
CONSOLIDATING
OUR LEADERSHIP
ANNUAL REPORT GRUMA 2012
gruma

ABOUT THIS REPORT

This report comprehensively presents the financial and sustainability actions and results of GRUMA companies around the world. The report has been prepared in accordance with the methodology of the Global Reporting Initiative (GRI) and specifically version 3.1 of its Sustainability Reporting Guidelines. A materiality analysis was carried out, considering the company's main public matters and the way in which requests and expectations of its stakeholders are addressed. The contents are based on information gathered from participating areas and regions. The sustainability figures and results apply to particular programs and regions, unless otherwise stated.

CONTENTS

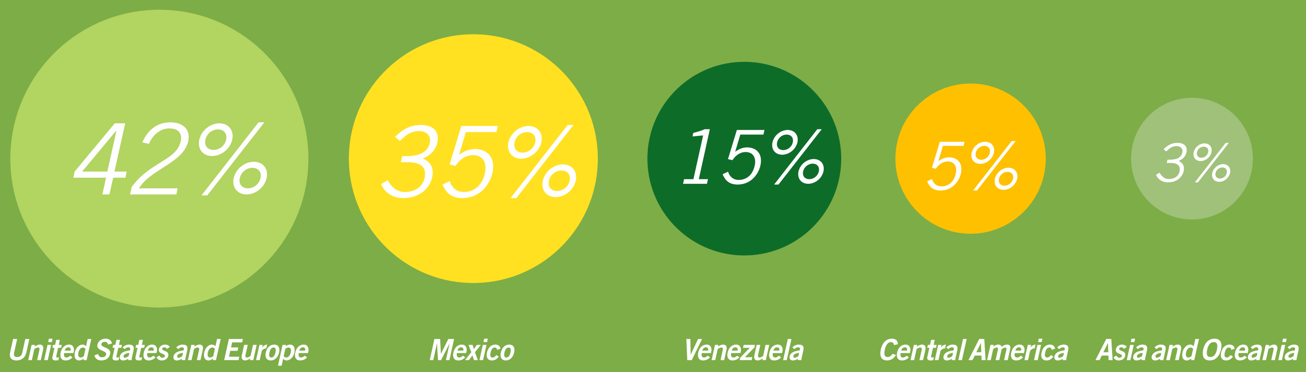
Financial Highlights

GRUMA, S.A.B. DE C.V. and Subsidiaries
(millions of pesos, except where indicated[1])

RESULTS	2012	2011	VAR.
Sales volume[2]	4,826	4,740	2%
Net sales	64,317	57,645	12%
Operating income	3,513	3,338	5%
Operating margin	5.5%	5.8%	(33) bp
EBITDA[3]	5,299	5,081	4%
EBITDA/Sales	8.2%	8.8%	(57) bp
Net income	1,704	5,816	(71)%
Majority net income	1,115	5,271	(79)%
FINANCIAL POSITION			
Cash and cash equivalents	1,287	1,180	9%
Total assets	49,460	44,543	11%
Debt[4]	19,871	13,105	52%
Total liabilities	35,127	26,830	31%
Equity	14,334	17,713	(19)%
Total shareholders' equity	11,302	13,431	(16)%
OTHER DATA			
Millions of ordinary shares	433	564	(23)%
Earnings per share	2.58	9.35	(72)%
Book value per share[5]	26.12	23.83	10%
Year-end share price[5]	39.17	26.40	48%
Market capitalization	16,951	14,880	14%
Capital expenditures	2,785	1,678	66%

(1) All mentions of pesos refer to Mexican pesos.
(2) Thousands of metric tons.
(3) EBITDA = operating income + depreciation and amortization + other non-cash items
(4) In dollar terms, GRUMA's debt increased by 62% to US$1,550 million.
(5) Figures in pesos, based on the number of outstanding shares at year end.

Net Sales by Region



ORGANIZATIONAL PROFILE

Founded in 1949, GRUMA, S.A.B. de C.V. ("GRUMA") is a global food company and the worldwide leader in the production of corn flour and tortillas, as well as an important player in wheat flour and related products, among others.

UNITED STATES AND EUROPE

Gruma Corporation is a producer of corn flour, corn flour tortillas, wheat flour tortillas, flatbreads and other related products.

Main Brands:
Maseca, Mission and Guerrero

Plants in the United States:
23 tortillas and related products plants
6 corn flour plants

Plants in Europe:
4 tortillas and related products plants
1 flatbreads plant
3 corn flour and grits plants

MEXICO

GIMSA
Producer of corn flour

Main Brand: Maseca
18 corn flour plants
1 wheat flour plant
1 other products plant

Molinera de México
Producer of wheat flour
Main Brand: Selecta
9 plants

PRODISA
Producer of corn flour tortillas, wheat flour tortillas and related products

Main Brand:
Mission

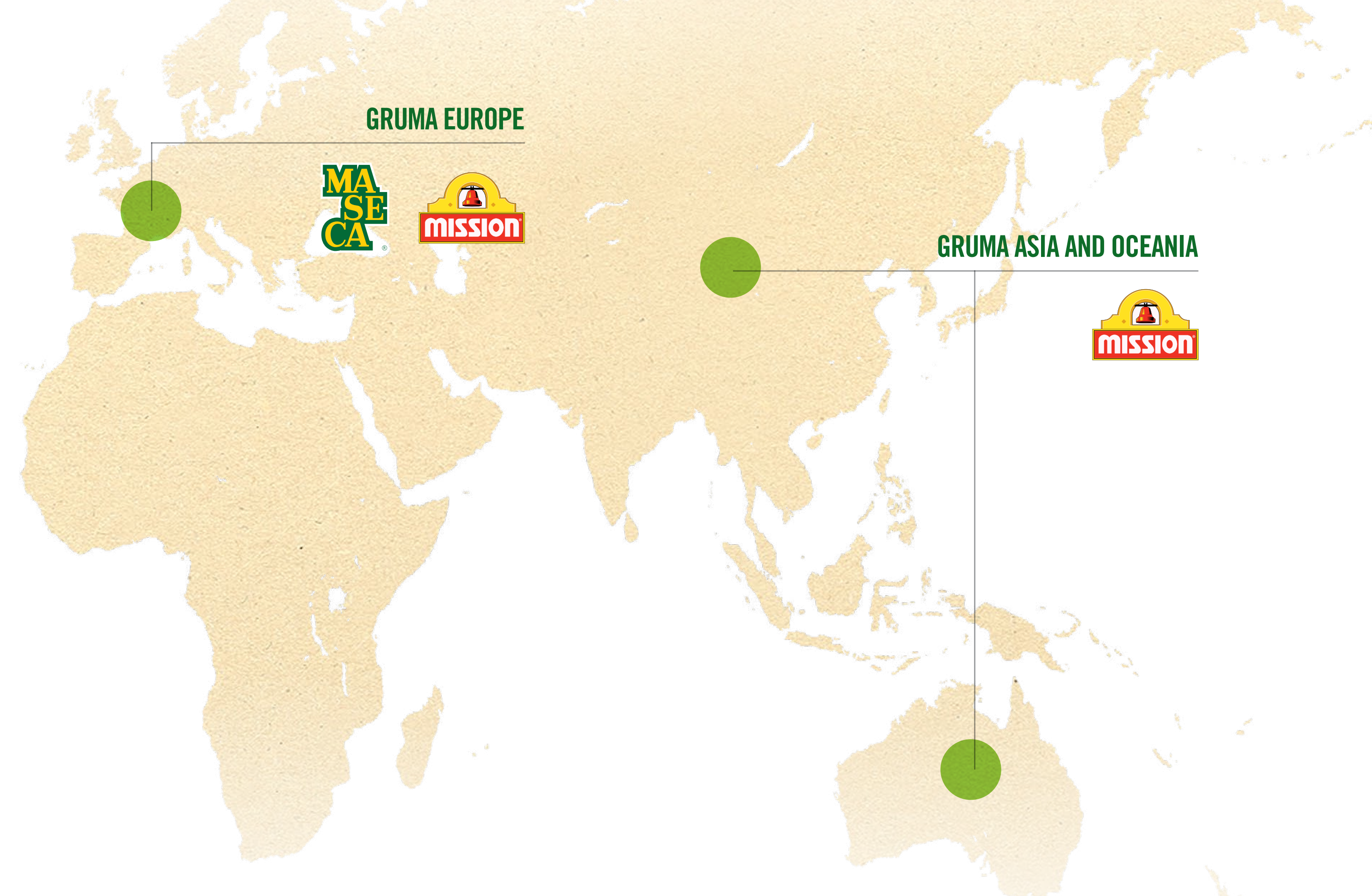
2 plants

INTASA
GRUMA's research and technology division performs the following functions:
- Research and development in corn milling and tortilla production
- Engineering, design, and construction of plants
- Supervision of the design and construction of plants
- Consulting services and employee training
- Manufacture of corn flour and tortilla production equipment
- Sale of equipment to third parties for the production of small volume of tortillas

Main Brands:
Rodotec and Electa

2 plants

GRUMA HAS 100 PLANTS AROUND THE WORLD AND ITS PRODUCTS ARE SOLD IN MORE THAN 100 COUNTRIES THROUGH ITS GLOBAL BRANDS MASECA® AND MISSION® AND ITS DIFFERENT REGIONAL BRANDS: GUERRERO® IN THE UNITED STATES, TORTIRICAS® AND TOSTY® IN COSTA RICA, AND ROBIN HOOD® IN VENEZUELA, AMONG OTHERS.



VENEZUELA

Producer of corn and wheat flour, as well as other products such as oatmeal, rice, spices and pasta

Main Brands:
Robin Hood y Juana

Plants:
5 corn flour plants
5 wheat flour plants
5 other products plants

CENTRAL AMERICA

Producer of corn flour, tortillas and other products

Main Brands:
Maseca, TortiRicas, Mission and Tosty

12 plants

ASIA AND OCEANIA

Producer of corn and wheat flour tortillas, flatbreads and other related products

Main Brand:
Mission

3 plants

A MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS:

In 2012 we performed in a very particular and diverse business environment in the countries in which we operate. In general, stability prevailed in our operations, even though we faced great volatility in raw material prices.

The price of corn and wheat, our main raw materials, showed a sharp upward trend, reaching their highest level of the past four years.

In Mexico, the environment was optimistic, derived from the country's macroeconomic performance and the positive outlook resulting from significant political agreements.

In order to face the volatility in grain prices, our experience and knowledge in hedging was required, ensuring costs for raw materials that allowed us to operate with certainty and profitability in spite of the difficult circumstances.

For GRUMA, 2012 was characterized by a major transformation, driven by internal factors that developed mainly toward the end of the year. In preparation for 2013, during the fourth quarter, a consolidation process was initiated and we implemented a strategy aimed mainly to enhance value creation through increasing cash flow generation and strengthening our financial structure.

This strategy required the implementation, toward the end of the year, of several initiatives that we will continue to reinforce. These include focusing on our core businesses and our most profitable and highest-volume products. Also, administrative expenses have been rationalized through the optimization of shared services and the restructuring of operational and corporate areas. Likewise, we have redirected and streamlined our advertising investment to key markets and optimized promotions and discounts. We have also deferred our entry into new regions, allowing growth to come from markets where we already have presence, resulting in a better use of our installed capacity. Finally, we have set stricter profitability criteria for new investments.

The company has also taken important steps in corporate governance, aimed at increasing value creation and growth. We have reevaluated the way we work with the single goal of being more efficient and laying the foundation of a new development period: changes were made in the Senior Management and the Board of Directors, including a new Chairman and Chief Executive Officer. At the same time, we created an Executive Committee to strengthen the link between the Board of Directors and the company's management with the decision-making process.

WE CREATE CONTINUOUS VALUE

Last December we acquired for US$450 million, Archer-Daniels-Midland's stake in GRUMA and some of its subsidiaries. To fund this transaction, we obtained debt with the commitment to reduce it in the short term. With this acquisition we increased majority net income and earnings per share, all to the benefit of our shareholders.

Operating and financial results were positive in 2012, in spite of adverse circumstances, thanks to our experience, the understanding of our processes and markets, and our capacity to pass on cost increases in product prices. Sales rose 12% and totaled Ps.64,317 million, operating income was Ps.3,513 million, a 5% increase versus last year, and majority net income was Ps.1,704 million.

We made capital expenditures of US$212 million in 2012. We opened our 100th plant, in Florida, United States, and expanded the production capacity of several plants, mainly our tortilla plant in Coventry, England; our corn flour plant in Chiapas, our wheat flour plant in Guanajuato, Mexico; and our corn grits plant in Turkey. We also acquired a tortilla plant in the Netherlands, enter the retail market in China for the first time, and strengthened the presence of our products in Malaysia, Singapore, Hong Kong, Australia and several European countries.

The performance of our shares in the stock market reflected the progress in operating results, our better financial structure, and the confidence in the new orientation of the company toward value creation. The share price increased 48%, from Ps.26.40 in 2011 to Ps.39.17 at the end of 2012.

SUSTAINABILITY IS A PART OF OUR STRATEGY

Our commitment to all our stakeholders is reflected in sustainable production processes, in which efficient use of natural resources and minimal environmental impact are fundamental aspects, not only for the company but for the society as a whole. That is why we invest in ongoing research and development, use the most efficient technologies in our operations and apply continuous improvement processes, which lead to greater competitiveness.

We maintain active support of social causes; in 2012 we contributed 7,480 metric tons of corn and wheat flour, equivalent to 7.5 million 1 kg packages, to victims of drought in central and northern Mexico. Through Fundación Gruma, we contributed Ps.46.3 million to 28 non-governmental organizations (NGOs) and governmental agencies addressing welfare, education, human rights, victims of natural disasters, people with disabilities and health care.

WE SEE THE FUTURE WITH OPTIMISM

The good results we achieved would not have been possible without the trust and preference of our consumers and customers, the talent and effort of our employees, the support of our suppliers, and the confidence of our shareholders. To all of them we extend our deepest gratitude.

Thanks to a clear vision of sustainable growth and value generation, to the best human capital, to technology and infrastructure, and to our strategy, we see the future with optimism, and are committed to building this new period with the principles and values that forged us and that will allow us to achieve even greater heights.

Lic. Juan A. González Moreno
Chairman of the Board of Directors and Chief Executive Officer

GRUMA PHILOSOPHY

MISSION
To contribute to the quality of life of our customers and consumers in all the places we operate, offering high-quality products and services that fit their lifestyles, cultures and needs, generating dynamic and profitable long-term growth to create the greatest value for our shareholders, focusing mainly on our core businesses: corn flour, tortillas, wheat flour and flatbreads.

VISION
To be the absolute worldwide leader in the production, sale and distribution of corn flour and tortillas, as well as one of the main producers of wheat flour, flatbreads and other related products in Mexico, the United States, Central America, Venezuela, Europe, Asia and Oceania.

VALUES

EFFORT
With effort and dedication, GRUMA is today the undisputed worldwide leader in the production of corn flour and tortillas, as well as an important producer of wheat flour and related products such as flatbreads. GRUMA has consolidated its position as a global food company, modern, trustworthy, and socially responsible, through high-quality products and solid brands.

COMMITMENT
Always committed to those who have made us who we are: our consumers, customers, suppliers, employees, shareholders and the community in general. Our commitment is to our country and to the world.

PERSEVERANCE
With perseverance, GRUMA has always maintained a great business vision to reach all corners of the world with success. Over the years the company has managed to overcome financial crises, always moving forward in a positive way, and gaining great learning and growth.

TRANSCENDENCE
GRUMA has transcended with great success in Mexico and the rest of the world for more than 60 years now, being proudly a Mexican company with presence in more than 100 countries, with 100 plants in the Americas, Europe, Asia and Oceania, and more than 20,000 employees.

SUSTAINABILITY MODEL AND DECLARATION

We understand sustainability as the satisfying of the needs of our consumers, customers, shareholders, employees, and the community, under strict ethical standards, always in compliance with regulations, and through deep commitment and long-term vision that contributes to nutrition and combines economic and social development with environmental care as an essential part of our competitiveness.

STAKEHOLDERS

The attention to our various stakeholders is constant, in accordance with the specific needs of each group and in pursuit of meeting their requests and expectations.

STAKEHOLDER	COMMUNICATION SYSTEM	CONTACT FREQUENCY	EXPECTATIONS
INVESTORS	Conference calls, reports, conferences with investors organized by financial institutions, meetings, webpage, email, etc.	Daily	Profitability, value creation, liquidity, sustainability, potential for long-term profitable growth
EMPLOYEES	Meetings, congresses, suggestion box	Daily	Comprehensive development
CONSUMERS	Toll-free 1-800 number, email	Daily	Quality, nutrition, availability, fair prices
CUSTOMERS	Meetings, telephone, email	Daily	Quality, availability, commercial conditions
COMMUNITY	Meetings	Monthly	Environment, community development
ASSOCIATIONS	Meetings, congresses	Monthly	Sector development
MEDIA	Interviews, press conferences, telephone, email	Monthly	Financial aspects and product information
AUTHORITIES	Meetings	Weekly	Quality, sustainability and nutrition
COMPETITORS	Meetings	Monthly	Sector development
UNIVERSITIES	Meetings, congresses, email	Monthly	Sustainability, products
SUPPLIERS	Meetings, congresses, telephone, email	Daily	Development, quality, technology
OPINION LEADERS	Interviews, meetings	Monthly	Financial aspects and product information

TRANSFORMING OURSELVES TO BECOME ***MORE PROFITABLE***

Our strategy is centered on enhancing profitability and increasing cash flow through focusing on our core products, the reduction of costs and expenses and a greater use of our production capacity

During 2012, GRUMA undertook a major transformation driven by internal factors that developed mainly toward the end of the year. In preparation for 2013, during the fourth quarter, a consolidation process was initiated and we implemented a strategy aimed to enhance value creation through increasing cash flow generation and strengthening our financial structure.

Some of the most important initiatives are:

- Greater use of production capacity
- Cost reduction
- Focus on our market and core products
- Increased effectiveness of advertising investment
- Streamlining the business portfolio
- Postponing entry into new regions
- Stricter profitability criteria for new investments

Some of the most key performance indicators achieved in 2012 are:

- 2% increase in sales volume
- 12% growth in net sales
- Acquisition of Archer-Daniels-Midland's stake in GRUMA and some of its subsidiaries for US$450 million
- US$212 million in capital expenditures
  - Started operations of our 100th plant, located in Florida, United States
  - Production capacity expansions at plants in Chiapas and Guanajuato in Mexico, Coventry, England, and Turkey, among others
  - Acquisition of a tortilla plant in the Netherlands
- 48% rise in share price

OUR PRODUCTS ARE AN ESSENTIAL PART OF THE DIET OF MILLIONS OF PEOPLE AROUND THE WORLD. THROUGH THESE PRODUCTS, WE MAKE A POSITIVE IMPACT ON HIGHLY DIVERSE PRODUCTION AND SERVICE SECTORS, GENERATING JOBS, INVESTMENT, TAX REVENUES AND, IN GENERAL, SIGNIFICANTLY DRIVING ECONOMIC GROWTH.

OPERATIONS

We have extensive production capacity and state-of-the-art technology, a result of continuous investment. Our target is to expand the use of plants and equipment while optimizing costs and generating greater efficiency and profitability.

Sales volume of
4,826 thousand metric tons
in 2012

VALUE CREATION (millions of pesos)

	2012	2011
CREATED DIRECTLY	$ 64,716	$ 62,560
DISTRIBUTED	$ 63,013	$ 57,129
RETAINED	$ 1,703	$ 5,431

SALES VOLUME (thousands of metric tons)

	2012	2011	Var. %
GRUMA CORPORATION	1,596	1,478	8
GIMSA	1,983	1,959	1
GRUMA VENEZUELA	478	528	(9)
MOLINERA DE MÉXICO	583	564	3
GRUMA CENTROAMÉRICA	207	229	(9)
OTHER SUBSIDIARIES AND ELIMINATIONS	(22)	(17)	(31)
CONSOLIDATED	**4,826**	**4,740**	**2**

In the United States, Mission continued consolidating its position in the institutional segment, achieving the status of exclusive supplier to some of our private label customers. Furthermore, we achieved greater presence in schools, universities and the health care sector. In these segments, the introduction of whole grain products, which comply with new federal requirements of the school lunch program, were greatly successful, and Mission has been able to position itself as a leader in the K-12 school segment as a result of this initiative.

In the retail segment, the introduction of products with new and improved features, based on consumer needs and preferences, as well as diversification into new distribution channels, have allowed us to strengthen the presence of GRUMA's products in the US tortilla industry.

In the area of tortilla chips, in order to bring Mexican authenticity to the growing organic foods segment, Mission organic products were launched in the northeast region.

In the southeast we expanded our operations, which were strengthened with our 100th plant that started operations in Florida at the end of 2012.

The growth in sales volume is the result of actions implemented in each of GRUMA's main subsidiaries, with the exception of Gruma Venezuela, where operations were negatively impacted by factors beyond our control that have been affecting the broader industrial sector of that country.

OUR 100TH PLANT WAS INAUGURATED IN FLORIDA

Corn flour for tamales was launched simultaneously in all markets in the month of November in order to capture increased volume, as the preparation and consumption of tamales increase during the Christmas season.

In Mexico, GIMSA, through its Maseca brand, focused on emphasizing the nutritional benefits and calorie components of its products while promoting a healthy diet. The brand was promoted in tortillerías and other operations where corn flour is used, as well as in supermarkets, membership stores, and wholesalers.

In 2012, Molinera de México increased its sales because it doubled its production capacity of prepared flours through the expansion of its plant in Celaya, Guanajuato.

GRUMA's performance in Europe was successful. The private label business in the retail sector was strengthened mainly by new customers in the United Kingdom and Germany. On the institutional side, increased volume was obtained from customers in new regions such as France, Netherlands and Poland and from new customers, mainly in France, Norway and Netherlands. In 2012, Mission Foods acquired the Corny Bakers plant in Netherlands, strengthening its portfolio in the European market with corn-based products such as tortillas and taco *shells.*

PRODISA INTRODUCED THREE NEW PRODUCTS IN THE MEXICAN MARKET UNDER THE MISSION BRAND, JOINING THE GLOBAL USE OF THIS BRAND. THE LAUNCHES WERE:

PLANITAS AN OVEN-TOASTED CORN *SNACK*

WRAPS A WHEAT-FLOUR FLATBREAD WITH DIFFERENT KINDS OF CONDIMENTS

PANINAS A THICKER FLATBREAD THAN THE WRAP, ALSO MADE OF WHEAT FLOUR WITH DIFFERENT KINDS OF CONDIMENTS

Also in Europe, the operation of our plant in Samsun, Turkey, which mainly produces corn grits for the *snacks* and cereal market, was consolidated.

