North American Fresh Bakery business in late 2011.

The country continued to recover from the economic recession but the overall consumption environment remained weak with consumers seeking value. Nonetheless, BBU volumes showed sequential improvement over the course of 2012, with sales momentum increasing at year-end. The sweet baked goods and breakfast categories outperformed in the year, as did sales of our Marinela and Bimbo branded products.

The key focus in 2012 was the integration of the Sara Lee operation, with significant advances in systems and IT, national and local customer alignment, national brand roll-outs, and reconfiguring and optimizing the manufacturing footprint. We closed four plants, began construction of two new state-of-the-art facilities in Texas and Pennsylvania, and invested in distribution as part of our growth strategy. Integration synergies, efficiency measures and waste reduction initiatives across the entire "silo to store" value chain, resulted in a more efficient use of assets and yielded almost US$120 million benefits during the year. We also concluded the key divestitures required by the US Department of Justice.

Net sales in the year totaled Ps. 79 billion, a 46.7% rise over the previous year. Gross margin expanded with a moderate improvement, with lower average input costs and waste reduction initiatives offsetting the slow volume recovery. The decline in operating income and 4.3 percentage point contraction in the margin, to 1.4%, reflect the higher cost structure of the Sara Lee operation, integration related expenses and a non-cash charge generated by the withdrawal from two Multiemployer Pension Plans (MEPPs).

USA [1]*

Financial Regional Highlights

	2012	2011	% VAR.
Net Sales	78,927	53,810	46.7%
Operating Income	1,118	3,058	-63.4%
EBITDA	5,027	5,295	-5.1%
Total Assests	72,718	79,870	-9.0%
Total liabilities	27,837	27,884	-0.2%

(1) Consolidated results exclude inter-company transactions. /

*Figures expressed in millions of nominal pesos.

LATIN AMERICA

The reporting region of Latin America encompasses 14 countries in Central America and South America. Remarkable sales growth over the past 5 years, 24% on a compounded basis, reflects the size of the region, significant penetration opportunity and favorable socio-demographic trends such as the rise of wheat as a secondary grain staple, the growth of supermarkets and increased consumer demand for quality packaged foods.

Despite regional similarities such as language (Brazil aside), each market is distinct and unique with its own challenges and opportunities. To effectively manage for local preferences and market characteristics, we tailor the product portfolio, client segmentation and consumer marketing accordingly, with local management in most markets. A key focus of our growth strategy is to expand distribution to increase our market penetration.

Elsewhere in Latin America, we retained our strong position while continuing our growth and penetration efforts throughout the region. Although mom-and-pop markets still account for much of the marketplace, we had great success in 2012 in further accessing this challenging channel, allowing us to reach consumers where they shop.

In 2012, we saw healthy sales and volume growth in many of our Latin American markets. The exception was Brazil, which because of its size had a significant impact on regional performance; a soft consumption environment in that country led to lower absorption of fixed costs, and was compounded by expenses incurred in adjusting the Company's business model in that operation, primarily in the distribution strategy. At year-end we initiated a turnaround and restructuring process, and remain confident that Brazil has the right fundamentals for long-term growth.

In Argentina we completed the Fargo acquisition and will continue to integrate those operations. We also started construction on our sixth production facility which is expected to create 450 jobs. In Colombia we doubled capacity of one of our plants and expanded certain production lines.

On a regional basis, net sales for Latin America in 2012 totaled Ps. 22.7 billion, rising 23.5% over the previous year. Of that, organic growth represented 14.6%, reflecting some volume deceleration in the second half of the year, primarily in Brazil.

At the gross profit level, the benefit of lower average raw material costs in the year was only somewhat offset by the impact of FX rates and higher labor costs in following a new labor law applicable retroactively, resulting in an expansion in the gross margin. Ongoing investments in the distribution network, combined with one-time non-cash charges related to the restructuring process in Brazil, led to an operating loss in 2012 of Ps. 1.1 billion, compared to a loss of Ps. 949 million in 2011.

LATIN AMERICA [1*]

Financial Regional Highlights

	2012	2011	% VAR.
Net Sales	22,674	18,352	23.6%
Operating Income	-1,101	-949	16.0%
EBITDA	-253	319	<-100
Total Assests	19,750	20,169	-2.1%
Total liabilities	5,773	5,979	-3.4%

(1) Consolidated results exclude inter-company transactions. /

*Figures expressed in millions of nominal pesos.

IBERIA

Grupo Bimbo acquired Sara Lee Corporation's fresh bakery business in Spain and Portugal at year-end 2011, thus 2012 was the first full year of operations for the Iberia reporting region. Despite the difficult economic climate in the region we maintained market share in our core categories, and performance during this transitional year met expectations.

Integration efforts focused on aligning the mission, vision, strategy and operating plans of Bimbo Iberia to those of Grupo Bimbo, transforming the region's distribution model, and adapting and centralizing other core processes. We also opened new routes and channels, and decided to exercise our repurchase option for the plant in the Canary Islands which Sara Lee sold to Siro on 2009, to increase production capacity and grow our market position.

With the aim of strengthening our brand profile and awareness, we began including the distinctive Bimbo Bear (Osito Bimbo) on packaging and redesigned all trucks and vans to reflect the brand identity.

We also launched several new products including whole grain and gluten-free varieties of bread in response to consumer demand for authentic and natural products in this region.

Net sales totaled Ps. 5.2 billion, and while Iberia has the lowest margin among the company's regions, due primarily to a higher cost structure, integration expenses and a challenging price environment, operating results were nonetheless in line with expectations.

IBERIA 1*

Financial Regional Highlights

	2012	2011	% VAR.
Net Sales	5,182	393	>100
Operating Income	-570	-81	>100
EBITDA	-451	-73	>100
Total Assests	3,886	4,101	-5.2%
Total liabilities	2,013	2,030	-0.8%

(1) Consolidated results exclude inter-company transactions. /

*Figures expressed in millions of nominal pesos.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS

Unless otherwise stated, all figures herein, including those for prior periods, are expressed in millions of nominal Mexican pesos and are prepared in accordance with International Financial Reporting Standards (IFRS), which the Company adopted in 2012. The principal effects on the profit and loss statement are: i) the line items "Employee Profit Sharing" and "Other Income & Expenses" are registered above the operating line; ii) higher depreciation costs, reflecting updated asset valuations; and iii) different accounting treatment for employee benefits. The Company now also discloses "Profit Before Other Income & Expenses" in addition to "Operating Income," as under IFRS the latter includes non-recurring other income and expenses, including integration expenses.

Overview

Grupo Bimbo's results in 2012 reflected solid sales growth from the integration of new operations as well as organic improvements across multiple markets. Nonetheless, there was pressure on operating results that was mainly explained by higher commodity prices at the beginning of the year and the unfavorable impact of foreign exchange rates on dollar-linked raw materials, the higher cost structure of Sara Lee operation in the United States and Iberia, integration-related expenses and ongoing investments in the Company's distribution network and manufacturing facilities. Net sales rose 29.7% to Ps. 173.1 billion, while operating income declined 22.5% to Ps. 7.4 billion, with a 2.8 percentage point contraction in the margin to 4.3%. Net majority income fell 58.4% to Ps. 2 billion , while net margin was 1.2%, a decline of 2.5 percentage points from the previous year.

Factors Affecting Performance

The key factors and trends that impacted the Company's operating and financial performance in 2012 included:

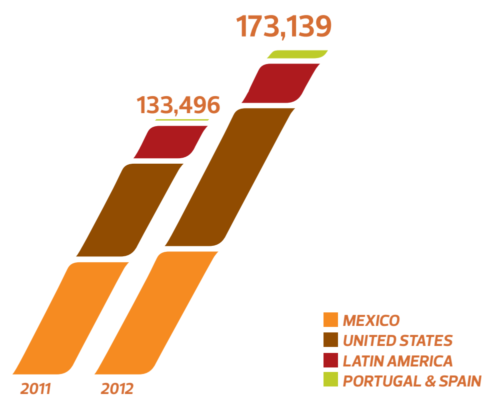
- The first full year of operations for three major acquisitions: Sara Lee Corporation's fresh bakery businesses in the United States and Iberian peninsula, and Fargo in Argentina.
- A continued recovery in the consumption environment in most of the Company's markets, with the exception of Brazil and Iberia; in the United States, despite sequential quarterly improvements, total volumes were still weak on a comparative basis.
- Average input costs in dollars were lower in the second half of the year; however, this was not sufficient to mitigate the impact of the devaluation of the Mexican peso against the US dollar in the first nine months of the year, putting pressure on gross margins.
- We continued to invest in the expansion and penetration of our US and Latin American markets, with expenses allocated to the manufacturing base, client and route development and distribution logistics.
- As expected, operating profitability was diluted by the integration of the acquisitions made in the United States and Iberia due to their higher cost structure, as well as integration-related expenses for all the acquired businesses.
- We registered a non-cash charge in the United States related to the withdrawal from two Multiemployer Pension Plans; this decision generates an economic benefit to the Company while safeguarding the retirement benefit for associates, provides visibility into future pension liabilities and reduces potential cash flow volatility.
- A higher effective tax rate for 2012 largely reflecting a tax charge related to the partial cancellation of deferred income tax benefits from previous fiscal losses in Brazil, reflecting a more conservative approach towards the expected recovery of those losses in the short term.
- Issuance of US$800 million in senior unsecured notes and Ps. 5.0 billion in *Certificados Bursátiles* to refinance existing indebtedness used in part to fund the Sara Lee acquisitions; these issues increased average maturity and brought the average cost of debt to 4.5%.

Net Sales

Consolidated net sales totaled Ps. 173.1 billion in 2012, a 29.7% increase over 2011 reflecting the integration of acquisitions and solid organic growth in Mexico and Latin America. By region, net sales increased as detailed below:

- In Mexico, sales rose 9.5% to Ps. 70.5 billion, reflecting stable volume growth across all channels and categories supported by ongoing sales execution initiatives to improve performance at the point of sale.
- In the United States, net sales rose 46.7% to Ps. 79 billion as a result of the Sara Lee acquisition and to a lesser extent favorable FX rates in the first nine months of the year, which helped offset the weak volume recovery.
- In Latin America, net sales rose 23.5% to Ps. 23 billion reflecting market penetration efforts across the region, particularly in the mom & pop channel, and from the Fargo integration in Argentina. These factors were partially offset by the weaker consumption in Brazil.
- In Iberia, net sales totaled Ps. 5,182 in 2012 in line with expectations; this figure is not comparable to performance in 2011 which included only 28 days of results.

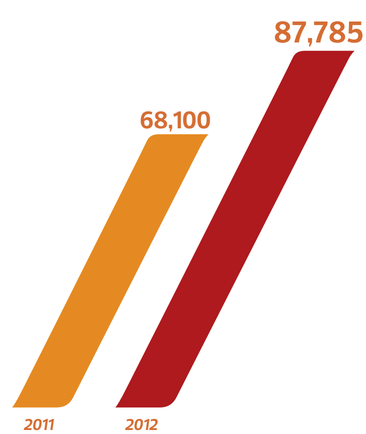
NET SALES
(MILLION S OF PESOS)



Gross Profit

Consolidated gross profit in the year totaled Ps. 88 billion, a 28.9% rise over 2011, while gross margin contracted 30 basis points to 50.7%. Despite lower average raw material costs in the second half of the year, this performance reflects the unfavorable impact of FX rates during most of the year, mainly in Mexico.

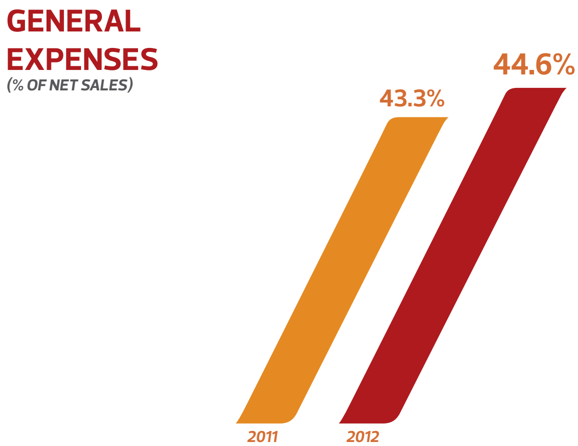
GROSS PROFIT
(MILLIONS OF PESOS)



Operating Expenses

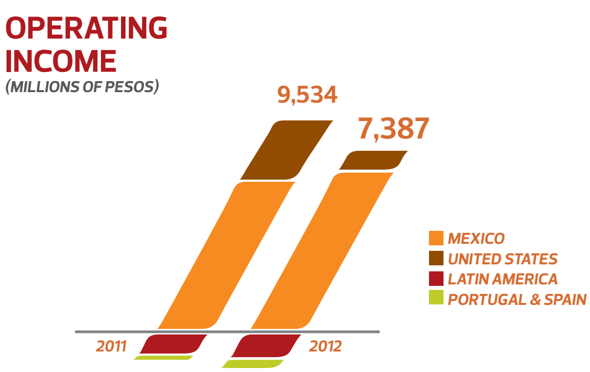
Operating expenses totaled Ps. 77.2 billion and represented 43.3% of net sales in 2012, compared to 43.3% in 2011. This reflected a combination of: i) the higher expense structure of the Sara Lee operations in the United States and Spain; ii) investments in expansion in Latin America and the United States; and iii) one-time non-cash charges related to a restructuring process in Brazil in distribution and IT.

These effects were partially offset by the benefits obtained from synergies and waste reduction initiatives in the United States totaling approximately US$120 million during the year. Additionally, as a result of IFRS compliance, pension funds financial expenses in Mexico and the United States, which had previously been expensed as an operating item, were reclassified as a financial expense (thus impacting the Comprehensive Financing Result).



Operating Income

On a consolidated basis, operating income declined 22.5% to Ps. 7.4 billion. The aforementioned operating performance was further impacted by Other Income & Expenses during the year, which included: i) integration expenses in the United States (Ps. 1.6 billion), Iberia (Ps. 213 million) and Latin America (Ps. 121 million); ii) a non-cash expense in the United States generated by the withdrawal from two Multiemployer Pension Plans (MEPPs)(Ps. 1.1 billion); iii) a non-cash labor provision to cover previous years' liabilities following a new labor law in Venezuela applicable retroactively (Ps. 88 million). This led to a 2.8 percentage points decline in the consolidated margin to 4.3%.



Comprehensive Financing Result

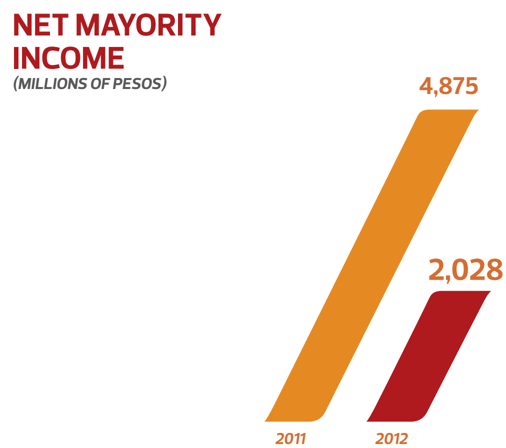
Comprehensive financing resulted in a Ps. 2,810 cost in 2012, compared to Ps. 1,550 in 2011. This is attributable to a combination of: i) an increase in interest expense from the rise in interest rates related to the extended average life of debt; ii) the reclassification of pension fund financial expenses in Mexico and the United States, which had previously been expensed as an operating item; and iii) a Ps. 91 exchange loss compared to a Ps. 651 gain in the previous period, arising mainly from dollar-denominated cash holdings used to pay for the Sara Lee North American Fresh Bakery business.

Taxes

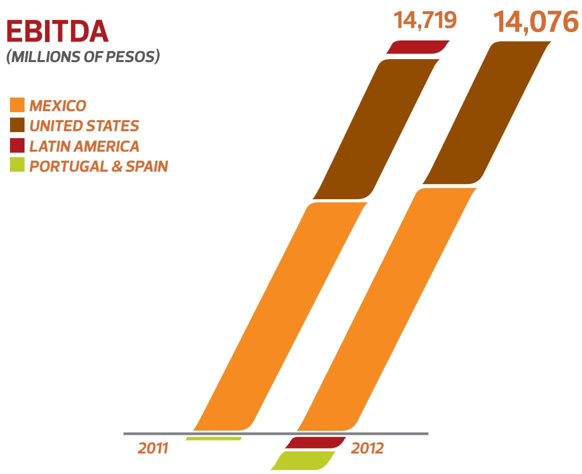
The effective income tax rate for 2012 was 47.4%, compared to 35.2% in 2011. This reflects mainly a more conservative approach towards the expected recovery of previous fiscal losses in Brazil, in accordance with IFRS, which suggests that the amortization of previously registered losses may take longer than initially expected. To reflect this, a tax charge was registered to partially cancel deferred income tax benefits.

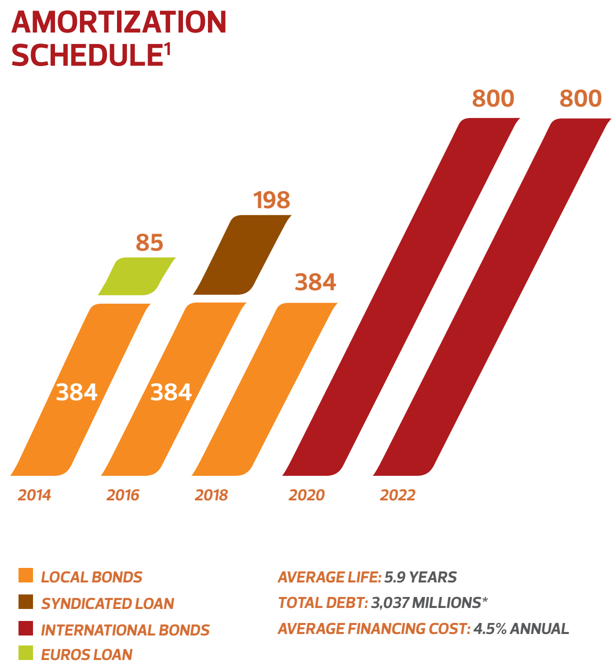
Net Majority Income

Net majority income fell 58.4% to Ps. 2 billion, while the margin contracted 2.5 percentage points to 1.2%. This result is explained by operating performance, higher financing costs and an increase in the effective tax rate.



Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
Consolidated EBITDA totaled Ps. 14.1 billion, a decrease of 4.4% compared to 2011. EBITDA margin contracted 2.9 percentage points to 8.1%.

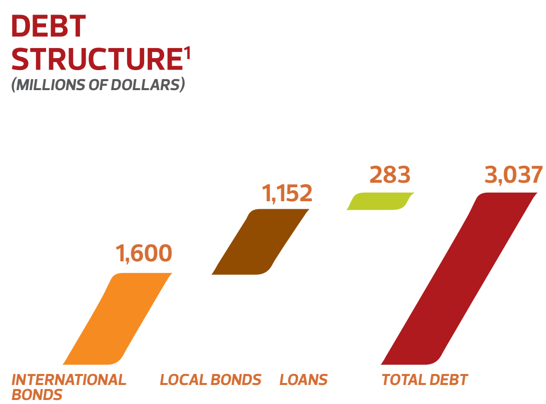


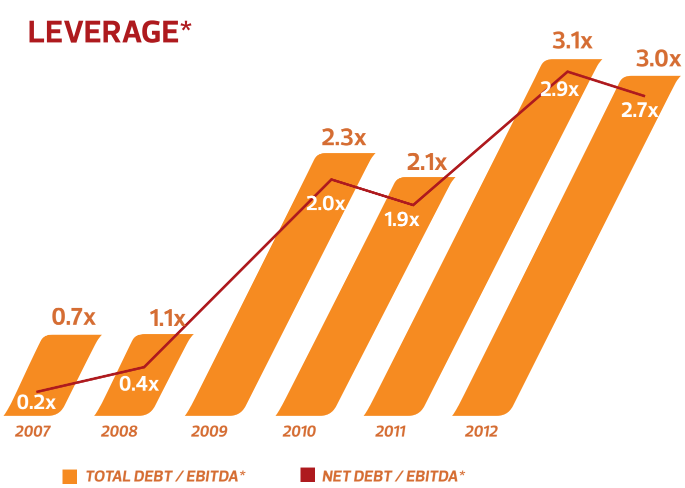


Financial Structure
The Company's cash position as of December 31, 2012 totaled Ps. 4.3 billion, compared to Ps. 4.0 billion in December 2011. Total debt at December 31, 2012 was Ps. 42.0 billion, compared to Ps. 46.0 billion in December 2011. This reflected payments of Ps. 2.9 billion during the course of the year.

Long-term debt comprised 96% of the total; 95% of the total was denominated in U.S. dollars, maintaining a natural economic and accounting hedge in alignment with the Company's strong cash flow in dollars. The average maturity was 5.9 years with an average cost of 4.5%.

The total debt to EBITDA ratio was 3.0 times compared to 3.1 times at December 2011.





(1) Does not include subsidiaries debt (USD $178 million dollars. F/X December 2012 $13.0101.

* 2012 and 2011 expressed in accordance with Internacional Reporting Standards (IFRS). Every other years are expressed in compliance with Mexican Financial Reporting Standards (NIF).

AUDIT COMMITTEE REPORT

Mexico City, March 20, 2012

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 Committee, which as of this year has assumed the statutory duties of the Corporate Practices Committee by mandate of the Ordinary Annual Shareholders' meeting of 11 April 2012, I hereby present to you the report of the activities carried out by the Audit Committee during the year ended December 31, 2012. In carrying out our work, we abided by the recommendations established in the Code of Best Corporate Practices.

