

## **GRUPO BIMBO TO ACQUIRE WESTON FOODS, INC., CREATING ONE OF THE LEADERS IN THE U.S. BAKING INDUSTRY**

### **Investor Relation Contacts**

Armando Giner  
Tel: (5255) 5268-6924  
[aginer@grupobimbo.com](mailto:aginer@grupobimbo.com)

Andrea Amozurrutia  
Tel: (5255) 5268-6962  
[aamozurrutia@grupobimbo.com](mailto:aamozurrutia@grupobimbo.com)

Fabiola Medina  
Tel: (5255) 5268-6552  
[fmedina@grupobimbo.com](mailto:fmedina@grupobimbo.com)

**Mexico City, December 10, 2008 – Grupo Bimbo, S.A.B. de C.V. ("Grupo Bimbo" or "the Company") (BMV: BIMBO) today announced it has signed an agreement to acquire the U.S. fresh bakery business<sup>1</sup> of Weston Foods, Inc. (WFI) from Dunedin Holdings S.à r.l., a subsidiary of Toronto-based George Weston Limited (TSX: WN) for US\$2,380 million.**

This acquisition encompasses a premium brand portfolio in the fresh-baked bread, rolls, muffins, bagels and sweet baked goods categories, including brands such as ARNOLD®, BOBOLI®, BROWNBERRY®, ENTENMANN'S®, FREIHOFER'S®, STROEHMANN® and THOMAS'®, as well as 22 bakeries and more than 4,000 distribution routes.

WFI's management team has significant industry experience and leads more than 8,000 associates. Their business model, with a focus on growth and profitability, generates strong and consistent financial performance. For the last twelve months ending October 4, 2008, WFI generated US\$2,197 million in sales and approximately US\$275 million in adjusted EBITDA<sup>2</sup>, representing an industry-leading margin of approximately 12.5%.

"This transaction is the most important one in Grupo Bimbo's history and one of the largest in the bread industry. Size alone, however, is not our main objective. Rather, our vision is to become the best baking company, and we further that goal today by demonstrating a commitment and dedication to serving our consumers and customers in the most effective way possible," said Daniel Servitje, Chief Executive Officer of Grupo Bimbo.

W. Galen Weston, Chairman and President of George Weston Limited, added: "We are very proud of the business that our associates at Weston Foods have created. As a leading international baker, we believe Grupo Bimbo will be an excellent steward of this exceptional business. "WFI's business, based primarily on the East Coast, will geographically and commercially complement Grupo Bimbo's existing operations, reunite the brand portfolio following Grupo Bimbo's acquisition of George Weston's Western U.S. baking business in 2002, an create a national platform on which to forge stronger partnerships with national retailers.

<sup>1</sup> Excludes Interbake Foods and Maplehurst businesses.

<sup>2</sup> Adjusted EBITDA by restructuring charges, and adjustments of fair value on commodity derivatives, and of insurance reserves. Excluding these adjustments, the EBITDA would have been US\$255 million.

The integration of WFI's distribution model will allow Grupo Bimbo's U.S. operations to expand into new markets, accelerate the penetration of Bimbo's Hispanic brands, and leverage the growth potential of categories such as English muffins and bagels in underpenetrated markets. The combined operation will benefit from a modernized and highly efficient asset base, following WFI's significant investment in manufacturing capabilities in recent years.

As a result, the acquisition will create one of the largest baked-goods companies in the U.S., with a leadership position in the most attractive regions through a proven and successful business model. The premium brand portfolio will hold a leading position in bread, buns, sweet baked goods and cakes across the U.S. The newly integrated operation will employ more than 15,000 associates, operate 35 plants and distribute its products through more than 7,000 routes.

This acquisition reinforces Grupo Bimbo's global growth strategy, creating a sustainable platform for long-term top line and profit growth, thus enhancing its financial profile. The integration of WFI with Grupo Bimbo's current U.S. operations is expected to generate net annual run rate synergies of approximately US\$95 million by year five, mainly through increased sales, administrative efficiencies, network optimization and scaled purchasing.

The transaction also includes the separate acquisition of approximately US\$125 million of certain financial assets at face value that will generate interest income of approximately US\$11 million, which are not included in WFI's EBITDA adjusted.

With the incorporation of WFI, Grupo Bimbo's 2008 consolidated pro-forma sales and EBITDA generated outside of Mexico would have accounted for nearly 50% and 35%, while the U.S. operation would have contributed approximately 40% and 28%, respectively.

"I am very pleased with the great opportunity that this agreement represents, which would not have been possible without the leadership of Reynaldo Reyna, current president of Bimbo Bakeries USA (BBU), and all his team. I want to thank all BBU associates for their commitment and professionalism. We look forward to welcoming the WFI team to Grupo Bimbo and bringing together our people, ideas, brands and markets in a strong, growing and profitable company," said Daniel Servitje.