In the area of corn grits for *snacks* we increased sales volume in Egypt, Israel, Jordan, Yemen, and Lebanon. In the area of grits for beer we expanded our business in Ukraine and Italy and exported to Australia, South Africa, Tanzania and India. Finally, in the corn flour segment, we strengthened our business in France and obtained new accounts in Egypt.

In China, the global Mission brand was launched in September in the retail segment with a portfolio of four different kinds of wraps. Distribution includes both local and international chains. In Malaysia and Singapore, Mission also launched new product options for the consumer.

In the institutional sector, the presence of GRUMA's products was reinforced in a large part of Asia and Oceania, supplying to customers with operations in Hong Kong, Taiwan, India, China, New Zealand, and other countries.

WRAP
A WIDELY ACCEPTED PRODUCT WORLDWIDE

21,974 people are employed by GRUMA

HUMAN CAPITAL

GRUMA invests continuously in the up-to-date training and development of its human capital. This has been a fundamental factor in the company´s growth.

We have implemented a management model designed to build a world-class company, based on three fundamental pillars: the development of innovative strategies, the training and motivation of employees and the promotion of a dynamic, inclusive, and participatory organizational culture.

Thus, we develop human talent, support career plans, provide ongoing training and employ an objective evaluation system.

Thanks to the training we have provided and the investment we have made, GRUMA's human capital has shaped a flexible and competitive institution that has been able to adapt to a constantly changing world.

We focus on offering the best workplace conditions, ongoing training and professional development and a work-life balance. As a result, we have been recognized for our efforts as the number one company in 2012 in the A Great Place to Work ranking, conducted annually by the Great Place to Work Institute.

In our plants and offices, activities are carried out to promote better conditions for health and general wellbeing, such as health fairs, nutrition programs, clinical studies, demonstrations of healthy foods, sporting events and vaccination campaigns, among others. In the United States, biometric tests were offered to employees at 13 of our plants.

EMPLOYEES	2012	2011
TOTAL	21,974	21,318
FULL-TIME	94.4%	93.6%
TEMPORARY	5.6%	6.4%

WE FOCUS ON PROVIDING THE BEST WORKPLACE CONDITIONS, ONGOING TRAINING AND PROFESSIONAL DEVELOPMENT, AND A HEALTHY WORK-LIFE BALANCE

Based on the results, some of the employees were referred to doctors and nutritionists for treatment, prescriptions and suggestions on improving their lifestyles from a health standpoint.

Specific projects were developed to positively impact work-life balance. In Costa Rica, we created a Children's Comprehensive Care Center in conjunction with the government and the employees' association of DEMASA, S.A. Also, the "Zero Poverty" program was implemented to provide employees with financial aid for housing.

In Europe, organizational efficiency programs have been implemented to integrate new personnel into the GRUMA culture, always taking into account the unique characteristics of the local culture. We also work on workplace issues such as inclusiveness and diversity, since this is a region where people of many countries, languages, cultures and beliefs come together.

Our technology division carried out the "Your Initiative" program, whose goal is to strengthen a culture of continuous improvement by drawing on employee ideas, thereby making the company more competitive and profitable. The results have been very promising, as 256 employee initiatives were received. The program generates collateral benefits such as employee motivation, a better workplace environment, the creation of a participatory culture and improvement in communications at all organizational levels.

In Venezuela, we worked on providing more work and social opportunities to people with disabilities and a willingness to work, seeking to ensure equitable hiring practices.

SUPPLIERS AND RURAL SUPPORT

We maintain constant and reciprocal relations with our value chain, in a context of communication, development and fair trade, all within the perspective of the company's code of ethics. One of our policies is to favor local suppliers and long-term relationships.

MASECA "HAND IN HAND" PROJECT

This project consists of an agreement between the governments of the states of Aguascalientes and San Luis Potosí, which were affected by drought, whereby GRUMA donated one peso for every kilo of Maseca corn flour sold for a period of three months, to be matched by those state governments. The funds were then allocated to the purchase of agricultural technology packages to be used to plant crops in backyards and special plots, with a view to reinvigorating the economy in rural areas. A total of 40,018 packages were donated, 30,527 in San Luis Potosí and 9,491 in Aguascalientes.

40,018

agricultural technology packages were donated

TRAINING FOR AGRICULTURAL PRODUCERS

Training was provided to 960 agricultural producers in the states of Chiapas, Quintana Roo, Campeche, Oaxaca, Puebla, Tlaxcala, Estado de México, Guanajuato and Chihuahua, with the aim of providing techniques and skills to improve the quality of wheat and corn harvests, as well as to establish a responsible business framework for fair trade, the generation of value chains and economic development.

SUPPORT TO THE FUNDACIÓN EL GRAN OLVIDADO

Through this program, GRUMA provides support in the state of Puebla in the form of training and direct follow-up in the process of wheat cultivation over an area of 600 hectares. In 2012 this resulted in an increase in production of gluten-rich wheat and more efficient use of the resources assigned by the government and skilled technicians.

We maintain a close, supportive and mutually beneficial relationship with rural areas. An integral part of GRUMA is the growth and development of the agricultural sector. In this sense, and in accordance with our vision of sustainability and social responsibility, the organization has focused its efforts on this sector.

960

agricultural producers trained

PROVIDING COMPREHENSIVE **NUTRITION** TO THE COMMUNITY

GRUMA works on behalf of disadvantaged communities through the donation of products in kind and cash resources

DONATIONS BY STATE

(IN METRIC TONS)

DURANGO 2,000
NUEVO LEÓN 2,880
AGUASCALIENTES 1,000
CHIHUAHUA 221

RECIPIENT	DONATION	COMMENTS
DIF COMONDÚ, BAJA CALIFORNIA	500 kg. of corn flour	Affected by Hurricane Paul
DIF COMONDÚ, BAJA CALIFORNIA	500 kg. of wheat flour	Affected by Hurricane Paul
DIF QUINTANA ROO	1 metric ton of corn flour	Affected by Hurricane Ernest

GRUMA works on behalf of disadvantaged communities through the donation of products in kind and cash resources.

These are channeled through organizations that support projects in various areas, including zones affected by natural disasters, in coordination with state governments and both national and international agencies.

Due to the severe drought that affected certain states in central and northern Mexico in 2012, GRUMA donated corn and wheat flour to numerous communities.

GRUMA contributed through in kind donations to mitigating the food shortages in communities in Mexico affected by hurricanes in 2012. Also, it followed up on its commitment to reconstruct communities in the states of Nuevo León, Coahuila and Tamaulipas that had been damaged by Hurricane Alex in 2010.

GRUMA also made in kind donations to the following organizations in Mexico:

ORGANIZATIONS	DONATION (corn flour)	SUPPORT FOR:
DIF SANTIAGO, NUEVO LEÓN	8,100 kg.	Communities in the municipality of Santiago, Nuevo León
ENCUENTRO MUNDIAL DE VALORES	6,000 kg.	Hermanos en el Camino shelter
COMEDOR ESPERANZA DEL MIGRANTE	6,000 kg.	Central American immigrants passing through Veracruz
DIBUJANDO SONRISAS	6,560 kg.	500 children from 14 different communities in the municipalities of Zaragoza and Aramberri, Nuevo León
HOGAR, PAZ Y ALEGRÍA	2,600 kg.	Christmas packages 2012
SENATOR HÉCTOR YUNES LANDA	5,000 kg.	Affected communities in Veracruz
HOGAR DON DE DIOS	1,500 kg.	Christmas packages 2012
CÁRITAS LOMITA I.A.P.	1,200 kg.	Cáritas Lomita, Sinaloa

DONATIONS IN KIND TO ORGANIZATIONS IN MEXICO

FUNDACIÓN GRUMA

The mission of Fundación Gruma is to assign it funds, with commitment and equity, to significant civil society projects that improve the living conditions of the most vulnerable social groups and contribute to the dissemination and understanding of Mexican culture.

In 2012, Fundación Gruma made donations in the amount of Ps.46 million to civil society organizations and governmental agencies working in the areas of welfare, education, human rights, natural disaster aid, support for the disabled and health care.

Ps.46 million in donations

AREA OF SUPPORT	ORGANIZATIONS BENEFITTED
ART AND CULTURE	Secretariat of Finance of the State of Nuevo León, Universidad de La Salle Bajío, A.C.
WELFARE	Casa Paterna La Gran Familia, A.C.
DEVELOPMENT AND SUSTAINABILITY	Fundación Mexicana para el Desarrollo Rural, A.C., IXIM, A.C.
NATURAL DISASTER AID	Cáritas Mexicana, I.A.P., State of San Luis Potosí, Government of the State of Coahuila, Government of the State of Nuevo León, Secretariat of Finance of the State of Aguascalientes, Secretariat of Finance of the State of Tamaulipas.
SUPPORT FOR THE DISABLED	Fundación John Langdon Down, Fundación Teletón México, A.C., Invidentes Unidos de Monterrey, A.C.
EDUCATION	Asociación Mexicana de Menores Aficionados al Deporte, A.C., Fundación Mexicana Fray Bartolomé de las Casas, A.C., Fundación UNAM, Fundación Vuela Solo, A.C., Patronato para el Fomento Educativo y Asistencial de Cerralvo, A.B.P., Universidad Iberoamericana, A.C.
INSTITUTIONAL CAPACITY BUILDING	Líderes Promoviendo la Cultura y la Legalidad, A.C.
ENVIRONMENT	Centro de Información y Comunicación Ambiental de Norte América, A.C., Patronato para el Fomento Educativo y Asistencial de Cerralvo, A.B.P.
NUTRITION	Alimento para Todos, I.A.P., Comedor Santa María, A.C.
HEALTH CARE	Asociación de Ayuda a Niños en Estado Crítico, A.B.P., Cruz Roja Mexicana, I.A.P., Fundación Beatriz Beltrones, A.C., Hospital Infantil de México Federico Gómez, La Magia de un Deseo Fundación Infantil, A.C.

4.2 million
packages of Nutre-Fácil Maseca were distributed in 15 states in Mexico with the highest malnutrition rates in 2012

NUTRE-FÁCIL MASECA

Our nutritional supplement Nutre-Fácil Maseca was a significant resource, helping children from one to three years of age to receive their Recommended Daily Intake (RDI) of calories, fiber, protein, vitamins and minerals. Approximately 14,000 children were benefitted daily by this supplement.

Furthermore, in order to encourage and reward the children of company employees in the area of academic excellence, Fundación Gruma granted Ps.606,000 in scholarships and another Ps.334,000 into school supplies that were gratefully received by their young recipients and their families.

Fundación Gruma has been present at several events dedicated to institutional strengthening and to building skills and capacities to benefit the members of countless non-governmental organizations all over Mexico.

Thus, the foundation has participated in forums, seminars, workshops, panels and other events, achieving a strong impact and a multiplier effect on these activities. In this area, alliances have been established with, among others:

- Fundación Banorte
- New Ventures
- Fundación Cinépolis
- Vinculación Social Sistema DIF Estatal Veracruz
- Procura
- Secretaría de Salud
- Asociación de Profesionales de Procuración de Fondos (AFP) Internacional
- Asociación de Profesionales de Procuración de Fondos (AFP) Capítulo Cd. de México
- CERI Tijuana
- Fundación Educa
- Fundación Merced

STATE	ALLIANCE	NUMERS OF PACKAGES
CAMPECHE	DIF Estatal	300,000
CHIAPAS	DIF Estatal	300,000
CHIHUAHUA	Fundación del Empresariado Chihuahuense, A.C.	390,000
GUANAJUATO	DIF Estatal	150,000
GUERRERO	DIF Estatal	300,000
HIDALGO	Banco de Alimentos del Centro del Estado de Hidalgo, (BACH), A.C.	225,000
MICHOACÁN	Banco de Ayuda, A.C.	300,000
OAXACA	Fundación Ayú, A.C.	300,000
PUEBLA	Banco de Alimentos Cáritas Puebla Programa Integral de Nutrición, A.C.	150,000 150,000
QUINTANA ROO	DIF Estatal	300,000
SAN LUIS POTOSÍ	Programa Integral de Nutrición, A.C.	300,000
TABASCO	DIF Estatal	210,000
TLAXCALA	DIF Estatal	225,000
VERACRUZ	DIF Estatal DIF Orizaba DIF Boca del Río DIF Municipal Veracruz DIF San Andrés Tuxtla DIF Cosoleacaque DIF Tuxpan DIF Fortín de las Flores	135,000 45,000 15,000 45,000 15,000 15,000 15,000 15,000
YUCATÁN	DIF Estatal	300,000
	Total	**4,200,000**

BOARD OF TRUSTEES

of the Hospital Infantil de México Federico Gómez

On April 30, 2013, the Hospital Infantil de México Federico Gómez will celebrate 70 years of providing highly specialized medical care to more than nine million children without social security, training topnotch human resources and carrying out high-quality scientific research.

The main task of the Development and Social Responsibility Committee of the Board of Trustees is to obtain extraordinary resources in cash, talent, kind, time or knowledge that will help to offer better care and quality of life to the children and youth at the Hospital Infantil de México Federico Gómez. Supported in its administrative expenses by GRUMA and other companies, in 2012 the hospital organized a wide range of activities for children, including visits to museums, parks and theaters; donations of toys on Children's Day, Epiphany and International Childhood Cancer Day; festivals, kermesses, reading programs, workshops, celebrity visits and fulfillment of wishes for children with adverse prognoses. Donations of equipment and support for certain treatments were also obtained.

PATRONATO

para el Fomento Educativo y Asistencial de Cerralvo

The aim of the education and culture section of Patronato para el Fomento Educativo y Asistencial de Cerralvo is to foster the academic, professional and cultural development of students and teachers in the municipality of Cerralvo, Nuevo León, México. This is achieved through educational programs and projects to develop artistic and cultural skills.

SOME 2012 HIGHLIGHTS:

TEACHER EXCELLENCE INCENTIVE PROGRAM

The award for teacher excellence was presented at Horno 3 of Parque Fundidora in Monterrey, Nuevo León, México, in June. A total of 1,162 students and 107 teachers from 15 different schools participated in the event. On the same occasion, 11 Academic Merit Medals were awarded to outstanding students in the municipality.

GRANT PROGRAM

Grants of school supplies were made to:

336 STUDENTS IN ECONOMIC NEED.
239 ELEMENTARY SCHOOL CHILDREN.
97 MIDDLE SCHOOL CHILDREN.

Also awarded were:

66 SCHOLARSHIPS TO HIGH SCHOOL, TECHNICAL SCHOOLS AND UNIVERSITY STUDENTS.
2 SCHOLARSHIPS FOR ACADEMIC EXCHANGE PROGRAMS.
23 UNIVERSITY AND POST-GRADUATE TRAINING SCHOLARSHIPS.
199 ALLIANCE-SCHOLARSHIPS TO SEVERAL STUDENTS.

COMMUNITY LEARNING CENTERS

The Community Learning Centers are spaces where members of the community can access educational content online. The Learning Center located in El Sabinal Park offers computer courses to children and youngsters of the municipality of Cerralvo. There is also a registry of persons who visit the center to use the computers for their homework assignments or to take online courses.

SUPPORT

for Mexican Cuisine as part of the Cultural Heritage of Humanity

Since 2006, GRUMA has actively supported the Conservatory of Mexican Gastronomic Culture (Conservatorio de la Cultura Gastronómica Mexicana, or CCGM) mainly in preparing the application with which UNESCO recognized Mexican Cuisine as part of the Intangible Cultural Heritage of Humanity on November 16, 2010, in Nairobi, Kenya.

Reaffirming this commitment, GRUMA continues its active participation with CCGM as a sponsor of various events in support of the Safeguarding of Mexican Cuisine. In 2012 these events included:
- Maseca Children's Rally
- Second National Information Meeting on the Safeguarding Model
- The book Elogio a la Cocina Mexicana
- Production of the videos Nuestra Cocina, Nuestro Alimento, Taller Infantil Cocina, Salud y Nutrición, and Cocina, Eterna Invención, all as part of the CCGM collection.

Among other actions, GRUMA participated in the First Grand Corn Festival in Guadalajara, Jalisco. In addition product tasting, there was a space for children to create useful objects out of recycled materials from production processes at GRUMA's plants, and to paint endangered species on canvases made of flour sacks.

At the international level, GRUMA carries out actions on behalf of local communities, granting donations, making alliances and contributing to the promotion of social responsibility in the regions where it operates. The following are some of the most important actions it carried out in various regions in 2012:

VENEZUELA

In Venezuela, MONACA made cash donations of US$96,000 to 20 different NGOs and governmental agencies working in the areas of welfare, education, natural disaster aid, support for the disabled and health care.

Donations in kind worth approximately US$100,000 were also made, consisting of products such as pre-cooked corn flour, wheat flour, pasta, rice, oatmeal and condiments.

AREA OF SUPPORT	ORGANIZATIONS BENEFITTED
EDUCATION	Escuela Canaima Escuela Sagrado Corazón de Jesús Univ. Simón Bolívar Inst. Educación Especial Gustavo Sánchez U.E Juan Pablo Bonet Preescolar Lisandro Alvarado Grupo de Misionero Colegio Claret Colegio de Integración Educativa U.E Lola Amnegual de Gondolles U.E Obras del Buen Consejo
HEALTH CARE	Hospital San Juan de Dios Fundación Alzheimer de Venezuela Fundanicer Amigos del Hospital San Juan De Dios Hogar Niñas Ciegas Casa de La Joven Madre Sacramento Fundana Funpalice Posada del Peregrino Misioneros de La Caridad Fund. Asilo La Providencia Hogar Bambi Rincón Infantil San Edmundo Fundación Madre Emilia

CENTRAL AMERICA

In March 2012, GRUMA became one of the founding partners of the Costa Rica Food Bank and it has played an active role in the functioning of the bank by providing warehousing and finished products. During 2012, a delivery truck was donated and several volunteer activities were carried out.

In response to changes in the regulatory environment governing snacks in Costa Rica, GRUMA launched the Tosty Activa-T ("Get Active!") Social Responsibility project, which seeks to promote balanced diets and physical activity among children and young people so that they may enjoy the benefits of a healthy lifestyle. As part of the program, an alliance was made with the municipality of San José to sponsor the "New Values" Soccer School, which provides sporting activities for 600 children and youngsters in vulnerable socio-economic situations.

In Honduras, an alliance with the National Congress was made to develop the "Better Life" project, which benefited more than 1,600 Honduran women micro-entrepreneurs working in the handmade tortilla sector. Through this project, GRUMA provides training, subsidies and equipment for the development of their micro-enterprises.

ASIA AND OCEANIA

In China, in collaboration with the Shanghai Charity Foundation, a visit was organized to the Huimin school for children with mental disabilities, including a food fair in which the students took part in preparing the dishes. This activity was recorded for the foundation's webpage and the Fengxian television station.

AREA OF SUPPORT	ORGANIZATIONS BENEFITTED
WELFARE	Casa Hogar San Edmundo Casa Hogar Domingo Sabio Comedor Sagrado Corazón de Jesús Hospital Domingo Luciani
NATURAL DISASTERS	The localities of Cumanacoa in Sucre and Amuay in Falcón Amuay, estado de Falcón
SUPPORT FOR THE DISABLED	Fundación Shaddai Gestión Humana
EDUCATION	Estatal Bolivariana Curpa Acarigua, estado de Portuguesa Unidad Educativa Rafael Gutiérrez, Puerto Cabello, Carabobo Centro de Educación Inicial Luis Alfredo Sosa, Calabozo, Guárico Escuela Ature, La Miel, Lara Escuela Básica Bolivariana Nacional Dr. Manuel Noriega Trigo, Municipio San Francisco, Maracaibo Escuela Primaria Bolivariana Borburata, Puerto Cabello, Carabobo Casa del Pueblo Leoncio Martínez Asociación Cultural Pro Música de Cámara Fundación Museo de Los Niños. Asociación De Scouts de Venezuela
ENVIRONMENT	Parque Nacional Waraira Repano
HEALTH CARE	Fundación Ortopédico Infantil

CARING FOR **THE ENVIRONMENT**

Since its beginnings, GRUMA has developed technology to reduce the environmental impact of its operations, carrying out specific actions in plants and offices that contribute to improvements in the environment

SUSTAINABLE DEVELOPMENT

As part of its efforts in favor of the environment, GRUMA has developed high-efficiency processes and equipment to reduce consumption of resources such as water and electricity, thereby contributing to a reduction in environmental impact.

GRUMA COMMITTED TO THE ENVIRONMENT

REDUCTION IN GAS EMISSIONS

Thanks to GRUMA's technology, fuel savings in the corn cooking process have reduced the emission of greenhouse gases into the atmosphere. Emissions in all production units are currently monitored to ensure that they comply with the standards in effect in the different regions of the world where the company operates.

One of GRUMA's ongoing concerns is how to make the best use of natural resources in its corn flour production process, due to the severe water shortages existing in many of the regions where it operates.

Committed to the environment, GRUMA has developed processes and equipment which, in addition to boosting production, are also designed to make the most efficient possible use of resources, translating into greater ecological advantages.

Thus, our company carries out actions that contribute to lessening its environmental impact, mainly in the following areas:

REDUCED CONSUMPTION OF DRINKING WATER

When it was first established, GRUMA developed a process for the production of corn flour that saved water. Since then, it has sought constantly to reduce its water consumption, achieving considerable savings in comparison with traditional nixtamalization processes in low-capacity mills. Through the application of its technology, the company has increased its efficiency and production capacity and reduced the discharge of corn solids in its wastewater.

In order to further reduce discharges of wastewater, GRUMA continues to invest in research to develop even more efficient technologies. The treatment or processing of wastewater has always been one of GRUMA's priorities.

REDUCED FUEL CONSUMPTION

GRUMA's technology division has developed equipment to generate gas savings in the production of tortillas and related products, thereby lowering the level of gas emissions into the atmosphere. In 2012 this process allowed for significant savings in the use of fuel for cooking corn, compared to traditional processes.

REDUCED DISCHARGES OF WASTEWATER AND SOLID WASTE

The GRUMA process significantly reduces draining problems thanks to a considerable reduction in discharges of solid waste, compared to traditional nixtamalization processes.

Discharges in all our plants are currently within the regulatory limits permitted by the countries in which we operate.

ACTIONS PERFORMED IN 2012

In 2012 several initiatives were carried out to consolidate the efforts already undertaken to meet our environmental targets.