The Committee met in plenary sessions seven times during the year, and according to its work plan, 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 Code of Ethics, which was revised and updated this year.

We were promptly informed by management of the issues that arose through our operation of a hotline for Group associates, in its first full year in operation.

External Audit

The independent auditing firm that supplies these services remains the same as in preceding years, and is the same in all the countries in which this Company has a presence.

The fee for these auditing services were agreed upon in the original negotiation, so these were approved, including additional fees to account for the growth of the group and other permitted services. We ensured that these payments did not interfere with the independence of that firm.

Pursuant to the CNBV Unified Issuers' Bulletin regarding the turnover of external auditors who certify the company's financial statements, we appointed a new auditor to replace the existing person and asked the Board of Directors to approve that appointment. The new external auditor will assume the post as of fiscal year 2013.

Together with the external auditors, we analyzed their approach, work program and areas of interaction with Grupo Bimbo's Internal Audit department.

We maintained direct and ongoing communication with the external auditors as necessary during the meetings of this Committee, and they kept us regularly informed 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.

We conducted the evaluation of the services of the external auditing firm for the year 2012 and were promptly informed of the preliminary financial statements.

Internal Audit

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

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, 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 verified the existence and effectiveness of an annual training plan for personnel of the area.

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 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 manner consistent with the prior year, taking into account the changes applicable in the year 2012 as well as in the year 2011 relating to the adoption of International Financial Information Standards. As a result, the information presented by management reasonably reflects the financial position, results of operations and cash flows of the Company.

We approved the adoption of the new accounting procedures and standards that took effect in 2012 and were issued by the organization responsible for international accounting standards, whose application in Mexico is mandatory only for companies listed on the Mexican Stock Exchange.

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 comprehensive and consistent procedures were in place to identify and address them promptly and in an appropriate manner.

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

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 to the Committee members.

Corporate Practices

The Shareholders' Meeting agreed to merge the Corporate Practices Committee with the Audit committee to simplify the corporate structure, so that this year, the Committee I head has assumed this responsibility, and we are thus reporting on the activities carried out in performance of these duties:

We reviewed the Internal Regulations of the Audit Committee to include faculties and obligations pertaining to transactions with Related Parties. We also reviewed the internal policy on transactions with Related Parties as well as the Policy on Related Parties and on the use of corporate property by Related Parties. These documents were approved by the Board of Directors on the recommendation of this Committee.

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 2012, as well as for recurring transactions that are expected to be conducted in fiscal year 2013 that require Board approval.

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 2012.

In my capacity as Chairman of the Audit 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 COMMITTEE
GRUPO BIMBO, S.A.B. DE C.V.

AUDIT COMMITTEE'S LETTER

Mexico City, March 20, 2013

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

In my capacity as chairman of the Audit Committee, which absorbed the duties of the Corporate Practices Committee pursuant to authorization by the Shareholders' Meeting (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, 2012.

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 Mexican 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, 2012.

Sincerely,

HENRY DAVIS SIGNORET
CHAIRMAN OF THE AUDIT COMMITTEE
GRUPO BIMBO, S.A.B. DE C.V.

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

CONSOLIDATED FINANCIAL STATEMENTS

for the Years Ended December 31, 2012 and 2011, and Independent Auditors' Report Dated March 22, 2013

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. (the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2012 and 2011 and January 1, 2011 (transition date), the consolidated statements of income, consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statement of cash flows for the years ended December 31, 2012 and 2011, 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, 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 audit. 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, 2012 and 2011 and January 1, 2011 (transition date) and their financial performance and cash flows for the years ended December 31, 2012 and 2011 in accordance with International Financial Reporting Standards.

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

C. P. C. Jorge Alamillo Sotomayor

March 22, 2013

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the years ended December 31, 2012, 2011 and January 1, 2011 (transition date)
(In millions of Mexican pesos)

	Notes	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
ASSETS				
Current assets:				
Cash and cash equivalents		$ 4,278	$ 3,966	$ 3,325
Accounts and notes receivable- net	5	16,294	17,574	13,394
Inventories- net	6	4,591	4,980	3,132
Prepaid expenses		621	766	457
Derivative financial instruments	13	123	18	145
Guarantee deposits for derivative financial instruments		566	470	35
Assets available for sale		665	703	–
Total current assets		27,138	28,477	20,488
Notes receivable from independent operators		1,484	1,686	2,102
Property, plant and equipment- net	8	42,011	42,419	30,976
Investment in shares of associated companies and other permanent investments	9	2,142	1,803	1,553
Derivative financial instruments	13	533	417	393
Deferred income taxes	18	6,054	7,605	2,700
Intangible assets- net	10	26,690	28,193	19,063
Goodwill	11	29,754	32,048	19,812
Other assets- net		1,334	587	881
Total		$ 137,140	$ 143,235	$ 97,968
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Current portion of long-term debt	12	$ 1,573	$ 4,042	$ 1,624
Trade accounts payable		9,488	9,090	5,954
Other accounts payable and accrued liabilities		10,800	10,499	6,876
Due to related parties	17	677	904	802
Income tax	18	2,040	719	624
Statutory employee profit sharing payable s		750	756	709
Derivative financial instruments	13	237	222	–
Total current liabilities		25,565	26,232	16,589
Long-term debt	12	40,398	41,950	31,308
Derivative financial instruments	13	936	1,961	231
Employee labor obligations and workers' compensation	14	20,208	19,340	5,893
Deferred income taxes	18	1,382	1,725	1,610
Other liabilities		1,593	3,328	484
Total liabilities		90,082	94,536	56,115
Stockholders' equity:				
Capital stock	15	4,227	4,227	4,227
Reserve for repurchase of shares	15	906	754	759
Retained earnings	15	41,635	40,312	36,084
Accumulated translation effects of foreign subsidiaries	15	(1,470)	1,870	–
Remeasurement effects of employee benefits	15	(430)	(145)	–
Valuation effects of cash flow hedges	15	(132)	(354)	(19)
Equity attributable to owners of the Company		44,736	46,664	41,051
Non-controlling interests in consolidated subsidiaries		2,322	2,035	802
Total stockholders' equity		47,058	48,699	41,853
Total		$ 137,140	$ 143,235	$ 97,968

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, 2012 and 2011
(In millions of Mexican pesos, except earnings per common share)

	Notes	December 31, 2012	December 31, 2011
Net sales		$ 173,139	$ 133,496
Cost of sales		85,354	65,396
Gross profit		87,785	68,100
General expenses:			
Distribution and selling		65,635	48,270
Administrative		11,599	9,553
Integration costs		1,950	–
Other general expenses	20	1,214	743
		80,398	58,566
Operating income		7,387	9,534
Interest expense			
Interest income		3,332	2,760
Exchange loss (gain), net		(510)	(432)
Monetary position gain		91	(651)
Net financing costs		(103)	(127)
		2,810	1,550
Equity in income of associated companies		49	51
Income before income taxes		4,626	8,035
Income tax expense	18	2,195	2,829
Consolidated net income		$ 2,431	$ 5,206
Net income attributable to owners of the Company		$ 2,028	$ 4,875
Net income attributable to non-controlling interests		$ 403	$ 331
Basic earnings per common share		$ 0.43	$ 1.04
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 (LOSS)

For the years ended December 31, 2012 and 2011
(In millions of Mexican pesos)

	December 31, 2012	December 31, 2011
Consolidated net income	$ **2,431**	$ 5,206
Other comprehensive income (loss):	**3,208**	(5,375)
Translation effects related to hedge of net investment		
Income tax on hedge of net investment	**(962)**	1,613
Remeasurement effects of employee benefits	**(438)**	(213)
Valuation effects of cash flow hedges	**317**	(500)
Deferred income tax relating to other comprehensive income items	**58**	232
Translation effects of foreign subsidiaries	**(5,586)**	5,694
Total other comprehensive income (loss) for the year	**(3,403)**	1,451
Comprehensive (loss) income for the year	$ **(972)**	$ 6,657
Comprehensive (loss) income attributable to owners of the Company	$ **(1,240)**	$ 6,265
Comprehensive income attributable to non-controlling interests	$ **268**	$ 392

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, 2012 and 2011
(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 Company	Non-controlling interests in consolidated subsidiaries	Total stockholders' equity
Balances at the beginning of 2011 (transition date)	$ 4,227	$ 759	$ 36,084	$ (19)	$ 41,051	$ 802	$ 41,853
Consolidation effect of special purpose entities	–	–	–	–	–	967	967
Dividends declared	–	–	(647)	–	(647)	(126)	(773)
Decrease in reserve for repurchase of shares	–	(5)	–	–	(5)	–	(5)
Balances before comprehensive income	4,227	754	35,437	(19)	40,399	1,643	42,042
Consolidated net income for the year	–	–	4,875	–	4,875	331	5,206
Other comprehensive income	–	–	–	1,390	1,390	61	1,451
Total comprehensive income	–	–	4,875	1,390	6,265	392	6,657
Balances as of December 31, 2011	4,227	754	40,312	1,371	46,664	2,035	48,699
Consolidation effect of special purpose entities	–	–	–	–	–	20	20
Dividends declared	–	–	(705)	–	(705)	(136)	(841)
Increase in reserve for repurchase of shares	–	152	–	–	152	–	152
Balances before comprehensive income (loss)	4,227	906	39,607	1,371	46,111	1,919	48,030
Consolidated net income for the year	–	–	2,028	–	2,028	403	2,431
Other comprehensive loss	–	–	–	(3,403)	(3,403)	–	(3,403)
Total comprehensive (loss) income	–	–	2,028	(3,403)	(1,375)	403	(972)
Balances as of December 31, 2012	**$ 4,227**	**$ 906**	**$ 41,635**	**$ (2,032)**	**$ 44,736**	**$ 2,322**	**$ 47,058**

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, 2012 and 2011
(In millions of Mexican pesos)

	December 31, 2012	December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income taxes	$ 4,626	$ 8,035
Adjustments for:		
Depreciation and amortization	5,467	4,289
Loss on sale of property, plant and equipment	96	72
Equity in income of associated companies	(49)	(51)
Impairment of long-lived assets	120	332
Provision of multi- employer pension plans	1,102	564
Interest expense	3,332	2,760
Interest income	(510)	(432)
Changes in assets and liabilities:		
Accounts and notes receivable	932	1,324
Inventories	362	(880)
Prepaid expenses	145	(220)
Other assets	(211)	(742)
Trade accounts payable	397	2,347
Other accounts payable and accrued liabilities	(1,992)	(2,046)
Due to related parties	(227)	98
Income tax paid	1,201	(3,097)
Derivative financial instruments	(1,010)	1,576
Statutory employee profit sharing	(6)	47
Employee labor obligations and workers' compensation	(16)	774
Net cash flows generated by operating activities	13,759	14,750
INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(6,796)	(6,425)
Proceeds from sale of property, plant and equipment	317	681
Acquisition of trademarks and other assets	(427)	(8)
Dividends received	24	23
Investments in shares of associated companies	(314)	(222)
Interest collected	453	341
Business acquisition, net of cash received	–	(13,804)
Net cash flows used in investing activities	(6,743)	(19,414)
FINANCING ACTIVITIES:		
Proceeds from long-term debt	15,855	21,192
Payment of long-term debt	(19,600)	(12,904)
Interest paid	(2,553)	(2,371)
Payments of interest rate swaps	(1,594)	(1,347)
Interest rate swaps collected	1,822	1,373
Repurchase of shares	152	(5)
Dividends paid	(841)	(773)
Net cash flows (used in) generated by financing activities	(6,759)	5,165
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects	55	140
Net increase in cash and cash equivalents	312	641
Cash and cash equivalents at the beginning of the year	3,966	3,325
Cash and cash equivalents at the end of the year	$ 4,278	$ 3,966

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, 2012 and 2011
(In millions of Mexican pesos)

1. ACTIVITIES AND SIGNIFICANT EVENTS

a. ***Activities*** **—** Grupo Bimbo, S. A. B. de C. V. and y Subsidiaries ("Grupo Bimbo" or the "Company") are engaged in the manufacture, distribution and sale of bread, cookies, cakes, candies, chocolates, snacks, tortillas and processed foods.

The Company operates in the following geographical areas: Mexico, the United States of America ("USA"), Central and South America ("OLA"), Europe and China. Due to its minimal significance, the financial information of China is aggregated with Mexico in the disclosures that follow.

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.

b. ***Significant events*** **—** During 2012, the Company did not make any significant acquisitions; however in 2011, the Company purchased several businesses in Spain and Portugal, referred to as Iberia ("Iberia"), in Argentina, referred to as Fargo ("Fargo") and in the USA, referred to as Sara Lee ("Sara Lee"), as described below:

Company	Country	Acquisition Cost	Date
2011:			
Fargo	Argentina	$ 1,608	September 19
Sara Lee	USA	10,249	November 9
Iberia	Spain and Portugal	2,085	December 5
		$ 13,942	

Fargo

On September 19, 2011, the Company completed the acquisition of Compañia de Alimentos Fargo, S. A., after receiving the appropriate permits and authorizations. The acquisition was paid for through the exercise of a purchase option to acquire the 70% stake in Fargo owned by Madera, L. L. C. (the Company already owned 30% of Fargo but was unable to exercise its purchase option given certain legal restrictions in Argentina). Accordingly, as of December 31, 2011, the Company holds 100% of the voting equity of Fargo.

Fargo is the largest producer and distributor of bread and bakery products in Argentina, with annual sales of approximately US$150 million. With five plants and over 1,500 employees, the company sells its products under the brands of FARGO®, LACTAL® and ALL NATURAL®, among others, through wholesale channels and retail and institutional customers. A divestiture of a minor portion of the business was required by the Argentinian authorities as a condition precedent to obtaining control of Fargo. This divestiture took place on the same day as the purchase of Fargo.

Accounting for the Acquisition of Fargo

The acquisition was recorded in conformity with the International Financial Reporting Standard ("IFRS") 3, *Business Combinations*. The following table summarizes the recognized amounts of identifiable assets and assumed liabilities at September 19, 2011, converted into Mexican pesos at the exchange rate applicable at such date.

Consideration transferred			$	1,608
Amounts recognized for identifiable assets and assumed liabilities				
Cash and cash equivalents	$	13		
Accounts receivable		309		
Inventories		83		
Property, plant and equipment		824		
Identified intangible assets		1,011		
Other assets		8		
Total identifiable assets				2,248
Goodwill				508
Total acquired assets				2,756
Current liabilities		485		
Deferred tax		621		
Long-term liabilities		42		
Total assumed liabilities				1,148
Value of the acquiree		$		1,608

The valuation and allocation of fair values of the acquisition, during the measurement period resulted in an increase to the preliminary amounts allocated to deferred tax and goodwill, in the amount of $76.

Sara Lee USA

On November 9, 2010, the Company announced an agreement to acquire 100% of the fresh bakery business of Sara Lee Corporation in the USA "North American Fresh Bakery" for a preliminary acquisition cost of US$959 million. The closing of the transaction was subject to the resolution of regulatory approvals. On October 21, 2011, the State Department of Justice ("DOJ") concluded its analysis of Grupo Bimbo's proposal to acquire the fresh bakery of Sara Lee Corporation. As part of the regulatory approval conditions, the Company agreed to divest certain brands, property, plant and equipment and routes, including Sara Lee ® and Earthgrains ® brands in the state of California and some minor brands in the Harrisburg / Scranton region in Pennsylvania and in metropolitan areas in the Cities of Kansas, Oklahoma and Omaha. The divestitures are presented as assets held for sale in the accompanying consolidated statement of financial position; however, the related operations are not presented as discontinued operations given that they do not represent a component, a separate major line of business or geographical area of operations of the Company. The required divestitures were concluded on February 23, 2013 (see Note 26). The revenue attributable to these divestitures amounted approximately to US$155 million of the total sales of Sara Lee of approximately US$2 billion for the full year ended December 31, 2011.

The acquisition was consummated on November 6, 2011. The final purchase price was negotiated at US$709 million, which was subsequently adjusted for certain items to US$752.06 million, equivalent to $10,249, which reflects both the net assets acquired as well as the divestitures agreed upon with the DOJ. The acquisition agreement includes the use of the license of the brand Sara Lee®, free of royalties, for its use in bakery products in America, Asia, Africa and Eastern and Central Europe, as well as a list of regional brands with high recognition in their respective local markets.

Accounting for the Acquisition of Sara Lee

The acquisition was recorded in conformity with IFRS 3. The following table summarizes the recognized amounts of identifiable assets and assumed liabilities at November 6, 2011, converted into Mexican pesos at the exchange rate applicable at such date.

Consideration transferred		$ 10,249
Amounts recognized for identifiable assets and assumed liabilities		
Cash and cash equivalents	$ 41	
Accounts receivable	1,673	
Inventories	603	
Deferred tax	3,290	
Property, plant and equipment	5,469	
Identified intangible assets	4,588	
Other assets	151	
Total identifiable assets		15,815
Goodwill		9,361
Total assets acquired		25,176
Current liabilities	2,863	
Long-term liabilities	12,064	
Total assumed liabilities		14,927
Value of the acquiree		$ 10,249

Sara Lee participates in several Multi–Employer Pension Plans ("MEPP") that provide defined benefits to certain employees of the Company covered by collective bargaining agreements. As part of the acquisition, the Company has determined that it is probable that it will withdraw from the MEPP and thus recognized a withdrawal liability, at the present value of the obligation, as part of the acquisition accounting of Sara Lee. The amount included in the table above related to long–term liabilities includes $8,354 million, representing management's best estimate of the withdrawal liability.

The Company concluded the determination of fair value, within the 12 months following the acquisition date. As a result of such evaluation, changes in accounts receivable, deferred taxes, property, plant and equipment, identified intangible assets, other assets, goodwill, current liabilities and long-term liabilities were made. The most significant changes amounts related to increases in deferred tax of $440, goodwill for $910 and other long-term liabilities of $1,801 and a decrease in currents liabilities of $573.

Iberia

On October 10, 2011, the Company announced an agreement to acquire 100% of the fresh bakery business of Sara Lee Corporation in Spain and Portugal for an acquisition price of 114 million euros. The acquisition was consummated on December 5, 2011.

The operation includes, among others, the acquisition of brands Bimbo®, Silhouette®, Martinez® and Eagle® brands, which enjoy wide recognition and market leadership in the categories of bread, cakes and snacks; as well as seven plants and over 800 distribution routes.

This acquisition positions Grupo Bimbo as the leading branded bread company on the Iberian Peninsula and provides the Company with entry to the European market through an established bakery business.

Accounting for the Acquisition of Iberia

The acquisition was recorded in conformity with IFRS 3. The following table summarizes the recognized amounts of identifiable assets and assumed liabilities at December 5, 2011, converted into Mexican pesos at the exchange rate applicable at such date.

Consideration transferred		$ 2,085
Amounts recognized for identifiable assets and assumed liabilities		
Cash and cash equivalents	$ 84	
Accounts receivable	1,290	
Inventories	167	
Property, plant and equipment	945	
Identified intangible assets	719	
Deferred tax	314	
Other assets	190	
Total identifiable assets		3,709
Goodwill		451
Total assets acquired		4,160
Current liabilities	1,830	
Long-term liabilities	245	
Total assumed liabilities		2,075
Value of the acquiree		$ 2,085

The Company concluded the determination of the fair value within the 12 months following the acquisition date. As a result of such evaluation, the Company recorded changes in the amounts allocated to accounts receivable, identifiable assets and deferred taxes resulting in an increase in goodwill of $451. The most significant change related to a decrease in deferred tax asset in the amount of $304.

Sources of financing

In 2011, the Company obtained financing in the amount of US$1,300 million. A portion of the proceeds obtained from this financing was used to partially pay for the acquisition of Sara Lee and Iberia. Additionally, the Company entered into two long–term committed revolving credit facilities of EUR$65 million and US$90 million, which were also partially used to pay for the acquisitions. The remaining proceeds from these financings were used to prepay the existing Company debt (see Note 12, long-term debt).

Consolidated figures

The following table presents condensed information of Sara Lee, Iberia and Fargo as of December 31, 2012 and 2011, and for year ended December 31, 2011 and the 55–day, 26–day and 103–day periods ended as of December 31, 2011, that have been included in the consolidated financial statements of Grupo Bimbo.

	Year Ended December 31, 2012			
	Consolidated	Sara Lee	Iberia	Fargo
	January 1 to December 31, 2012	January 1 to December 31, 2012	January 1 to December 31, 2012	January 1 to December 31, 2012
Net sales	$ 173,139	$ 25,816	$ 5,182	$ 2,441
Operating income (loss)	$ 7,387	$ (677)	$ (570)	$ (28)
Net income (loss) attributable to owners of the Company	$ 2,028	$ (930)	$ (502)	$ (42)
Depreciation, amortization, impairment and provision of MEPP	$ 6,689	$ 975	$ 119	$ 69
EBITDA (*)	$ 14,076	$ 298	$ (451)	$ 41

(*) Earnings before interest, taxes, depreciation, amortization (EBITDA) is defined as the operating profit (loss); plus depreciation, amortization, impairment and provision of MEPP. The Company uses the measure as a performance indicator.