Gary Prince, President of Weston Foods, Inc., based in the U.S., added, "This will represent an exciting opportunity, not just for the new company and its associates, but for our consumers, customers and markets. The creation of one of the leading U.S. bakers, with attractive brands and a true national footprint backed by Grupo Bimbo's global presence, will allow us to better serve our customers and the millions who enjoy our products everyday."

Mr. Prince will become President of BBU following the completion of the acquisition, bringing 25 years of leadership in the baking industry and a successful track record in integrating businesses. Reynaldo Reyna, will become Executive Vice President of Western operations, and Fred Penny, current Executive Vice President of WFI, will become Executive Vice President for Eastern operations.

To finance this transaction, Grupo Bimbo has secured fully committed financing from a group of leading financial institutions. The US\$2.3 billion financing will be structured through a one-year US\$600 million Bridge Facility and US\$1.7 billion Term Loan, comprised of three and five-year tranches of US\$900 million and US\$800 million, respectively. The remainder of the purchase price will be funded with cash holdings. The acquisition will preserve the Company's ability to execute its long-term growth plan, while maintaining Grupo Bimbo's financial flexibility and strong credit

---

profile. Post-acquisition, the company's pro forma total debt to EBITDA ratio will be approximately 3.3 times<sup>3</sup>.

Guillermo Quiroz, Chief Financial Officer of Grupo Bimbo, commented: "This important project would not have been possible without the confidence and support received from our financial partners: Bank of America, Banamex Citi, BBVA Bancomer, HSBC, ING and Santander. Despite the current challenging financial environment, these firms were willing to move ahead with us in this transformational step".

The transaction has been approved by the Board of Directors of both companies and is subject to customary closing conditions, including the approval of Grupo Bimbo's shareholders and regulatory clearance. The transaction is expected to close during the first quarter of 2009. Shareholders representing the majority of the outstanding shares of Grupo Bimbo have agreed to approve the transaction at the Shareholders' Meeting.

If the Company fails to complete the transaction under certain conditions related to the financing of the transaction, Grupo Bimbo's liability will be limited to US\$100 million.

Atlas Strategic Advisors LLC is acting as financial advisor, Cleary Gottlieb Steen & Hamilton LLP as legal advisor, White & Case LLP as antitrust advisor, Ritch Mueller, S.C. as Mexican legal advisor and McKinsey & Company as management consultant to Grupo Bimbo.

### **Conference Call**

Grupo Bimbo will hold a conference call to discuss the Weston Foods, Inc. acquisition today at 12.00 pm ET (New York) / 11.00 am CT (Mexico City). The call can be accessed via webcast at <http://ir.grupobimbo.com> or by dialing +877 407 1869 (from within the U.S.) / +201 689 8044 (from outside the U.S.), passcode: Grupo Bimbo

### **About Grupo Bimbo**

Grupo Bimbo is one of the largest baking companies in the world in terms of production and sales volume. As the market leader in the Americas, Grupo Bimbo has more than 80 plants and 800 distribution centers strategically located in 18 countries throughout the Americas, Europe and Asia. Its main product lines include sliced bread, buns, cookies, snack cakes, pre-packaged foods, tortillas, salted snacks and confectionery products, among others. Grupo Bimbo produces over 5,000 products and has one of the most extensive direct distribution networks in the world, with more than 36,000 routes and 97,000 employees. Grupo Bimbo's shares have traded on the Mexican Stock Exchange since 1980 under the ticker symbol BIMBO.

### **About George Weston Limited**

George Weston Limited is a Canadian company founded in 1882 and through its operating subsidiaries constitutes one of North America's largest food processing and distribution groups. Weston has two reportable operating segments: Weston Foods and Loblaw, which is operated by Loblaw Companies Limited. The Weston Foods operating segment is primarily engaged in the baking industry within North America. Loblaw is Canada's largest food distributor and a leading provider of general merchandise, drugstore and financial products and services.

---

<sup>3</sup> Ratio calculated with Debt and EBITDA in Mexican Pesos according to Mexican GAAP.

## **Forward-Looking Statements**

This announcement contains certain statements regarding the expected financial and operating performance of Grupo Bimbo, S.A.B. de C.V., which are based on current financial information, operating levels, and market conditions, as well as on estimations of the Board of Directors of the Company related to possible future events. The results of the Company may differ in regards with those expressed on these statements, due to different factors that are beyond the Company's control, such as: adjustments in price levels, variations in the costs of its raw materials, changes in laws and regulations, or economic or political conditions not foreseen in the countries where the Company operates. Therefore, the Company is not responsible for such differences in the information and suggests that readers review such statements prudently. Moreover, the Company will not undertake any obligation to publicly release any revisions to the statements due to variations of such factors after the date of this press release. This news release may contain references to certain WFI non-GAAP measures such as EBITDA and readers should refer to the Company's materials filed with the securities regulatory authorities in Canada from time to time.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.