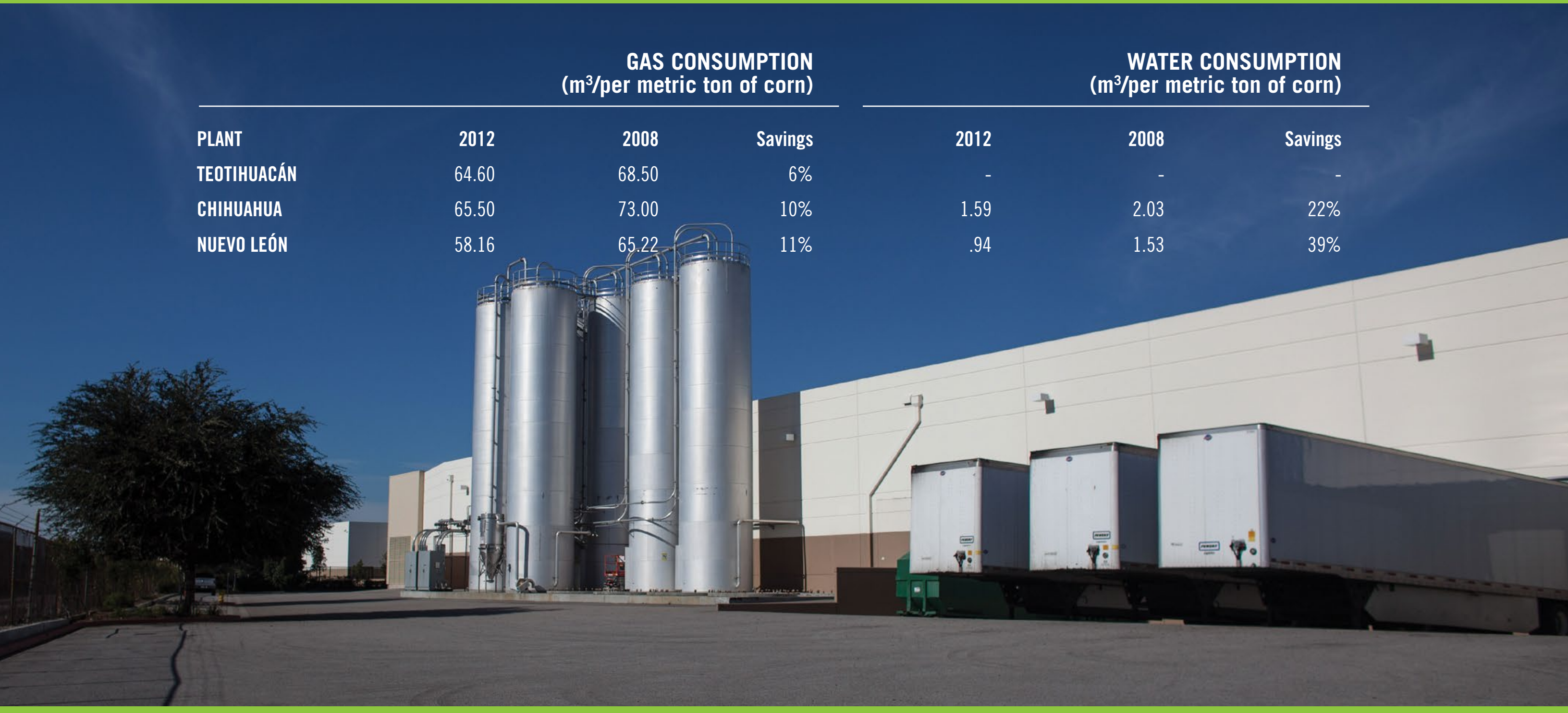
CHANGES TO CLEAN TECHNOLOGY EQUIPMENT

In the Mission Foods and Azteca Milling plants clean technology machinery was installed for the production of tortillas and corn chips, along with the construction of large-capacity storage silos, improvements and equipment in the receiving and loading areas, and the use of anaerobic pits to make production processes more efficient, as well as contributing to the development of an environmental culture. These initiatives were carried out in plants in Hayward, California; Jefferson, Georgia; Lakeland, Florida; Goldsboro, North Carolina; and Evansville and Henderson, Indiana.

It is expected that the installation of this clean technology equipment will continue to be carried out in all of our installations, as we opt for operations and methods that have a positive environmental impact.

In the Mexican plants of Teotihuacán (Estado de México), Chihuahua, and Nuevo León, the installation of clean technology nixtamalization equipment generated the following savings in water and gas consumption.

	GAS CONSUMPTION (m^3/per metric ton of corn)			WATER CONSUMPTION (m^3/per metric ton of corn)		
PLANT	**2012**	**2008**	**Savings**	**2012**	**2008**	**Savings**
TEOTIHUACÁN	64.60	68.50	6%	-	-	-
CHIHUAHUA	65.50	73.00	10%	1.59	2.03	22%
NUEVO LEÓN	58.16	65.22	11%	.94	1.53	39%



SEPARATION OF SOLIDS

In our plants in Mexico we began installing equipment in our wastewater treatment systems to separate solid waste, which can then be recycled. Alongside this improvement, a reactor tank was upgraded, thus enhancing the treatment operations in three plants.

Another important activity in Mexico was the Recyclathon 2012, in which GRUMA's employees were invited to gather recyclable materials and thus promote a culture of reuse and environmental awareness. The Recyclathon resulted in the collection of 28,000 kilos of recyclable material, or an average of 4.2 kg per employee. The sale of these materials raised more than Ps.45,000, which will be donated to a charitable institution in 2013.

more than
Ps.45,000
raised through the sale of recycled materials, which will be donated to a charitable institution in 2013.

ENVIRONMENTAL LEADERSHIP FOR COMPETIVENESS PROGRAM

In Mexico, with the approval of the Federal Environmental Protection Agency, the PROFEPA, we carried out eco-efficiency projects designed to generate environmental savings in our own plants and those of our suppliers. Personnel at six GRUMA plants and of three suppliers were trained, creating a total of 18 projects.

Once these are implemented, they will generate the following savings: almost one million kWh (kilowatt hour) of electricity per year and 600 metric tons of equivalent carbon dioxide (CO2) and 80 metric tons of residues will be prevented. This will represent economic savings of approximately Ps.7.7 million a year.

AWARDS AND DISTINCTIONS

IN MEXICO

In 2012 GRUMA in Mexico was the number one company in the ranking of A Great Place to Work, conducted annually by the Great Place to Work Institute. The same institution awarded it the Congruence Award, a distinction granted to companies whose senior executives have been well evaluated by personnel, and Dimension of Pride award, which is granted to companies whose employees are proud of their work and make it known beyond the limits of the workplace.

For the fifth year in a row, GRUMA was named a Socially Responsible Company by the Centro Mexicano para la Filantropía, or CEMEFI.

The Molinera de México plant in Naucalpan, Estado de México, obtained the Food Safety System Certification 22000, a new standard for food safety, as well as the Occupational Health and Safety Standard OHSAS 18001:2007.

AT THE INTERNATIONAL LEVEL

GRUMA produced its first social responsibility video and earned an honorable mention in the Inspiring Corporate Governance category of the first International Corporate Sustainability Awards 2012, organized by the British company Television for the Environment. The video shows GRUMA's current sustainability model, which is based on values, work culture, eco-friendly technology, quality of life for employees, social responsibility and nutrition.

At the Intercool frozen foods fair, held in Dusseldorf, Germany, Mission was awarded the prize for Best Innovation in 2012 for The Fold, a soft, round, pre-folded flatbread that can be used as a sandwich alternative.

For its commitment to quality and customer service, Premier, a leader in health care solutions, granted its Pinnacle Award to Mission Foods. This award is given to suppliers that have succeeded in maintaining an exceptional level of compliance with their commitments to hospitals belonging to the above-mentioned organization, adding value to their clinical services and financial requirements.

The employees' association DEMASA in Costa Rica was ranked first in the social welfare projects category of Corporate Social Responsibility, for its model developed in conjunction with the government, to benefit its employees through a Children's Comprehensive Care Center.

CORPORATE CITIZENSHIP

As responsible corporate citizens, we participate in and collaborate with various associations, NGOs and governments, with the aim of promoting the healthy development of our sector by sharing good business practices, supporting projects and initiatives, and maintaining ongoing communication.

THE FOLLOWING ARE THE ASSOCIATIONS AND INSTITUTIONS WITH WHICH WE WORK:

- **CAINTRA** - Cámara de la Industria de la Transformación de Nuevo León
- **CANACODEA** - Cámara Nacional de Comerciantes Detallistas y Afines (Costa Rica)
- **CANAMI** - Cámara Nacional de Maíz Industrializado
- **CANIMOLT** - Cámara Nacional de la Industria Molinera de Trigo
- **CAMEXCR** - Cámara Empresarial México-Costa Rica
- **CAMEXSAL** - Cámara Empresarial México-El Salvador
- **CCE** - Consejo Coordinador Empresarial
- **CIMEXVEN** - Cámara de Integración México-Venezuela
- **CNA** - Consejo Nacional Agropecuario
- **COMCE** - Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología, A.C.
- **CONCAMIN** - Confederación de Cámaras Industriales de los Estados Unidos Mexicanos
- **CONMÉXICO** - Organismo empresarial que representa a la industria de bienes de consumo en México
- **CCGM** - Conservatorio de la Cultura Gastronómica Mexicana
- **PROTORTILLA** - Consejo Promotor y Regulador de la Cadena Maíz-Tortilla, A.C.
- **TIA** - Tortilla Industry Association

CORPORATE GOVERNANCE

We have a set of solid corporate governance practices, thanks to which we have successfully faced challenges and taken advantage of opportunities, resulting in continual growth and value creation.

Our Board of Directors is comprised of 13 proprietary members and their respective alternates. Our board members have broad experience and solid professional reputations in various areas including: manufacturing, economics, finance, trade and construction, among others, which enrich the vision and strategy of the company.

The Board of Directors is supported in its functions by an Executive Committee, an Audit Committee and a Corporate Governance Committee.

BOARD OF DIRECTORS

Juan A. González Moreno
Chairman of the Board of Directors and CEO of GRUMA

Carlos Hank González
CEO of Grupo Financiero Interacciones and Grupo Hermes

Juan Diez-Canedo Ruiz
CEO of Financiera Local

Roberto González Moreno
Chairman of the Board of Directors of Corporación Noble

Bertha Alicia González Moreno
Lifetime Honorary President of Patronato para el Fomento Educativo y Asistencial de Cerralvo

Mayra González Moreno
Chairman of the Board of Directors of Saturitas

Mario Martín Laborín Gómez
Chairman of the Board of Directors and CEO of ABC Holding and CEO of ABC Capital

Juan Manuel Ley López
Chairman of the Board of Directors of Casa Ley and of Grupo Ley

Eduardo Livas Cantú
Member of the Executive Committee of GRUMA

José de la Peña y Angelini
CEO of Soni Group Automotive Division

Bernardo Quintana Isaac
Chairman of the Board of Directors of Empresas ICA

Adrián Sada González
Chairman of the Board of Directors of Vitro

Javier Vélez Bautista
Member of the Executive Committee of GRUMA

EXECUTIVE COMMITTEE

GRUMA's Executive Committee reinforces the link between the Board of Directors, the company's senior management and the decision-making process. The committee is comprised of:

Juan A. González Moreno
Chairman of the Board of Directors and CEO of GRUMA

Carlos Hank González
Vice-Chairman of the Board of Directors and CEO of Grupo Financiero Interacciones and Grupo Hermes

Eduardo Livas Cantú
Former CEO of GRUMA and member of the Board of Directors of GRUMA

Javier Vélez Bautista
Former CFO of GRUMA and member of the Board of Directors of GRUMA

AUDIT AND CORPORATE GOVERNANCE COMMITTEES

In accordance with applicable regulations and our company's bylaws, oversight of the management, conduct and execution of the company's business is the responsibility of the Board of Directors through the Audit and Corporate Governance Committees, as well as the External Auditor of the company.

The Audit Committee is comprised exclusively of independent directors. The following is a list of the members of the Audit Committee and their positions on it:

Juan Diez-Canedo Ruiz
Chairman of the Audit Committee

Mario Martín Laborín Gómez
Financial Expert of the Audit Committee

José de la Peña y Angelini
Member of the Audit Committee

The Corporate Governance Committee is comprised exclusively of independent directors. The following is a list of the members of the Corporate Governance Committee and their positions on it:

Juan Diez-Canedo Ruiz
Chairman of the Corporate Governance Committee

Mario Martín Laborín Gómez
Member of the Corporate Governance Committee

José de la Peña y Angelini
Member of the Corporate Governance Committee

MANAGEMENT TEAM

Juan A. González Moreno
Chief Executive Officer

Henrry Alberto Castro
CEO of Gruma Venezuela

Raúl Cavazos Morales
Chief Financial Officer

Leonel Garza Ramírez
Chief Procurement Officer

Roberto González Valdés
CEO of GIMSA and Molinera de México

Homero Huerta Moreno
Chief Administrative Officer

José Antonio Jaikel Aguilar
CEO of Gruma Centroamérica

Juan Antonio Quiroga García
Chief Corporate Officer

Felipe Antonio Rubio Lamas
Chief Technology Officer

Salvador Vargas Guajardo
General Counsel

Francisco Yong García
CEO of Gruma Europe

CODE OF ETHICS

All of our activities and actions are governed by our Code of Ethics. Our personnel and suppliers are familiar with our Code of Ethics, which includes the subjects that must be observed in our daily activities, as mentioned below:

- Conflicts of interest
- Information
- Resources
- Conduct with customers
- Competitors
- Suppliers
- Governmental authorities
- Interpersonal relations
- Non-work activities
- Due compliance

AUDIT COMMITTEE'S REPORT FOR THE 2012 FISCAL YEAR

April 24, 2013

To the Board of Directors of GRUMA, S.A.B. DE C.V.

In accordance with article 43 of the Mexican Securities Law (Ley de Mercado de Valores) and article Twenty Sixth of the Bylaws of the Company, I hereby inform the activities carried out during the fiscal year ended on December 31, 2012. In order to establish its work program, the Committee has considered the best practices relevant for the Company and the provisions of applicable laws and norms. The Committee met six times to develop its activities.

1. Internal Audit.
The internal audit area's organizational structure, work plans and quarterly reports were reviewed. Likewise, the follow up reports to our comments were submitted, without any relevant findings.

2. Code of Ethics.
Follow up was given to compliance to the Code of Ethics, which regulates the actions of its directors, officers and employees, without any relevant case as of this date.

The operation of the communication channel between officers and employees with the Audit Committee was overseen. Periodically, we verified that management efficiently and timely dealt with observations requiring so. Likewise, the coverage of the previously referred channel is still being extended.

3. Audit.
We quarterly reviewed, with the management of the Company and with the external auditors, the progress of the Company in the process of complying with the requirements set forth by the Sarbanes-Oxley Act.

We held periodic meetings with the members of the Corporate Legal Department, regarding the status of the main legal matters in which the Company participates and compliance with applicable regulation.

Based on the above, as well as on the interviews with external auditors and with the management of the Company, we consider that the internal control and internal audit system satisfactorily complies with its main goals.

The work plan of the external auditors of the Company for the 2012 fiscal year was reviewed, and follow up was given to the progress in its implementation.

In our interviews and meetings of the Audit Committee with the auditors, we made sure of the compliance with rotation and independence requirements for its staff. Also, we reviewed with them and with the management the comments regarding the internal control, as well as the goals, procedures and scope of the external audit for the 2012 fiscal year. To our judgment, the external audit services adequately comply with the requirements.

The additional services provided by the external audit firm were approved, same which included the work for the certification of the internal control system required under the Sarbanes-Oxley Act and intercompany transfer pricing studies. We considered that the services approved by the Committee do not affect the independence of the external audit firm.

4. Financial Information.
We reviewed the quarterly financial information of the Company corresponding to the 212 fiscal year, in which we did not find any irregularity and agreed to its submission to the Board of Directors and its publication.

We assisted the Board of Directors in the drafting of the opinions and reports referred to by article 28 paragraph IV, sections "c", "d" and "e" regarding the 2011 fiscal year. Additionally the annual report of activities carried out by this Committee during the 2011 fiscal year was drafted and submitted to the Board of Directors and the Shareholders' meeting.

The 20-F Form regarding the 2011 fiscal year, which was timely and completely submitted to the Securities and Exchange Commission of the United States, was reviewed.

We reviewed the audited financial statements of the Company as of December 31, 2012, the auditors' report and accounting policies used for its elaboration. After reviewing the letter from the independent auditors to the management, we advise the Board of Directors to approve them in order to submit them for the consideration of the Shareholders' Meeting.

The financial statements were prepared under the International Financial Reporting Standards (IFRS), which also include the International Accounting Standards (IAS) in force, the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC).

5. In assistance to the Board of Directors.
We verified that the resolutions adopted by the Shareholders' Meeting dated April 26 and December 12, 2012 were duly complied with and formalized.

Additionally, we granted our favorable opinion regarding the following matters:
a) The exercise by GRUMA, S.A.B. DE C.V., of the preemptive right for the purchase of the totality of equity interests that were, directly and indirectly, held by ARCHER DANIELS MIDLAND, CO., and affiliates, in GRUMA, S.A.B. DE C.V. as well as in its subsidiary companies ("the Equity Interests").

b) The execution of one or more bridge loans, for an amount up to US$460,000,000 (four hundred and sixty million US Dollars) to finance the purchase of the Equity Interests.

c) Approval for GRUMA, during the 2013 fiscal year, to issue a bond in the international debt market for up to $500,000,000 (five hundred million US Dollars) in order to refinance part of its debt, including the previously mentioned bridge loan(s), based on the financial information at the end of the year. It is important to mention that such authorization has not been executed as of the date of issuance of this activity report.

d) The execution of exchange rate hedging instruments with respect to the purchases of corn and wheat required for the operations of the Mexican subsidiaries of the Company, during the 2012 fiscal year.

On behalf of the Audit Committee,

Dr. Juan Diez-Canedo Ruiz
Chairman

CORPORATE GOVERNANCE COMMITTEE'S REPORT FOR THE 2012 FISCAL YEAR

April 24, 2013

To the Board of Directors of GRUMA, S.A.B. DE C.V.

In accordance with article 43 of the Mexican Securities Law (Ley de Mercado de Valores), as well as article Twenty Sixth of the Bylaws of the Company, I hereby inform you the activities carried out by the Corporate Governance Committee during the period elapsed as from January 1 to December 31, 2012.

1. **Performance of Senior Officers.**- It was evaluated based on the financial results and according to the fulfillment of the personal goals set forth within their responsibilities toward the Company. Based on evaluations carried out by the Human Resources area, in general terms, the performance of the Senior Officers was satisfactory; therefore they received a performance bonus (variable compensation) according to the policies set forth by the Company.

2. **Relevant Operations.**- The Committee has been informed by the management and the independent auditors of the relevant operations with related parties, same which have been disclosed in the notes of the financial statements for the reporting period.

3. **Senior Officers' Compensation.**- The total compensation paid to the Chief Executive Officer and other Senior Officers of the Company during the 2012 fiscal year is within market terms, versus other companies comparable to the Company, and is in accordance with the Compensation Policies set forth by the Company.

4. **Waivers.**- During the reporting period, the Board of Directors did not grant any waiver for any Director, Senior Officer or person with decision authority to take advantage of business opportunities for him/herself or in favor of third parties, which correspond to the Company or its subsidiaries.

5. **Opinions.**- The Corporate Governance Committee issued the following opinions:

   - At the meeting of the Board of Directors dated February 22, 2012, the Committee submitted to the Board of Directors of GRUMA, S.A.B. DE C.V. its favorable opinion to appoint Mr. Joel Suárez Aldana as Chief Executive Officer of the Company, with the functions and responsibilities inherent to such position in terms of the Mexican Securities Law.

   - At the meeting of the Board of Directors dated December 5, 2012, the Committee granted its favorable opinion for the exercise by GRUMA, S.A.B. DE C.V. of the preemptive right for the purchase of the totality of equity interests that were, directly and indirectly, held by ARCHER DANIELS MIDLAND, CO., and affiliates, in GRUMA, S.A.B. DE C.V. as well as in its subsidiary companies.

   - At the meeting of the Board of Directors dated February 27, 2013, the Committee submitted to the Board of Directors of GRUMA, S.A.B. DE C.V. its favorable opinion to appoint Mr. Juan Antonio González Moreno as Chief Executive Officer of the Company, with the functions and responsibilities inherent to such position in terms of the Mexican Securities Law.

On behalf of the Corporate Governance Committee,

Dr. Juan Diez-Canedo Ruiz
Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

Consolidated results

2012 versus 2011

GRUMA's **sales volume** increased by 2% to 4,826 thousand metric tons in 2012 compared with 4,740 thousand metric tons in 2011. This increase was driven mainly by Gruma Corporation.

Net sales increased by 12% to Ps.64,317 million in 2012 compared with Ps.57,645 million in 2011. The increase was driven by Gruma Corporation and GIMSA. Net sales grew mostly in connection with price increases implemented to offset higher raw material costs, sales volume growth, and the average peso depreciation effect on Gruma Corporation during 2012. Sales from non-Mexican operations constituted 65% of consolidated net sales in 2012 and 66% in 2011.

Cost of sales increased by 13% to Ps.45,350 million in 2012 compared with Ps.40,118 million in 2011, due primarily to Gruma Corporation and GIMSA. The increase was associated with higher raw material costs, sales volume growth, and the average peso depreciation effect on Gruma Corporation. Cost of sales as a percentage of net sales increased to 70.5% in 2012 from 69.6% in 2011 due primarily to GIMSA, Gruma Corporation, and Gruma Venezuela, as raw material cost increases were not fully reflected in our product prices, as well as production downtimes at Gruma Venezuela due to labor conflicts.

Selling, general, and administrative expenses (SG&A) increased by 10% to Ps.15,352 million in 2012 compared with Ps.13,984 million in 2011, due primarily to Gruma Corporation and, to a lesser extent, GIMSA and Gruma Venezuela. Part of the consolidated increase in SG&A resulted from the average peso depreciation effect on Gruma Corporation and the inflation effect at Gruma Venezuela. SG&A as a percentage of net sales decreased to 23.9% in 2012 from 24.3% in 2011, driven mainly by better expense absorption at Gruma Corporation and GIMSA.

Other expenses, net, were Ps.102 million in 2012 compared with Ps.204 million in 2011. The decrease was primarily due to lower impairment of long-lived assets and lower losses from the sale of fixed assets during 2012.

GRUMA's **operating income** increased by 5% to Ps.3,513 million in 2012 compared with Ps.3,338 in 2011 driven by Gruma Corporation. Operating margin declined to 5.5% from 5.8% in 2011, due primarily to Gruma Venezuela and GIMSA.