	Year Ended December 31, 2011			
	Consolidated	Sara Lee	Iberia	Fargo
	January 1 to December 31, 2011	November 9 to December 31, 2011	December 5 to 31, 2011	September 19 to December 31, 2011
Net sales	$ 133,496	$ 4,074	$ 392	$ 722
Operating income (loss)	$ 9,534	$ (105)	$ (79)	$ 35
Net income (loss) attributable to owners of the Company	$ 4,875	$ (133)	$ (67)	$ 17
Depreciation, amortization, impairment and provision of MEPP	$ 5,185	$ 131	$ 9	$ 7
EBITDA*	$ 14,719	$ 26	$ (70)	$ 42

	As of December 31, 2011			
	Consolidated	Sara Lee	Iberia	Fargo
Total assets	$ 143,235	$ 28,588	$ 4,101	$ 1,033
Total liabilities	$ 94,536	$ 18,069	$ 2,030	$ 655

The revenues and net loss that the acquired entities would have contributed to the 2011 consolidated figures as if these entities were acquired on January 1, 2011, would have been $38,224 and $(390), respectively.

The goodwill generated in 2011 resulting from these acquisitions amounted to $10,320, mainly generated from expected synergies in Argentina and in the USA, where the Company already operated, and achievement of efficiencies in Iberia.

During 2011, the Company incurred $373 in fees and expenses related to these acquisitions, classified as operating expenses. Additionally, in 2012, the Company incurred $1,950 in integration costs to utilize synergies and unify operating procedures.

2. BASIS OF PREPARATION

a. *Statement of compliance*

The accompanying consolidated financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"). These financial statements are the first set prepared by the Company in conformity with IFRS, therefore IFRS 1, *First-time Adoption of International Financial Reporting Standards*, was applied. January 1, 2011, was the "date of transition" to IFRS.

The impact of the transition to IFRS on comprehensive income (loss), stockholders' equity and cash flows is explained in Note 24.

b. *Basis of presentation*

The accompanying consolidated financial statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below.

Historical cost

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

Fair value

Fair value is defined as 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.

c. *Consolidated financial statements*

As of December 31, 2012 and 2011, the consolidated financial statements include those of Grupo Bimbo, S. A. B. de C. V. and entities controlled by the Company, including special purpose entities ("SPE"), its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. An SPE is consolidated when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity. The most significant subsidiaries and SPE are shown below:

Subsidiary	% of ownership	Country	Main Activity
Bimbo, S. A. de C. V.	97	Mexico	Bakery
Bimbo Bakeries USA, Inc. ("BBU")	100	United States	Bakery
Barcel, S. A. de C. V.	97	Mexico	Candies and snacks
Bimbo do Brasil, Ltda.	100	Brazil	Bakery
Iberia	100	Spain and Portugal	Bakery

Income and expenses of the subsidiaries acquired or disposed during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition date and up to the effective date of disposal, as appropriate. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

All significant intra-group balances and transactions have been eliminated in the accompanying consolidated financial statements.

During 2012 and 2011, net sales of Bimbo S. A. de C. V. and Barcel, S. A. de C. V, located in Mexico, represented approximately 37% and 45%, respectively, of consolidated net sales. During 2012 and 2011, net sales of BBU, located in the USA represented approximately 46% and 40%, respectively, of consolidated net sales.

d. *Business acquisitions*

Business acquisitions are recognized using the acquisition method. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and any equity interests issued by the Company 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 liabilities assumed are measured at their acquisition-date fair values, with certain exceptions. Goodwill is measured as the excess of the sum of the consideration paid the amount of any non-controlling interest in the acquiree and the acquisition-date 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 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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the acquisition occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, 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. *Recognition of the effects of inflation*

Inflationary effects are recognized in the financial statements when the economy of the currency in which the Company's transactions are recorded is considered hyperinflationary. The Mexican economy ceased to be hyperinflationary in 1999. Therefore, inflation effects for the Company's Mexican operations were recognized through that date, except for certain property, plant 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 environments, which are not significant to the Company's financial position, performance or cash flows.

f. *Foreign currencies*

In preparing the financial statements of each individual subsidiary, transactions in currencies other than the Company´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 transactions entered into in order to hedge certain foreign currency risks (see Note 13);

– 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, and

– 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;

Consolidated financial statements are prepared in Mexican pesos. The assets and liabilities of the Company's foreign operations are translated to Mexican pesos using the 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. For the foreign operations operating in an inflationary environment, their financial statements amounts are affected by the country´s price index and are subsequently translated using the exchange rate at the end of the period for all line items. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests when appropriate).

On the disposal of a foreign operation all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company is reclassified to profit or loss. Any exchange difference attributable to non-controlling interest is cancelled, but is not reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the 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.

The Company has investments in foreign subsidiaries whose functional currency is other than the Mexican peso and is thus exposed to the risk of foreign currency translation. In addition, the Company has entered into financial assets and liabilities in different currencies, mainly in US dollars, which exposes the Company to foreign currency risk related to commercial activities and purchase of inputs during the normal course of its operations. For further details, refer to Note 13.

g. *Comprehensive income statement*

The Company presents comprehensive income in two separate statements: i) consolidated statement of income and ii) consolidated statement of comprehensive income (loss). Expenses in the statement of income are classified by function, following the practice of the sector to which the Company belongs; the nature of those expenses is presented in the accompanying notes. Additionally, the Company presents the subtotal of operating income, although nor required by IFRS, solely to provide a better understanding of the Company's economic and financial performance.

h. *Cash flow statement*

The Company 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. *Cash and cash equivalents*

Cash and cash equivalents consist mainly of bank deposits in checking accounts and readily available daily investments of cash surpluses, maturing within three months as of their acquisition date with minimal risk of fluctuations in value. Cash is stated at nominal value and cash equivalents are stated at fair value. Fluctuations in fair value are recognized in profit and loss (see financial assets below). Cash equivalents are primarily represented by investment in sovereign debt with daily maturities.

b. *Financial assets*

Financial assets, other than cash, are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (except for those financial assets classified as at fair value with changes through profit and loss) are added to the fair value of the financial asset. Subsequent measurement depends on the category in which the financial asset is classified.

Financial assets are classified into the following categories: "Financial assets at fair value through profit or loss ("FVTPL")", "held to maturity investments", "available-for-sale financial statements", and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. As of the date of the consolidated statement of financial position, the Company only maintains financial assets at fair value with changes through profit and loss and loans and receivables. Note 13 provides further detail regarding financial assets.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when they are either designated as at FVTPL (and comply with certain conditions to be directly classified as such) or they are held for trading purposes. The Company has not designated financial assets as at FVTPL. A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling it in the short-term. Derivative financial instruments are also classified as trading, except those designated and effective as hedging instruments (the specific accounting policy for derivative financial instruments is explained in more detail within the notes).

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. It is classified as current when expected to be recovered in a period of 12 months of less; otherwise it is classified as long-term.

Loans and receivables

Loans and receivables are non-derivative financial assets that provide rights to 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 (the effective interest method is explained within the accounting policy of financial liabilities). Loans and receivables are presented as current, unless maturity is beyond 12 months from the reporting date, for which they would then be presented as long-term.

At the end of each reporting period, management assess if there is objective evidence of impairment of financial assets. Impairment of financial assets occurs when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of a financial asset, the estimated future cash flows have been affected.

For financial assets carried at amortized cost, the loss for impairment is the difference between the asset´s carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. The carrying amount of accounts receivable is reduced through the use of an allowance for doubtful accounts. When a trade receivable is considered uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

c. *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.

d. *Assets available for sale*

Long-lived assets that are expected to be recovered through sale (instead of internal use) are classified as available for sale,within current assets, and are measured at the lower of carrying value or fair value, less costs of sale.

e. *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, as permitted by IFRS 1.

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. Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are those assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized to the cost of the asset.

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

Freehold land is not depreciated. Depreciation of the other property, plant and equipment is calculated using the straight-line method, to write-off the cost of the assets to their residual values over their estimated useful lives, 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 lease contract

The Company 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.

Depreciation methods, residual values and the useful lives of assets are reviewed and adjusted, if necessary, annually, at each reporting date.

The carrying value of an asset is reduced at its residual value, when the carrying amount exceeds its residual value.

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 income (expense) line.

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

f. *Associates and joint ventures*

Associates are entities in which the Company has significant influence, but does not exercise control. Generally it refers to those entities in which the Company has an ownership between 20% and 50% of voting rights.

A joint venture is a contractual agreement whereby the Company and other parties undertake an economic activity that is subject to joint control, meaning when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Such investments are recorded using the equity method and are initially recognized at cost. Goodwill is recognized as part of the carrying amount of the investment (net of any accumulated loss for impairment of any) as identified at the time of the acquisition.

g. *Intangible assets*

Intangible assets are primarily comprised of trademarks and customer relationships resulting from the acquisition of business in the USA, Iberia and certain trademarks in South America, and are recorded at their fair value on acquisition date.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 it is 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.

h. *Impairment of long lived assets, other than goodwill*

The Company reviews the carrying amounts of long—lived assets other than goodwill, when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the fair value less costs to sell. Impairment is recorded when the carrying amounts exceed the greater of the amounts mentioned above. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to profit or loss, which in percentage terms in relation to revenues are substantially higher than that of previous years, obsolescence, reduction in the demand for the Company's products, competition and other legal and economic factors. For the purposes of impairment analysis, the assets are grouped into identifiable smaller cash generating groups (cash generating unit). Long-lived assets with indefinite lives, other than goodwill, subject of impairment are tested for impairment at each reporting date to identify and likely reversal of such impairment.

i. *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.

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 acquisition. 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.

j. *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 reduced from the fair value of the financial liability; transaction costs directly attributable to the issuance of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequent measurement depends on the category in which the financial liability is classified.

Financial liabilities are classified as either "Financial liabilities at fair value through profit or loss" or "Other financial liabilities". Note 13 provides further detail regarding financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when they are designated as at FVTPL (and comply with certain conditions to be directly classified as such) or when they are held for trading. The Company has not designated financial liabilities as at FVTPL. Derivative financial instruments are classified as trading, except those designated and effective as hedging instruments (the specific accounting policy for derivative financial instruments is explained in more detail within the notes).

Other financial liabilities

Other financial liabilities, mainly including borrowings and trade and other payables, are subsequently measured at amortized cost using the effective interest method, recognizing interest expense using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, (or when appropriate a shorter period), to the net carrying amount on initial recognition.

The Company derecognizes a financial liability when, and only when, the Company's obligations are discharged, cancelled or they expire.

k. *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 Company only holds derivative financial instruments classified as cash flow hedges and hedges of net investment in foreign operations. The Company documents all hedging relationships at the beginning of the transaction, including their objectives and risk management strategies for undertaking derivative transactions. Periodically, the Company documents whether the derivative financial instruments is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The fair value of derivative financial instruments used as hedging instruments is disclosed in Note 13.

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 is recognized in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting or when the Company revokes the hedging relationship. Any gain or loss recognized in other comprehensive income, accumulated in equity remains in equity, and is recognized when the forecasted transaction is ultimately recognized 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.

l. *Provisions*

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

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 estimated amount required to be settled and the amount initially recognized less cumulative amortization recognized.

m. *Income taxes*

Income tax expense comprises current tax and deferred tax. Current and deferred tax are recognized in the consolidated statement of income, 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.

In Mexico, income taxes are comprised of regular income tax (*Impuesto Sobre la Renta* or ISR) and a business flat tax *(Impuesto Empresarial a Tasa Única* or IETU), and are recorded when incurred. Current tax is the higher of ISR or IETU, which are based on taxable profit or cash flows of the year, respectively.

Current income taxes are calculated in accordance with rates that have been enacted as of the end of the reporting period for the countries in which the Company operates.

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 as of the end of the reporting period. In Mexico, to recognize the deferred tax, the Company determines, based on tax projections, whether it expects to incur ISR or IETU, and recognizes the deferred taxes respective tax is expected to be payable on the year on the respective tax base that is expected to be incur each year.

The deferred income tax is recognized using the asset and liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. 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, 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 it can be used against.

Income taxes assets and liabilities are offset only when there is a legal right to offset the amounts and the amounts are related to the same tax authority or jurisdiction, or in the case of several entities, when there is an intention to liquidate on a net basis or the assets and liabilities are expected to realize simultaneously.

n. *Employee benefits*

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.

Defined benefit plans are post-employment plans, other than defined contribution plans. The cost of providing benefits under defined benefit plans is determined using the Projected Unit Credit Method for actuarial valuations, which are carried out at the end of each reporting period. Actuarial gains and losses are recognized immediately through other comprehensive income in the period they occur in order for the net pension liability to reflect the full value of the plan deficit or surplus. Past services costs and gains and losses from settlements of plan benefits are recognized directly in profit or loss of the year they occur.

The Company early adopted International Accounting Standard ("IAS") 19, Employee Benefits, as of January 1, 2011.

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 Company provides cash payments to certain executives, which is calculated using performance metrics. The payment, net of ISR withheld, is used to purchase shares of the Company. The employee may dispose of such shares, even if he or she leaves the Company.

ii. Statutory employee profit sharing

Statutory employee profit sharing is recorded in profit or loss of the year in which it is incurred, when the Company has a legal or constructive obligation, as a result of past events and the amount can be reliably estimated.

iii. Termination benefits

The Company recognizes a liability for termination benefits only when the Company 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 Company 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 Company 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 Company accounts for such plan as a defined contribution plan.

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

o. 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.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

p. Equity

An equity instrument is any contract that evidences a residual interest in the net assets of the Company, after deduction of all its liabilities. Equity instruments are recognized at the amount of the consideration received less direct issue costs. Common shares are classified as equity.

q. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from the sale of products in the normal course of operations of the Company. Revenue is presented net of rebates and other similar allowances.

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

- The Company has transferred substantially all the risk and rewards of ownership of the goods;
- The Company 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 Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, the 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the date of the consolidated statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. *Useful lives, residual values and depreciation and amortization methods of long-lived assets*
   As described in Note 3, the Company 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 Company 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 Company considers the facts involved in determining the allowance for doubtful accounts, which are mainly the credit risk of the customer, unguaranteed accounts and significant delays in collection according to the established credit limits.

3. *Impairment of goodwill*
   Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4. *Fair value*
   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 13. Finally, the Company 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 (if the fair value option is elected); see further detail 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 recognize deferred income taxes, the Company prepares tax projections to determine whether it expects to incur in IETU or ISR, and accordingly recognizes the related deferred taxes.

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 Company 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 Company. The net liabilities at December 31, 2012 and 2011 amounted to $ 2,945 and $2,995, respectively.

Critical judgment in applying accounting policies

The following are the critical judgments, apart from those, involving estimations that management has made in the process of applying the Company's accounting policies and that have a significant effect on the consolidated financial statements:

1. *Consolidation of special purpose entities*
   As described in more detail in Note 7, BBU and Sara Lee have entered into agreements with third party contractors ("Independent Operators"), in which they hold no direct or indirect shareholding but that qualify as special purpose entities ("SPE"). The Company 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 Company has concluded it does not exercise control over such independent operators.

5. ACCOUNTS AND NOTES RECEIVABLE

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Clients and agencies	$ 11,804	$ 12,010	$ 7,249
Allowance for doubtful accounts	(812)	(628)	(310)
	10,992	11,382	6,939
Notes receivable	254	801	601
Notes receivable from independent operators	416	399	276
Income, value –added and other recoverable taxes	3,731	4,330	4,021
Sundry debtors	901	662	338
Other accounts and notes receivable			
Sanalp 2005, S. L., related party	–	–	1,092
Madera, L. L. C., related party	–	–	127
	$ 16,294	$ 17,574	$ 13,394

The average credit period on sales of goods in Mexico, USA and OLA is 30, 60 and 30 days, respectively. Allowance for doubtful accounts is recognized for the full amount of receivables 180 days or more past due and 75% receivables 90-180 days past due.

There are no significant past due but not impaired receivables in Mexico and OLA. In USA as of December 31, 2012 and 2011, $452 and $499 were past due but not impaired since collection was expected.

6. INVENTORIES

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Finished products	$ 1,628	$ 1,721	$ 1,095
Orders in-process	174	157	94
Raw materials, containers and wrapping	2,571	2,832	1,735
Other	(6)	11	47
Allowance for slow-moving inventories	(34)	(23)	(1)
	4,333	4,698	2,970
Raw materials in-transit	258	282	162
	$ 4,591	$ 4,980	$ 3,132

7. SPECIAL PURPOSE ENTITIES

BBU and Sara Lee enter into franchise agreements with independent third party contractors ("Independent Operators") representing distribution rights to sell and distribute the Company's products via direct—store—delivery to retail outlets in defined sales territories. BBU and Sara Lee do not hold equity interests in any of the Independent Operator entities. Independent Operators generally finance the purchase of distribution rights through note agreements with a financial institution which, in the aggregate, are partially guaranteed by Sara Lee or financed by BBU. In addition, BBU and Sara Lee maintain explicit and implicit commitments to maintain the function of routes to ensure product delivery to customers. BBU and Sara Lee determined that all Independent Operators which are separate legal entities, qualify as special purpose entities that are in substance controlled by the Company, mainly as a result of providing or guaranteeing financing, as well as its obligation to maintain distribution routes. Accordingly, such SPE are consolidated by the Company.

Assets and liabilities of SPE included in the accompanying consolidated financial statements are as follows:

	December 31, 2012	December 31, 2011
Inventories — finished goods	$ 23	$ 22
Property — trucks	830	829
Intangible distribution rights	2,208	2,140
Total assets	$ 3,061	$ 2,991
Current maturities of long-term debt:		
Obligations under capital leases	$ 289	$ 236
Independent Operator loans	87	98
Other current liabilities	38	38
Long-term debt:		
Obligations under capital leases	302	399
Independent Operator loans	456	589
Due to related companies	902	664
Total liabilities	$ 2,074	$ 2,024
Non-controlling interest	$ 987	$ 967

Financing provided by BBU to the SPE is eliminated in the accompanying consolidated financial statements.

There is no effect of consolidation of the Independent Operators on the statement of comprehensive income, as all transactions are eliminated upon consolidation against non-controlling interest.

Lease obligations are secured by the vehicles subject to lease and do not represent additional claims on the Company's general assets. The Company's maximum exposure for losses associated with the Independent Operators is limited to $543 of long—term debt of the Independent Operators as of December 31, 2012.

Also, the Company has sold certain equipment and distribution rights in the USA to former employees and certain third parties, which are also Independent Operators, but are not considered SPE, as they are individuals and not legal entities, and are thus not consolidated. These rights, totaling $1,899 are presented in the accompanying consolidated statement of financial position as long—term notes receivable from Independent Operators; of which $416 are current and $1,483 are long-term.

BBU finances 90% of the distribution rights sold to certain Independent Operators. The notes bear an annual interest rate ranging from 9.75% to 10.75% and are payable in 120 monthly installments.

8. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of beginning and ending carrying values in 2012 and 2011 is as follows:

	Balances as of January 1, 2012	Additions	Additions from business acquisitions	Translation effect	Retirements	Revaluation for inflation	Balance as of December 31, 2012
Investment:							
Building	$ 12,307	$ 1,744	$ –	$ (602)	$ (502)	$ 97	$ 13,044
Industrial machinery and equipment	38,469	2,245	–	(1,308)	(695)	199	38,910
Vehicles	10,635	1,102	–	(81)	(357)	25	11,324
Office furniture	686	87	–	(32)	(215)	8	534
Computer equipment	2,580	449		(100)	(115)	10	2,824
Total investments	64,677	5,627	–	(2,123)	(1,884)	339	66,636
Depreciation:							
Building	(4,996)	(1,688)	–	259	489	(73)	(6,009)
Industrial machinery and equipment	(17,792)	(2,346)	–	399	184	(117)	(19,672)
Vehicles	(4,598)	(789)	–	134	161	(27)	(5,119)
Office furniture	(480)	(64)	–	22	183	–	(339)
Computer equipment	(2,060)	(274)	–	181	83	(1)	(2,071)
Total accumulated depreciation	(29,926)	(5,161)	–	995	1,100	(218)	(33,210)
	34,751	466	–	(1,128)	(784)	121	33,426
Land	4,280	419	–	(102)	(215)	13	4,395
Projects-in-progress and machinery in transit	3,559	1,261	–	(150)	(296)	(24)	4,350
Reclassified as assets available for sale	(171)	–	–	11	–	–	(160)
Net investment	$ 42,419	$ 2,146	$ –	$ (1,369)	$ (1,295)	$ 110	$ 42,011

	Balances as of January 1, 2011	Additions	Additions from business acquisitions	Translation effect	Retirements	Revaluation for inflation	Balance as of December 31, 2011
Investment:							
Building	$ 10,850	$ 921	$ (141)	$ 749	$ (193)	$ 121	$ 12,307
Industrial machinery and equipment	30,098	2,487	5,687	2,655	(2,709)	251	38,469
Vehicles	8,296	1,324	854	601	(494)	54	10,635
Office furniture	641	41	43	21	(61)	1	686
Computer equipment	2,045	147	296	184	(99)	7	2,580
Total investments	51,930	4,920	6,739	4,210	(3,556)	434	64,677
Depreciation:							
Building	(4,834)	(453)	–	(265)	635	(79)	(4,996)
Industrial machinery and equipment	(15,734)	(2,184)	–	(1,287)	1,549	(136)	(17,792)
Vehicles	(3,756)	(717)	–	(455)	333	(3)	(4,598)
Office furniture	(428)	(422)	–	(15)	432	(47)	(480)
Computer equipment	(1,617)	(259)	–	(283)	99	–	(2,060)
Total accumulated depreciation	(26,369)	(4,035)	–	(2,305)	3,048	(265)	(29,926)
	25,561	885	6,739	1,905	(508)	169	34,751
Land	3,461	235	410	207	(34)	1	4,280
Projects-in-progress and machinery in transit	1,954	1,340	260	42	(36)	(1)	3,559
Reclassified as assets available for sale	–	–	(171)	–	–	–	(171)
Net investment	$ 30,976	$ 2,460	$ 7,238	$ 2,154	$ (578)	$ 169	$ 42,419

9. INVESTMENT IN SHARES OF ASSOCIATED COMPANIES, JOINT VENTURES AND OTHER PERMANENT INVESTMENTS

At December 31, 2012 and 2011 and January 1, 2011, the investment in shares of associated companies, joint ventures and other permanent investments are as follows:

Associated companies	% of ownership	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Beta San Miguel, S. A. de C. V.	8	$ 508	$ 447	$ 378
Mundo Dulce, S. A. de C. V.	50	336	304	291
Fábrica de Galletas La Moderna, S. A. de C. V.	50	267	267	255
Grupo La Moderna, S. A. de C. V.	3	156	156	156
Congelación y Almacenaje del Centro, S. A.de C. V.	15	98	88	83
Fin Común, S. A. de C. V.	30	71	74	79
Productos Rich, S. A. de C. V.	18	101	95	78
Grupo Altex, S. A. de C. V.	11	76	67	70
Ovoplus, S. A. de C. V.	25	46	51	52
Innovación en Alimentos, S. A. de C. V.	50	29	27	28
Pierre, L. L. C.	30	–	14	14
Blue Label de México, S. A. de C. V.	40	427	210	–
Others	Various	27	3	69
		$ 2,142	$ 1,803	$ 1,553

10. INTANGIBLE ASSETS

Following is an analysis of the intangible assets balance by geographical area:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Mexico	$ 9,425	$ 9,452	$ 1,941
USA	15,423	16,710	16,115
Iberia	754	792	–
OLA	1,593	1,771	1,007
Assets available for sale	(505)	(532)	–
	$ 26,690	$ 28,193	$ 19,063

At December 31, 2012 and 2011, and January 1, 2011, detail of intangible assets is as follows:

	Average useful life	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Trademarks	Indefinite	$ 19,479	$ 20,320	$ 15,407
Rights of distribution and use	Indefinite	2,329	2,268	36
		21,808	22,588	15,443
Customer relationships	18 years	5,629	6,048	3,833
Licensing agreements and software	8 and 2 years	333	358	247
Non-compete agreements	5 years	23	25	18
Others		34	36	23
		6,019	6,467	4,121
Accumulated amortization		(1,137)	(862)	(501)
		4,882	5,605	3,620
		$ 26,690	$ 28,193	$ 19,063

Intangibles related to customer relationships stems from the acquisition of Weston Foods, Inc. in 2009 and Sara Lee Bakery Group, Inc. in 2011. The net carrying amount of customer relationships from the acquisition of Weston Foods and Sara Lee as of December 31, 2012 are $3,119 and $1,143, and will be fully amortized in approximately 14 and 17 years, respectively.

The intangible assets by geographical area correspond to the following:

	December 31, 2012		December 31, 2011		January 1, 2011 (transition date)	
Mexico:						
Barcel	$	1,141	$	1,141	$	1,133
El Globo		360		360		360
Bimbo		310		310		310
BBU		6,998		6,998		34
Others		111		111		104
USA		15,423		16,710		16,115
Iberia		754		792		–
OLA:						
Brazil		623		730		726
Fargo		556		587		–
Others		414		454		281
	$	26,690	$	28,193	$	19,063

Movements in trademarks during the years ended December 31, 2012 and 2011 were as follows:

	December 31, 2012		December 31, 2011	
Balance as of January 1	$	20,320	$	15,407
Acquisitions		–		4,730
Impairment		–		(64)
Adjustments due to variations in exchange rates		(841)		247
Balance as of December 31	$	19,479	$	20,320

Amortization for the years ended December 31, 2012 and 2011 was $306 and $254, respectively.

During 2011, the Company recognized an impairment loss in trademarks, assigned to the USA segment, for $64, recognized in general expenses in the consolidated statements of income. Such impairment loss was the result of decreased sales of the related products in such segment.

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%, 3% being the rate used for most trademarks.

11. GOODWILL

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

		December 31, 2012		December 31, 2011		January 1, 2011 (transition date)
Mexico	$	1,232	$	1,232	$	1,232
USA		30,706		32,992		20,771
Iberia		426		451		–
OLA		1,831		2,044		1,707
		34,195		36,719		23,710
Impairment		(4,441)		(4,671)		(3,898)
	$	29,754	$	32,048	$	19,812

Movements in goodwill during the years ended December 31, 2012 and 2011 were as follows:

		December 31, 2012		December 31, 2011
Balance as of January 1	$	32,048	$	19,812
Acquisitions		–		10,320
Impairment		(120)		(268)
Adjustments due to variations in exchange rates		(2,174)		2,184
Balance as of December 31	$	29,754	$	32,048

The Company recognized an impairment loss of goodwill in 2012 related to El Globo (which is assigned to the Mexico reportable segment) in the amount of $120 and in 2011 in Brazil (which is assigned to the OLA reportable segment) in the amount of $268. The impairment loss originated principally from the negative results in operations related to these segments, as reflected in discounted cash flow analyses.

Movement in accumulated impairment losses as of December 31, 2012 and 2011 is as follows:

		December 31, 2012		December 31, 2011
Balance as of January 1	$	4,671	$	3,898
Impairment		120		268
Adjustment due to variations in exchange rates		(350)		505
Balance as of December 31	$	4,441	$	4,671

Allocation of goodwill to cash generating unit

When analyzing impairment, goodwill is allocated to cash-generating units, which are represented mainly by Mexico (Bimbo, Barcel and El Globo), USA, Brazil and others (Iberia and Argentina). Balances of goodwill assigned to each cash-generating unit, after impairment losses, are as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Mexico (El Globo)	$ 218	$ 338	$ 338
USA	26,396	28,649	16,932
Brazil	811	950	1,212
Others	2,329	2,112	1,330
	$ 29,754	$ 32,048	$ 19,812

El Globo

The recoverable amount of the Mexico cash-generating unit (which includes El Globo) is determined based on a value-in-use method, which uses cash flow projections based on financial budgets approved by management of the Company. The cash flows beyond the 10-year period have been extrapolated; using growth rates and operating profit reaching 8% that consider both long-term average operating profits for the industry as well as past experience of the Company. The Company considers a 10-year period for cash flow projections as it is expected that during such period El Globo will reach such average growth rate of the industry. In 2012 and 2011, the pre-tax discount rate used in such projections was 9.3% per annum, considering the time value of money and the specific risks associated with the cash-generating unit. A change of 100 basis points in operating margin would cause the carrying value of the Mexico cash-generating unit to exceed its recoverable amount by $262.

USA

The recoverable amount of the USA cash-generating unit is determined based on a value-in-use method, which uses cash flow projections based on financial budgets approved by management of the Company. The cash flows beyond the 10-year period have been extrapolated; using growth rates and operating profit reaching 8% that consider both long-term average operating profits for the industry as well as past experience of the Company. The Company considers a 10-year period for cash flow projections as it is expected that during such period USA will reach such average growth rate of the industry. In 2012 and 2011, the pre-tax discount rate used in such projections was 6.9% per annum, considering the time value of money and the specific risks associated with the cash-generating unit. Management believes that a possible significant change in the key assumptions on which the recoverable amount of the cash-generating unit is based would not result in the carrying value of the cash-generating unit to exceed its recoverable amount.

Brazil

The recoverable amount of Brazil as a cash-generating unit is determined based on a value in use method, which uses cash flow projections based on financial budgets approved by management of the Company. The cash flows beyond the 10-year period have been extrapolated; using growth rates and operating profit reaching 8% that consider both long-term average operating profits for the industry as well as past experience of the Company. The Company considers a 10-year period for cash flow projections as it is expected that during such period Brazil will reach such average growth rate of the industry. In 2012 and 2011, the pre-tax discount rate used in such projections was 9.1% per annum, considering the time value of money and the specific risks associated with the cash-generating unit.

A change in the operating profit considered, where the Company reaches to 7.5% - 8% in 2018, an a deceleration in the growth rate in 1% for 5 years, would cause the carrying value of Brazil to exceed its recoverable amount by $178.

Others

The recoverable amount of the Others cash-generating unit is determined based on a value in use method which uses cash flow projections based on financial budgets approved by management of the Company, covering a period from 1 to 5 years. Management believes that the possibility of significant changes in the key assumptions on which the recoverable amount is based would not result in the carrying value of the cash-generating unit to exceed its recoverable amount.

The key assumptions vary among each cash-generating unit; however, the key long-term assumptions with the most significant impact in cash flow projections are those included in the perpetuity. Amounts and ranges of such assumptions are as follows:

Increase in sales	3%
Operating margin	8 - 12%
Capital expenditures as percentage of depreciation	100%

12. LONG-TERM DEBT

	Fair Value	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
International bonds – On January 25, 2012, the Company issued a bond under U.S. Securities and Exchange Commission ("SEC") Rule 144 A Regulation S for US$800 million maturing on January 25, 2022. Such bond pays a fixed interest rate of 4.5%, with semiannual payments. The proceeds from this issuance were used to the refinance the Company's debt.	$ 11,750	**$ 10,408**	$ –	$ –
On June 30, 2010 the Company issued a bond under U.S. 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 the refinance the Company's debt, extending the maturity date.	$ 11,426	**$ 10,408**	$ 11,183	$ 9,886
Local bonds – As of December 31, 2012, the Company holds the following local bonds due as follows:				
Bimbo 12- Issued on February 10, 2012, maturing in August 2018, with a fixed interest rate of 6.83%	5,143	**5,000**	–	–
Bimbo 09- Issued June 15, 2009, maturing in June 2014, with interest at the 28-day Interbank Equilibrium rate ("TIIE") plus 1.55%	5,104	**5,000**	5,000	5,000
Bimbo 09-2- Issued June 15, 2009, maturing in June 2016, with a fixed interest rate of 10.60%	2,286	**2,000**	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, 2012, 2011 and January 1, 2011 was $4.8746, $4.6913 and $4.5263 Mexican pesos per UDI, respectively.	3,854	**3,443**	3,313	3,197
Bimbo 02-2- Issued in May 17, 2002, maturing in May 2012.	–	**–**	750	750
Syndicated bank loan 2009 – On January 15, 2009, the Company entered into a long-term bank loan in the amount of the equivalent of US$1,700 million, in which BBVA Bancomer, S. A. Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, as lead agent and a syndicate bank. The loan consists of two tranches, the first which matured in January 2012 (Tranche A), and the second with semiannual maturities from July 2012 to January 2014 (Tranche B). During July 2010, the Company used the proceeds from the issuance of the International Bond, to settle Tranche A in full and during April 2011, used the proceeds from the new syndicated bank loan to settle Tranche B in full.	–	**–**	–	10,736
Syndicated bank loan 2011 - On April 26, 2011, the Company entered into a long-term bank loan in the amount of the equivalent of US$1,300 million, in which Bank of America, N. A., as lead administrative agent, and a bank syndicate, comprised of ten institutions as of the date of the accompanying consolidated financial statements, participate. This bank loan is amortized on a semiannual basis from October 2014 to April 20, 2016. The Company pays interest at London Interbank Offered Rate ("LIBOR") plus 1.10%. The proceeds obtained from this financing were used to refinance existing obligations of the Company contracted during the acquisition of Weston in 2009 and to partially pay for the acquisition of Sara Lee. In January 2012, the Company prepaid US$1,102 million with the proceeds of the issuance of debt obtained during 2012.	2,702	**2,576**	18,172	–

	Fair Value	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Syndicated revolving Multi-currency credit facility – On April 26, 2010, the Company entered into a long–term syndicated revolving multi–currency credit facility with six financial institutions up to the amount of the equivalent of US$750 million. During December 2011, the Company entered into an agreement to amend the terms and conditions of this credit facility with ten financial institutions, increasing the credit facility up to the amount of US$1,500 million and establishing a new maturity date on December 27, 2016. The debt incurs interest at LIBOR plus 1.25% for withdrawals in US dollars and TIIE rate plus 1.00% for withdrawals in Mexican pesos. As of December 31, 2011, the balance of this line–of–credit was US$90 million, which bears interest at LIBOR plus 1.00%. The proceeds obtained from this financing were used to partially pay for the acquisition of Sara Lee. On February 2012, the Company fully paid this credit with the proceeds of the issuance of debt obtained during 2012.	–	–	1,258	–
Euro credit facility – On October 24, 2011, the Company entered into a long–term committed revolving credit facility with a European Bank in the amount of EUR$65 million, which currently bears interest at the European Interbank Offered rate ("EURIBOR") plus 1.00%. The Euro Revolving Credit Facility matures on July 17, 2014. The proceeds obtained from this financing were used to partially pay for the acquisition of Iberia.	1,113	1,121	1,178	–
Mexican Peso revolving credit facility – On October 24, 2010, the Company entered into a committed revolving credit facility with a Mexican Bank in the amount of $5,200, which currently bears interest at the TIIE plus 2.50%. The Mexican Peso Revolving Credit Facility matured on April 27, 2012. In February 2012, the Company fully paid this credit with its own resources.	–	–	2,100	–
Dollar revolving credit facility – On June 30, 2011, BBU revised its unsecured revolving line of credit contracted with an American Bank. The revised line of credit agreement provides for borrowings of up to US$40 million and has a maturity date of November 30, 2013. Interest payments are due monthly on the outstanding balance calculated per annum at LIBOR plus 0.90%. As of December 31, 2012, the Company had no outstanding balance under the line of credit. There are no financial debt covenants associated with this revolving line of credit.	–	–	–	–
Others – Certain subsidiaries have entered into other direct loans to meet their working capital needs, maturing from 2013 to 2018, at various interest rates	2,312	2,312	1,249	1,641
	45,690	42,268	46,203	33,210
Less – Current portion of long–term debt	(1,573)	(1,573)	(4,042)	(1,624)
Less – debt issuance costs	(297)	(297)	(211)	(278)
Long–term debt	$ 43,820	$ 40,398	$ 41,950	$ 31,308

At December 31, 2012, long–term debt matures as follows:

Year	Amount
2014	$ 6,220
2015	107
2016	8,023
2017	–
2018 and thereafter	26,048
	$ 40,398

The committed dual–currency revolving credit facility, local bonds, international bond and syndicate bank loan are guaranteed by the principal subsidiaries of Grupo Bimbo. At December 31, 2012 and 2011, the Company has complied with all the obligations, including financial ratios established in the loan agreements.

13. FINANCIAL INSTRUMENTS

13.1 Categories of financial instruments as of December 31, 2012 and 2011 and January 1, 2011:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 4,278	$ 3,966	$ 3,325
Accounts and note receivables, net	16,294	17,574	13,394
Derivative financial instruments	123	18	145
Guarantee deposits for derivative financial instruments	566	470	35
Total current assets	21,261	22,028	16,899
Non–current assets:			
Notes receivable from independent operators	1,484	1,686	2,102
Investment in shares of associated companies, joint venture and other permanent investments	2,142	1,803	1,553
Derivative financial instruments	533	417	393
Total financial assets	$ 25,420	$ 25,934	$ 20,947
LIABILITIES			
Current liabilities:			
Bank loans	$ 1,573	$ 3,292	$ 1,624
Bonds	–	750	–
Trade accounts payable	9,488	9,090	5,954
Other accounts payable and accrued liabilities	10,800	10,499	6,876
Due to related parties	677	904	802
Derivative financial instruments	237	222	–
Total current liabilities	$ 22,775	$ 24,757	$ 15,256
Bank loans	$ 4,439	$ 20,555	$ 10,584
Bonds	35,959	21,395	20,724
Derivative financial instruments	936	1,961	231
Total financial liabilities	$ 64,109	$ 68,668	$ 46,795

13.2 Risk management

During the normal course of its operations, the Company 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 Company 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 Company is exposed to are:

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

The Company'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 Market Risk Subcommittee for commodities is responsible for risk management of purchase prices of commodities and reviews the consistency of Company´s open positions in the futures markets with the Company's corporate risk strategy. Both functions 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 Company;
- 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 Company 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 Company. The primary purpose of hedging strategies is to achieve a neutral and balanced position in relation to the exposure created by certain financial variables.

13.2.1 Market risks

The Company is exposed to the financial risks associated with fluctuations in foreign currency and interest rates, which are managed by Corporate Treasury. The Company is also exposed to price risk related to certain commodities purchased in its operation, which is managed by commodities subcommittees. The Company occasionally uses derivative financial instruments to mitigate the potential impact of fluctuations in these variables and prices on its results. The Company 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 Company 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 Company 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 Company 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; and

e) Options on commodities futures.

Market risk exposure is monitored and reported on an ongoing basis to the responsible governing area within the Company.

The Company 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 Company to a specific risk. Consequently, the notional amounts of the Company's derivative financial instruments will be consistent with the amounts of the primary positions that are being hedged. The Company does not enter into derivative financial instruments for speculative purposes. If the Company decides to enter into a hedging strategy whereby options are combined, the net premiums paid/collected must represent a cash outflow, meaning the Company should not enter into derivative financial instrument transactions for speculative purposes.

Derivative financial instruments are comprised as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Assets:			
Current –			
Forwards	$ 3	$ 1	$ 6
Premiums paid on options, net	13	–	–
Swaps	29	–	–
Futures contracts:	–	–	–
Fair value of wheat and soybean oil		11	131
Fair value of natural gas and diesel	78	6	8
Total asset derivatives — current	$ 123	$ 18	$ 145
Long-term swaps	$ 533	$ 417	$ 393
Liabilities:			
Current –			
Swaps	$ –	$ (62)	$ –
Forwards	–	(1)	–
Futures contracts:	–	–	–
Fair value of wheat, corn, and soybean oil	(237)	(62)	–
Fair value of natural gas and diesel		(97)	–
Total derivatives liabilities – current	$ (237)	$ (222)	$ –
Swaps	$ (936)	$ (1,961)	$ (230)
Forwards (wheat)	–	–	(1)
Total derivatives liabilities – long- term	$ (936)	$ (1,961)	$ (231)

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Stockholders' equity:			
Fair value of financial instruments designated as cash flow hedges, net of accrued interest	$ 68	$ (450)	$ (11)
Closed contracts for unused futures	(288)	(52)	(8)
	(220)	(502)	(19)
Deferred income tax, net	88	148	–
Accumulated other comprehensive income related to derivative financial instruments	$ (132)	$ (354)	$ (19)

13.2.2 Interest rate risk management

The Company 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, 2012 and 2011 and January 1, 2011, the Company held long-term debt that bore interest at variable rates referenced to the TIIE, UDI, LIBOR and EURIBOR 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 liabilities, 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 10 basis points in the one-month EURIBOR represents management´s best estimate of a reasonable potential change with respect to those rates. The changes in the basis point determined by management would result in a one hundred percent changes of the interest rate. The Company has fully mitigated interest rate risks related to fluctuations in TIIE and 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 and $36 for the years ended December 31, 2012 and 2011, respectively. Such amounts are not deemed significant to the results of the operations of the Company.

An increase/decrease of 10 basis points in EURIBOR would result in a decrease/increase in profit or loss of approximately $1 and $1 for the years ended December 31, 2012 and 2011, respectively. Such amounts are not deemed significant to the results of the operations of the Company.

An increase of 15 basis points in LIBOR would result in an increase in the Company´s comprehensive income of approximately $1 and a decrease of 15 basis points in LIBOR would result in a decrease in Company´s comprehensive income of approximately $1 for the year ended December 31, 2012.

An increase of 100 basis points in TIIE, would result in an increase in the Company´s comprehensive income of approximately $67 and a decrease of 100 basis points in LIBOR, would result in a decrease in Company´s comprehensive income of approximately $69 for the year ended December 31, 2012.

13.2.3 Foreign currency risk management

The Company 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.

– Management of translation of foreign currency risk

  The Company 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 Company 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, 2012 and 2011, loans that have been designated as hedges on the net investment in foreign subsidiaries amounted to US$2,953 and US$2,735 million, respectively.

  As of December 31, 2012 and 2011, amounts that have been designated as hedges of intercompany long-term debt are EUR$406 and EUR$375 million, respectively.

  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 Company adjusts the non-financial asset that is considered the hedged item for the gain or loss previously recognized in other comprehensive income.

– Management of foreign currency transactional risk

  The risk management policy regarding foreign currency exchange rate risk is to hedge forecasted cash flows related to future obligations. Such transactions comply with the criteria to be considered "highly probable" forecasted transactions for purposes of hedge accounting.

– 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 $29 and $8 in profit or loss for the years ended December 31, 2012 and 2011, respectively.