Net comprehensive financing cost was Ps.729 million in 2012 compared with Ps.427 million in 2011. The increase was because in 2011 the company had gains on foreign exchange rate hedging related to corn procurement as well as gains on raw material hedging, which in 2012 were reclassified to other expenses, net; also, the company registered foreign exchange losses of Ps.89 million in 2012 resulting mostly from the average peso depreciation as opposed to a Ps.41 million gain in 2011.

GRUMA's equity in earnings of **associated companies**, net, represented income of Ps.3 million in 2012 compared with income of Ps.4,711 million in 2011 primarily derived from the gain on the sale of GRUMA's stake in GFNorte during February 2011.

Taxes decreased 40% to Ps.1,083 million in 2012 compared with Ps.1,807 million in 2011 primarily as a result of taxes related to the gain on the sale of GRUMA's stake in GFNorte during 2011. The effective tax rate was 38.9%.

GRUMA's **net income** was Ps.1,704 million in 2012 compared with Ps.5,816 million in 2011. Majority net income was Ps.1,115 million compared with Ps.5,271 million in 2011. Both declines were caused by the gain on the sale of GRUMA's stake in GFNorte during 2011.

Subsidiary Results

Gruma Corporation

Sales volume increased 8% to 1,596 thousand metric tons in 2012 compared with 1,478 thousand metric tons in 2011. This increase was due mainly to several acquisitions made throughout 2011, in particular the acquisition of the leading corn grits company in Turkey, and organic growth at the European operations especially in connection with new and increased customer accounts.

Net sales increased by 13% to Ps.26,932 million in 2012, compared with Ps.23,923 million in 2011. The increase was driven mostly by the aforementioned sales volume growth and the average peso depreciation effect. Measured in dollar terms, net sales increased 7% in connection with sales volume growth. The effect of price increases implemented toward the end of 2011 (in connection with higher raw material costs) and also towards the end of 2012, and allowance reductions in the U.S. tortilla business , were offset mainly by the change in the sales mix towards corn grits in Europe.

Cost of sales increased by 14% to Ps.17,655 million in 2012 compared with Ps.15,452 million in 2011 due to sales volume growth, higher raw material cost and overhead and health insurance costs, as well as the average peso depreciation effect. Measured in dollar terms, cost of sales increased 11%. As a percentage of net sales, cost of sales increased to 65.6% in 2012 from 64.6% because higher raw material costs were not fully reflected in our product prices and also due to a change in the sales mix towards foodservice products in the U.S. tortilla business and towards corn grits in Europe.

SG&A increased by 8% to Ps.7,996 million in 2012 compared with Ps.7,435 million in 2011 due mainly to the average peso depreciation effect, sales volume growth and higher sales commissions related to price increases. Measured in dollar terms, SG&A increased 2%. SG&A as a percentage of net sales improved to 29.7%in 2012 from 31.1% in 2011 in connection with better expense absorption.

Operating income increased by 41% to Ps.1,335 million in 2012 from Ps.947 million in 2011, and operating margin improved to 5% from 4% due to a favorable comparison of Ps.143 million in other expenses because in 2011 the company generated losses from asset disposals. Measured in dollar terms, operating income grew 34%. Operating margin also improved in connection with better expense absorption.

GIMSA

Sales volume increased by 1% to 1,983 thousand metric tons in 2012 compared with 1,959 thousand metric tons in 2011. The increase was a result of higher sales of non-corn flour products as higher grain prices motivated consumption of byproducts for animal feed.

Net sales increased by 14% to Ps.17,573 million in 2012 compared with Ps.15,386 million in 2011 due mainly to price increases related to higher corn costs.

Cost of sales increased by 17% to Ps.13,171 million in 2012 compared with Ps.11,284 million in 2011 due mainly to higher corn costs. As a percentage of net sales, cost of sales increased to 75% in 2012 from 73.3% in 2011 due to the aforementioned rise in corn costs, which were not fully absorbed through price increases, and the mathematical effect of having a larger base of sales with similar amounts of gross profit per ton.

SG&A increased by 13% to Ps.2,574 million in 2012 compared with Ps.2,286 million in 2011. The increase resulted mainly from higher promotion and advertising expenses related mostly to sponsorship of the Mexican Football Federation, the continued strengthening of several programs aimed at attracting traditional tortilla makers, higher sales commissions due to price increases and higher freight expenses coming from higher tariffs and intercompany shipments due to capacity constraints at some plants. SG&A as a percentage of net sales decreased to 14.6% in 2012 from 14.9% in 2011 due to better expense absorption.

Operating income decreased by 1% to Ps.1,749 million in 2012 from Ps.1,771 million in 2011, and operating margin decreased to 10% from 11.5%. The reduction in absolute terms resulted from the higher SG&A and higher other expenses in connection with losses on natural gas hedging which were reclassified to other expenses in 2012 from net comprehensive financing income in 2011. Profit sharing also increased during 2012. Operating margin declined mostly from the aforementioned mathematical effect of having a larger base of sales with a similar level of gross profit per ton.

Gruma Venezuela

Sales volume decreased 9% to 478 thousand metric tons in 2012 compared with 528 thousand metric tons in 2011 due mainly to production downtimes at certain plants related to labor conflicts (in connection with the negotiation of collective bargaining agreements) and, to a lesser extent, electrical power outages.

Net sales increased by 8% to Ps.9,907 million in 2012 compared with Ps.9,157 million in 2011 due mainly to the inflation effect as figures for 2011 are expressed in constant terms as of December 2011 and are not restated to December 2012. Additionally, there were price increases implemented to offset higher raw material costs.

Cost of sales increased by 11% to Ps.7,500 million in 2012 from Ps.6,747 million in 2011. This increase was primarily due to the aforementioned inflation effect as well as higher cost of raw materials, salary increases and more benefits for manufacturing employees arising from new labor regulations. As a percentage of net sales, cost of sales increased to 75.7% in 2012 from 73.7% in 2011 due mainly to the sales volume reduction resulting from the aforementioned production downtimes and to the higher raw material costs, which were not fully absorbed through price increases.

SG&A increased by 13% to Ps.1,962 million in 2012 compared with Ps.1,736 million in 2011. The increase was due primarily to the aforementioned inflation effect as well as salary increases and higher freight expenses. SG&A as a percentage of net sales increased to 19.8% in 2012 from 19% in 2011 due to a lower expense absorption.

Operating income decreased 34% to Ps.445 million in 2012 compared with an operating income of Ps.674 million in 2011, and operating margin declined to 4.5% in 2012 from 7.4% in 2011 resulting from the aforementioned sales volume reduction, the fact that price increases did not fully absorb the higher raw material costs, and the increases in SG&A, which grew at a faster pace than net sales.

Molinera de México

Sales volume increased by 3% to 583 thousand metric tons in 2012 compared with 564 thousand metric tons in 2011. This increase was driven by greater consumption of premixed flours at supermarket in-store bakeries, supermarket expansion through more stores, and customers' recovery.

Net sales increased by 9% to Ps.5,046 million in 2012 compared with Ps.4,633 million in 2011. The rise resulted from price increases implemented to reflect the higher cost of wheat, a change in the sales mix towards pre-mixed flours, higher byproduct prices in connection with low supply in the market, and sales volume growth.

Cost of sales increased by 9% to Ps.4,254 million in 2012 compared with Ps.3,894 million in 2011 mainly in connection with the higher wheat costs and sales volume growth. As a percentage of net sales, cost of sales increased to 84.3% in 2012 from 84% in 2011due to higher wheat costs, which were not fully reflected in our product prices.

SG&A increased by 7% to Ps.674 million in 2012 compared with Ps.631 million in 2011. The increase was due mainly to higher freight expenses in connection with higher tariffs and intercompany shipments related to capacity constraints at some plants and, to a lesser extent, to sales volume growth. SG&A as a percentage of net sales decreased to 13.4% in 2012 from 13.6% in 2011 due to better expense absorption.

Operating income decreased by 16% to Ps.87 million in 2012 from Ps.104 million in 2011 due to the aforementioned rise in SG&A and increases in other expenses related to higher profit sharing. Operating margin decreased to 1.7% in 2012 from 2.2% in 2011 due to the aforementioned rise in profit sharing.

Gruma Centroamérica

Sales volume decreased by 9% to 207 thousand metric tons in 2012 compared with 229 thousand metric tons in 2011. The decrease was due mainly to the availability of cheap domestic corn, which motivated some customers to shift to the traditional method of tortilla production. This availability rose significantly during 2012 in connection with the increasing popularity of genetically modified corn. Additionally, during 2011 sales volume benefitted from a shortage of corn within the region due to bad weather conditions that affected corn crops, which at that time encouraged the conversion from the traditional method of making tortillas to the corn flour method.

Net sales increased by 6% to Ps.3,369 million in 2012 from Ps.3,180 million in 2011 due mainly to price increases and the effect of the average peso depreciation during 2012.

Cost of sales increased by 2% to Ps.2,415 million in 2012 compared with Ps.2,368 million in 2011, due mainly to the aforementioned average peso depreciation. Cost of sales as a percentage of net sales decreased to 71.7% in 2012 from 74.5% in 2011 due mainly to the aforementioned price increases.

SG&A rose by 16% to Ps.994 million in 2012 compared with Ps.858 million in 2011, due to higher sales commissions, and salaries, as well as the strengthening of the sales department and the effect of the average peso depreciation. As a percentage of net sales, SG&A increased to 29.5% in 2012 from 27% in 2011 due to the aforementioned increase in expenses.

Operating loss was Ps.40 million in 2012 compared with a loss of Ps.46 million in 2011, and operating margin improved to a negative 1.2% in 2012 from a negative 1.5% in 2011 principally in connection with the price increases.

Consolidated Financial Position

Balance-Sheet Highlights (December 2012 versus December 2011)

Total **assets** as of December 31, 2012 were Ps.49,460 million, an increase of 11% driven mainly by higher grain inventories at most subsidiaries and, to a lesser extent, higher other receivables related to income taxes.

Total **liabilities** as of December 31, 2012 were Ps.35,127 million, 31% more derived from higher debt in connection with the acquisition of ADM's stakes in GRUMA and certain of its subsidiaries during December 2012.

Shareholders' equity as of December 31, 2012 was Ps.14,334 million, 19% less due to the aforementioned transaction with ADM as most of the shares repurchased were subsequently cancelled.

Debt Profile

GRUMA's debt totaled US$1,550 million, of which approximately 81% was dollar denominated.

SCHEDULE OF DEBT AMORTIZATIONS
(US$ MILLIONS)

	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Perpetual Bond								300	300
BBVA Syndicated Facility		25	25	175					225
BBVA Syndicated Facility MXP			4.6	9.2	41.5	36.9			92.2
Gruma Corp Facility BofA				164					163.7
Bancomext Facility MXP			2.3	4.6	20.8	18.4			46.1
Rabobank Facility				100					100
Bridge Loan	400								400
Other	219.8	2.0	0.6	0.3	0.2				222.9
Total	**619.8**	**27**	**32.5**	**452.8**	**62.5**	**55.3**	**0**	**300**	**1,549.9**

Capital Expenditure Program

GRUMA's capital expenditures in 2012 were US$212 million, applied primarily to production capacity expansions, general manufacturing and technology upgrades in Gruma Corporation and GIMSA. During 2012, GRUMA inaugurated a tortilla plant in Florida, United States, and expanded capacity principally at its plants in Coventry, England, Chiapas and Guanajuato, Mexico.

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2012 and 2011

CONTENT

INDEPENDENT AUDITOR'S REPORT

Monterrey, N.L., April 19, 2013

TO THE SHAREHOLDERS' MEETING OF GRUMA, S.A.B DE C.V.

We have audited the accompanying consolidated financial statements of Gruma, S.A.B. de C.V and subsidiaries (the "Company"), wich comprise the consolidated statement of financial position at December 31, 2012 and 2011, and the consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2012, 2011 and 2010, 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 (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 evaluating the appropriateness of the 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of Gruma, S.A B. de C.V. and its subsidiaries at December 31, 2012 and 2011, and its financial performance and its cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards (IFRS).

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to the disclosed in Notes 27 and 30 to the consolidated financial statements, where on January 22, 2013, the Ministry of Justice and Internal Relations in Venezuela designated individuals as special managers representing the Republic of Venezuela, for the foreign subsidiaries located in that country; providing the right to take control over such subsidiaries. Consequently and as a result of the loss of control, the Company will stop consolidating the financial information of the Venezuelan subsidiaries as of January 22, 2013.

PricewaterhouseCoopers, S. C.

C.P.C. Víctor A. Robledo Gómez
Audit Partner

CONSOLIDATED BALANCE SHEETS

As of December 31, 2012 and 2011

In thousands of Mexican pesos (Notes 1, 2 and 5)

	Note	As of December 31, 2012	As of December 31, 2011
Assets			
Current:			
Cash and cash equivalents	8	Ps. 1,287,368	Ps. 1,179,651
Trading investments	21	-	140,255
Derivative financial instruments	21	45,316	103,413
Accounts receivable, net	9	7,048,525	7,127,208
Inventories	10	13,383,990	10,700,831
Recoverable income tax		1,621,044	505,069
Prepaid expenses		228,791	231,489
Total current assets		**23,615,034**	**19,987,916**
Non-current:			
Long-term notes and accounts receivable	11	346,944	626,874
Investment in associates	12	1,156,251	143,700
Property, plant and equipment, net	13	20,917,534	20,515,633
Intangible assets, net	14	2,775,444	2,954,359
Deferred tax assets	15	649,195	314,136
Total non-current assets		**25,845,368**	**24,554,702**
Total Assets		**Ps. 49,460,402**	**Ps. 44,542,618**
Liabilities			
Current:			
Short-term debt	16	Ps. 8,018,763	Ps. 1,633,207
Trade accounts payable		6,307,796	5,544,105
Derivative financial instruments	21	28,832	46,013
Provisions	17	97,743	401,116
Income tax payable		327,657	624,378
Other current liabilities	18	2,744,267	2,732,215
Total current liabilities		**17,525,058**	**10,981,034**
Non-current:			
Long-term debt	16	11,852,708	11,472,110
Provision for deferred taxes	15	4,225,367	3,838,316
Employee benefits obligations	19	583,764	370,402
Provisions	17	289,800	114,714
Other non-current liabilities	3	649,988	53,258
Total non-current liabilities		**17,601,627**	**15,848,800**
Total Liabilities		**35,126,685**	**26,829,834**
Equity			
Shareholders' equity:			
Common stock	20	5,668,079	6,972,425
Reserves		272,262	(144,236)
Retained earnings	20	5,361,325	6,603,014
Total shareholders' equity		**11,301,666**	**13,431,203**
Non-controlling interest		3,032,051	4,281,581
Total Equity		**14,333,717**	**17,712,784**
Total Liabilities and Equity		**Ps. 49,460,402**	**Ps. 44,542,618**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENTS

For the years ended December 31, 2012, 2011 and 2010

In thousands of Mexican pesos, except per-share data (Notes 1, 2 and 5)

	Note	2012	2011	2010
Net sales		Ps. 64,316,632	Ps. 57,644,749	Ps. 46,232,454
Cost of sales		(45,349,670)	(40,117,952)	(31,563,342)
Gross profit		**18,966,962**	**17,526,797**	**14,669,112**
Selling and administrative expenses		(15,352,274)	(13,984,486)	(12,100,365)
Other expenses, net	23	(101,655)	(203,850)	(518,732)
Operating income		**3,513,033**	**3,338,461**	**2,050,015**
Interest expense	16	(947,197)	(1,017,122)	(1,424,152)
Interest income		60,753	126,389	33,753
Gain (loss) from derivative financial instruments	21	107,994	207,816	(82,525)
Monetary position gain, net		138,753	214,832	165,869
(Loss) gain from foreign exchange differences, net		(89,262)	40,885	143,852
Comprehensive financing cost, net		**(728,959)**	**(427,200)**	**(1,163,203)**
Share of profits of associates	12	2,976	3,329	592,235
Gain from the sale of shares of associate	12	-	4,707,804	-
Income before income tax		2,787,050	7,622,394	1,479,047
Income tax expense	25	(1,083,291)	(1,806,572)	(839,561)
Consolidated net income		**Ps. 1,703,759**	**Ps. 5,815,822**	**Ps. 639,486**
Attributable to:				
Shareholders		Ps. 1,115,338	Ps. 5,270,762	Ps. 431,779
Non-controlling interest		588,421	545,060	207,707
		Ps. 1,703,759	**Ps. 5,815,822**	**Ps. 639,486**
Basic and diluted earnings per share (pesos)		Ps. 2.00	Ps. 9.35	Ps. 0.77
Weighted average shares outstanding (thousands)		558,712	563,651	563,651

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, 2012, 2011 and 2010

In thousands of Mexican pesos (Notes 1, 2 and 5)

	Note	2012	2011	2010
Consolidated net income		**Ps. 1,703,759**	**Ps. 5,815,822**	**Ps. 639,486**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Actuarial gains and losses	19	(105,967)	2,336	(18,949)
Income taxes	15	10,783	11,725	-
		(95,184)	14,061	(18,949)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation adjustments		29,130	1,589,088	(1,843,035)
Share of other comprehensive income of associates		71,217	(5,014)	(85,623)
Cash flow hedges		461,687	4,969	-
Other		(71,810)	-	-
Income taxes	15	(125,113)	9,261	25,505
		365,111	1,598,304	(1,903,153)
Other comprehensive income, net of tax		269,927	1,612,365	(1,922,102)
Comprehensive income (loss)		**Ps. 1,973,686**	**Ps. 7,428,187**	**Ps. (1,282,616)**
Attributable to:				
Shareholders		Ps. 1,378,161	Ps. 6,486,642	Ps. (953,269)
Non-controlling interest		595,525	941,545	(329,347)
		Ps. 1,973,686	**Ps. 7,428,187**	**Ps. (1,282,616)**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2012, 2011 and 2010

In thousands of Mexican pesos (Notes 1, 2 and 5)

	COMMON STOCK (NOTE 20-A)		RESERVES						
	Number of shares (thousands)	Amount	Foreign currency translation adjustment (Note 20-D)	Share of equity of associates	Cash flow hedges and other reserves	Retained earnings (Note 20-B)	Total share-holders' equity	Non-contro-lling interest	Total equity
Balances at January 1, 2010	563,651	Ps. 6,972,425	Ps. -	Ps. 19,420	Ps. (2,475)	Ps. 908,460	Ps. 7,897,830	Ps.4,181,932	Ps.12,079,762
Transactions with owners of the Company:									
Dividends paid							-	(74,872)	(74,872)
								(74,872)	(74,872)
Comprehensive income:									
Net income of the year						431,779	431,779	207,707	639,486
Foreign currency translation adjustment (Net of taxes of Ps.24,724)			(1,282,185)				(1,282,185)	(536,126)	(1,818,311)
Actuarial gains and losses						(18,021)	(18,021)	(928)	(18,949)
Share of other comprehensive income of associates				(85,623)			(85,623)	-	(85,623)
Other					781		781	-	781
Comprehensive loss of the year			(1,282,185)	(85,623)	781	413,758	(953,269)	(329,347)	(1,282,616)
Balances at December 31, 2010	**563,651**	**6,972,425**	**(1,282,185)**	**(66,203)**	**(1,694)**	**1,322,218**	**6,944,561**	**3,777,713**	**10,722,274**
Transactions with owners of the Company:									
Dividends paid							-	(524,303)	(524,303)
Contribution from non-controlling interest							-	86,626	86,626
							-	(437,677)	(437,677)
Comprehensive income:									
Net income of the year						5,270,762	5,270,762	545,060	5,815,822
Foreign currency translation adjustment (Net of taxes of Ps.8,583)			1,205,213				1,205,213	392,458	1,597,671
Actuarial gains and losses (Net of taxes of Ps.11,725)						10,034	10,034	4,027	14,061
Share of other comprehensive income of associates				(5,014)			(5,014)	-	(5,014)
Cash flow hedges					4,969		4,969	-	4,969
Other					678		678	-	678
Comprehensive income of the year			1,205,213	(5,014)	5,647	5,280,796	6,486,642	941,545	7,428,187
Balances at December 31, 2011	**563,651**	**Ps. 6,972,425**	**Ps. (76,972)**	**Ps. (71,217)**	**Ps. 3,953**	**Ps. 6,603,014**	**Ps. 13,431,203**	**Ps. 4,281,581**	**Ps.17,712,784**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2012, 2011 and 2010

In thousands of Mexican pesos (Notes 1, 2 and 5)

	COMMON STOCK (NOTE 20-A)		RESERVES						
	Number of shares (thousands)	Amount	Foreign currency translation adjustment (Note 20-D)	Share of equity of associates	Cash flow hedges and other reserves	Retained earnings (Note 20-B)	Total share-holders' equity	Non-contro-lling interest	Total equity
Balances at December 31, 2011	563,651	Ps.6,972,425	Ps. (76,972)	Ps. (71,217)	Ps. 3,953	Ps.6,603,014	Ps. 13,431,203	Ps.4,281,581	Ps.17,712,784
Transactions with owners of the Company:									
Dividends paid							-	(96,187)	(96,187)
Contribution from non-controlling interest							-	165,710	165,710
Acquisition of Company's own shares	(106,335)	(1,304,346)				(2,707,003)	(4,011,349)	-	(4,011,349)
Contingent payment due to acquisition of Company's own shares (Note 3)						(492,272)	(492,272)	-	(492,272)
Effect of acquisition of non-controlling interest, net of taxes (Note 3)						995,923	995,923	(1,914,578)	(918,655)
	(106,335)	**(1,304,346)**	**-**	**-**	**-**	**(2,203,352)**	**(3,507,698)**	**(1,845,055)**	**(5,352,753)**
Comprehensive income:									
Net income of the year						1,115,338	1,115,338	588,421	1,703,759
Foreign currency translation adjustment (Net of taxes of Ps.(825))			9,860				9,860	20,095	29,955
Other				71,217	(328)	(71,217)	(328)	(265)	(593)
Actuarial gains and losses (Net of taxes of Ps.10,783)						(82,458)	(82,458)	(12,726)	(95,184)
Cash flow hedges (Net of taxes of Ps.(125,938))					335,749		335,749	-	335,749
Comprehensive income of the year	-	-	9,860	71,217	335,421	961,663	1,378,161	595,525	1,973,686
Balances at December 31, 2012	**457,316**	**Ps. 5,668,079**	**Ps. (67,112)**	**Ps. -**	**Ps. 339,374**	**Ps. 5,361,325**	**Ps. 11,301,666**	**Ps. 3,032,051**	**Ps. 14,333,717**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2012, 2011 and 2010

In thousands of Mexican pesos (Notes 1, 2 and 5)

	2012	2011	2010
Operating activities:			
Income before taxes	**Ps. 2,787,050**	**Ps. 7,622,394**	**Ps. 1,479,047**
Restatement effect from companies in hyperinflationary environment	124,070	27,771	64,899
Foreign exchange loss (gain) from working capital	99,040	(22,390)	424,691
Net cost of the year for employee benefit obligations	176,584	35,347	56,148
Items related with investing activities:			
Depreciation and amortization	1,744,716	1,596,643	1,502,534
Impairment of long-lived assets	4,014	93,808	-
Written-down fixed assets	37,681	52,271	-
Interest income	(21,721)	(86,846)	(7,531)
Share of profit of associates	(2,976)	(3,329)	(592,235)
Gain from the sale of shares of associate	-	(4,707,804)	-
Loss in sale of fixed assets and damaged assets	18,498	20,812	64,659
Items related with financing activities:			
Derivative financial instruments	(146,142)	(207,816)	82,525
Foreign exchange gain from bank borrowings	(2,342)	(23,953)	(561,821)
Interest expense	824,318	965,128	1,391,631
	5,642,790	**5,362,036**	**3,904,547**
Accounts receivable, net	(397,683)	(1,422,010)	(275,595)
Inventories	(2,154,648)	(3,063,148)	(747,758)
Prepaid expenses	(11,089)	101,106	(126,655)
Trade accounts payable	970,812	1,623,802	759,773
Accrued liabilities and other accounts payables	(31,220)	(341,743)	561,910
Income taxes paid	(2,152,108)	(561,279)	(786,796)
Employee benefits obligations and others, net	(60,718)	52,550	1,712
	(3,836,654)	**(3,610,722)**	**(613,409)**
Net cash flows from operating activities	**1,806,136**	**1,751,314**	**3,291,138**
Investing activities:			
Acquisitions of property, plant and equipment	(2,784,587)	(1,631,571)	(999,546)
Sale of property, plant and equipment	74,971	100,726	139,066
Investment in associate	(895,640)	-	-
Acquisition of subsidiaries, net of cash acquired	-	(708,664)	(106,970)
Acquisition of intangible assets	(17,165)	(22,724)	(3,879)
Sale of shares of associate	-	9,003,700	-
Interests collected	21,721	86,403	7,086
Dividends received from associates	-	-	90,550
Sale of trading investments	130,804	-	-
Acquisition of trading investments	-	(49,837)	(19,423)
Sale of securities and others	14,267	1,096	90,908
Net cash flows (used in) provided by investing activities	**(3,455,629)**	**6,779,129**	**(802,208)**
Cash (to be obtained from) to be used in financing activities	**(1,649,493)**	**8,530,443**	**2,488,930**
Financing activities:			
Proceeds from debt	14,586,527	15,219,575	458,710
Payment of debt	(7,216,863)	(21,373,729)	(3,257,291)
Interests paid	(810,120)	(991,784)	(1,341,991)
Derivative financial instruments collected (paid)	196,531	154,556	(18,987)
Acquisition of Company's own shares	(4,011,348)	-	-
Acquisition of non-controlling interest	(996,575)	-	-
Capital contribution from non-controlling interest	165,710	86,626	-
Dividends paid	(96,187)	(524,303)	(74,872)
Net cash flows from (used in) financing activities	**1,817,675**	**(7,429,059)**	**(4,234,431)**
Net increase (decrease) in cash and cash equivalents	168,182	1,101,384	(1,745,501)
Exchange differences and effects from inflation on cash and cash equivalents	(60,465)	56,950	(113,845)
Cash and cash equivalents at the beginning of the year	**1,179,651**	**21,317**	**1,880,663**
Cash and cash equivalents at the end of the year	**Ps. 1,287,368**	**Ps. 1,179,651**	**Ps. 21,317**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2012 and 2011

(In thousands of Mexican pesos, except where otherwise indicated)

1. ENTITY AND OPERATIONS

Gruma, S.A.B. de C.V. (GRUMA) is a Mexican company with subsidiaries located in Mexico, the United States of America, Central America, Venezuela, Europe, Asia and Oceania, together referred to as the "Company". The Company's main activities are the production and sale of corn flour, wheat flour, tortillas and related products.

GRUMA is a publicly held corporation (Sociedad Anónima Bursátil de Capital Variable) organized under the laws of Mexico. The address of its registered office is Rio de la Plata 407 in San Pedro Garza García, Nuevo León, Mexico. GRUMA is listed on the Mexican Stock Exchange and the New York Stock Exchange.

The consolidated financial statements were authorized by the Chief Corporate Office and the Chief Administrative Office of the Company on April 18, 2013.

2. BASIS OF PREPARATION

The consolidated financial statements of Gruma, S.A.B. de C.V. and Subsidiaries for all the periods presented have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The IFRS also include the International Accounting Standards (IAS) in force, as well as all the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC).

The Company decided to early adopt IFRS in 2011, setting January 1, 2010 as transition date.

The Company applied the IFRS effective at December 31, 2012, except for the amendment to IAS 1, "Presentation of Financial Statements", issued in June 2011, for which the Company chose to early adopt. In accordance with IAS 1, the Company grouped items presented in other comprehensive income on the basis of whether they are potentially classifiable to profit or loss subsequently. There are no IFRS or IFRIC interpretations that were effective during 2012 that had a material impact on the Company.

A) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the basis of historical cost, except for Venezuela's financial information due to its hyperinflationary environment and for the fair value of certain financial instruments as described in the policies shown below (see Note 5-K).

The preparation of financial statements requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

B) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Mexican pesos, which is the functional currency of GRUMA.

C) USE OF ESTIMATES AND JUDGMENTS

The relevant estimates and assumptions are reviewed on a regular basis. The review of accounting estimates are recognized in the period in which the estimate was reviewed and in any future period that is affected.

In particular, the information for assumptions, uncertainties from estimates, and critical judgments in the application of accounting policies, that have the most significant effect in the recognized amounts in these consolidated financial statements, are described below:

- The assumptions used for the determination of fair values of financial instruments (Note 21).
- The assumptions and uncertainties with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income (Notes 15 and 25).
- The key assumptions in impairment testing for long-lived assets used for the determination of the recoverable amount for the different cash generating units (Notes 13 and14).
- The actuarial assumptions used for the determination of employee benefits obligations (Note 19).

3. ACQUISITION OF NON-CONTROLLING INTEREST OF ARCHERDANIELS-MIDLAND IN GRUMA AND CERTAIN SUBSIDIARIES

In 1996, Archer-Daniels-Midland Company ("ADM") associated with GRUMA (the "Association") and as result of the Association, several bylaws were agreed and arrangements held, including the Shareholders Agreement entered into by and between GRUMA, Mr. Roberto González Barrera, ADM and its subsidiary ADM Bioproductos, S.A. de C.V. ("ADM Bioproductos", and jointly with ADM, the "Strategic Partner") dated August 21, 1996 and its subsequent amendments (the "Shareholders Agreement").

As a result of the Association, as of October 23, 2012, the investment that the Strategic Partner owned, directly and indirectly, in GRUMA and certain of its subsidiaries (the "Equity Interests"), was as follows:

- 23.16% of the capital stock of GRUMA. The strategic Partner held directly 18.81% of the capital stock of GRUMA and indirectly 4.35% through owning 45% Valores Azteca, S.A. de C.V. ("Valores Azteca"), a company that held 9.66% of the capital stock of GRUMA.
- 3% of the capital stock of Valores Mundiales, S.L. ("Valores Mundiales").
- 3% of the capital stock of Consorcio Andino, S.L. ("Consorcio").
- 40% of the capital stock of Molinera de México, S.A. de C.V. ("Molinera").
- 20% of the capital stock of Azteca Milling L.P. ("Azteca Milling").

Based on the terms of the Association, if the Strategic Partner decided to sell to a third party its direct investment on GRUMA's shares and indirectly through Valores Azteca (the "GRUMA Shares"), the Strategic Partner had to offer first such investment to the Control Trust of the González Family (the "Controlling Shareholder") or any third party as designated by the Controlling Shareholder, granting the option to acquire the shares of GRUMA.

Also, if the Strategic Partner decided to sell to a third party its investment on the capital stock of Valores Mundiales, Consorcio, Molinera and/or Azteca Milling (the "Subsidiaries Shares"), the strategic Partner had to offer GRUMA the right of first refusal to acquire the Subsidiaries Shares.

On October 16, 2012, ADM reached a preliminary agreement with a Third Party to sell its minority interest on GRUMA's shares (the "Preliminary Agreement"), to the following price:

COMPANY	SELLING PRICE
GRUMA	U.S.$303.8 million, plus up to U.S.$48.7 million as contingent price
Valores Azteca	U.S.$70.2 million, plus up to U.S.$11.3 million as contingent price
Azteca Milling	U.S.$50 million
Molinera	U.S.$18 million
Consorcio	U.S.$1.5 million
Valores Mundiales	U.S.$6.5 million
TOTAL	**U.S.$450 million, plus up to U.S.$60 million as contingent price**

On October 23, 2012, the third Party sent a communication to GRUMA's Board of Directors, requiring the approval to purchase the 23.16% of the capital stock of GRUMA owned, directly and indirectly, by the Strategic Partner, and additionally, expressed its interest to purchase the Strategic Partner's investment on Valores Mundiales, Consorcio, Molinera and Azteca Milling, as mentioned in the Preliminary Agreement.

As informed to GRUMA, on October 19, 2012, the Strategic Partner notified the Controlling Shareholder of its intention to sell its GRUMA Shares to a third Party pursuant to the terms agreed in the Preliminary Agreement, giving the Controlling Shareholder the option to acquire such shares, or to designate a third party to do so, at the same price as agreed in the Preliminary Agreement.

The Controlling Shareholder designated GRUMA as the third party to exercise the right to acquire the GRUMA Shares that the Strategic Partner offered for sale (including the acquisition of the Strategic Partner's investment on Valores Azteca).

Additionally, through various communications dated October 25, 2012, the Strategic Partner notified GRUMA's subsidiaries its intention to sell the Subsidiaries Shares pursuant to the terms agreed in the Preliminary Agreement, giving GRUMA the first refusal right to acquire the Subsidiaries Shares at the same price as agreed in the Preliminary Agreement.

On December 5, 2012, GRUMA's Board of Directors, with the previous favorable opinion of the Corporate Governance and the Audit Committee, supported on a fairness opinion made by an independent expert, approved GRUMA's exercise of the option and/or right of first refusal of the Controlling Shareholder to acquire from the Strategic Partner the GRUMA

Shares, (including the shares that Valores Azteca held), the Subsidiaries Shares, and to obtain the necessary financing instrument to pay for this transaction.

On December 13, 2012, an Ordinary Shareholders' Meeting of GRUMA was held, approving, among other things, the increase of the maximum amount of resources allocated to the purchase of own shares during fiscal year 2012. Also and on the same date, an Extraordinary Shareholders' Meeting of GRUMA was held, approving, among other things, an amendment to GRUMA's bylaws in order to recognize, on a statutory basis, the existence of the Shareholders Agreement.

On December 14, 2012, GRUMA acquired from the Strategic Partner its investment owned directly and indirectly in GRUMA and certain of its subsidiaries, consisting of:

a) 23.16% of the issued shares of GRUMA, through the acquisition of 18.81% of the issued shares of GRUMA and 45% of the issued shares of Valores Azteca, a company that owns 9.66% of the issued shares of GRUMA. With respect to the acquisition of 18.81% of the issued shares of GRUMA, the transaction was not made through a public offer given that it was made through the exercise of an option, in strict compliance with the contractual covenants contained in the strategic agreements of 1996 that were entered into with the Strategic Partner. Such agreements are acknowledged in GRUMA's bylaws and their existence and terms were timely disclosed to the Mexican Stock Exchange and to the public and have thereafter being continuously disclosed in GRUMA's annual report. Such acquisition was carried out against GRUMA's shareholders equity, using funds reserved for the purchase of own shares authorized by GRUMA's General Ordinary Shareholders' Meeting;

b) 3% of the capital stock of Valores Mundiales, S.L. and Consorcio Andino, S.L., holding companies of GRUMA's subsidiaries in Venezuela, Molinos Nacionales, C.A. ("MONACA") and Derivados de Maíz Seleccionado, C.A. ("DEMASECA"), respectively;

c) 40% of the shares of Molinera de México; and

d) 20% of the shares of Azteca Milling (subsidiary of Gruma Corporation), through the acquisition of 100% of the shares of Valley Holding Inc., which has no assets or liabilities other than the investment in shares of Azteca Milling.

The Equity Interests were acquired for an amount of Ps.5,741,280 (U.S.$450 million) plus acquisition related costs of Ps.162,280 and a contingent payment of up to U.S.$60 million (the "Contingent Payment"), proportionally distributed between GRUMA's and Valores Azteca's shares that are part of the Equity Interests, payable only if during the following 42 months after closing the transaction, certain conditions are met in connection with (i) GRUMA's stock market price increase over the closing price of GRUMA's stock determined for purposes of the transaction (the "Closing Price"), at the end of the 42 months' period; (ii) the difference between GRUMA's stock price established for public offers made by GRUMA and the Closing Price; (iii) the acquisition, by a strategic investor, of 15% or more of GRUMA's capital stock; or (iv) the reduction of the percentage of GRUMA's shares that are considered to be held by the public at any time, starting from 26%. The economic terms of the transaction were based on the terms contained in the Preliminary Agreement entered between the third party and the Strategic Partner, for the purchase of the Equity Interests.

In relation with the Contingent Payment and as a result of the analysis of the above mentioned assumptions, a contingent payment liability was recognized as Other non-current liabilities amounting Ps.606,495 (U.S.$46.6 million) and affecting the Company's equity by the amount of Ps.492,272 and the investment in associates of Ps.114,223, solely regarding the scenario (i) as mentioned in the previous paragraph, in connection to GRUMA's stock market price increase, over GRUMA's stock Closing Price determined for purposes of the purchase of the Equity Interests, at the end of the 42 months' period.

The Contingent Payment liability was registered at fair value, which was determined using projected future cash flows discounted to present value and the discount rate used is the average rate of return of any corporate bonds issued by companies comparable to GRUMA. Subsequent changes in the fair value of the Contingent Payment liability will affect the GRUMA's income statement. The Monte Carlo simulation model was used to estimate the future shares price, which includes the expected return and the weighted volatility of historical prices of GRUMA's stock over a period of 42 months.

The significant data used to determine the fair value of the Contingent Payment liability as of December 31, 2012 was as follows:

GRUMA's stock weighted volatility of historical prices		29.78%
GRUMA's share weighted average price of (simulated)	Ps.	58.79 per share
Forward exchange rate	Ps.	14.65 per US dollar
Discount rate		7.30%

As of December 31, 2012, the Company does not consider as probable scenarios (ii), (iii) and (iv) for the Contingent Payment abovementioned, so there was no contingent payment obligation recorded in connection with these cases.

The effect on the acquisition of GRUMA's Subsidiaries Shares attributable to GRUMA's shareholders investment is as follows:

Carrying value of non-controlling interest	Ps.	1,914,578
Purchase price		(996,572)
Deferred tax		77,917
Excess of book value over the purchase price of GRUMA's Subsidiaries Shares	**Ps.**	**995,923**

To carry out the transaction of the Equity Interests, GRUMA obtained bridge loan facilities with maturity dates of up to a year for a total amount of Ps.5,103,360 (U.S.$400 million), lent by Goldman Sachs Bank USA, Banco Santander and Banco Inbursa (the "Short-Term Loan Facilities"), and used Ps.637,920 (U.S.$50 million) of Gruma Corporation's revolving syndicated long term credit facility with Bank of America, which matures in 2016. For the execution of the Short-Term Loan Facilities, GRUMA's permitted leverage ratios established under the loan facilities were increased to allow GRUMA to increase its leverage as a result of the obtainment of the Short-Term Loan Facilities.

4. BUSINESS COMBINATIONS

A) ALBUQUERQUE TORTILLA COMPANY

On April 15, 2011, the Company, through its subsidiary Gruma Corporation, acquired the business of manufacturing, distributing and selling of corn and wheat flour tortillas of Albuquerque Tortilla Company, which is located in New Mexico, United States, for Ps.102,410 (U.S.$8.9 million) paid in cash. This purchase was accounted for using the acquisition method, following the business combination rules. The purpose of this acquisition is to contribute to the growth and strengthening of the Company's tortilla business in the south-central region of the United States under a strong and recognized brand.

The following table summarizes the consideration paid and the fair value of the net assets acquired:

Inventories	Ps.	1,753
Property, plant and equipment		47,700
Non-compete agreement		8,993
Customer lists		5,189
Trademarks		17,641
Fair value of identifiable assets		81,276
Goodwill		21,134
Total consideration paid in cash	**Ps.**	**102,410**

The goodwill recorded for this acquisition represents the value of acquiring an on-going business with an assembled and trained workforce, and business growth prospects in the south-central region of the United States. None of the goodwill recognized is expected to be deductible for tax purposes.

Acquisition-related costs such as advisory fees, appraisal fees, valuation services and legal fees amounted to Ps.2,497, were recognized in the income statement as selling and administrative expenses.

No contingent liabilities and contingent consideration arrangements have arisen from this acquisition.

From January 1, 2011 to the acquisition date, this business recorded an estimated revenue of Ps.64,979 and a net loss of approximately Ps.29,475.

B) CASA DE ORO FOODS

On August 25, 2011, the Company, through its subsidiary Gruma Corporation, acquired the business of manufacturing, distributing and selling of corn and wheat flour tortillas of Casa de Oro Foods, which is located in Nebraska, United States for Ps.280,615 (U.S.$22.7 million) paid in cash. This purchase was accounted for using the acquisition method, following the business combination rules. The strategic location of Casa de Oro will help improve and increase the Company's coverage in the midwest region of the United States, generating savings in transportation and increasing the production of corn flour tortillas and tortilla chips.

The following table summarizes the consideration paid and the fair value of the net assets acquired:

Accounts receivable	Ps.	40,026
Inventories		16,808
Prepaid expenses		185
Current liabilities		(21,489)
Working capital		35,530
Property, plant and equipment		122,351
Wheat forwards		1,099
Non-compete agreement		7,163
Customer lists		41,372
Trademarks		4,817
Fair value of identifiable net assets		212,332
Goodwill		68,283
Total consideration paid in cash	**Ps.**	**280,615**

The accounts receivable fair value is not significantly different from its carrying value as the receivables are short term, with the full value being collected 30 to 45 days after the acquisition.

The goodwill recorded for this acquisition represents the value of acquiring an on-going business with an assembled and trained workforce, and business growth prospects in the midwest region of the United States. None of the goodwill recognized is expected to be deductible for tax purposes.

Acquisition-related costs such as advisory fees, appraisal fees, valuation services and legal fees amounted to Ps.4,415 were recognized in the income statement as selling and administrative expenses.

From January 1, 2011 to the acquisition date, this business recorded an estimated revenue of Ps.193,938 and a net income of approximately Ps.11,747.

C) SOLNTSE MEXICO

On July 13, 2011, the Company, through its subsidiary Gruma International Foods, S.L., acquired all issued and outstanding shares of Solntse Mexico, which is located in Russia, for Ps.104,923 (U.S.$8.8 million). Solntse Mexico is the leading producer of corn and wheat flour tortillas, corn chips and other products, under the brand Delicados. This company introduced tortillas and corn chips to the Russian market and currently commands the leading market position in Russia's retail and foodservice segments. This acquisition represents the Company's entry into Russia and other Eastern Europe countries.

The following table summarizes the consideration paid and the fair value of the net assets acquired:

Cash	Ps.	6,268
Accounts receivable		11,389
Prepaid expenses		240
Inventories		15,000
Current liabilities		(7,329)
Working capital		25,568
Property, plant and equipment		34,173
Intangible assets		1,358
Long term debt		(22,242)
Deferred tax liabilities		(1,426)
Fair value of identifiable net assets		37,431
Goodwill		67,492
Purchase price	Ps.	104,923
Outstanding payment due to contingent consideration[1]		(22,320)
Total consideration paid in cash	**Ps.**	**82,603**

[1]As of December 31, 2012, the outstanding payment due to contingent consideration amounted to Ps.10,382.

The accounts receivable fair value is not significantly different from its carrying value as the receivables are short term with the full value being collected 30 to 45 days after the acquisition.

The goodwill recorded for this acquisition represents the value of acquiring an on-going business with an assembled and trained workforce, and business growth prospects in the Eastern Europe and Middle East regions. None of the goodwill recognized is expected to be deductible for tax purposes.

Acquisition-related costs such as advisory fees, appraisal fees, valuation services and legal fees amounted to Ps.16,367 (U.S.$1.3 million), were recognized in the income statement as selling and administrative expenses.

For the period from July 1, 2011 to December 31, 2011, this business contributed revenues of Ps.84,002 and a net income of Ps.5,556. If the acquisition had taken place on January 1, 2011, revenues and net income would have increased by approximately Ps.28,034 and Ps.2,711, respectively.

D) SEMOLINA A.S.

On November 16, 2011, the Company, through its subsidiary Gruma International Foods, S.L., acquired all issued and outstanding shares of Semolina A.S., which is located in Turkey, for Ps.230,388 (U.S.$17 million). Semolina is the leading corn miller in Turkey, and specializes in supplying corn grits for the snack and breakfast cereals industries. The acquisition of Semolina represents a significant milestone for the Company's growth strategy in Eastern Europe and the Middle East. The Company's European milling division's priority is to consolidate itself as a market leader in corn milling and related products for the snack, brewing and breakfast cereals industries.

The following table summarizes the consideration paid and the fair value of the net assets acquired:

Cash	Ps. 3,405
Accounts receivable	33,742
Prepaid expenses	1,237
Inventories	580
Current liabilities	(45,310)
Working capital	(6,346)
Property, plant and equipment	48,959
Intangible assets	41
Fair value of identifiable net assets	42,654
Goodwill	187,734
Purchase price	230,388
Outstanding payment due to contingent consideration[1]	(24,413)
Total consideration paid in cash	**Ps. 205,975**

[1] As of December 31, 2012, the outstanding payment due to contingent consideration amounted to Ps.11,384.

The accounts receivable fair value is not significantly different from its carrying value as the receivables are short term with the full value being collected 30 to 45 days after the acquisition.

The goodwill recorded for this acquisition represents the value of acquiring an on-going business with an assembled and trained workforce, and business growth prospects in the Eastern Europe and Middle East regions. None of the goodwill recognized is expected to be deductible for tax purposes.

Acquisition-related costs such as advisory fees, appraisal fees, valuation services and legal fees amounted to Ps.11,259 (U.S.$0.9 million), were recognized in the income statement as selling and administrative expenses.