Detail of derivative transactions to hedge the interest and exchange rate risk

The characteristics of the derivatives used to hedge the risks mentioned above and their fair values are as follows:

Amounts as of December 31, 2012					
Date of		Notional	Interest rate		Fair
Commencement	Maturity	amount	Paid	Collected	value
A) Short-term swaps that convert the debt from US dollars to euros and modify the interest rate from a fixed rate based on US dollars to a fixed rate based on euros:					
October 17, 2011	June 17, 2013	50.0(**)	3.52% (Euros)	3.43% (USD)	$ 29
B) 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:					
September 13, 2010	June 6, 2016	155.3 (*)	6.35% (USD)	10.60% (Pesos)	6
C) Swaps that modify the Bimbo 09U local bond currency and interest rate:					
June 10, 2009	June 6, 2016	$1,000	10.54% (Pesos)	6.05% (UDI)	175
June 24, 2009	June 6, 2016	$2,000	10.60% (Pesos)	6.05% (UDI)	347
D) 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:					
February 14, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.24% (USD)	1
February 15, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.30% (USD)	3
February 17, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.27% (USD)	1
Total long-term assets					$ 533
E) Swaps that fix the rate of the long—term bank loan in US dollars:					
May 27, 2009	January 15, 2014	112.5 (*)	2.33% (Fixed)	0.30% (LIBOR)	$ (16)
F) Swaps that fix the interest rate of the Bimbo 09 local bond:					
February 24, 2011	June 9, 2014	1,000	8.00% (Fixed)	6.35% (TIIE+1.55%)	$ (22)
February 24, 2011	June 9, 2014	1,000	7.94% (Fixed)	6.35% (TIIE+1.55%)	(22)
February 28, 2011	June 9, 2014	1,000	8.03% (Fixed)	6.35% (TIIE+1.55%)	(21)
June 26, 2009	June 9, 2014	2,000	7.43% (Fixed)	4.80% (TIIE)	(70)
G) Swaps that convert the Bimbo 09 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:					
February 11, 2011	June 9, 2014	166.0 (*)	5.06% (USD)	8.98% (Pesos)	(152)
April 27, 2011	June 9, 2014	86.6 (*)	3.73% (USD)	7.94% (Pesos)	(107)
April 25, 2011	June 9, 2014	86.2 (*)	3.83% (USD)	8.03% (Pesos)	(114)
April 28, 2011	June 9, 2014	86.7 (*)	3.78% (USD)	8.00% (Pesos)	(121)
H) 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:					
February 17, 2011	June 6, 2016	83.1 (*)	6.47% (USD)	10.54% (Pesos)	(88)
February 17, 2011	June 6, 2016	166.3 (*)	6.53% (USD)	10.60% (Pesos)	(175)
I) 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:					
February 17, 2012	August 3, 2018	72.1 (*)	6.83% (Pesos)	3.33% (USD)	(7)
February 17, 2012	August 3, 2018	70.0 (*)	6.83% (Pesos)	3.27% (USD)	(10)
February 17, 2012	August 3, 2018	100.0 (*)	6.83% (Pesos)	3.25% (USD)	(11)
Total current liabilities (swaps)					$ (936)

(*) Amounts in millions of US dollars
(**) Amounts in millions of euros

A) On October 20, 2011, the Company entered into a cross currency swap, with respect to a loan that was entered into to partially finance the acquisition of Iberia, which converts US$68.4 million of the syndicated bank loan to 50 million euros. The instrument also changes the interest rate from a fixed rate of 3.43% in USD to a fixed interest rate of 3.52% in euros.

B) In connection with the issuance of the Bimbo 09–2 local bonds, for a national amount of $2,000 (equivalent to US$155.3 million), in 2010 the Company entered into a foreign currency swap, which convert the debt from Mexican pesos to US dollars. The exchange rate was set at $12.88 Mexican pesos per US dollar, and the fix interest rate to be paid is 6.35%.

C) In connection with the issuance of the Bimbo 09U local bonds, between June 10 and 24, 2009, the Company 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.

D) and I) In order to convert all the Bimbo 12 local bonds from Mexican pesos to US dollars, between February 14 and 17, 2012 the Company entered into 6 cross currency swaps for an amount of US$50, $50, $72.1, $70, $100 and $50 respectively. All the instruments earn interest at a rate of 6.83% in Mexican pesos and pay interest at a rate of 3.24%, 3.30%, 3.27%, 3.27%, 3.25% and 3.33% respectively.

E) To hedge the interest rate risk on the US dollar portion of Tranche A of the Bank Loan, between May 27 and 29, 2009, the Company entered into three swaps that originally totaled US$300 million and fixed the LIBOR rate to a weighted average rate of 1.63% and 1.66%. As a result of the prepayment in 2011 and 2010 of a portion of the US$300 million and by contracting a cross-currency swap that converts US$68.4 million to euros, as of December 31, 2012, US$112.5 million remain outstanding, which were allocated as hedge of the syndicated bank loan 2011.

F) To hedge the interest rate risk on the issuance of the Bimbo 09 local bonds, on June 26, 2009 the Company entered into an interest rate swap for $2,000 that fix the variable rate to 7.43%, effective July 13, 2009. Additionally, on February 24, 2011, the Company entered into two instruments for $1,000 that fixes TIIE + 1.55% to 8.00% and 7.94%, respectively. On February 28, 2011, the Company entered into another instrument for $1,000 that fixes TIIE + 1.55% to 8.03%.

G) In order to convert the fixed portion of the Bimbo 09 local bonds from Mexican pesos to US dollars, on February 17, 2011, the Company entered into foreign currency and interest rate swaps for $2,000 (equivalent to US$166 million). The exchange rate was set at $12.05 Mexican pesos per US dollar and the interest rate at 5.06%. Additionally, between April 25 and 28, 2011, the Company entered into three additional instruments, each one for $1,000, with exchange rates set at $11.53, $11.55 and $11.60 Mexican pesos per US dollar and fixed interest rates of 3.78%, 3.73% and 3.83%, respectively.

H) 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 Company entered into two foreign currency and interest rate swaps, one for $1,000 (equivalent to US$83.1 million) and the second for $2,000 (equivalent to US$166.3 million), respectively. 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.

Amounts as of December 31, 2011						
Date of Commencement	Maturity	Notional amount	Interest rate Paid	Collected		Fair Value
A) Swaps that convert the debt from USD to Euros and modify the interest rate from a fixed rate based on US dollars to a fixed rate based on euros:						
October 20, 2011	June 17, 2013	50.0(**)	3.52% (Euros)	3.43% (USD)	$	45
B) Swaps that modify the Bimbo 09U local bond currency and interest rate:						
June 10, 2009	June 6, 2016	$1,000	10.54% (Pesos)	6.05% (UDI)		126
June 24, 2009	June 6, 2016	$2,000	10.60% (Pesos)	6.05% (UDI)		246
Total long-term assets					$	417
C) Swaps that fix the rate of the long–term credit line in US dollars:						
May 29, 2009	January 13, 2012	25 (*)	1.66% (Fixed)	0.30% (LIBOR)	$	(1)
May 29, 2009	January 13, 2012	100 (*)	1.63% (Fixed)	0.30% (LIBOR)		(1)
D) Swaps that convert the Bimbo 02–2 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:						
September 15, 2010	May 3, 2012	58.6 (*)	5.70% (USD)	10.15% (Pesos)		(60)
Total current liabilities					$	(62)
E) Swaps that fix the rate of the long–term bank loan in US dollars:						
May 27, 2009	January 15, 2014	150 (*)	2.33% (USD)	0.30% (LIBOR)		(49)
F) Swaps that modify the Bimbo 09 local bond currency and interest rate:						
February 24, 2011	June 9, 2014	1,000	8.00% (Fixed)	6.35% (TIIE+1.55%)	$	(28)
February 24, 2011	June 9, 2014	1,000	7.94% (Fixed)	6.35% (TIIE+1.55%)		(27)
February 28, 2011	June 9, 2014	1,000	8.03% (Fixed)	6.35% (TIIE+1.55%)		(28)
June 26, 2009	June 9, 2014	2,000	7.43% (Fixed)	4.80% (TIIE)		(101)
G) 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:						
September 13, 2010	June 6, 2016	155.3 (*)	6.35% (USD)	10.60% (pesos)		(188)
H) Swaps that convert the Bimbo 09 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:						
February 11, 2011	June 9, 2014	166.0 (*)	5.06% (USD)	8.98% (pesos)		(339)
February 17, 2011	June 6, 2016	83.1 (*)	6.47% (USD)	10.54% (pesos)		(198)
February 17, 2011	June 6, 2016	166.3 (*)	6.53% (USD)	10.60% (pesos)		(397)
April 27, 2011	June 9, 2014	86.6 (*)	3.73% (USD)	7.94% (pesos)		(203)
April 25, 2011	June 9, 2014	86.2 (*)	3.83% (USD)	8.03% (pesos)		(198)
April 28, 2011	June 9, 2014	86.7 (*)	3.78% (USD)	8.00% (pesos)		(205)
Total long-term liabilities					$	(1,961)

(*) Amounts in millions of US dollars
(**) Amounts in millions of euros

A) For the purpose of financing the acquisition of Iberia, on October 20, 2011, the Company entered into a cross currency swap that converts US$68.4 million of the Syndicated bank loan into EUR$50 million. Under this instrument, the Company receives a fixed rate of 3.43% US dollars and pays a fixed rate of 3.52% euros.

B) In connection with the issuance of the Bimbo 09U local bonds, between June 10 and 24, 2009, the Company 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% UDIs to Mexican pesos at fixed rates of 10.54% and 10.60%, respectively.

C) and E) To hedge the interest rate risk on the US dollar portion of Tranche A of the Bank Loan, between May 27 and 29, 2009, the Company entered into three swaps that originally totaled US$300 million and fix the one-month LIBOR to an average rate of 1.63% and 1.66%. On August 25, 2011 the Company prepaid US$175 million of Tranche A of the Bank Loan, so the remaining balance of the hedging instrument of US$125 million was assigned to hedge the Tranche B Bank Loan. Additionally, to hedge the interest rate risk on the US dollar portion of Tranche B of the Bank Loan, on May 27, 2009, the Company entered into a swap for US$150 million that fixes the one-month LIBOR rate at 2.33%.

Tranche B of the Bank Loan was prepaid and the swaps were assigned to the New Syndicated Bank Loan issued in April 2011.

D) and G) In connection with the issuance of the Bimbo 02-2 and the Bimbo 09-2 local bonds, in September 2010 the Company entered into a foreign currency swap and an interest rate swap for $750, equivalent to US$58.6 million, and $2,000, equivalent to US$155.3 million, respectively, which convert the debt from Mexican pesos to US dollars and modify the related interest rates. The applicable exchange rates were $12.79 and $12.88 Mexican pesos per US dollar, and the interest rates to be paid are 5.70% and 6.35%, respectively.

F) To hedge the interest rate risk on the issuance of the Bimbo 09 local bonds, on June 26, 2009 the Company entered into an interest rate swap for $2,000 that fixes TIIE at 7.43% rate, effective July 13, 2009. Additionally, on February 24, 2011, the Company entered into two instruments for $1,000 that fix the variable TIIE plus 1.55% rate to 8.00% and 7.94%. On February 28, 2011, the Company entered into another instrument for $1,000 that fixes the variable TIIE plus 1.55% rate to 8.03%.

H) In order to convert the fixed portion of the Bimbo 09 Revolving Certificates from Mexican pesos to US dollars, on February 17, 2011, the Company entered into foreign currency and interest rate swaps for $2,000 (equivalent to US$166 million), fixing the exchange rate at $12.05 Mexican pesos per US dollar and the interest rate at 5.06%. Additionally, between April 25 and 28, 2011, the Company entered into three instruments, each one for $1,000, with fixed exchange rates of $11.53, $11.55 and $11.60 Mexican pesos per US dollar and fixed interest rates of 3.78%, 3.73% and 3.83%, respectively.

In order to convert the aforementioned instruments from Mexican pesos to US dollars, on February 17, 2011, the Company entered into two foreign currency and interest rate swaps, one for $1,000 (equivalent to US$83.1 million) and the second for $2,000 (equivalent to US$166.3 million), respectively. The exchange rates applicable to these instruments were $12.03 Mexican pesos per US dollar and interest was fixed at 6.47% and 6.53%, respectively.

Amounts as of January 1, 2011					
Date of Commencement	Maturity	Notional amount	Interest rate Paid	Interest rate Commencement	Fair Value
A) Swaps that convert the Bimbo 02–2 and Bimbo 09-2 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:					
September 15, 2010	May 3, 2012	58.6 (*)	5.70% (USD)	10.15% (Pesos)	$ 38
September 13, 2010	June 6, 2016	155.3 (*)	6.35% (USD)	10.60% (Pesos)	105
B) Swaps that modify the Bimbo 09U local bond currency and interest rate:					
June 10, 2009	June 6, 2016	$1,000	10.54% (Pesos)	6.05% (UDI)	85
June 24, 2009	June 6, 2016	$2,000	10.60% (Pesos)	6.05% (UDI)	165
Total long-term assets					$ 393
C) Swaps that fix the interest rate in Bimbo 09 local bonds:					
June 26, 2009	June 9, 2014	$2,000	7.43% (Fixed)	4.87% (TIIE)	$ (87)
D) Swaps that fix the rate of the long—term credit facility in US dollars:					
May 27, 2009	January 15, 2014	150 (*)	2.33% (USD)	0.26% (LIBOR)	(59)
May 29, 2009	January 13, 2012	25 (*)	1.66% (Fixed)	0.26% (LIBOR)	(3)
May 29, 2009	January 13, 2012	100 (*)	1.63% (Fixed)	0.26% (LIBOR)	(12)
E) Swaps that fix the rate of the long—term debt in Mexican pesos:					
June 5, 2009	January 13, 2012	$1,500	6.51% (Fixed)	4.87% (TIIE)	(23)
June 5, 2009	January 15, 2014	$1,500	7.01% (Fixed)	4.87% (TIIE)	(46)
Total long-term liabilities					$ (230)

(*) Amounts in millions of US dollars

A) In connection with the issuance of the Bimbo 02-2 and the Bimbo 09-2 local bonds, in September 2010 the Company entered into a foreign currency swap and an interest rate swap for $750 and $2,000, respectively, which convert the debt from Mexican pesos to US dollars and modify the related interest rates. The applicable exchange rates were 12.79 and 12.88, and the fixed interest rates to be paid are 5.70% and 6.35%, respectively.

B) In connection with the issuance of the Bimbo 09U local bonds, between June 10 and 24, 2009, the Company entered into two foreign currency swaps for $1,000 and $2,000 that together cover the entire Bimbo 09U issue and convert the debt from UDIs to Mexican pesos at fixed rates of 10.54% and 10.60%, respectively.

C) To cover the interest rate risk on the issuance of the Bimbo 09 local bonds, on June 26, 2009 the Company entered into an interest rate swap for $2,000 that fixes TIIE at 7.43% effective in July 13, 2009.

D) To cover the interest rate risk on the dollar portion of Tranche A of the Bank Loan, between May 27 and 29, 2009, the Company entered into three swaps that totaled US$300 million and fix the one-month LIBOR to an average rate of 1.64%. Additionally, to cover the interest rate risk on the US dollar portion of Tranche B of the Bank Loan, on May 27, 2009, the Company entered into a swap for US$150 million that fixes the one-month LIBOR rate at 2.33%.

E) To cover the interest rate risk on the Mexican pesos portion of Tranche A of the Bank Loan, on June 5, 2009, the Company entered into a swap for $1,500 that fixes the 28-day TIIE rate at 6.51%. Since the Company prepaid the portion of Tranche A on August 25, 2010, the related hedge was transferred to the Tranche B Bank Loan. Additionally, to cover the interest rate risk on the Mexican pesos portion of Tranche B of the Bank Loan, on June 5, 2009, the Company entered into a swap for $1,500 that fixes the 28-day TIIE rate at 7.01%.

Foreign Currency Hedge

The Company held forward contracts based on projections of expenses in euros. These instruments cover a notional amount of $24.9, $20 and $25.3 million euros as of December 31, 2012 and 2011 and January 1, 2011, respectively, and fix the exchange rate for the purchase of foreign currency at a price of $17.022, $ 18.1345 and $ 16.3261 Mexican pesos per euro. Their fair value is $3, $1 and $6 at the end of each year, respectively.

Based on its projections of expense, Corporate treasury has diverse obligations in USD, for which reason, at December 31, 2012, it maintains a portfolio of options and forwards that result in a long-term position in forwards with monthly maturities of US$128 million at an average exchange rate of $13.9996 Mexican pesos per USD. The net fair value of the instruments is $(2).

As of December 31, 2011, the Company entered into a forward to hedge the cash outflows related to financial and/or operating liabilities denominated in US dollars. This instrument hedges a notional amount of debt of US$10 million and fixed the exchange rate for purchases of foreign currency at $ 13.8363 Mexican pesos per USD, respectively. The fair value is $(1).

13.2.4 Commodities price risk management

In accordance with the Company´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 Company, 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 Company 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, 2012 and 2011 and January 1, 2011, the Company 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, 2012 and 2011 and January 1, 2011, the contracted futures and their main characteristics were as follows:

Amounts as of December 31, 2012						
		Contracts				Fair
Commencement date	Position	Number	Maturity	Region		Value
Futures contracts to fix the purchase price of natural gas and diesel:						
Various (diesel)	Long	2,530	Various	USA	$	48
Various (gasoline)	Long	735	Various	USA		30
Various (natural gas)	Long	350	Various	Mexico	$	-
Various (natural gas)	Long	246	Various	USA	$	-
Total current assets					$	78
Futures contracts to fix the purchase price of wheat and soybean oil:						
August through December 2012 (wheat)	Long	6,815	May through December 2013	USA	$	(189)
April through December 2012 (wheat)	Long	3,113	May through December 2013	Mexico		(33)
Various (corn)	Long	174	July through December 2013	USA		(5)
Various (soybean oil)	Long	581	March through December 2013	USA		(6)
October through December 2012 (wheat)	Long	179	March through July 2013	OLA		(4)
Total current liabilities					$	(237)

Amounts as of December 31, 2011						
		Contracts			Fair	
Commencement date	Position	Number	Maturity	Region	Value	
Futures contracts to fix the purchase price of wheat and soybean oil:						
September through December 2011	Long	879	From March to September 2012	USA	$	8
Various (soybean oil)	Long	335	From March to May, 2012	USA		3
Total current assets					$	11
Futures contracts to fix the purchase price of natural gas and diesel:						
Various (Diesel)	Long	1,004	Various	USA	$	3
Various (Gasoline)	Long	469	Various	USA		3
Total current assets					$	6
Futures contracts to fix the purchase price of wheat and soybean oil:						
June through December 2011	Long	3,474	From March to December 2012	Mexico	$	(60)
July through November 2011	Long	133	From March to September 2012	OLA		(2)
Total current liabilities					$	(62)
Futures contracts to fix the purchase price of natural gas:						
Various (natural gas)	Long	524	Various	Mexico	$	(65)
Various (natural gas)	Long	215	Various	USA		(32)
Total current liabilities					$	(97)

Amounts as of January 1, 2011						
		Contracts			Fair	
Commencement date	Position	Number	Maturity	Region	Value	
Futures contracts to fix the purchase price of wheat and soybean oil:						
November 2010	Long	1,132	March 2011	Mexico	$	48
November 2010	Long	1,160	March 2011	USA		75
November 2010	Long	14	March 2011	OLA		1
Various (soybean oil)	Long	138	March to May 2011	USA		7
Total current assets					$	131
Futures contracts to fix the purchase price of natural gas and diesel:						
August through December 2010	Long	524	June 2011 through December 2012	Mexico	$	8
August through October 2010	Long	315	March through December 2011	USA		–
Total current assets					$	8

As of December 31, 2012 and January 1, 2011, the Company held two forward contracts to hedge cash flows related to the purchase of inputs denominated in US dollars. As of December 31, 2011 there are no hedges of currency forwards for purchase of inputs.

Amounts as of December 31, 2012				
		Contracts		
Commencement date	Maturity	Notional Amount	Average exchange rate	Fair Value
Forwards to hedge cash flows related to the purchase of inputs in USD:				
September through December 2012	**Between January and April 2013**	**US$80 millions**	**$12.9730**	**2**

Amounts as of January 1, 2011				
		Contracts		
Commencement date	Maturity	Notional Amount	Average exchange rate	Fair Value
Forwards to hedge cash flows related to the purchase of inputs in USD:				
October through November 2010	Between January and April 2011	US$60 millions	$12.4242	(1)

Embedded derivative instruments – As of December 31, 2012 and 2011 and January 1, 2011, the Company 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.

The fair value of other financial assets and liabilities are determined in accordance with accepted pricing models, generally based on discounted cash flow analysis.

In particular, the fair value of loans from financial institutions is determined using the income approach, discounting the contractual cash flows of these liabilities at current rates estimated by the Company. Such current rates are determined through quotations obtained from a variety of counterparties. The rates used were 1.67%, and 1.84% for loans denominated in dollars and euros, respectively. This valuation is considered Level 3, based on the hierarchy described below.

As of December 31, 2012 , 2011 and January 1, 2011, the carrying value of financial assets and liabilities does not vary significantly from their fair value.

The fair value of long-term debt 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 CNBV, that provides prices for financial instruments. Such valuation is considerate 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).

13.2.5 Liquidity risk management

Corporate treasury is responsible for managing liquidity risk. Risk management allows the Company to determine its short-, medium- and long-term cash flow needs, while seeking financial flexibility. The Company maintains sufficient liquidity through an orderly management of its resources and ongoing 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 Company believes that due to the nature of its business, liquidity risk is low.

Obligations resulting from financial instruments and debt amortization are as follows:

	X<1 year	1 year <X<3 years	3 years<X<5 years	X>5years
Debt	$ 2,162	$ 9,597	$ 11,769	$ 32,385
Derivative instruments	(273)	326	(458)	767
Total	$ 1,889	$ 9,923	$ 11,311	$ 33,152

13.2.6 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 Company recognizes an allowance for doubtful accounts. The allowance is increased for those accounts beyond 90 days past due, based on the results of the analysis of each account and the overall results of changes in the accounts receivable and the seasonality of the customers' business. 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, 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 Company.

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 counterparties with whom the Company 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., Merrill Lynch Capital Services, Inc., HSBC Bank, ING. Investment Bank, JP Morgan Chase Bank, N. A., Banco Santander, S. A., Mizuho Corporate Bank, Ltd. and The Bank of Tokyo Mitsubishi ufj, Ltd.

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. Mercado a Término de Buenos Aires
e. 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 Company 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 Company has with its counterparties are large enough to support its current operations; however the Company maintains cash deposits as collateral for payment of derivative financial instruments.

For those commodities future contracts executed in recognized, international markets, the Company 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 Company.

13.2.7 Equity structure management

The Company maintains a healthy relation between debt and equity, to maximize the shareholders' return.

The Company's equity structure consists of net debt of $37,693 and shareholders' equity of $47,058. The Company is not subject to any external requirement related to equity.

As of December 2012 the leverage ratio, calculated as net debt over total equity was 0.80%.

Leverage ratio

The leverage ratio at the end of each period is as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Debt (i)	**$ 41,971**	$ 45,992	$ 32,932
Cash and cash equivalents	**4,278**	3,966	3,325
Net debt	**37,693**	42,026	29,607
Stockholders' equity	**47,058**	48,699	41,853
Net debt to stockholders' equity	**0.80 times**	0.86 times	0.70 times

(i) Debt is comprised of bank loans and short- and long-term bonds.

14. EMPLOYEE BENEFITS AND WORKERS´ COMPENSATION

Net projected liabilities of employee and welfare benefits plans and workers' compensation, by geographical area, are as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Retirement in México	$ 2,912	$ 1,989	$ 1,480
Retirement and post-retirement benefits in USA	5,362	5,259	3,260
Workers' compensation in USA	2,534	2,754	1,153
MEPP in USA	9,400	9,338	-
Total net liability	$ 20,208	$ 19,340	$ 5,893

a. *Mexico*

The Company has a defined benefit pension and seniority premium plan. The Company is also required to pay termination benefit obligations, which does not qualify 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 Company´s funding policy is to make discretionary contributions. During 2012 and 2011, the Company 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, 2012 and 2011 and January 1, 2011 by Jose Muriel Delsordo, 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.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Discount rate	7.13%	7.64%	7.64%
Wage increases	4.50%	4.54%	4.54%

The amounts recognized in profit or loss with respect to defined benefit pension plans:

	December 31, 2012	December 31, 2011
Current service cost	$ 407	$ 370
Interest cost	498	473
Interest income on plan assets	(351)	(390)
Net cost of the period	$ 554	$ 453

The net cost of the period was allocated $120 and $114 in 2012 and 2011, respectively, as cost of sales and the remainder as general expenses. The interest on the net obligation was recognized as finance costs.

The following table shows the funded status of the pension and seniority premium obligations as of the date thereon:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Present value of defined benefit obligation	$ 7,716	$ 6,637	$ 6,041
Less- Fair value of plan assets	4,804	4,648	4,561
Underfunded status of the defined benefit obligation	$ 2,912	$ 1,989	$ 1,480

Movements in the present value of the defined benefit obligation:

	December 31, 2012	December 31, 2011
Present value of the defined obligation as of January 1,	$ 6,637	$ 6,041
Service cost	407	370
Interest cost	498	473
Experience adjustments on the obligation	416	(30)
Benefits paid	(242)	(217)
Present value of the defined benefit obligation as of December 31	$ 7,716	$ 6,637

Movements in fair value of plan assets:

	December 31, 2012	December 31, 2011
Plan assets at fair value as of January 1	$ 4,648	$ 4,561
Return on plan assets	351	390
Experience adjustments on the obligation	47	(86)
Benefits paid	(242)	(217)
Plan assets at fair value as of December 31	$ 4,804	$ 4,648

Categories of plan assets:

	Fair value of plan assets As of December 31, 2012	As of December 31, 2011	As of January 1, 2011 (transition date)
Equity instruments	$ 1,675	$ 842	$ 808
Debt instruments	2,916	3,406	3,689
Others	213	400	64
Total	$ 4,804	$ 4,648	$ 4,561
Expected weighted return	$ 7.13	$ 8.67	$ 8.67
Real weighted return	$ 13.54	$ 5.60	$ 8.60

Fair value of the assets of the plan are measured using valuation techniques that include inputs that are not based on observable market data.

The amounts of experience adjustments are as follows:

	As of December 31, 2012	As of December 31, 2011
Defined benefit obligation	$ 7,716	$ 6,637
Less – Fair value of plan assets	4,804	4,648
Underfunded status	$ 2,912	$ 1,989
Experience adjustments on the defined benefit obligation	$ 416	$ (30)
Experience adjustments on plan assets	$ 47	$ (86)

b. ***USA –*** The Company has established a defined benefit pension plan that covers eligible employees, the benefits of the plan were frozen. The Company´s funding policy is to make discretionary contributions. As of December 31, 2012 and 2011, the Company contributed to such plan $540 and $456, respectively.

The Company also has established post-retirement employee welfare plans, which covers the medical insurance of certain eligible employees. The Company 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, 2012 and 2011 and January 1, 2011 by Mercer (US), Inc. 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.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Average of discount rates	3.65% – 4.2%	4.30 – 4.65%	5.85%
Wage increases	3.75%	3.75%	3.75%
Inflation rates	2.75%	2.75%	1.64%

The amounts recognized in profit or loss with respect to defined benefit pension plans and post-retirement benefits:

	December 31, 2012	December 31, 2011
Current service cost	$ 234	$ 125
Interest cost	686	465
Prior service costs and other	(225)	25
Interest income on plan assets	(485)	(285)
Net cost of the period	$ 210	$ 330

The net cost of the period was allocated $119 and $123 in 2012 and 2011, 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:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Present value of defined benefit obligation	$ 16,959	$ 16,471	$ 7,546
Less - Fair value of plan assets	11,597	11,212	4,286
Underfunded status of defined benefit obligation	$ 5,362	$ 5,259	$ 3,260

Movements in the present value of the defined benefit obligation:

	December 31, 2012	December 31, 2011
Present value of the defined obligation as of January 1	$ 16,471	$ 7,546
Service cost	233	125
Interest cost	686	465
Effect of experience adjustments	(323)	(148)
Effect of changes in demographic assumptions	95	45
Effect of changes in financial assumptions	1,679	501
Business acquisitions	-	7,483
Adjustment for fluctuation in currency exchange	(1,141)	990
Benefits paid	(741)	(536)
Present value of the defined benefit obligation as of December 31	$ 16,959	$ 16,471

Movements in fair value of plan assets:

	December 31, 2012	December 31, 2011
Plan assets at fair value as of January 1	$ 11,212	$ 4,286
Interest income, and others	465	269
Return on plan assets	742	516
Employer and employee contributions	523	449
Business acquisitions	–	5,573
Adjustment for fluctuation in currency exchange	(777)	563
Benefits paid	(568)	(444)
Plan assets at fair value as of December 31	$ 11,597	$ 11,212

Categories of plan assets:

	Fair Value of plan assets As of December 2012	As of December 2011	As of January 1, 2011 (transition date)
Equity instruments	$ 4,386	$ 3,658	$ 1,576
Debt instruments	5,608	5,655	2,301
Others	1,604	1,899	409
Total	$ 11,598	$ 11 212	$ 4,286
Expected weighted return	$ 4.57	$ 7.25	$ 7.5
Real weighted return	$ 12.3	$ 13.9	$ 8.7

Fair value of the assets of the plan are measured using valuation techniques that include inputs that are not based on observable market data.

The amounts of experience adjustments are as follows:

	December 31, 2012	December 31, 2011
Present value of defined benefits obligation	$ 16,959	$ 16,471
Less – Fair value of plan assets	11,597	11,212
Underfunded status	5,362	5,259
Experience adjustments on plan obligation	(323)	(148)
Experience adjustments on plan assets	$ 742	$ 516

Multi-employer pension plans (MEPP)

The Company participates in defined benefits plans defined as MEPP. 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 administered by a trust that is overseen by representatives of all employers and employees. Currently BBU participates in 34 MEPPs.

Some of the Company's MEPP qualify as a defined contribution plans. Therefore, annual contributions are recognized in profit or loss. Other plans qualify as defined benefits, however are accounted for in the same way, as the Company does not have sufficient available information to complete the respective calculations as the nature of the collective plans and involvement of the Company in the management of the plans is limited.

Contributions to the MEPP for the years ended December 31, 2012 and 2011 were $1,426 and $917, respectively. The estimated contributions for 2013 are approximately $1,587.

In case that other employer exits the MEPP´s program, without satisfying the liability of 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 related to the relation between the Company´s obligations to the plan and the relation to the other contributors to the plan.

When the exit of a MEPP is highly probable to happen, is recognized as a provision for the estimated future cash outflows present value, discounted at the actual rate.

The MEPP withdrawal liability generated form the acquisition of Sara Lee, as mentioned in Note 1, is $8,354, resulting from the contractual obligation on the underfunded plans. The amount was determined based on information provided by the fund´s administrator, upon intention to exit the plan. In addition to the amount above, BBU also obtained the information related to other plans not related to Sara Lee´s, for which BBU has expressed its intention to withdraw, and recorded, as a charge to profit or loss in 2011 $564.

During 2012, the Company decided to exit two other MEPPs, in which they participate that resulted in a withdrawal liability and related expense of $954, presented in the other operating expenses line.

Liabilities that have been recorded with respect to the MEPP concept are subject to changes based on changes in wages, seniority and the mix of employees in the plan, which are recognized within income of the year in addition to amounts that are contributed in different MEPPs.

The estimated cost of the withdrawal liability of all the plans is $21,271, of which the Company has provisioned $9,934. The differential not provisioned represents the Company´s best estimate of withdrawal cost of the other plans, for which as of the date of the accompanying consolidated financial statements, the Company does not have the intent of withdrawing.

Welfare benefit plans USA

The Company 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, 2012, 2011 and January 1, 2011, these liabilities were:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Welfare benefit plans			
Current (a)	$ 1,313	$ 1,180	$ 573
Long-term	2,534	2,754	1,153
	$ 3,847	$ 3,934	$ 1,726

(a) Included in other accounts payable and accrued expenses

15. STOCKHOLDERS' EQUITY

a. At December 31, 2012, stockholders' equity consists of the following:

	Number of shares	Historical value	Restatement / translation effect	Total
Fixed capital				
series "A"	4,703,200,000	$ 1,901	$ 2,326	$ 4,227
Reserve for repurchase of shares		747	159	906
Retained earnings		28,307	11,300	39,607
Consolidated net income		2,028	–	2,028
Accumulated translation effect of foreign subsidiaries		–	(1,470)	(1,470)
Accumulated effect of employee benefits		(430)	–	(430)
Unrealized loss on cash flow hedges		(132)	–	(132)
Non-controlling interest in consolidated subsidiaries		2,188	134	2,322
Total		$ 34,609	$ 12,449	$ 47,058

The amounts reclassified from other comprehensive income to profit and loss in 2012 and 2011 were $195 and $178, respectively.

b. Effective April 29, 2011, as a result of a four–to–one stock split, Grupo Bimbo's shareholders authorized an increase in common shares from 1,175,800,000 to 4,703,200,000. Weighted average number of shares outstanding, basic earnings per common share and dividends per share are presented in the accompanying consolidated financial statements as if the stock split had occurred at the beginning of the first comparable period presented.

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.

c. Dividends declared in 2012 and 2011 were:

Approval date:	Mexican pesos per share	Total value
April 20, 2012	$ 0.150	$ 705
April 28, 2011	$ 0.137	$ 647

During 2012 and 2011, the dividends paid to non–controlling shareholders were $136 and $126, respectively.

d. 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, 2012, 2011 and January 1, 2011, the legal reserve, in historical Mexican pesos, was $500.

e. Stockholders' equity, except restated paid–in capital and tax-retained earnings, will be subject to income taxes payable by the Company 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.

f. The balances in the stockholders' equity tax accounts at December 31, are:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Paid-in capital	$ 26,310	$ 25,406	$ 24,473
Net after-tax income	26,175	22,377	18,253
Total	$ 52,485	$ 47,783	$ 42,726

16. FOREIGN CURRENCY BALANCES AND TRANSACTIONS

a. The monetary position in the equivalent of million dollars, presented below, is comprised solely by the Mexican Companies, as the foreign subsidiaries operate mostly in their local currency and the majority of balances in foreign currency relate to transactions with related parties, hence are eliminated in the consolidated financial statements. At December 31, 2012 and 2011,and January 1, 2011, the foreign currency monetary position in the equivalent of millions of US dollars, for the Mexican entities only, is as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Current assets	$ 52	$ 112	$ 77
Liabilities–			
Short-term	(36)	(31)	(53)
Long-term	(1,884)	(2,274)	(1,076)
Total liabilities	(1,920)	(2,305)	(1,129)
Liability position, net	(1,868)	(2,193)	(1,052)
Mexican pesos equivalent	$ (24,303)	$ (30,655)	$ (13,000)

b. As mentioned in Note 20, the Company has significant operations in the USA, OLA and Iberia.

c. The transactions in millions of US dollars, for the Mexican entities only, after elimination of the transactions between consolidated subsidiaries, were as follows:

	December 31, 2012	December 31, 2011
Export sales	$ 1	$ 6
Import purchases of raw materials	$ 109	$ 105
Purchases of fixed assets from foreign countries	$ 17	$ 35

d. The exchange rates in effect at the dates of the consolidated statements of financial position and of issuance of the accompanying consolidated financial statements were as follows:

	March 22, 2013	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Mexican pesos per one US dollar	$ 12.3909	$ 13.0101	$ 13.9787	$ 12.3571

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a. Transactions with related parties, carried out in the ordinary course of business, were as follows:

	December 31, 2012	December 31, 2011
Interest income	$ 1	$ 68
Purchases of:		
Raw materials	$ 5,741	$ 5,279
Finished products	$ 1,341	$ 1,173
Supplies, uniforms and other	$ 488	$ 983

Sales and purchases to related parties are made 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. The net balances due to related parties are:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Beta San Miguel, S. A. de C. V.	$ 51	$ 361	$ 295
Efform, S. A. de C. V.	28	28	27
Fábrica de Galletas La Moderna, S. A. de C. V.	89	42	21
Frexport, S. A. de C. V.	82	87	80
Grupo Altex, S. A. de C. V.	243	229	159
Industrial Molinera Montserrat, S. A. de C. V.	32	11	20
Makymat, S. A. de C. V.	8	6	6
Mundo Dulce, S.A. de C.V.	58	75	64
Ovoplus del Centro, S. A. de C. V.	5	9	48
Pan-Glo de México, S. de R. L. de C. V.	11	1	4
Paniplus, S. A. de C. V.	21	21	24
Proarce, S. A. de C. V.	39	26	35
Uniformes y Equipo Industrial, S. A. de C. V.	10	8	19
	$ 677	$ 904	$ 802

c. Employee benefits granted to Company key management were as follows:

	December 31, 2012	December 31, 2011	January 1, 2011 (transition date)
Short- and long –term direct benefits	$ 351	$ 328	$ 305
Cash payments for purchase of shares	88	80	45
Severance benefits	$ 494	$ 449	$ 408

18. INCOME TAXES

Income taxes in México –

The Company's Mexican operations are subject to ISR and IETU.

ISR – The ISR rate in 2012 was 30%, will remain at 30% for 2013 and will decrease to 29% in 2014 and 28% for 2015 and thereafter. Beginning in 2010, Mexican entities are subject to ISR on an individual basis.

IETU – Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. Beginning in 2010, the IETU rate was 17.5%. The Asset Tax Law ("IMPAC") was repealed upon enactment of the IETU Law; however, under certain circumstances, IMPAC paid in the ten years prior to the year in which ISR is paid may be recovered, according to the terms of the law.

Current income tax is the greater between ISR and IETU.

Based on its financial projections, the Company determined that some of its Mexican subsidiaries will pay ISR in some years and IETU in others. Consequently, those subsidiaries determined their deferred income taxes by year under both regimes, recognized a deferred each year depending on which resulted in a greater liability. The remaining subsidiaries are expected to pay ISR and have thus determined their deferred income taxes based on ISR.

In the last quarter of 2011, the Company determined the deferred income taxes for its acquisitions of Sara Lee USA, Sara Lee España and Fargo, resulting in the recognition of deferred income tax assets (liabilities) of $3,290, $314 and $(621), respectively.

Income taxes in other countries –

Foreign subsidiaries calculate income taxes on their individual results, in accordance with the regulations of each country. The subsidiaries in the USA have authorization to file consolidated income tax returns.

The tax rates applicable in other countries where the Company mainly operates and the period in which tax losses may be applied, are as follows:

	Statutory income tax rate (%) December 31, 2012	Statutory income tax rate (%) December 31, 2011	Period of expiration of tax loss carryforwards
Argentina	35.0	35.0	(A) 5
Austria	25.0	25.0	(B)
Brazil	34.0	34.0	(C)
Colombia	33.0	33.0	(D)
Costa Rica	30.0	30.0	3
Chile	(E) 20.0	20.0	(F)
China	25.0	25.0	5
El Salvador	25.0	25.0	(G)
Spain	30.0	30.0	15
USA	(H) 35.0	(H) 35.0	20
Guatemala	(I) 31.0	(I) 31.0	(G)
Netherlands	25.0	25.0	9
Honduras	(J) 25.0	(J) 25.0	3
Hungary	19.0	19.0	(F)
Luxembourg	21.0	21.0	(F)
Nicaragua	30.0	30.0	3
Paraguay	10.0	10.0	(G)
Panama	25.0	27.5	5
Peru	30.0	30.0	(K)
Czech Republic	19.0	19.0	(L)
Uruguay	25.0	25.0	(L)
Venezuela	34.0	34.0	(M)

(A) Tax losses from sales of shares or other equity investments may only be offset against income of the same nature. The same applies for losses on derivatives. Foreign source tax losses may only be amortized with income from foreign sources.

(B) Tax losses generated after 1990 may be applied indefinitely but may only be offset each year up to an amount equal to 75% of the net taxable profit for the year.

(C) Tax loses may be applied indefinitely, but may only be offset each year up to an amount equivalent to 30% of the net taxable profit for the year.

(D) Tax losses generated in 2005 and 2006 may be amortized within the following eight years, but only up to 25% of the income tax of each year. Beginning 2007, tax losses may be amortized without limitation with respect to value or period.

(E) The income tax rate was 20% in 2011 and 18.5% in 2012 and in 2013, will return to 17%.

(F) No expiration date.

(G) Operating losses are not amortizable.

(H) A state tax should be added to this percentage, which varies in each state of the US. The weighted average combined statutory tax rate for 2012 and 2011 was 39.1% and 39.2%, respectively.

(I) The general tax rate is 5% but the tax base is calculated as follows: Total gross revenues less non– taxable revenues. The optional tax rate is 31% but the tax basis is different: Net income less non-taxable revenues, plus nondeductible expenses, and other deductions.

(J) In the case of a taxable income greater than 1 million Lempiras, an additional 6% must be paid as temporary solidarity tax.

(K) There are two alternatives allowed for tax loss amortization: 1) over the following four years or 2) unlimited amortization up to 50% of the net taxable profit of each year. The Company chose option 1. Once made, an election may not be changed, until the accumulated losses of previous years are applied.

(L) Tax losses may be amortized in the following five years of being generated.

(M) Depending on the nature of the tax losses, the period of amortization may vary: 1) Operating, 3 years; 2) tax inflation adjustment, 1 year; 3) foreign, can only be applied to foreign profits, 3 years; and 4) those originated in tax havens can only be applied to those profits obtained in such jurisdictions, 3 years.

Operations in the USA, Argentina, Colombia, Guatemala, Panamá and Nicaragua are subject to minimum payments of income tax.

Details of provisions, effective tax rate and deferred effects

a. Consolidated taxes on the consolidated income are as follows:

	December 31, 2012	December 31, 2011
Income tax:		
Current	$ 2,636	$ 2,760
Deferred	(488)	2
	2,148	2,762
IETU:		
Current	$ 3	$ 17
Deferred	44	50
	47	67
	$ 2,195	$ 2,829

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, 2012 and 2011:

	December 31, 2012	December 31, 2011
Income before taxes	$ 4,626	$ 8,035
Statutory rate in Mexico	30%	30%
ISR at statutory tax rate	1,388	2,410
Add (less) tax effects of the following items:		
Inflationary effects on the monetary financial position	379	428
Nondeductible expenses, nontaxable revenues and other	115	70
Difference in tax rates and currency of subsidiaries in different tax jurisdictions	(256)	193
Tax effect on the values of property, plant and equipment	(109)	(79)
IETU	47	67
Participation in the results of associates	(15)	(15)
Change in unrecognized tax benefits	646	(245)
Income tax recognized in profit or loss	$ 2,195	$ 2,829
Effective tax rate	47%	35%

In 2012, the effective tax rate increased mainly due to the increase in unrecognized tax benefits stemming from tax loss carry forwards at certain subsidiaries for which they determined it was necessary to have tax profits in the previous years, as well as tax projections where they would generate sufficient taxable profits to recover the benefits of such losses. Therefore, certain subsidiaries that have tax losses did not recognize the related benefit of those tax losses.