For the period from November 17, 2011 to December 31, 2011, this business contributed revenues of Ps.42,624 and a net loss of Ps.12,798. If the acquisition had taken place on January 1, 2011, revenues would have increased by approximately Ps.296,988 and net loss would have decreased by approximately Ps.12,762.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF CONSOLIDATION

a. Subsidiaries

The subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The financial statements of subsidiaries are incorporated in the consolidated financial statements commencing on the date on which the control begins, until the date when that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company.

At December 31, 2012 and 2011, the main subsidiaries included in the consolidation were:

	% of ownership	
	At December 31, 2012	At December 31, 2011
Gruma Corporation and subsidiaries	100.00	100.00
Grupo Industrial Maseca, S.A.B. de C.V. and subsidiaries	83.18	83.18
Molinos Nacionales, C.A. (Note 3)	75.86	72.86
Derivados de Maíz Seleccionado, C.A (Note 3)	60.00	57.00
Molinera de México, S.A. de C.V. and subsidiaries (Note 3)	100.00	60.00
Gruma International Foods, S.L. and subsidiaries	100.00	100.00
Productos y Distribuidora Azteca, S.A. de C.V	100.00	100.00
Investigación de Tecnología Avanzada, S.A. de C.V. and subsidiaries	100.00	100.00

b. Transactions with non-controlling interest without change of control
The Company applies a policy of treating transactions with non-controlling interest as transactions with equity owners of the Company. When purchases from non-controlling interest take place, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recognized as operations with holders of equity instruments; therefore, no goodwill is recognized with these acquisitions. Disposals to non-controlling interests result in gains and losses for the group and are also recorded in equity when there is no loss of control. See Note 3 for acquisitions of non-controlling interests during 2012.

c. Business combinations
Business combinations are recognized through the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets given, the liabilities incurred by the Company with the previous owners and the equity instruments issued by the Company. The cost of an acquisition also includes the fair value of any contingent payment.

The related acquisition costs are recognized in the income statement when incurred.

Identifiable assets acquired, liabilities assumed and contingent liabilities in a business combination are measured at fair value at the acquisition date.

The Company recognizes any non-controlling interest as the proportional share of the net identifiable assets of the acquired entity.

The Company recognizes goodwill when the cost including any amount of non-controlling interest in the acquired entity exceeds the fair value at acquisition date of the identifiable assets acquired and liabilities assumed.

B) FOREIGN CURRENCY

a. Transactions in foreign currency
Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The differences that arise from the translation of foreign currency transactions are recognized in the income statement.

b. Foreign currency translation
The financial statements of the Company's entities are measured using the currency of the main economic environment where the entity operates (functional currency). The consolidated financial statements are presented in Mexican pesos, currency that corresponds to the presentation currency of the Company.

The financial position and results of all of the group entities that have a functional currency which differs from the Company's presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate of the period.
- Income and expenses are translated at average exchange rates.
- Equity is translated at the exchange rate in effect at the date when the contributions were made and the earnings were generated.
- All resulting exchange differences are recognized in other comprehensive income as a separate component of equity denominated "Foreign currency translation adjustments".

Previous to the peso translation, the financial statements of foreign subsidiaries with functional currency from a hyperinflationary environment are adjusted by inflation in order to reflect the changes in purchasing power of the local currency. Subsequently, assets, liabilities, equity, income, costs, and expenses are translated to the presentation currency at the closing rate at the date of the most recent balance sheet. To determine the existence of hyperinflation, the Company evaluates the qualitative characteristics of the economic environment, as well as the quantitative characteristics established by IFRS of an accumulated inflation rate equal or higher than 100% in the past three years.

The Company applies hedge accounting to foreign exchange differences originated between the functional currency of a foreign subsidiary and the functional currency of the Company. Exchange differences resulting from the translation of a financial liability designated as hedge for a net investment in a foreign subsidiary, are recognized in other comprehensive income as a separate component denominated "Foreign currency translation adjustments" while the hedge is effective. See Note 5-L for the accounting of the net investment hedge.

The closing exchange rates used for preparing the financial statements are as follows:

	As of December 31, 2012	As of December 31, 2011
Pesos per U.S. dollar	13.0101	13.9500
Pesos per Euro	17.1941	18.0764
Pesos per Swiss franc	14.2420	14.8700
Pesos per Venezuelan bolivar (Bs.)	3.0256	3.2442
Pesos per Australian dollar	13.4960	14.2178
Pesos per Chinese yuan	2.0685	2.2161
Pesos per Pound sterling	21.0152	21.6797
Pesos per Malaysian ringgit	4.2499	4.4035
Pesos per Costa Rica colon	0.0256	0.0270
Pesos per Ukrainian hryvnia	1.6318	1.7553
Pesos per Russian ruble	0.4283	0.4341
Pesos per Turkish lira	7.2984	7.3935

C) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short term highly liquid investments with original maturities of less than three months. These items are recognized at historical cost, which do not differ significantly from its fair value.

D) ACCOUNTS RECEIVABLE

Trade receivables are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method, less provision for impairment. The Company has determined that the amortized cost does not represent significant differences with respect to the invoiced amount from short-term trade receivables, since the transactions do not have relevant associated costs.

Allowances for doubtful accounts or impairment represent the Company's estimates of losses that could arise from the failure or inability of customers to make payments when due. These estimates are based on the ageing of customers' balances, specific credit circumstances and the Company's historical bad receivables experience.

E) INVENTORIES

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the average cost method. The net realizable value is the estimated selling price of inventory in the normal course of business, less applicable variable selling expenses. The cost of finished goods and production in process comprises raw materials, direct labor, other direct costs and related production overheads. Cost of inventories may also include the transfer from equity of any gains or losses on qualifying cash flow hedges for purchases of raw materials.

F) INVESTMENTS IN ASSOCIATES

Associates are all entities over which the Company has significant influence over, but does not control the financial and operative decisions. It is assumed that significant influence exists when there is a shareholding of between 20% and 50% of the voting rights of the other entity or less than 20% when it is clearly demonstrated that such significant influence exists.

Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Company's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying value of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains and losses from transactions held with associates are eliminated from the investment in proportion to the Company's share in the entity.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at acquisition cost, less accumulated depreciation and recognized impairment losses. Cost includes expenses that are directly attributable to the asset acquisition.

Subsequent costs, including major improvements, are capitalized and are included in the carrying value of the asset or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the Company and the costs can be measured reliably. Repairs and maintenance are recognized in the income statement when incurred. Major improvements are depreciated during the remaining useful life of the related asset. Leasehold improvements are depreciated using the lower of the lease term or useful life. Land is not depreciated.

Costs of borrowings associated to financing of qualifying assets that require a substantial period of time (over one year) for acquisition or construction, are capitalized as part of the acquisition cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

Depreciation is calculated over the asset cost less residual value, considering its components separately. Depreciation is recognized in income using the straight-line method and applying annual rates that reflect the estimated useful lives of the assets. The estimated useful lives are summarized as follows:

	Years
Buildings	25 – 50
Machinery and equipment	5 – 25
Leasehold improvements	10*

* The lesser of 10 years or the term of the leasehold agreement.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses from sale of assets result from the difference between revenues of the transaction and the book value of the assets, which is included in the income statement as other expenses, net.

H) INTANGIBLE ASSETS

a. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment, or whenever the circumstances indicate that the value of the asset might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

b. Intangible assets with finite lives

Intangible assets with finite lives are carried at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

	Years
Non-compete agreements	3 - 20
Patents and trademarks	3 - 20
Customer lists	5 - 20
Software for internal use	3 - 7

c. Indefinite-lived intangible assets

Indefinite-lived intangible assets are not amortized, but subject to impairment tests on an annual basis or whenever the circumstances indicate that the value of the asset might be impaired.

d. Research and development

Research costs are expensed when incurred.

Costs from development activities are recognized as an intangible asset when such costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits will be obtained, and the Company pretends and has sufficient resources in order to complete the development and use or sell the asset. The amortization is recognized in income based on the straight-line method during the estimated useful life of the asset.

Development costs that do not qualify as intangible assets are recognized in income when incurred.

I) IMPAIRMENT OF LONG-LIVED ASSETS

The Company performs impairment tests for its property, plant and equipment, intangible assets with finite lives, and investment in associates, when certain events and circumstances suggest that the carrying value of the assets might not be recovered. Indefinite-lived intangible assets and goodwill are subject to impairment tests at least once a year.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of an asset's fair value less costs to sell and value in use. To determine value in use, estimated future cash flows are discounted at present value, using a pre-tax discount rate that reflect time value of money and considering the specific risks associated with the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit).

Impairment losses on goodwill are not reversed. For other assets, impairment losses are reversed if a change in the estimates used for determining the recoverable amount has occurred. Impairment losses are reversed to the extent that the book value does not exceed the book value that was determined, net of depreciation or amortization, if no impairment loss was recognized.

J) LONG-LIVED ASSETS HELD FOR SALE

Long-lived assets are classified as held for sale when (a) their carrying amount is to be recovered mainly through a sale transaction, rather than through continuing use, (b) the assets are held immediately for sale and (c) the sale is considered highly probable in its current condition.

For the sale to be considered highly probable:

- Management must be committed to a sale plan.
- An active program must have begun in order to locate a buyer and to complete the plan.
- The asset must actively be quoted for its sale at a price that is reasonable to its current fair value; and
- The sale is expected to be completed within a year starting the date of classification.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. At December 31, 2012 and 2011, the Company did not have this type of assets.

K) FINANCIAL INSTRUMENTS

Regular purchases and sales of financial instruments are recognized in the balance sheet on the trade date, which is the date when the Company commits to purchase or sell the instrument.

a. Financial assets

Classification

In its initial recognition and based on its nature and characteristics, the Company classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) financial assets held until maturity, and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Balances of financial instruments held by the Company at December 31, 2012 and 2011 are disclosed in Note 21-A.

i. Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss when designated as held for trading or classified as such in its initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are carried at fair value, and directly attributable transaction costs and corresponding changes of fair value are recognized in the income statement. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for assets with maturities greater than 12 months. Initially, these assets are carried at fair value plus any transaction costs directly attributable to them; subsequently, these assets are recognized at amortized cost using the effective interest rate method.

iii. Financial assets held until maturity

When the Company has the intention and capacity to keep debt instruments until maturity, these financial assets are classified as held until maturity. Initially, these assets are carried at fair value plus any transaction costs directly attributable to them; subsequently, these assets are recognized at amortized cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified in any of the other categories. They are included in current assets, except for assets with maturities greater than 12 months. These assets are initially recognized at fair value plus any transaction costs directly attributable to them; subsequently, these assets are recognized at fair value. If these assets cannot be measured through an active market, then its fair value is determined through a valuation technique. Profit or losses from changes in the fair value are recognized in other comprehensive income in the period when incurred. At disposition date, such profit or losses are recognized in income.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of interest income. Dividends on available-for-sale equity instruments are recognized in the income statement when the Company's right to receive payments is established.

Impairment

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. See Note 5-D for the accounting policy for the impairment of accounts receivable.

b. Financial liabilities

i. Debt and financial liabilities

Debt and financial liabilities that are non-derivatives are initially recognized at fair value, net of transaction costs directly attributable to them: subsequently, these liabilities are recognized at amortized cost. The difference between the net proceeds and the amount payable is recognized in the income statement during the debt term, using the effective interest rate method.

ii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities for trading and financial liabilities designated at initial recognition.

L) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are initially recognized at fair value and are subsequently re-measured at their fair value; the transaction costs are recognized in the income statement when incurred. Derivative financial instruments are classified as current, except for maturities exceeding 12 months.

Fair value is determined based on recognized market prices. When not quoted in markets, fair value is determined using valuation techniques commonly used in the financial sector. Fair value reflects the credit risk of the instrument and includes adjustments to consider the credit risk of the Company or the counterparty, when applicable.

The method for recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge and, if so, the nature of the item being hedged. The Company designates derivative financial instruments as follows:

- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, including objectives, strategies for risk management and the method for assessing effectiveness in the hedge relationship.

a. Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. At December 31, 2012 and 2011, the Company did not have this type of hedging.

b. Cash flow hedges

For cash flow hedge transactions, changes in the fair value of the derivative financial instrument are included as other comprehensive income in equity, based on the evaluation of the hedge effectiveness, and are reclassified to the income statement in the periods when the projected transaction is realized, see Note 21-C.

Hedge effectiveness is determined when changes in the fair value or cash flows of the hedged position are compensated with changes in the fair value or cash flows of the hedge instrument in a quotient that ranges between 80% and 125% of inverse correlation. Ineffective portions from changes in the fair value of derivative financial instruments are recognized immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately registered in the income statement.

c. Net investment hedge

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. The gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold, see Note 20-D.

M) LEASES

a. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the period of the lease.

b. Finance leases

Leases where the Company has substantially all the risks and rewards of ownership, are classified as finance leases.

Under finance leases, at the initial date, both assets and liabilities are recognized at the lower of the fair value of the leased property and the present value of the minimum lease payments. In order to discount the minimum payments, the Company uses the interest rate implicit in the lease, if this practicable to determine; if not, the Company's incremental borrowing rate is used.

Lease payments are allocated between the interest expense and the reduction of the pending liability. Interest income is recognized in each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

N) EMPLOYEE BENEFITS

a. Post-employment benefits

In Mexico, the Company has the following defined benefit plans:

- Single-payment retirement plan, when employees reach the required retirement age, which is 60.
- Seniority premium, after 15 years of service.

The Company has established trust funds in order to meet its obligations for the seniority premium. Employees do not contribute to these funds.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation, less the fair value of plan assets, together with adjustments for unrecognized past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated cash outflows using discount rates in accordance with IAS-19, that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past-service costs are amortized on a straight-line basis over the vesting period.

In the United States, the Company has a savings and investment plan that incorporates voluntary employee 401 (k) contributions with matching contributions of the Company in this country. The Company's contributions are recognized in the income statement when incurred.

In Venezuela, on May 7, 2012, the New Organic Labor and Workers' Law (LOTTT) was published in the official gazette of the Bolivarian Republic of Venezuela and was effective as of such date. This law established some changes from the previous Organic Law issued on June 19, 1997 and amended on May 6, 2011. The most important changes included: modifications in the method of calculation of some employee benefits such as vacation bonuses, profits, pre and post natal leave, social security benefits and their interests. It also established changes in the duration of the workday, and introduced concepts as maternity labor stability. Some of the above benefits are also regulated by the collective agreements of the Company in Venezuela, which in many cases, exceed the issues raised by the new legislation.

The Company's management has determined that the main effect of the enactment of this law is related with the retroactivity of the social security benefits and, through actuarial studies, the Company has estimated the effects on labor provisions and costs.

Until December 31, 2011, the Company determined severance amounts for employment termination in accordance with the local Labor Law and collective agreements effective at that date, and transferred these amounts to a trust for each worker. Contributions to each trust were recognized in income when incurred.

b. Termination benefits

Termination benefits are payable when employment is terminated by decision of the Company, before the normal retirement date.

The Company recognizes termination benefits as a liability only when there has been a commitment to a detailed formal plan without possibility of withdrawal. Termination benefits that do not meet this requirement are recognized in the income statement in the period when incurred.

c. Short term benefits

Short term employee benefits are measured at nominal base and are recognized as expenses as the service is rendered. If the Company has the legal or constructive obligation to pay as a result of a service rendered by the employee in the past and the amount can be estimated, an obligation is recognized for short term bonuses or profit sharing.

O) PROVISIONS

Provisions are recognized when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

P) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Q) REVENUE RECOGNITION

Sales are recognized upon shipment to, and acceptance by, the Company's customers or when the risk of ownership has passed to the customers. Revenue comprises the fair value of the consideration received or receivable, net of returns, discounts, and rebates. Provisions for discounts and rebates to customers, returns and other adjustments are recognized in the same period that the related sales are recorded and are based upon either historical estimates or actual terms.

R) INCOME TAXES

The tax expense of the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized from the analysis of the balance sheet considering temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates that have been enacted at the date of the balance sheet and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for tax loss carry-forwards not used, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. In each period-end deferred income tax assets are reviewed and reduced to the extent that it is not probable that the benefits will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the entity has a legally enforceable right to set off assets against liabilities and are related to income tax levied by the same tax authority on the same taxable entity.

S) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, which include convertible debt and share options.

For the years ended December 31, 2012, 2011 and 2010, the Company has no dilutive instruments issued.

T) SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity. Operating results from an operating segment are regularly reviewed by the entity's chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

6. RISK AND CAPITAL MANAGEMENT

A) RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk, and commodity price risk), credit risk and liquidity risk. The group's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. The Company uses derivative financial instruments to hedge some of these risks.

Currency risk

The Company operates internationally and thus, is exposed to currency risks, particularly with the U.S. dollar. Currency risks arise from commercial operations, recognized assets and liabilities and net investments in foreign subsidiaries.

The following tables detail the exposure of the Company to currency risks at December 31, 2012 and 2011. The tables show the carrying amount of the Company's financial instruments denominated in foreign currency.

At December 31, 2012:

Amounts in thousands of Mexican pesos

	U.S. DOLLAR	POUND STERLING	VENEZUELAN BOLIVAR	EUROS	COSTA RICA COLONS AND OTHERS	TOTAL
Monetary assets:						
Current[1]	Ps. 3,072,982	Ps. 276,579	Ps. 1,584,590	Ps. 262,465	Ps. 1,229,180	**Ps. 6,425,796**
Non-current	10,442	-	1,538	1,655	15,498	**29,133**
Monetary liabilities:						
Current	(10,312,030)	(212,532)	(1,584,472)	(182,780)	(583,534)	**(12,875,348)**
Non-current	(12,498,676)	(1,080)	(95,132)	(52,504)	(70,210)	**(12,717,602)**
Net position	**Ps. (19,727,282)**	**Ps. 62,967**	**Ps. (93,476)**	**Ps. 28,836**	**Ps. 590,934**	**Ps. (19,138,021)**

At December 31, 2011:

Amounts in thousands of Mexican pesos

	U.S. DOLLAR	POUND STERLING	VENEZUELAN BOLIVAR	EUROS	COSTA RICA COLONS AND OTHERS	TOTAL
Monetary assets:						
Current[1]	Ps. 2,867,933	Ps. 313,652	Ps. 1,085,573	Ps. 172,257	Ps. 935,694	**Ps. 5,375,109**
Non-current	20,809	1,428	522	33,608	42,170	**98,537**
Monetary liabilities:						
Current	(4,627,116)	(173,062)	(1,970,433)	(273,115)	(515,808)	**(7,559,534)**
Non-current	(11,615,016)	(1,074)	(22,356)	(33,253)	(69,899)	**(11,741,598)**
Net position	**Ps. (13,353,390)**	**Ps. 140,944**	**Ps. (906,694)**	**Ps. (100,503)**	**Ps. 392,157**	**Ps. (13,827,486)**

[1]Approximately 70% of this balance corresponds to accounts receivable.

For the years ended December 31, 2012, 2011 and 2010, the effects of exchange rate differences on the Company's monetary assets and liabilities were recognized as follows:

	2012	2011	2010
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investment in foreign subsidiaries, recorded directly to equity as an effect of foreign currency translation adjustments	Ps. 468,381	Ps. (813,101)	Ps. 296,636
Exchange differences arising from foreign currency transactions recognized in the income statement	(89,262)	40,885	143,852
	Ps. 379,119	**Ps. (772,216)**	**Ps. 440,488**

Net sales are denominated in Mexican pesos, U.S. dollars, and other currencies. Sales generated in Mexican pesos during 2012, 2011 and 2010 were 35% in 2012 and 34% in 2011 and 2010 of total net sales. Sales generated in U.S. dollars during 2012 and 2011 were 38% and 43% in 2010 of total net sales. Additionally, at December 31, 2012 and 2011, 63% and 67% of total assets were denominated in different currencies other than Mexican pesos, mainly in U.S. dollars. An important portion of operations are financed through debt denominated in U.S. dollars. For the years ended December 31, 2012, 2011 and 2010, net sales in foreign currency amounted to Ps.42,046,892, Ps.37,819,919 and Ps.30,732,369, respectively.

An important currency risk for the debt denominated in U.S. dollars is present in subsidiaries that are not located in the United States, which represented 70% of total debt denominated in U.S. dollars.

During 2010 and 2011, the Company carried out forward transactions with the intention of hedging the currency risk of the Mexican peso with respect to the U.S. dollar, related with the price of corn purchases for domestic and imported harvest. These foreign exchange derivative instruments that did not qualify for hedging accounting were recognized at their fair value. At December 31, 2010 and 2011, the open positions of these instruments represented an unfavorable effect of approximately Ps.4,863 and a favorable effect of approximately Ps.88,537, respectively, which was recognized in the income statement.

At December 31, 2012 the Company has no open positions of foreign exchange derivative instruments.

The effect of foreign exchange differences recognized in the income statements for the years ended December 31, 2012, 2011 and 2010, related with the assets and liabilities denominated in foreign currency, totaled a loss of Ps.(89,262), and a gain of Ps.40,885 and Ps.143,852, respectively. Considering the exposure at December 31, 2012, 2011 and 2010, and assuming an increase or decrease of 10% in the exchange rates while keeping constant the rest of the variables such as interest rates, the effect after taxes in the Company's consolidated results will be Ps.458,069, Ps.128,673 and Ps.605,597, respectively.

Interest rate risk

The variations in interest rates could affect the interest income or expense of financial liabilities bearing variable interest rates, and could also modify the fair value of financial liabilities bearing fixed interest rates.

For the Company, interest rate risk is mainly derived from debt financing transactions, including debt securities, bank and vendor credit facilities and leases. These financing transactions generate exposure to interest rate risk, principally due to changes in relevant base rates (mainly, LIBOR, and to a lesser extent, TIIE, Eurolibor and Venezuela's weighted average rate) that are used to determine the interest rates applicable to the borrowings. The Company had Ps.3,734 million in fixed rate debt and Ps.16,137 million in variable rate debt at December 31, 2012.

The following table shows, at December 31, 2012 and 2011, the Company's debt at fixed and variable rates:

	Amounts in thousands of Mexican pesos			
		2012		2011
Debt at fixed interest rate	Ps.	3,734,498	Ps.	4,280,821
Debt at variable interest rate		16,136,973		8,824,496
Total	**Ps.**	**19,871,471**	**Ps.**	**13,105,317**

From time to time, the Company uses derivative financial instruments such as interest rate swaps for the purposes of hedging a portion of its debt, in order to reduce the Company's exposure to increases in interest rates.

For variable rate debt, an increase in interest rates will increase interest expense. A hypothetical increase of 100 basis points in interest rates on debt at December 31, 2012, 2011 and 2010 will have an effect on the results of the Company of Ps.161,370, Ps.88,246 and Ps.140,505, respectively, considering debt and interest rates at that date, and assuming that the rest of the variables remain constant.