Additionally, the Company decided to derecognize a portion of the deferred tax asset generated by its Brazilian operations, originating an expense in profit or loss of the year. These changes are originated because of the deceleration in the operations of the Brazilian subsidiary and its history of recent tax losses. Tax losses can be applied indefinitely, but only at an amount equivalent to 30% of the net taxable profit for the year.

c. The main items originating a deferred income tax asset as of December 31, 2012 and 2011 are:

	January 1, 2011 (transition date)	Effects through profit or loss	Effects through comprehensive income	Changes due to business acquisitions	December 31, 2011
Allowance for doubtful accounts	$ (109)	$ 89)	$ –	$ (21)	$ (219)
Inventories and payments in advance	9	–	–	23	32
Property, plant and equipment	2,010	196	–	1,359	3,565
Intangible and other assets	3,493	128	–	1,027	4,648
Other reserves	(3,095)	(2,181)	(75)	(5,138)	(10,489)
Employee profit sharing	(212)	(15)	–	–	(227)
Tax loss carry forwards	(3,502)	(123)	–	(506)	(4,131)
Tax loss carry forwards reserve	173	381	–	273	827
Translation effect for hedge of net investment	–	1,626	(1,626)	–	–
Deferred IETU	205	50	–	–	255
Other items	(62)	79	(158)	–	(141)
Total (asset) liability, net	$ (1,090)	$ 52	$ (1,859)	$ (2,983)	$ (5,880)

	December 31, 2011	Effects through profit or loss	Effects through comprehensive income	Changes due to business acquisition	December 31, 2012
Allowance for doubtful accounts	$ (219)	$ (81)	$ –	$ –	$ (300)
Inventories and payments in advance	32	(50)	–	–	(18)
Property, plant and equipment	3,565	(358)	–	–	3,207
Intangible and other assets	4,648	372	–	–	5,020
Other reserves	(10,489)	162	153	–	(10,480)
Employee profit sharing	(227)	2	–	–	(225)
Tax loss carry forwards	(4,131)	(255)	–	–	(4,386)
Tax loss carry forwards reserve	827	792	–	–	1,619
Translation effect for hedge of net investment	–	(962)	962	–	–
Deferred IETU	255	44	–	–	299
Other items	(141)	(110)	843	–	592
Total (asset) liability, net	$ (5,880)	$ (444)	$ 1,652	$ –	$ (4,672)

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:

	December 31, **2012**	December 31, 2011	January 1, 2011 (transition date)
Deferred income tax asset	**$ (6,054)**	$ (7,605)	$ (2,700)
Deferred income tax liability	**1,382**	1,725	1,610
Total asset, net	**$ (4,672)**	$ (5,880)	$ (1,090)

d. As of December 31, 2012, tax loss carry forwards, pending amortization against future income taxes, expire as follows:

Years	Amount
2013	$ 256
2014	224
2015	293
2016	242
2017	60
2018 and thereafter	12,849
	13,924
Unrecognized tax losses	(5,145)
Total	$ 8,779

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:

	December 31, 2012	December 31, 2011
Cost of sales		
Raw materials and manufacturing expenses	$ 78,247	$ 60,194
Freight, fuel and maintenance	3,838	2,872
Depreciation	3,269	2,330
	$ 85,354	$ 65,396

	December 31, 2012	December 31, 2011
Distribution, selling, administrative and other expenses		
Wages and salaries	$ 28,030	$ 18,466
Depreciation	2,198	1,959
Freight, fuel and maintenance	5,816	3,791
Professional services and consulting	10,054	8,050
Advertising and promotional expenses	4,539	3,681
Other	29,761	22,619
	$ 80,398	$ 58,566

20. OTHER GENERAL EXPENSES

a. Other general expenses are comprised as follows:

	December 31, 2012	December 31, 2011
Tax incentives	$ (95)	$ (79)
Loss on sale of fixed assets	96	72
Provision for withdrawal of MEPP	954	564
Provision for MEPP	148	–
Other	111	186
	$ 1,214	$ 743

21. COMMITMENTS

Guarantees and/or guarantors

a. Grupo Bimbo, S. A. B. de C. V., along with certain subsidiary companies have guaranteed bonded 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, 2012 and 2011 and January 1, 2011 are US$221.1, US$214.1 and US$98.2 million, respectively.

b. Iberia entered into a contract with third parties, which principally consists of purchase obligations for certain products at a preferential price. The future economic benefit of these estimated at $28. Iberia is also obligated to pay 75% of severance cost to terminated employees of the third parties. The approximate cost of severance is $114. This contract matures in 2015 and may be cancelled only if notification is provided three years in advance.

c. The Company entered into energy self-consumption contracts, committing to acquire certain amounts of renewable energy for a 18 years 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 in 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 2013 amounts $350, and is to be updated annually based on inflation , for the remaining 17 years of the contract.

Lease commitments

a. The Company has long—term commitments under operating leases, principally for 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 Company to pay all related expenses, such as taxes, maintenance and insurance for the term of the contracts. Lease expense was $3,056 and $2,349 for the years ended December 31, 2012 and 2011, respectively. The total amount of future minimum lease commitments is as follows:

Years	Operating leases	Finance leases	Finance leases Non-controlling Interest
2013	$ 1,798	$ 31	$ 281
2014	1,322	29	170
2015	1,027	24	119
2016	819	18	85
2017	1,579	4	46
2018 and thereafter	343	–	14
Total minimum lease payments	6,888	106	715
Amounts representing interest	–	10	122
Present value of net minimum payments	–	96	593
Total	$ 6,888	$ 96	$ 593

22. CONTINGENCIES

Certain contingencies exist, of varying nature, that have arisen in the normal course of business of the Company, for which management has evaluated the likelihood of loss as remote, probable or possible. Based on such evaluation, for those contingencies for which the Company believes it is probable it will be required to use future resources to settle its obligation, the Company has accrued the following amounts:

Type		Amount
Labor-related	$	237
Tax-related		275
Total	$	512

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 Company has restricted cash of $331 and pledged certain assets in Brazil amounting to an additional $24 million as a guarantee of certain tax contingencies, which are presented in other long–term assets.

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, USA, OLA and Iberia. The products which are the source of segment income is comprised of bread (for all segments) and confectionery (Mexico and USA).

The following is the principal data by reportable segment based on the geographical areas in which the Company operates for the years ended December 31, 2012 and 2011:

	2012					
	México	USA	OLA	Iberia	Consolidation eliminations	Total
Net sales	$ 70,491	$ 78,927	$ 22,674	$ 5,182	$ (4,135)	$ 173,139
Operating income (loss) (*)	$ 7,922	$ 1,118	$ (1,101)	$ (570)	$ 18	$ 7,387
Depreciation, amortization, impairment and provision of MEPP	$ 1,813	$ 3,909	$ 848	$ 119	$ –	$ 6,689
EBITDA (*)	$ 9,735	$ 5,027	$ (253)	$ (451)	$ 18	$ 14,076
Net income of controlling stockholders	$ 4,211	$ 180	$ (1,879)	$ (502)	$ 18	$ 2,028
Interest income	$ 184	$ 519	$ 39	$ 6	$ (238)	$ 510
Interest expense	$ 2,479	$ 588	$ 401	$ 102	$ (238)	$ 3,332
Total assets	$ 45,287	$ 72,718	$ 19,750	$ 3,886	$ (4,501)	$ 137,140
Total liabilities	$ 58,188	$ 27,837	$ 5,773	$ 2,013	$ (3,729)	$ 90,082

	2011					
	México	USA	OLA	Iberia	Consolidation eliminations	Total
Net sales	$ 64,368	$ 53,810	$ 18,352	$ 393	$ (3,427)	$ 133,496
Operating income (loss) (*)	$ 7,534	$ 3,058	$ (949)	$ (81)	$ (28)	$ 9,534
Depreciation, amortization, impairment and provision of MEPP	$ 1,672	$ 2,237	$ 1,268	$ 8	$ –	$ 5,185
EBITDA (*)	$ 9,206	$ 5,295	$ 319	$ (73)	$ (28)	$ 14,719
Net income of controlling stockholders	$ 4,517	$ 1,559	$ (834)	$ 265	$ (632)	$ 4,875
Interest income	$ 167	$ 262	$ 25	$ 2	$ (24)	$ 432
Interest expense	$ 2,073	$ 341	$ 361	$ 9	$ (24)	$ 2,760
Total assets	$ 46,585	$ 79,870	$ 20,169	$ 4,101	$ (7,490)	$ 143,235
Total liabilities	$ 64,890	$ 27,884	$ 5,979	$ 2,030	$ (6,247)	$ 94,536

(*) Amount does not include intercompany royalties.

	January 1, 2011					
	México	USA	OLA	Iberia	Consolidation eliminations	Total
Total assets	$ 37,493	$ 48,047	$ 14,905	$ –	$ (2,477)	$ 97,968
Total liabilities	$ 44,713	$ 9,466	$ 5,458	$ –	$ (3,522)	$ 56,115

For the years ended December 31, 2012 and 2011, net sales of the Company's principal client represented 14% of consolidated net sales. There were no other customers to whom sales exceed 10% of total consolidated sales.

24. TRANSITION TO IFRS

The accompanying consolidated financial statements as of and for the year ended December 31, 2012 are the first consolidated financial statements prepared by the Company in accordance with IFRS. Transition date is January 1, 2011, therefore the comparative financial statements for the year ended December 31, 2011, which were previously prepared and issued under Mexican Financial Reporting Standards or MFRS, have been modified to adopt IFRS as of the transition date. Accordingly, the Company applied IFRS 1 – First-time Adoption of IFRS. According to IFRS 1, the Company applied the following mandatory exceptions and certain voluntary exemptions to retrospective adoption.

The Company applied the following mandatory exceptions to retrospective application of IFRS, as follows:

Estimates – Estimates under IFRS at the transition date are consistent with estimates made as of such date under MFRS, unless there is evidence that those estimates were made in error.

Hedge accounting – The Company only claimed hedge accounting for those derivative financial instruments that met IFRS hedge accounting treatment from the date of transition.

Non–controlling interests **–** The Company prospectively applied the guidance with respect to certain recognition and presentation requirements related to non–controlling interests from its date of transition.

The Company has elected the following optional exemptions to retrospective application of IFRS, as follows:

Business combinations **–** All business combinations that occurred before the date of transition have not been restated to reflect the measurement or recognition criteria required by IFRS.

Deemed cost **–** The Company has elected the option to measure certain items of property, plant and equipment at their revalued amounts under MFRS as "deemed cost" under IFRS as of its date of transition, except for some cases in which the acquisition cost was utilized.

Employee benefits **–** The Company elected to recognize all cumulative unrecognized actuarial gains and losses as of its date of transition.

Cumulative translation differences **–** The Company elected to set the previously accumulated cumulative translation balance recognized within stockholders' equity to zero at its transition date.

Investments in subsidiaries, associates and joint ventures **–** The exemption to recognize investments in subsidiaries, associates and joint ventures at deemed cost is applicable only in the separate financial statements. Therefore, it is not applicable in the consolidated financial statements of the entity.

Borrowing costs **–** Capitalization of interest costs on qualifying assets under IFRS will be done prospectively.

Other exemptions are not applicable to the Company.

Reconciliation of MFRS and IFRS:

The effects of adopting IFRS were not significant to the Company´s consolidated financial statements.

IFRS 1 requires the reconciliation of stockholders' equity, comprehensive income and the cash flows of the previous periods. The transition to IFRS did not affect the Company's statement of cash flows.

Following are reconciliations of the Company's consolidated comprehensive income and stockholders' equity to IFRS.

Assets:

	Note	December 31, 2011 (last period prepared under MFRS)	January 1, 2011 (date of transition)
Total equity under MFRS		$ 50,425	$ 44,537
Property, plant and equipment, net	(a)	(1,116)	(1,052)
Intangibles, net	(b)	(372)	(372)
Goodwill	(b)	(457)	(457)
Other assets	(c)	(315)	(381)
Long- term debt	(c)	211	278
Employee benefits – long-term	(d)	(1,913)	(1,122)
Deferred PTU	(e)	182	249
Deferred taxes effects	(f)	484	977
Deferred taxes related to the translation effect of foreign subsidiaries	(g)	1,570	(804)
Total equity under IFRS		$ 48,699	$ 41,853

	Note	December 31, 2011 (last period prepared under MFRS)
Net income under MFRS		$ 5,660
Depreciation of property, plant and equipment	(a)	(64)
Employee benefits costs	(d)	(579)
Deferred PTU	(e)	(67)
Inflationary effects on inflation in subsidiaries		13
Deferred income taxes	(f)	243
Total adjustments to net profit or loss	(c)	(454)
Net income under IFRS		$ 5,206

Notes to MFRS and IFRS reconciliation

A description of the differences between MFRS and IFRS, as of the date of the mentioned consolidated financial statements, are as follows:

a. Property, plant and equipment- IFRS requires the identification and separation of property, plant and equipment into their components, which was principally with respect to buildings, which resulted in an increase to accumulated depreciation and depreciation expense.

b. Intangible assets and goodwill – The effect corresponds to elimination of inflationary effects on intangible assets and goodwill. According to IFRS, inflationary effects are recognized in the financial statements when the economy of the currency in which the Company´s transactions are recorded is considered hyperinflationary. The Mexican economy ceased to be hyperinflationary in 1999 and, as a result, the inflationary effects that were recognized by the Company (except for property, plant and equipment) from 1999 to December 31, 2007 under MFRS have been eliminated.

c. Other assets and long-term debt – Mainly due to the required reclassification under IFRS of debt issuance costs, which are presented net of the related debt, previously presented within other assets. Additionally, the effective interest method was applied with respect to the amortization of such debt issuance costs.

d. Employee benefits –The effect represents the elimination of employee liabilities for severance and the recognition of unamortized actuarial gains and losses as of the date of transition. According to IFRS, liabilities for severance payment are not recognized unless the Company is able to provide evidence of its commitment to end the working relationship with the employee or has made the employee an offer to encourage voluntary retirement. Therefore at January 1, 2011, the termination liability was eliminated and unamortized actuarial gains and losses recognized under MFRS were recognized in retained earnings. In addition, in 2011, the effect includes the discounting the MEPP liabilities to their present value as required under IFRS in the amount of $233. The adjustment also includes effect related to the withdrawal of BBU from certain MEPP (plans others than those related to the acquisition of Sara Lee) in the amount of $331, according to information obtained upon acquisition that withdrawal of such plans was more likely than not.

e. Deferred PTU - IFRS does not permit recognition of deferred PTU assets or liabilities; therefore, the recognized liability under MFRS was eliminated.

f. Deferred taxes - Deferred income taxes were recalculated based on the revised carrying values of assets and liabilities under IFRS.

g. Deferred taxes related to the translation effect of foreign subsidiaries - Represents the cancellation of the beginning balance and the 2010 and 2011 effect of deferred taxes related to the translation effects of foreign operations. The Company chose the option to recycle the beginning balance to retained earnings and to reverse the 2011 effect. Under IFRS, such deferred tax effects are not recognized when the Company has the ability to control the reversal of temporary differences.

Additionally, there were other items that affected retained earnings in the amounts of $3,780 and $(541), but did not affect total stockholder´s equity at the date of transition, as they related to the effects of inflation and conversion effect as of January 1, 2011, as explained previously.

Reclassifications

According to IFRS, Venezuela is the only hyperinflationary country as of 2011. Therefore, the statement of income only includes inflation for that subsidiary and the inflationary effects recorded for an other countries were eliminated.

In conformity with IFRS, current statutory employee profit sharing is presented within operating income; under MFRS, it was presented after operating income.

25. NEW ACCOUNTING PRINCIPLES

The new accounting principles, modifications and interpretations issued, but not effective as of January 1, 2012 and that have not been adopted by the Company are as follows:

– *IAS 1 (revised), Presentation of Financial Statements* – Amendments to IAS 1 require entities to separate items presented in other comprehensive income items into two categories based on whether they can be reclassified to profit or loss in the future. Entities that decide to present items of other comprehensive income before taxes must present the related taxes to the two categories separately. The amendment is applicable for annual periods beginning after July 1, 2012.

– *IFRS 9, Financial Instruments* – IFRS 9 was issued in November 2009, established requirements of classification, recognition and measurement of financial assets. IFRS 9 was reissued in October 2010 to, add the requirements of classification and measurement of financial liabilities and derecognition requirements.

The main requirements of IFRS 9 are described as follows:

– Under IFRS 9, all recognized financial assets that are currently within the scope of IAS 39 Financial Instruments: Recognition and Measurement will be subsequently measured at either amortized cost or fair value. Specifically, debt investments held within a business model whose objective is to collect the contractual cash flows and has contractual cash flows which are solely payments of principal and interest on the principal amount outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other debt instruments and equity investments must be measured at fair value. Additionally, under IFRS 9, an irrevocable election can be made at initial recognition to measure the investment (which is not held for trading) at fair value through other comprehensive income generally recognized in profit or loss.

– The most significant effect of IFRS 9 regarding the classification and measurement of financial assets relates to the accounting treatment of changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities designated as at fair value through profit or loss, the amount of change in fair value of the financial liability that is attributable to changes in credit risk of that liability, is presented under other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or increase a discrepancy in the accounting statement. Changes in fair value attributable to credit risk of financial liabilities not classified subsequently to the income statement. Previously, under IAS 39, the entire amount of the change in fair value of financial liabilities designated as at fair value through profit or loss were presented in the income statement.

In May 2011, it was issued a package of five standards on consolidation, joint arrangements, associates and disclosures, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

IFRS 10 Consolidated Financial Statements - IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements that deals with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. According to IFRS 10, there is only one basis for consolidation for all entities, and that basis is control. The definition of control in IFRS 10 includes three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 11 Joint Arrangements - IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 deals with how a joint arrangement should be classified where two or more parties have joint control. There are two types of joint arrangements under IFRS 11: joint operations and joint ventures. These two types of joint arrangements are distinguished by parties' rights and obligations under the arrangements.

Under IFRS 11, the existence of a separate vehicle is no longer a sufficient condition for a joint arrangement to be classified as a joint venture whereas, under IAS 31, the establishment of a separate legal vehicle is the key factor in determining the existence of a jointly controlled entity.

IFRS 12 Disclosure of Interests in Other Entities - IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities. In general, the disclosure requirements set out in IFRS 12 are more extensive than those in the current standards.

- IAS 28 (revised), Investments in Associates and Joint Ventures - Its purpose is to set the requirements in the application of the equity method for investments in associates and joint ventures. This standard replaces the previous version of IAS 28 Investments in associates and is mandatory from January 1, 2013.

- IFRS 13, Fair Value Measurement – IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS requires or permits fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The standard is mandatory as of January 1, 2013. Early adoption is permitted.

The amendments to IAS 32- Offsetting Financial Assets. Clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of currently has a legally enforceable right of set-off and simultaneous realization and settlement.

The amendments to IFRS 7- Financial Liabilities and the related disclosures require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are required for annual periods beginning on or after January 1, 2013, and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

The Company is in the process of evaluating the effects of adoption of the aforementioned standards on its consolidated financial statements.

26. EVENTS AFTER THE REPORTING PERIOD

The Company evaluated subsequent events as of March 22, 2013, the date these consolidated financial statements were available to be issued.

On February 23, 2012, the Company made, through its subsidiary in USA, the divestures required by the State Department of Justice resulting from the acquisition of Sara Lee (Note 1). The Company received an advance of US$40 in cash from Flowers Food Inc. in exchange for certain trademarks and property and equipment located in Stockton, California.

27. FINANCIAL STATEMENTS ISSUANCE AUTHORIZATION

On March 22, 2012, 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 Company. Consequently, they do not reflect events occurred after that date. These consolidated financial statements are subject to stockholders' approval at the General Stockholders' meeting, where they may be modified, based on provisions set forth by Mexican General Corporate Law.