Commodity price risk and derivatives

The availability and price of corn, wheat and other agricultural commodities and fuels are subject to wide fluctuations due to factors outside of the Company's control, such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand/supply and global production of similar and competitive crops. The Company hedges a portion of its production requirements through commodity futures and options contracts in order to reduce the risk created by price fluctuations and supply of corn, wheat, natural gas, diesel and soy oils which exist as part of ongoing business operations. The open positions for hedges of purchases do not exceed the maximum production requirements for a period no longer than 18 months.

During 2012, the Company entered into short-term hedge transactions through commodity futures and options to hedge a portion of its requirements. All derivative financial instruments are recorded at their fair value as either assets or liabilities. Changes in the fair value of derivatives are recorded each period in earnings or accumulated other comprehensive income in equity, depending on whether the derivative qualifies for hedge accounting and is effective as part of a hedge transaction. Ineffectiveness results when the change in the fair value of the hedge instruments differs from the change in the fair value of the position.

For hedge transactions that qualify and are effective, gains and losses are deferred until the underlying asset or liability is settled, and then are recognized as part of that transaction.

Gains and losses which represent hedge ineffectiveness and derivative transactions that do not qualify for hedge accounting are recognized in the income statement.

At December 31, 2012, financial instruments that qualify as hedge accounting represented a favorable effect of Ps.119,275, which was recognized as comprehensive income in equity.

From time to time the Company hedges commodity price risks utilizing futures and options strategies that do not qualify for hedge accounting. As a result of non-qualification, these derivative financial instruments are recognized at their fair values and the associated effect is recorded in current period earnings. For the year ended December 31, 2012 non-settled financial instruments that did not qualify as hedge accounting represented a favorable effect of Ps.17,090. For the years ended December 31, 2011 and 2010, the Company recognized an unfavorable effect of Ps.40,207 and Ps.13,228, respectively. Additionally, as of December 31, 2012 the Company realized Ps.21,058 in net losses on commodity price risk hedges that did not qualify for hedge accounting; likewise, as of December 31, 2011 and 2010, realized net losses of Ps.52,626 and Ps.42,970, respectively.

Based on the Company's overall commodity exposure at December 31, 2012 and 2011, a hypothetical 10 percent decline in market prices applied to the fair value of these instruments would result in an effect to the income statement of Ps.68,811 and Ps.40,431, respectively (for non-qualifying contracts).

In Mexico, to support the commercialization of corn for Mexican corn growers, Mexico's Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food Ministry (Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación, or SAGARPA), through the Agricultural Incentives and Services Agency (Apoyos y Servicios a la Comercialización Agropecuaria, or ASERCA), a government agency founded in 1991, implemented a program designed to promote corn sales in Mexico. The program includes the following objectives:

- Ensure that the corn harvest is brought to market, providing certainty to farmers concerning the sale of their crops and supply security for the buyer.
- Establish a minimum price for the farmer, and a maximum price for the buyer, which are determined based on international market prices, plus a basic formula specific for each region.
- Implement a corn hedging program to allow both farmers and buyers to minimize their exposure to price fluctuations in the international markets.

To the extent that this or other similar programs are canceled by the Mexican government, we may be required to incur additional costs in purchasing corn for our operations, and therefore we may need to increase the prices of our products to reflect such additional costs.

Credit risk

The Company's regular operations expose it to defaults when customers and counterparties are unable to comply with their financial or other commitments. The Company seeks to mitigate this risk by entering into transactions with a diverse pool of counterparties. However, the Company continues to remain subject to unexpected third party financial failures that could disrupt its operations.

The Company is also exposed to risks in connection with its cash management activities and temporary investments, and any disruption that affects its financial intermediaries could also adversely affect its operations.

The Company's exposure to risk due to trade receivables is limited given the large number of its customers located in different parts of Mexico, the United States, Central America, Venezuela, Europe, Asia and Oceania. For this reason, there is not a significant risk of credit concentration. However, the Company still maintains reserves for credit losses. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Since none of the clients have an independent rating of credit quality, the Company's management determines the maximum credit risk for each one, taking into account its financial position, past experience, and other factors. Credit limits are established according to policies set by the Company, which also includes controls that assure its compliance.

During 2012 and 2011, credit limits were complied with and, consequently, management does not expect any important losses from trade accounts receivable.

At December 31, 2012 and 2011, the Company has certain accounts receivable that are neither past due or impaired. The credit quality of such receivables does not present indications of impairment, since the sales are performed to a large variety of clients that include supermarkets, government institutions, commercial businesses and tortilla sellers. At December 31, 2012 and 2011, none of these accounts receivable presented non-performance by these counterparties.

The Company has centralized its treasury operations in Mexico, and in the United States for its operations in that country. Liquid assets are invested primarily in government bonds and short term debt instruments with a minimum grade of "A1/P1" in the case of operations in the United States and "A" for operations in Mexico. The Company faces credit risk from potential defaults of their counterparts with respect to financial instruments they use. Substantially all of these financial instruments are not guaranteed. Additionally, it minimizes the risk of default by the counterparts contracting derivative financial instruments only with major national and international financial institutions using contracts and standard forms issued by the International Swaps and Derivatives Association, Inc. ("ISDA") and operations standard confirmation formats. For operations in Central America and Venezuela, only invests cash reserves with leading local banks and local branches of international banks. Additionally, they maintain small investments abroad.

Investment risk in Venezuela

The Company's operations in Venezuela represented approximately 15% of consolidated net sales and 14% of total consolidated assets as of December 31, 2012. The recent political and civil instability that has prevailed in Venezuela represents a risk to the business that cannot be controlled and that cannot be accurately measured or estimated.

Also, in recent years the Venezuelan authorities have imposed foreign exchange controls and price controls on certain products such as corn flour and wheat flour. These price controls may limit the Company's ability to increase prices in order to compensate for the higher cost of raw materials. The foreign exchange controls may limit the Company's capacity to convert bolivars to other currencies and also transfer funds outside Venezuela.

Various fixed exchange rates have been established by the Venezuelan Government since 2003. Effective January 1, 2010, the Venezuelan Government established an exchange rate of 4.30 bolivars per U.S. dollar. On February 8, 2013, the National Executive, through the Central Bank of Venezuela and the Ministry of Popular Power for Planning and Finance, amended the Exchange Agreement to the effect that an exchange rate of 6.30 bolivars per U.S. dollar is applicable to all operations conducted in foreign currency effective as of February 9, 2013. The exchange rate set in the Exchange Agreement has historically been lower than in the free market. See Note 30-A "Subsequent events".

The Company does not have insurance for the risk of expropriation of its investments. See Note 27 for additional information about the expropriation proceedings of MONACA assets and the measures taken by the People´s Defense Institute for the Access of Goods and Services of Venezuela (Instituto para la Defensa de las Personas en el Acceso a los Bienes y Servicios de Venezuela, or INDEPABIS) in DEMASECA.

Given the Company's operations in Venezuela, the financial position and results of the Company may be negatively affected by a number of factors, including:

a) Decrease in consolidated income due to a possible further devaluation of the Venezuelan bolivar against the U.S. dollar;

b) Subsidiaries in Venezuela manufacturing products subject to price controls;

c) The enactment of the Just Costs and Prices Law (Ley de Costos y Precios Justos) on July 18, 2011, that controls the prices of products affecting the Company's sales;

d) It may be difficult for subsidiaries in Venezuela to pay dividends, as well as to import some of their requirements of raw materials as a result of the foreign exchange and price controls;

e) The costs of some raw materials used by the Venezuelan subsidiaries may increase due to import tariffs, and

f) Inability to obtain and collect a just and reasonable compensation for MONACA's assets subject to expropriation.

Liquidity risk

The Company funds its liquidity and capital resource requirements, in the ordinary course of business, through a variety of sources, including:

- cash generated from operations;
- committed and uncommitted short-term and long-term lines of credit;
- offerings of medium- and long-term debt; and
- sales of its equity securities and those of its subsidiaries and affiliates from time to time.

Factors that could decrease the sources of liquidity include a significant decrease in the demand for, or price of, products, each of which could limit the amount of cash generated from operations, and a lowering of the corporate credit rating or any other credit downgrade, which could further impair the liquidity and increase costs with respect to new debt and cause stock price to suffer. The Company's liquidity is also affected by factors such as the depreciation or appreciation of the peso and changes in interest rates.

The following tables show the remaining contractual maturities of financial liabilities of the Company:

At December 31, 2012:

	Less than a year	From 1 to 3 years	From 3 to 5 years	More than 5 years	Total
Short and long term debt	Ps. 8,043,091	Ps. 755,849	Ps. 6,704,466	Ps. 4,623,030	**Ps. 20,126,436**
Interest payable from short and long term debt	746,613	1,084,968	852,808	628,022	**3,312,411**
Financing leases	20,077	18,843	-	-	**38,920**
Trade accounts and other payables	9,434,268	-	-	-	**9,434,268**
Other non-current liabilities	-	-	606,495	-	**606,495**
Derivative financial instruments	28,832	-	-	-	**28,832**
	Ps. 18,272,881	**Ps. 1,859,660**	**Ps. 8,163,769**	**Ps. 5,251,052**	**Ps. 33,547,362**

At December 31, 2011:

	Less than a year	From 1 to 3 years	From 3 to 5 years	More than 5 years	Total
Short and long term debt	Ps. 1,621,446	Ps. 380,334	Ps. 5,618,137	Ps. 5,715,000	**Ps. 13,334,917**
Interest payable from short and long term debt	652,883	1,142,966	1,061,734	791,437	**3,649,020**
Financing leases	11,762	21,521	-	-	**33,283**
Trade accounts and other payables	9,301,814	-	-	-	**9,301,814**
Derivative financial instruments	46,013	-	-	-	**46,013**
	Ps. 11,633,918	**Ps. 1,544,821**	**Ps. 6,679,871**	**Ps. 6,506,437**	**Ps. 26,365,047**

The Company expects to meet its obligations with cash flows generated by operations. Additionally, the Company has access to credit lines with various banks to address potential cash needs.

B) CAPITAL MANAGEMENT

The Company's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk, to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to provide sustainable returns for shareholders and benefits to stockholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

In addition, to monitor capital, debt agreements contain financial covenants which are disclosed in Note 16.

7. SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products in different geographical regions. These business units are managed separately because each business segment requires different technology and marketing strategies.

The Company's reportable segments are as follows:

- Corn flour and packaged tortilla division (United States and Europe):
  Manufactures and distributes more than 20 varieties of corn flour that are used mainly to produce and distribute different types of tortillas and tortilla chip products in the United States. The main brands are MASECA for corn flour and MISSION and GUERRERO for packaged tortillas

- Corn flour division (Mexico):
  Engaged principally in the production, distribution and sale of corn flour in Mexico under MASECA brand. Corn flour produced by this division is used mainly in the preparation of tortillas and other related products.

- Corn flour, wheat flour and other products division (Venezuela):
  Engaged, mainly, in producing and distributing grains used principally for industrial and human consumption. The main brands are JUANA, TIA BERTA and DECASA for corn flour; ROBIN HOOD and POLAR for wheat flour; MONICA for rice and LASSIE for oats.

- Other segments:
  This section represents those segments whose amounts on an individual basis do not exceed 10% of the consolidated total of net sales, operating income and assets. These segments are:
    a) Corn flour, hearts of palm, rice, and other products (Central America).
    b) Wheat flour (Mexico).
    c) Packaged tortillas (Mexico).
    d) Wheat flour tortillas and snacks (Asia and Oceania).
    e) Technology and equipment, which conducts research and development regarding flour and tortilla manufacturing equipment, produces machinery for corn flour and tortilla production and is engaged in the construction of the Company's corn flour manufacturing facilities.

All inter-segment sales prices are market-based. The Chief Executive Officer evaluates performance based on operating income of the respective business units. The accounting policies for the reportable segments are the same as the policies described in Notes 2 and 5.

Segment information as of and for the year ended December 31, 2012:

	Corn flour and packaged tortilla division (United States and Europe)	Corn flour division (Mexico)	Corn flour, wheat flour and other products (Venezuela)	Other segments	Eliminations and corporate expenses	Total
Net sales to external	Ps. 26,900,883	Ps. 16,809,903	Ps. 9,907,182	Ps. 10,662,239	Ps. 36,425	**Ps. 64,316,632**
Inter-segment net sales	30,672	763,547	-	1,303,796	(2,098,015)	**-**
Operating income (loss)	1,334,615	1,749,259	444,525	27,411	(42,777)	**3,513,033**
Depreciation and amortization	1,058,384	357,097	154,324	312,037	(95,431)	**1,786,411**
Total assets	17,600,503	12,793,474	7,087,569	11,318,494	660,362	**49,460,402**
Investment in associates	-	-	-	146,388	1,009,863	**1,156,251**
Total liabilities	7,931,084	3,808,836	2,948,192	4,630,339	15,808,234	**35,126,685**
Expenditures for fixed assets	1,630,227	451,771	191,478	393,171	117,940	**2,784,587**

Segment information as of and for the year ended December 31, 2011:

	Corn flour and packaged tortilla division (United States and Europe)	Corn flour division (Mexico)	Corn flour, wheat flour and other products (Venezuela)	Other segments	Eliminations and corporate expenses	Total
Net sales to external	Ps. 23,900,928	Ps. 14,799,007	Ps. 9,156,603	Ps. 9,643,075	Ps. 145,136	**Ps. 57,644,749**
Inter-segment net sales	196,857	586,733	-	1,128,926	(1,912,516)	**-**
Operating income (loss)	946,806	1,770,725	674,068	(183,752)	130,614	**3,338,461**
Depreciation and amortization	1,004,467	356,171	135,335	323,051	(76,302)	**1,742,722**
Total assets	16,860,083	11,618,882	6,430,234	10,460,321	(826,902)	**44,542,618**
Investment in associates	-	-	-	143,700	-	**143,700**
Total liabilities	7,074,787	3,451,518	3,021,882	3,919,903	9,361,744	**26,829,834**
Expenditures for fixed assets	858,475	238,958	43,058	404,051	133,762	**1,678,304**

Segment information as of and for the year ended December 31, 2010:

	Corn flour and packaged tortilla division (United States and Europe)	Corn flour division (Mexico)	Corn flour, wheat flour and other products (Venezuela)	Other segments	Eliminations and corporate expenses	Total
Net sales to external	Ps. 21,444,929	Ps. 11,434,119	Ps. 5,381,849	Ps. 7,947,115	Ps. 24,442	**Ps. 46,232,454**
Inter-segment net sales	66,997	418,647	-	981,806	(1,467,450)	-
Operating income (loss)	1,303,038	1,146,697	(26,200)	(70,558)	(302,962)	**2,050,015**
Depreciation and amortization	880,457	365,179	112,399	245,252	(100,753)	**1,502,534**
Total assets	13,757,697	10,276,449	3,983,891	8,627,963	2,281,394	**38,927,394**
Investment in associates	-	-	-	140,505	4,295,896	**4,436,401**
Total liabilities	6,165,517	2,680,233	2,095,555	4,189,938	13,073,877	**28,205,120**
Expenditures for fixed assets	522,741	174,680	84,752	205,917	20,101	**1,008,191**

A summary of information by geographic segment for the years ended December 31, 2012, 2011 and 2010 is presented below:

	2012	%	2011	%	2010	%
Net sales to external customers:						
United States and Europe	Ps. 26,900,883	42	Ps. 23,900,928	41	Ps. 21,444,929	46
Mexico	22,269,740	35	19,870,195	34	15,539,076	34
Venezuela	9,907,182	15	9,156,603	16	5,381,849	12
Central America	3,368,693	5	3,180,155	6	2,765,134	6
Asia and Oceania	1,870,134	3	1,536,868	3	1,101,466	2
	Ps. 64,316,632	**100**	**Ps. 57,644,749**	**100**	**Ps. 46,232,454**	**100**

	2012	%	2011	%	2010	%
Capital expenditures:						
United States and Europe	Ps. 1,630,227	59	Ps. 858,475	51	Ps. 522,741	52
Mexico	839,736	30	470,977	28	329,863	33
Venezuela	191,478	7	43,058	3	84,752	8
Central America	70,078	2	88,508	5	43,477	4
Asia and Oceania	53,068	2	217,286	13	27,358	3
	Ps. 2,784,587	**100**	**Ps. 1,678,304**	**100**	**Ps. 1,008,191**	**100**

		2012	%		2011	%		2010	%
Identifiable assets:									
United States and Europe	Ps.	17,600,503	36	Ps.	16,860,083	38	Ps.	13,757,697	35
Mexico		18,695,391	38		15,052,360	34		16,480,632	43
Venezuela		7,087,569	14		6,430,234	14		3,983,891	10
Central America		2,376,482	5		2,408,555	5		1,928,120	5
Asia and Oceania		3,700,457	7		3,791,386	9		2,777,054	7
	Ps.	**49,460,402**	**100**	**Ps.**	**44,542,618**	**100**	**Ps.**	**38,927,394**	**100**

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

		At December 31, 2012		At December 31, 2011
Cash at bank	Ps.	1,245,911	Ps.	1,161,899
Short-term investments (less than 3 months)		41,457		17,752
	Ps.	**1,287,368**	**Ps.**	**1,179,651**

9. ACCOUNTS RECEIVABLE

Accounts receivable comprised the following:

		At December 31, 2012		At December 31, 2011
Trade accounts and notes receivable	**Ps.**	6,530,563	**Ps.**	6,434,327
Employees		26,339		31,628
Recoverable value-added tax		485,608		368,239
ASERCA receivables (Note 6)		-		321,958
Other debtors		374,249		287,168
Allowance for doubtful accounts		(368,234)		(316,112)
	Ps.	**7,048,525**	**Ps.**	**7,127,208**

The age analysis of accounts receivable is as follows:

					Past due balances					
		Total		Not past due date balances		1 to 120 days		121 to 240 days		More than 240 days
Accounts receivable	Ps.	7,416,759	Ps.	4,525,500	Ps.	2,252,425	Ps.	188,609	Ps.	450,225
Allowance for doubtful accounts		(368,234)		-		(119,800)		(57,260)		(191,174)
Total at December 31, 2012	**Ps.**	**7,048,525**	**Ps.**	**4,525,500**	**Ps.**	**2,132,625**	**Ps.**	**131,349**	**Ps.**	**259,051**

					Past due balances					
		Total		Not past due date balances		1 to 120 days		121 to 240 days		More than 240 days
Accounts receivable	Ps.	7,443,320	Ps.	4,635,346	Ps.	2,174,062	Ps.	255,623	Ps.	378,289
Allowance for doubtful accounts		(316,112)		-		(31,130)		(48,289)		(236,693)
Total at December 31, 2011	**Ps.**	**7,127,208**	**Ps.**	**4,635,346**	**Ps.**	**2,142,932**	**Ps.**	**207,334**	**Ps.**	**141,596**

For the years ended December 31, 2012 and 2011, the movements on the allowance for doubtful accounts are as follows:

		2012		2011
Beginning balance	Ps.	(316,112)	Ps.	(290,379)
Allowance for doubtful accounts		(116,240)		(130,885)
Receivables written off during the year		54,610		117,254
Exchange differences		9,508		(12,102)
Ending balance	**Ps.**	**(368,234)**	**Ps.**	**(316,112)**

10. INVENTORIES

Inventories consisted of the following:

		At December 31, 2012		At December 31, 2011
Raw materials, mainly corn and wheat	Ps.	9,513,318	Ps.	7,987,448
Finished products		1,018,452		917,014
Materials and spare parts		1,346,546		1,284,953
Production in process		220,439		149,714
Advances to suppliers		416,487		194,297
Inventory in transit		466,700		167,405
Raw material loans[1]		402,048		-
	Ps.	**13,383,990**	**Ps.**	**10,700,831**

[1] It is the total amount pending to recover as of December 31, 2012, due to physical loans of grains to government companies in Venezuela, which is expected to recover during 2013.

For the years ended December 31, 2012, 2011 and 2010, the cost of raw materials consumed and the changes in the inventories of production in process and finished goods, recognized as cost of sales amounted to Ps.31,479,110, Ps.34,374,608 and Ps.26,697,273, respectively.

For the years ended December 31, 2012, 2011 and 2010, the Company recognized Ps.97,464, Ps.76,086 and Ps.62,964, respectively, for inventory that was damaged, slow-moving and obsolete.

11. LONG-TERM NOTES AND ACCOUNTS RECEIVABLE

Long-term notes and accounts receivable are as follows:

		At December 31, 2012		At December 31, 2011
Long-term recoverable asset tax	Ps.	-	Ps.	209,940
Long-term notes receivable from sale of tortilla machines		199,925		189,044
Prepaid rent deposits		98,792		111,396
Guarantee deposits		29,324		38,827
Long-term recoverable value-added tax		6,716		35,019
Other		12,187		42,648
	Ps.	**346,944**	**Ps.**	**626,874**

At December 31, 2012 and 2011 long-term notes receivable are denominated in pesos, maturing from 2014 to 2017 and bearing an average interest rate of 16.5% for both years.

12. INVESTMENT IN ASSOCIATES

At December 31, 2012 and 2011, investment in common stock of associated companies consisted of an investment in Valores Azteca and Harinera de Monterrey, S.A. de C.V., which produces wheat flour and related products in Mexico.

At December 31, 2012, Valores Azteca, an associate of GRUMA, has 9.66% of the outstanding shares of the Company. Valores Azteca has assets amounting to Ps.1,094,016, no liabilities as of December 31, 2012 and for the year ended December 31, 2012, has no revenues and reported a net profit of Ps.107,963. Valores Azteca does not perform any operation or activity besides owning the shares of GRUMA. Derived from the multiple transactions completed on December 14, 2012, see Note 3, the Company acquired 45% of the outstanding shares of Valores Azteca.

During January 2011, the Company decided to sell its 8.7966% interest in the capital stock of Grupo Financiero Banorte, S.A.B. de C.V. (GFNorte). On February 15, 2011, the sale of 177,546,496 shares of the capital stock of GFNorte was concluded, resulting in cash proceeds of Ps.9,232,418, before fees and expenses. The accounting result was a profit before taxes of approximately Ps.4,707,804 net of fees and expenses. The sale was authorized by the Mexican Banking Securities and Exchange Commission (CNBV) and was carried out through a secondary public offering in Mexico and a private offering in the United States and other foreign markets, for a simultaneous global offering.

Until the date of GFNorte's sale, the Company had significant influence over this associate due to its representation on the Board of Directors of GFNorte through the Company's principal shareholder.