2012 AWARDS AND DISTINCTIONS

Award / distinction	Awarding organization	Frequency	Description of award / distinction	Description of initiative associated with the award
4th place in the ranking of the 50 top Socially Responsible Companies in Mexico / January 2012	Mundo Ejecu-tivo magazine	Annual	Recognition in the magazine	Social Responsibility Program of Grupo Bimbo, based on a study by the publication
Socially Responsible Company Distinction 2012 / March 2012	Mexican Cen-ter for Philan-thropy (CEME-FI), Alliance for Responsibil-ity in Mexico (AliaRSE) and Forum Em-presa.	Annual	Socially Responsible Company distinction for 12th year in a row	The distinction recognizes com-panies that voluntarily commit to socially responsible management as part of their business philosophy and strategy.
BMV Sustainable Seal / Included in the BMV Sus-tainable Index	The Mexican Stock Exchange	Annual	The distinction recognizes the best companies in the area of Corporate Social Responsibility	This distinction measures real Cor-porate Social Responsibility through a comprehensive evaluation of each company
Grupo Bimbo Prize 2011 / March 2012	Grupo Bimbo	Anual	Premio que entrega Grupo Bimbo a las operaciones más rel-evantes del año.	Mejores resultados y vivencia de la cultura empresarial
Digital Marketing Award 2011 from Grupo Bimbo to its Organizations / March 2012	(Internal Award)	Annual	Award presented by Grupo Bimbo to the most important orga-nizations of the year.	Best results and perpetuation of our business philosophy
Roberto Servitje Re-ceives IPMARK Food & Beverage Global Award / June 2012	Grupo Bimbo Corporate Marketing Department, to BBU, Bubu-lubu, Ricolino México and Mantecadas Bimbo México.	Annual	First award of the prize to the best digital marketing campaigns of the group's brands	Measures effectiveness in the brand execution and innovation on digital platforms

2012 AWARDS AND DISTINCTIONS

Grupo Bimbo: The most admired company in Mexico in 2012 / June 2012	Grupo Reforma	Annual	Recognition in the publication Prestige	Survey among various audiences to determine what company they most admire.
Bimbo is ranked 25th among the 50 most valuable brands in Latin America in 2012, and 6th in the Mexico ranking / July 2012	Millward Brown	Annual	Recognition in the publication	Recognition of Latin American brands based on sales and profits supported publicly by their marketing efforts.
Expo pack Prize 2012: Barcel Chips and Wonder Dutch Country / July 2012	AMEE (Mexican Container and Packaging Association)	Annual	Two trophies for the Barcel and Wonder brands in the Star Container and Packaging Contest 2012	The prize was awarded to the best product packaging in the food category: based on quality, creativity, design and ecology
Award for Excellence in Shared Service Centers (SSC) / August 2012	IQPC (International Quality & Productivity Center)	Annual	Awarded for excellence in best practices for shared service providers and outsourcers	Evaluates the following: *Geographic scope *Level of customer satisfaction *Key performance indicators *Personnel development
The Bimbo brand is ranked in the Top of Part rating in Colombia / September 2012	Consume Track Raddar Views		Recognition in the publication	Ranked in the four largest cities of Colombia, measuring the brands most preferred by Colombians.
Two tv/e Corporate Sustainability and Film Awards for Corporate Social Responsibility / October 2012	*Television for the Environment (tv/e), London*	Annual	First edition, two recognitions: First place in the community investment category and a recognition for Best Film in the 2012 edition of tv/e CSFA	Recognizes the sustainable efforts of companies and their inspiration for living a philosophy of social responsibility
Lorenzo Servitje receives the National Entrepreneur Award / October 2012	Mexican Ministry of the Economy	Annual	Recognition and trophy for emblematic entrepreneurs and drivers of entrepreneurship in Mexico	Recognizes their efforts in the generation of jobs in Mexico and their contributions to the development of Mexican families
"Limpiemos Nuestro México" Awards 2012	Fundación Azteca and Grupo Salinas	Annual	Recognition on Television Azteca and a meal for the best brigade	Recognizes the best brigades from Grupo Bimbo participating in "National Clean Up Mexico Day"
Clean Transport Program Recognition	Ministry of the Environment and Natural Resources	Annual	Award for excellent performance	Participation in the Clean Transport Program of Bimbo, S.A.
Participation Diploma	Ministry of the Environment of Mexico State	Annual	Diploma for participation in the Environmental Expo of Mexico State	Participation in the Environmental Expo of Mexico State

2012 AWARDS AND DISTINCTIONS

National Road Safety Award Certification	National Private Transport Association	Annual	Certification Prize for safe driving	Certification of compliance with road safety processes in transportation in the primary transportation network, evaluating Bimbo's Puebla plant for the certification
Excellence in Project Implementation (Logistical Process Improvements)	Organización Bimbo	Annual	Cash prize of 9.38 days and acrylic trophy	Increase in the optimization and reduction of delivery fleet in the supermarket channel of Bimbo, S.A.
Cargo Transport Image Prize 2012	National Private Transport Association	Annual	Trophy	Recognizes companies with the best image for their cargo fleets (Bimbo, S. A.)
Kosher Certification for Entenmann's and Sanissimo brand products	Kosher Maguen David (KMD)	Annual	Kosher Quality Certification (This certification is given to products, not plants).	Company with leading reliable brands (Bimbo, S. A.)
Clean Industry Certification	Federal Environmental Protection Agency	Every two years	Legal and environmental compliance and environmental systems improvements	Certification for 20 Bimbo, S. A. Plants
Building Bridges	Manpower Group	Annual	Building Bridges toward a more inclusive workplace. We can be agents of change by creating shared social value	Since 2008, Manpower recognizes its clients and companies that have hired people with disabilities, people of low income, refugees and people older than 45. Recognition as "Inclusiveness Partners" (Bimbo Argentina)
Letra Roland Prizes (Letra and Anuaría) for Visual Communication	El Publicista	Annual	Best design of vehicle fleets (Spain).	Bimbo Spain Vehicle Fleet. Obtained first place for Bimbo Iberia.
One year accident free	BCA	Annual	T-shirts	An extraordinary place to work (Bimbo Guatemala)
Boss of the year: Heifner de León	BCA	Annual	USD 2565.00	An extraordinary place to work (Bimbo Guatemala)
First place for Commercial Excellence in Retail Channels	LAC	Annual	Plaque	Preferred supplier of our clients (Bimbo Guatemala).
BRC Certification	FGF de México	Annual	Certification	We are a company with leading and trusted brands for our consumers (Bimbo Guatemala).
BASC Certification	BASC Guatemala	Annual	Certification	We are a company with leading and trusted brands for our consumers (Bimbo Guatemala).

2012 AWARDS AND DISTINCTIONS

National Quality Prize 2011 (presented to Barcel in 2012)	Mexican Ministry of the Economy	Annual	National Quality Prize is the highest recognition for organizational excellence, presented by the President of Mexico to companies and institutions to our distinguished by their performance, competitiveness and culture of innovation	Received by Barcel Mexico.
C-TPAT Certification (Customs-Trade Partnership against Terrorism)	CDN Cuautitlán	Annual		
Clean Industry Recertification for Ricolino San Luis	Federal Environmental Protection Agency	Annual		Ricolino San Luis
"Limpiemos Nuestro México" Recognition	TV Azteca	Annual	Award presented to participating companies in the program that have brought in the most volunteers and achieve the best results in cleaning up the selected area	Barcel Mexico
Gilberto Rincón Gallardo Inclusive Company Distinction	Ministry of Labor and Social Planning	Annual	This prize is awarded to distinguish public, private and social institutions that are committed to good workplace practices toward the inclusion of vulnerable groups, such as people with disability, older adults and people with AIDS.	Ricolino Toluca and Barcel Lerma.
Family-Responsible Company Distinction	Ministry of Labor and Social Planning	Annual	The distinction is an instrument for diagnosing the workplace environment, setting standards for practices in the workplace regarding quality of life on the job as a condition for increasing the company's productivity and competitiveness	Ricolino Toluca and Barcel Lerma.

2012 AWARDS AND DISTINCTIONS

Level III Safe Company Recognition	Ministry of Labor and Social Planning	Annual	This recognition encourages companies to introduce safety prevention and hygiene management systems in order to promote well functioning, secure and clean workplaces	Barcel Yucatán.
BRC Certification (global standard for food safety)	Bureau Veritas	Annual	Requires documented approval to guarantee food safety and quality	Barcel Mérida, Barcel Atitalaquia and Barcel Laguna.
Star Packaging Prize 2012	AMEE (Mexican Container and Packaging Association)	Annual	Crystal trophy engraved with the name of the award, the year in which it was awarded, the logo and initials of the Mexican Container and Packaging Association (AMEE) on the base, also inscribed with the name of the winning product and the company (Gastronomía Avanzada Pastelerías, S.A. de C.V.)	The Mexican Container and Packaging Association invites its affiliates to apply for this award, in this case Laminaciones Técnicas Para Empaques, S.A. de C.V. (LAMITEC) to submit packaging with innovative format or image that they have produced during the year. Once the choice has been made, LAMITEC requests authorization from the client that ordered the packaging to submit it for the price. The presentation of awards takes place in June during the ExpoPack convention in a stand where AMEE exhibits all the winning packaging. LAMITEC invites executives from the participating company who were involved in developing the prizewinning package to participate in the awards ceremony.
AMEE Star Packaging Prize	AMEE (Mexican Container and Packaging Association)	Annual	Recognition of packages with the best qualities for storage, export and product conservation.	Café El Globo 500g
2nd place in 2010 Corporate Social Responsibility ranking	ProHumana Foundation and Qué Pasa magazine	Annual	Distinction for the best companies in the area of Corporate Social Responsibility	This ranking measures real Social Responsibility performance by participating companies through a comprehensive evaluation that includes both CSR policies and programs, and internal culture.

ABOUT OUR GRI REPORT

REPORT PARAMETERS

The sections of this Integrated Annual Report for 2012 entitled Our Strategy and Performance, outline the economic, social and environmental management and practices by Grupo Bimbo, S.A.B. de C.V., in the period between January 1 and December 31, 2012. This is our sixth annual Report published under the guidelines of the Global Reporting Initiative (GRI), Guide G3 .1 and the Food Processing Industry supplement, with specific indicators evaluating the performance of companies that operate in this industry. It is also the first of our reports to show our progress against the goals established for 2015, based on the precepts of ISO standard 26000, translated into a Balanced Scorecard of key indicators on our performance.

Our Report earns a GRI Application Level rating of B, covering 14 indicators partially and 74 fully. This year's report has not been externally verified.

We continue to communicate our performance on an annual basis, and our last report was the 2011 Integrated Annual Report, also prepared under the GRI methodology and the G3 .1 Guide.

In 2012, there were significant changes in this company relating to the ongoing integration of Sara Lee North American Fresh Bakery, Fargo in Argentina and Bimbo Iberia (Spain and Portugal). This integration involved certain modifications to our investment commitments in the United States, where we conducted the process of investment and divestitures indicated by the antimonopoly authorities of that country.

Also in 2012, we began the process of succession for our Corporate Human Relations Director, a post formerly held by Javier Millán Dehesa. In 2013, Raúl Argüelles Díaz González will assume the duties of this position.

Throughout this report, you will be able to observe the evolution of our organization in the years 2010, 2011 and 2012, and to this end, we have re-expressed some information to ensure that the tables and graphs containing quantitative data remain fully comparable.

DATA MEASUREMENT TECHNIQUES

With regard to the measurement techniques used to prepare this report, of the plants we have on record (included in the visual portion of the performance report), the following are not included in the figures mentioned here:

Bimbo Organization plants in Asia, Barcel Occidente, Barcel USA (Coppell) El Globo Guanajuato and Monterrey, Fargo Moreno (BA4), Fargo Martínez (BA6), Sara Lee Dotan, Sara Lee Mobile, Sara Lee Knoxville, Sara Lee London 2, and Sara Lee Rock Island.

For the BBU plants, we used the data as of November as year-end information, because this division only has information available up until that month; to round out the data for the full year we assumed identical results for both months, except for the Sara Lee Fresno, Sara Lee Oakland, Sara Lee Sacramento, Sara Lee San Luis Obispo, Sara Lee Stockton, and Sara Lee Vernon plants, where data was only available as of October as a result of some divestitures and closures. Also, data on the DIN plant (Vero Guadalajara) extends only until the month of July, when the plant was closed.

The Canarias plan was only included in the Biodiversity section, because it was not integrated until the end of the year, so in information terms, it will not be reporting until 2013.

In our figures on company vehicles, we included Nicaragua and China but excluded Venezuela. The data deal only with company-owned vehicles.

WATER

In addition to what is indicated in the general notes, information on Wastewater Treatment and Reutilization exclude the following plans:

Sanissimo, Bimbo Santa María, Galletas Lara, Ricolino México, Ricolino Toluca, DIN (Vero Guadalajara), DVT (Dulces Vero Tlajomulco), Matehuala, Torreón, Lagos, Meoqui, Barcel Occidente, Barcel Coppell, Bimbo El Salvador, Bimbo Honduras, Bimbo Panama, Bimbo Cali, Bimbo Chile Curacavi, Bimbo Brazil Salvador, Fargo Moreno, Fargo Martínez, Bimbo Paraguay, Bimbo Uruguay 3, El Globo México, Haz Pan, Bimbo Iberia Albergaría, Bimbo Iberia Palma, Bimbo Iberia Pimad, Bimbo Iberia Solares, Bimbo Iberia Vigo.

Wastewater treatment data for BBU apply only through the month of November, and we are assuming 100% reutilization because of the way in which the service is administered in that country. Aside from those mentioned in the general modes, the information excludes the following plants:

Montebello, San Francisco, Denver, Roseville, Williamsport, Sara Lee Fresno, Sara Lee Oakland, Sara Lee Sacramento, Sara Lee San Luis Obispo, Sara Lee Stockton, and Sara Lee Vernon.

In the figures on kilograms of COD eliminated, only the Mexican plants are included, and of these, we only have information on the following plants:

Bimbo and Marinela Mexicali, Bimbo Tijuana, Bimbo Hermosillo, Bimbo Chihuahua, Marinela Norte, Bimbo Mazatlán, Bimbo de Occidente (Zapopan), Marinela Occidente, Bimbo San Luis, Bimbo Azcapotzalco, Marinela México, Wonder México, Bimbo Centro, Bimbo Toluca, Suandy México, Bimbo Golfo, Bimbo-Marinela Sureste, Bimbo Yucatán, Jamay, Barcel Lerma, Barcel Laguna, Barcel Atitalaquia, and Barcel Mexicali.

ELECTRICAL ENERGY

In the electrical energy acres, we are now including the energy produced by the wind farm in November and December, and the supply pertains only to plants in Mexico, except for:
Bimbo-Marinela Mexicali, Bimbo Tijuana, Ricolino San Luis, Ricolino México, Ricolino Toluca, DIN (Dulces Vero Guadalajara), Matehuala, the Torreón, Lagos, Jamay, and Meoqui collection centers, and Barcel Mexicali. In the case of the Vero Tlajomulco plant, the figures on electrical energy from the wind park apply only to the month of November.

THERMAL ENERGY

In addition to what is mentioned in the general notes, in the case of thermal energy we are only including data on consumption of natural gas, LP gas and fuel oil at our plants. Diesel fuel is counted for use in generating electrical energy except for the Vero (DIN and DVT), Matehuala and Lagos plants, where it is used as thermal energy, so diesel is not considered in the information for the thermal energy fact sheets.
Vehicle fuel information includes data on diesel, gasoline, LP gas and ethanol.

EMISSIONS

Emissions data include all the diesel consumed by our plants, because the CO_2 from this diesel corresponds to the self-generated portion of electrical energy consumption. The factors used to calculate emissions produced by all types of energy used (electricity from the network, natural gas, LP gas, diesel, gasoline, fuel oil, ethanol) are the same as used in the 2011 report. These factors were published by the GHD Protocol Initiative.

WASTE

On this line we are factoring in only data on nonhazardous waste generated by the internal processes of our plants. We are not including returns (special cases), or waste generated by agencies.

MATERIALITY OF THE REPORT

In order to ensure the materiality of our Integrated Annual Report for 2012 in the area of Social Responsibility, we prepared the report in various phases:

1. Best practice benchmarking

We carried out a study of the best reporting practices around the world, based on 18 leading firms that set the standard in the field of sustainability.

2. Analysis of the 2011 Integrated Annual Report

We analyzed the set of themes covered by the previous report, in order to determine a hierarchy of topics to be addressed, and thus to show our progress and evolution in 2012.

3. Direct study of materiality by area

When we began the phase of compiling information, we established a series of questions for each of the areas that the CSR area is responsible for the new organization. This enabled us to exhaustively analyze the details that were the most relevant in this edition of the Report.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Grupo Bimbo, S.A.B. de C.V.** has presented its report "2012 Integrated Annual Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 24 April 2013

B
GRI REPORT
GRI CHECKED

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 4 April 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

GRI INDEX

STRATEGY AND ANALYSIS			
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	Fully	8-13
1.2	Description of key impacts, risks, and opportunities.	Fully	8-13, 27
Organizational profile			
2.1	Name of the organization.	Fully	4
2.2	Primary brands, products, and/or services.	Fully	4
2.3	Operational structure of the organization	Fully	4
2.4	Location of organization's headquarters.	Fully	4
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	4, 6, 7, 25
2.6	Nature of ownership and legal form.	Fully	4
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	4, 6, 7, 23, 25
2.8	Scale of the reporting organization (Number of employees, operations, net sales, total capitalization, etc.).	Fully	3, 6, 7
2.9	"Significant changes during the reporting period	Fully	179
2.10	Awards received in the reporting period.	Fully	175-179
REPORT PARAMETERS			
Report profile			
3.1	Reporting period for information provided.	Fully	179
3.2	Date of most recent previous report.	Fully	179
3.3	Reporting cycle (annual, biennial, etc.).	Fully	179
3.4	Contact point for questions regarding the report or its contents.	Fully	188
Report scope and boundary			
3.5	Process for defining report content (determining materiality, prioritizing topics within the report; and identifying stakeholders the organization expects to use the report).	Fully	179
3.6	Boundary of the report.	Fully	179
3.7	State any specific limitations on the scope or boundary of the report.	Fully	179
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	179
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Partial	45, 179
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Fully	179
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	179
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	183-187
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	179
GOVERNANCE, COMMITMENTS AND ENGAGEMENT			
Governance			
4.1	Governance structure of the organization.	Fully	15
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	15
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	15
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	15, 21
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	Fully	15

4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	21
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees.	Fully	15
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	21, 23
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	15
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	15
Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	27
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	41, 67
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; Provides substantive funding beyond routine membership dues; or views membership as strategic.	Fully	66
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.	Fully	29
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	15
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	29
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	29

Sourcing			
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy.	Partial	63
FP2	Percentage of purchased volume verified in accordance with credible, internationally recognized responsible production standards.	Partial	63
ECONOMIC PERFORMANCE INDICATORS			
Aspect: Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Partial	67
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	N/A	
EC3	Coverage of the organization's defined benefit plan obligations.	N/A	
EC4	Significant financial assistance received from government.	N/A	
Aspect: Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	N/A	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partial	63
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Fully	90
Aspect: Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	69
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	65-71
ENVIRONMENTAL PERFORMANCE INDICATORS			
Aspect: Materials			
EN1	Materials used by weight or volume.	N/A	
EN2	Percentage of materials used that are recycled input materials.	Fully	50
Aspect: Energy			
EN3	Direct energy consumption by primary energy source.	Fully	45, 55

EN4	Indirect energy consumption by primary source.	Partial	55
EN5	Energy saved due to conservation and efficiency improvements.	Fully	46
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	44, 47
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	44, 47-49

Aspect: Water

EN8	Total water withdrawal by source.	Fully	43
EN9	Water sources significantly affected by withdrawal of water.	N/A	
EN10	Percentage and total volume of water recycled and reused.	Fully	54

Aspect: Biodiversity

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	55-57
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	55
EN13	Habitats protected or restored.	Fully	55-57
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	55-57
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Partial	55-57

Aspect: Emissions, effluents and waste

EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	45
EN17	Other relevant indirect greenhouse gas emissions by weight.	N/A	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	44-46, 48, 49
EN19	Emissions of ozone-depleting substances by weight.	N/A	
EN20	NO, SO, and other significant air emissions by type and weight.	Fully	45
EN21	Total water discharge by quality and destination.	Fully	54
EN22	Total weight of waste by type and disposal method.	Partial	50
EN23	Total number and volume of significant spills.	Partial	54
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	N/A	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	N/A	

Aspect: Products and services

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	50
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partial	51

Aspect: Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	N/A	

Aspect: Transport

EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	46

Aspect: Overall

EN30	Total environmental protection expenditures and investments by type.	N/A	

LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS

Aspect: Employment

LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	N/A	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partial	88
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	N/A	
LA15	Return to work and retention rates after parental leave, by gender.	N/A	

Aspect: Labor/management relations

LA4	Percentage of employees covered by collective bargaining agreements.	Fully	90
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Fully	90
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs.	N/A	

Aspect: Occupational health and safety

LA6	Percentage of total workforce represented in formal joint management—worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	91

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Fully	91
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	92
LA9	Health and safety topics covered in formal agreements with trade unions.	N/A	
Aspect: Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partial	92
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	N/A	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	N/A	
Aspect: Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	N/A	
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	N/A	
HUMAN RIGHTS PERFORMANCE INDICATORS			
Aspect: Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	N/A	
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	N/A	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	92
Aspect: Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	N/A	
Aspect: Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	N/A	
Aspect: Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Partial	86
Aspect: Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	N/A	
Aspect: Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	N/A	
Aspect: Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	N/A	
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	N/A	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	N/A	
SOCIETY PERFORMANCE INDICATORS			
Aspect: Communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	N/A	
FP4	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need	Fully	37, 68, 69
SO9	Operations with significant potential or actual negative impacts on local communities.	N/A	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	N/A	
Aspect: Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	N/A	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	N/A	

SO4	Actions taken in response to incidents of corruption.	N/A	
Aspect: Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	65
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	70
Aspect: Anti-competitive behavior			
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	N/A	
Aspect: Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	N/A	
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS			
Aspect: Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	32
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	N/A	
FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	Partial	39
FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and sugars.	N/A	
FP7	Percentage of total sales volume of consumer products, by product category sold, that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives.	N/A	
Aspect: Product and service labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	39
FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	Fully	36-39
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	N/A	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	N/A	
Aspect: Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	39
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	N/A	
Aspect: Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/A	
Aspect: Compliance			
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	N/A	
ANIMAL WELFARE			
Aspect: Breeding and genetics			
FP9	Percentage and total of animals raised and/or processed, by species and breed type	N/A	
Aspect: Animal husbandry			
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic.	N/A	
FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type.	N/A	
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type.	N/A	
Aspect: Transportation, handling and slaughter			
FP13	Number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.	N/A	

SHAREHOLDER INFORMATION

Mexican Stock Exchange (BMV)
Ticker: BIMBO

Corporate Headquarters
Corporative Bimbo, S.A. de C.V.
Prolongación Paseo de la Reforma
No. 1000
Col. Peña Blanca Santa Fe
Delegación Álvaro Obregón

AUDITOR
Galaz, Yamazaki, Ruiz Urquiza, S. C. (Deloitte Touche Tohmatsu Limited)

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