Investment in associates is comprised of the following:

	At December 31, 2012	At December 31, 2011
Valores Azteca, S.A. de C.V	Ps. 1,009,863	Ps. -
Harinera de Monterrey, S.A. de C.V	146,388	143,700
	Ps. 1,156,251	**Ps. 143,700**

The percentage of interest held in associates is:

	At December 31, 2012	At December 31, 2011
Valores Azteca, S.A. de C.V	45%	-
Harinera de Monterrey, S.A. de C.V	40%	40%

13. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment for the years ended December 31, 2012 and 2011 were as follows:

		Land and buildings		Machinery and equipment		Leasehold improvements		Construction in progress		Total
At January 1, 2011										
Cost	Ps.	7,876,090	Ps.	24,962,403	Ps.	943,548	Ps.	480,133	**Ps.**	**34,262,174**
Accumulated depreciation		(2,405,289)		(13,493,470)		(433,242)		-		**(16,332,001)**
Net book value	**Ps.**	**5,470,801**	**Ps.**	**11,468,933**	**Ps.**	**510,306**	**Ps.**	**480,133**	**Ps.**	**17,930,173**
For the year ended December 31, 2011										
Opening net book value	Ps.	5,470,801	Ps.	11,468,933	Ps.	510,306	Ps.	480,133	**Ps.**	**17,930,173**
Exchange differences		610,538		1,486,807		74,047		93,434		**2,264,826**
Additions		148,380		636,835		12,730		880,359		**1,678,304**
Disposals		(8,607)		(90,945)		(175)		(22,531)		**(122,258)**
Depreciation charge		(198,856)		(1,217,848)		(71,244)		-		**(1,487,948)**
Transfers(1)		63,064		610,568		48,011		(721,643)		**-**
Acquisitions through business combinations		82,928		169,663		-		592		**253,183**
Impairment		(647)		-		-		-		**(647)**
Closing net book value	**Ps.**	**6,167,601**	**Ps.**	**13,064,013**	**Ps.**	**573,675**	**Ps.**	**710,344**	**Ps.**	**20,515,633**
At December 31, 2011										
Cost	**Ps.**	8,914,511	**Ps.**	28,427,554	**Ps.**	1,043,612	**Ps.**	710,344	**Ps.**	**39,096,021**
Accumulated depreciation		(2,746,910)		(15,363,541)		(469,937)		-		**(18,580,388)**
Net book value	**Ps.**	**6,167,601**	**Ps.**	**13,064,013**	**Ps.**	**573,675**	**Ps.**	**710,344**	**Ps.**	**20,515,633**
For the year ended December 31, 2012										
Opening net book value	Ps.	6,167,601	Ps.	13,064,013	Ps.	573,675	Ps.	710,344	**Ps.**	**20,515,633**
Exchange differences		(70,181)		(301,221)		(32,672)		(91,446)		**(495,520)**
Additions		85,874		815,259		43,036		1,840,418		**2,784,587**
Disposals		(1,488)		(244,407)		(16,679)		(980)		**(263,554)**
Depreciation charge		(205,843)		(1,327,101)		(86,654)		-		**(1,619,598)**
Transfers(1)		8,884		902,720		143,666		(1,055,270)		**-**
Impairment		-		(4,014)		-		-		**(4,014)**
Closing net book value	**Ps.**	**5,984,847**	**Ps.**	**12,905,249**	**Ps.**	**624,372**	**Ps.**	**1,403,066**	**Ps.**	**20,917,534**
At December 31, 2012										
Cost	Ps.	8,908,549	Ps.	28,915,146	Ps.	1,152,567	Ps.	1,403,066	**Ps.**	**40,379,328**
Accumulated depreciation		(2,923,702)		(16,009,897)		(528,195)		-		**(19,461,794)**
Net book value	**Ps.**	**5,984,847**	**Ps.**	**12,905,249**	**Ps.**	**624,372**	**Ps.**	**1,403,066**	**Ps.**	**20,917,534**

(1) Transfers correspond to capitalizations of construction in progress.

For the years ended December 31, 2012, 2011 and 2010, depreciation expense was recognized as follows:

	2012	2011	2010
Cost of sales	Ps. 1,282,831	Ps. 1,195,318	Ps. 1,146,514
Selling and administrative expenses	336,767	292,630	266,370
	Ps. 1,619,598	**Ps. 1,487,948**	**Ps. 1,412,884**

At December 31, 2012 and 2011, property, plant and equipment included idle assets with a carrying value of approximately Ps.842,992 and Ps.1,072,382, respectively, resulting from the temporary shut-down of the productive operations of various plants in Mexico, the United States and Venezuela, mainly in the corn flour division in Mexico and packaged tortilla division in the United States.

For the years ended December 31, 2012 and 2011, the Company recognized impairment losses on fixed assets by Ps.4,014 and Ps.647, respectively, within "Other expenses".

The impairment loss in 2012 amounting to Ps.4,014 referred to Gruma Seaham, Ltd, which is part of the segment "Corn flour and packaged tortilla division (United States and Europe)". This impairment loss reflects a decrease in the recoverable value of fixed assets of this CGU due to its continued operating losses.

The Company recognized equipment under finance lease arrangements that are described in Note 26-B.

14. INTANGIBLE ASSETS

Changes in intangible assets for the years ended December 31, 2012 and 2011 were as follows:

	Intangible assets acquired						
	Goodwill	Covenants not to compete	Patents and trade-marks	Customer lists	Software for internal use	Internally generated intangible assets and others	Total
At January 1, 2011							
Cost	Ps. 2,148,699	Ps. 461,126	Ps. 107,471	Ps. 93,719	Ps. 563,328	Ps. 67,606	**Ps. 3,441,949**
Accumulated amortization	-	(329,155)	(66,211)	(49,137)	(534,020)	(56,989)	**(1,035,512)**
Net book value	**Ps. 2,148,699**	**Ps. 131,971**	**Ps. 41,260**	**Ps. 44,582**	**Ps. 29,308**	**Ps. 10,617**	**Ps. 2,406,437**

	Goodwill	Covenants not to compete	Patents and trade-marks	Customer lists	Software for internal use	Internally generated intangible assets and others	Total
For the year ended December 31, 2011							
Opening net book value	Ps. 2,148,699	Ps. 131,971	Ps. 41,260	Ps. 44,582	Ps. 29,308	Ps. 10,617	**Ps. 2,406,437**
Exchange differences	214,138	2,587	8,710	12,652	6,829	13,457	**258,373**
Additions	-	-	18	-	3,841	18,865	**22,724**
Disposals	-	-	-	-	73	(14,607)	**(14,534)**
Amortization	-	(24,905)	(8,738)	(8,719)	(6,715)	(7,889)	**(56,966)**
Additions through business combinations	344,643	16,156	22,458	46,562	292	1,107	**431,218**
Impairment	(92,893)	-	-	-	-	-	**(92,893)**
Closing net book value	**Ps. 2,614,587**	**Ps. 125,809**	**Ps. 63,708**	**Ps. 95,077**	**Ps. 33,628**	**Ps. 21,550**	**Ps. 2,954,359**

	Goodwill	Covenants not to compete	Patents and trade-marks	Customer lists	Software for internal use	Internally generated intangible assets and others	Total
		Intangible assets acquired					
At December 31, 2011							
Cost	Ps. 2,614,587	Ps. 480,098	Ps. 147,577	Ps. 158,516	Ps. 640,799	Ps. 77,166	**Ps. 4,118,743**
Accumulated amortization	-	(354,289)	(83,869)	(63,439)	(607,171)	(55,616)	**(1,164,384)**
Net book value	**Ps. 2,614,587**	**Ps. 125,809**	**Ps. 63,708**	**Ps. 95,077**	**Ps. 33,628**	**Ps. 21,550**	**Ps. 2,954,359**
For the year ended December 31, 2012							
Opening net book value	Ps. 2,614,587	Ps. 125,809	Ps. 63,708	Ps. 95,077	Ps. 33,628	Ps. 21,550	**Ps. 2,954,359**
Exchange differences	(118,552)	(1,071)	(4,122)	1,170	3,034	(3,241)	**(122,782)**
Additions	9,804	-	23	-	4,400	2,938	**17,165**
Disposals	-	-	-	-	(496)	(6,091)	**(6,587)**
Amortization	-	(31,979)	(10,554)	(12,211)	(5,022)	(6,945)	**(66,711)**
Closing net book value	**Ps. 2,505,839**	**Ps. 92,759**	**Ps. 49,055**	**Ps. 84,036**	**Ps. 35,544**	**Ps. 8,211**	**Ps. 2,775,444**
At December 31, 2012							
Cost	Ps. 2,505,839	Ps. 478,820	Ps. 137,370	Ps. 46,260	Ps. 667,243	Ps. 72,134	**Ps. 4,007,666**
Accumulated amortization	-	(386,061)	(88,315)	(62,224)	(631,699)	(63,923)	**(1,232,222)**
Net book value	**Ps. 2,505,839**	**Ps. 92,759**	**Ps. 49,055**	**Ps. 84,036**	**Ps. 35,544**	**Ps. 8,211**	**Ps. 2,775,444**

At December 31, 2012 and 2011, except for goodwill, the Company does not have indefinite-lived intangible assets.

For the years ended December 31, 2012, 2011 and 2010, amortization expense of intangible assets amounted to Ps.66,711, Ps.56,966 and Ps.54,380, respectively, which were recognized in the income statement as selling and administrative expenses.

Research and development costs of Ps.136,826, Ps.91,011 and Ps.76,604 were recognized in the income statement for the years ended December 31, 2012, 2011 and 2010, respectively.

Goodwill acquired in business combinations is allocated at acquisition date to the cash-generating units (CGU) that are expected to benefit from the synergies of the business combinations.

The carrying values of goodwill allocated to the CGU or a group of CGU are as follows:

Cash-generating unit	At December 31, 2012	At December 31, 2011
Mission Foods Division(1)	Ps. 798,768	Ps. 856,474
Gruma Seaham Ltd(2)	322,660	339,222
Gruma Corporation	212,765	212,765
Rositas Investments Pty, Ltd(2)	199,062	209,709
Semolina A.S(2)	182,366	189,494
Gruma Holding Netherlands B.V(1)	122,451	120,877
Agroindustrias Integradas del Norte, S.A. de C.V(3)	115,099	115,099
Altera LLC(2)	95,617	99,149
Grupo Industrial Maseca, S.A.B. de C.V(3)	98,622	98,622
NDF Azteca Milling Europe SRL(2)	86,757	93,614
Azteca Milling, L.P(1)	70,866	75,986
Solntse Mexico(2)	69,499	72,269
Gruma Centroamérica(2)	51,207	51,207
Molinos Azteca de Chiapas, S.A. de C.V (3)	28,158	28,158
Harinera de Yucatán, S.A. de C.V (3)	18,886	18,886
Harinera de Maíz de Mexicali, S.A. de C.V(3)	17,424	17,424
Molinos Azteca, S.A. de C.V(3)	8,926	8,926
Harinera de Maíz de Jalisco, S.A. de C.V(3)	6,706	6,706
	Ps. 2,505,839	**Ps. 2,614,587**

(1) Subsidiary of Gruma Corporation
(2) Subsidiary of Gruma International Foods, S.L.
(3) Subsidiary of Grupo Industrial Maseca, S.A.B. de C.V.

In 2012 and 2011, the after-tax discount rates and growth rates in perpetuity used by the Company for determining the discounted cash flows of the CGU with the main balances of goodwill are the following:

	Discount rates		Growth rates	
Cash-generating unit	2012	2011	2012	2011
Mission Foods Division	6.0%	8.9%	2.5%	2.5%
Gruma Seaham	7.7%	7.0%	2.5%	2.5%
Gruma Corporation	6.8%	8.9%	2.5%	2.5%
Rositas Investment PTY, LTD	7.9%	7.2%	3.0%	3.0%
Gruma Holding Netherlands B.V	8.6%	7.1%	1.85%	1.85%
Agroindustrias Integradas del Norte, S.A. de C.V	7.8%	8.4%	2.5%	2.5%
Semolina A.S	8.5%	-	2.5%	-

With respect to the determination of the CGU's value in use, the Company's management considered that a reasonably possible change in the key assumptions used, will not cause that the CGU's carrying value to materially exceed their value in use.

For the year ended December 31, 2011, the Company recognized impairment losses on goodwill by Ps.92,893, within "Other expenses". The impairment loss recognized in 2011 referred to the CGU of Gruma Holding Netherlands B.V. and Gruma Seaham Ltd., which are part of the segment "Corn flour and packaged tortilla division (United States and Europe)". This impairment loss reflected a decrease in the recoverable value of these CGU due to its continuous operating losses.

15. DEFERRED TAX ASSETS AND LIABILITIES

A) COMPONENTS OF DEFERRED TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

		At December 31, 2012		At December 31, 2011
Deferred tax asset:				
To be recovered after more than 12 months	Ps.	(314,866)	Ps.	(124,760)
To be recovered within 12 months		(334,329)		(189,376)
		(649,195)		**(314,136)**
Deferred tax liability:				
To be recovered after more than 12 months		4,225,367		3,782,501
To be recovered within 12 months		-		55,815
		4,225,367		**3,838,316**
Deferred tax liability, net	**Ps.**	**3,576,172**	**Ps.**	**3,524,180**

The principal components of deferred tax assets and liabilities are summarized as follows:

	(Asset) Liability			
		At December 31, 2012		At December 31, 2011
Net operating loss carryforwards and other tax credits	Ps.	(686,260)	Ps.	(326,954)
Customer advances		(3,722)		(163)
Allowance for doubtful accounts		(4,637)		(14,791)
Provisions and accrued liabilities		(799,140)		(672,821)
Recoverable asset tax		-		(11,023)
Other		(102,387)		(133,411)
Deferred tax asset		(1,596,146)		(1,159,163)
Property, plant and equipment		2,075,116		2,060,121
Prepaid expenses		3,782		4,999
Inventories		38,458		63,104
Intangible assets and others		322,962		277,414
Investment in associates		407,958		494,137
Derivative financial instruments		125,938		-
Other		8,792		86,682
		2,983,006		2,986,457
Tax consolidation effect		2,189,312		1,696,886
Deferred tax liability		5,172,318		4,683,383
Net provision for deferred taxes	**Ps.**	**3,576,172**	**Ps.**	**3,524,180**

At December 31, 2012, the Company did not recognize a deferred income tax asset of Ps.3,328,993 for tax loss carryforwards, since sufficient evidence was not available to determine that these tax loss carryforwards will be realizable during their amortization period. These tax losses expire in the year 2022.

The changes in the temporary differences during the year were as follows:

	Balance at January 1, 2012	Recognized in income	Recognized in other comprehensive income	Reclassifications	Foreign currency translation	Balance at December 31, 2012
Net operating loss carryforwards and other tax credits	Ps. (326,954)	Ps. (371,818)	Ps. -	Ps. -	Ps. 12,512	Ps. (686,260)
Customer advances	(163)	(3,559)	-	-	-	(3,722)
Allowance for doubtful accounts	(14,791)	11,810	-	(35)	(1,621)	(4,637)
Provisions and accrued liabilities	(672,821)	109,869	(53,504)		(182,684)	(799,140)
Recoverable asset tax	(11,023)	11,023	-	-	-	-
Others	(133,411)	25,955	-	(160)	5,229	(102,387)
Deferred tax asset	(1,159,163)	(216,720)	(53,504)	(195)	(166,564)	(1,596,146)
Property, plant and equipment	2,060,121	(78,339)	25,628	(930)	68,636	2,075,116
Prepaid expenses	4,999	(1,217)	-		-	3,782
Inventories	63,104	(25,977)	1,566		(235)	38,458
Intangible assets and others	277,414	67,077	-	312	(21,841)	322,962
Investment in associates	494,137	25,097	-	(77,930)	(33,346)	407,958
Derivative financial instruments	-	-	125,938	-	-	125,938
Others	86,682	54,210	14,702	(431)	(146,371)	8,792
	2,986,457	40,851	167,834	(78,979)	(133,157)	2,983,006
Tax consolidation effect	1,696,886	492,426	-	-	-	2,189,312
Deferred tax liability	4,683,343	533,277	167,834	(78,979)	(133,157)	5,172,318
Net provision for deferred taxes	**Ps. 3,524,180**	**Ps. 316,557**	**Ps. 114,330**	**Ps. (79,174)**	**Ps. (299,721)**	**Ps. 3,576,172**

	Balance at January 1, 2011	Recognized in income	Recognized in other comprehen-sive income	Foreign currency translation	Balance at December 31, 2011
Net operating loss carryforwards and other tax credits	Ps. (1,644,733)	Ps. 1,342,088	Ps. 53	Ps. (24,362)	Ps. (326,954)
Customer advances	(154)	(125)	-	116	(163)
Allowance for doubtful accounts	(15,360)	1,260	(1)	(690)	(14,791)
Provisions and accrued liabilities	(541,729)	(59,614)	(11,724)	(59,754)	(672,821)
Recoverable asset tax	(15,417)	4,394	-	-	(11,023)
Others	(98,186)	(30,973)	-	(4,252)	(133,411)
Deferred tax asset	(2,315,579)	1,257,030	(11,672)	(88,942)	(1,159,163)
Property, plant and equipment	1,959,515	(8,368)	297	108,677	2,060,121
Prepaid expenses	39,895	(37,779)	-	2,883	4,999
Inventories	88,905	(28,839)	-	3,038	63,104
Intangible assets and others	194,118	44,885	-	38,411	277,414
Investment in associates	1,054,891	(620,090)	-	59,336	494,137
Others	1,292	32,573	(8,933)	61,750	86,682
	3,338,616	(617,618)	(8,636)	274,095	2,986,457
Tax consolidation effect	1,534,650	162,914	(678)	-	1,696,886
Deferred tax liability	4,873,266	(454,704)	(9,314)	274,095	4,683,343
Net provision for deferred taxes	**Ps. 2,557,686**	**Ps. 802,327**	**Ps. (20,986)**	**Ps. 185,153**	**Ps. 3,524,180**

B) TAX LOSS CARRYFORWARDS

At December 31, 2012, the Company had tax loss carryforwards which amounted to approximately Ps.12,190,892. Based on projections prepared by the Company's management of expected future taxable income, it has been determined that only tax losses for an amount of Ps.211,960 will be used. Therefore, the Company did not recognize a deferred tax asset for the difference. Tax losses that will be used have the following expiration dates:

Year	Amount
2013	Ps. 8,507
2014	5,432
2015	4,389
2016	4,646
2017 to 2022	188,986
Total	**Ps. 211,960**

C) UNCERTAIN TAX POSITIONS

At December 31, 2012 and 2011, the Company recognized a liability for uncertain tax positions of Ps.38,688 and Ps.41,264, respectively, excluding interest and penalties, and it is included in Other non-current liabilities. The following table presents a reconciliation of the Company's uncertain tax positions, excluding interest and penalties:

	2012	2011
Uncertain tax positions at beginning of year	Ps. 42,816	Ps. 40,511
Translation adjustment of the initial balance	(1,552)	(4,646)
Increase as result of uncertain tax positions taken in the year	5,217	9,347
Settlements	-	(851)
Reductions due to a lapse of the statute of limitations	(7,793)	(3,097)
Uncertain tax positions at end of year	**Ps. 38,688**	**Ps. 41,264**

It is expected that the amount of uncertain tax positions will change in the next 12 months; however, the Company does not expect the change to have a significant impact on its consolidated financial position or results of operations. The Company had accrued interest and penalties of approximately Ps.3,305 and Ps.3,572 related to uncertain tax positions for fiscal 2012 and 2011, respectively.

D) TAX EFFECTS FROM OTHER COMPREHENSIVE INCOME

Deferred taxes related to other comprehensive income are comprised of:

	At December 31, 2012	At December 31, 2011	At December 31, 2010
Foreign currency translation adjustments	Ps. (825)	Ps. (8,583)	Ps. (24,724)
Actuarial gains and losses	(10,783)	(11,725)	-
Cash flow hedges	125,938	-	-
Other movements	-	(678)	(781)
Total	**Ps. 114,330**	**Ps. (20,986)**	**Ps. (25,505)**

E) TAX CONSOLIDATION

Gruma, S.A.B. de C.V. is authorized to determine income tax under the tax consolidation regime, together with its subsidiaries in Mexico, according to the authorization of Ministry of Finance and Public Credit on July 14, 1986, under what is stated in the applicable Law.

In 2012, the Company determined a consolidated tax profit of Ps.1,575,575. As of December 31, 2012, the Company did not have consolidated tax loss carryforwards. The consolidated tax result differs from the accounting result, mainly in such items taxed and deducted during different timing for accounting and tax purposes, from the recognition of the inflation effects for tax purposes, as well as such items only affecting either the consolidated accounting or taxable income.

Certain Income Tax Law provisions which were reformed, added or derogated for 2010 were published on December 7, 2009, including the following:

- The income tax rate applicable from 2010 to 2012 will be 30%, for 2013 it will be 29% and as of 2014 it will be 28%. At December 31, 2009, the previously described rate change produced a reduction in the income tax deferred balance of Ps.58,228, with its corresponding effect in the income statement for the year, which was determined based on an expectation of temporary reversion to the effective rates.
- Eliminated the possibility of using credits for the excess of deductions on taxable income for Flat tax purposes (credit of tax loss of flat tax) in order to reduce the income tax to be paid while could be credited against the flat tax base.

- The tax consolidation regime was modified in order to establish that the income tax payment related to the tax consolidation benefits obtained as of 1999 should be partially paid during the sixth to tenth years subsequent to the date when those benefits were embraced.

  The tax consolidation benefits previously mentioned come from:
  i) Tax losses embraced in the tax consolidation which were not amortized individually by the entity which pro duced them;
  ii) Special consolidation items derived from transactions held between the consolidating partnerships and pro ducing benefits;
  iii) Loss on disposal of shares individually outstanding of deduction by the holding which produced them; and
  iv) Dividends distributed by the holding and which do not come from the net tax profit account (CUFIN) balance and reinvested CUFIN.

- It is stated that the existing differences between the consolidated CUFIN and reinvested CUFIN balances and the balances of these same accounts of the controlled entities by the Company can produce profits resulting in income tax.

At December 31, 2012, the liability arising from the aforementioned changes in the Income Tax Law amounted to Ps.2,248,365 and is estimated to be incurred as follows:

	Year of payment					
	2013	2014	2015	2016	2017 and thereafter	Total
Tax losses	Ps. 58,339	Ps. 146,748	Ps. 205,277	Ps. 286,098	Ps. 1,550,475	Ps. 2,246,973
Special consolidation items	206	206	-	-	-	412
Dividends distributed by the subsidiaries not paid from CUFIN or reinvested CUFIN	508	508	-	-	-	1,016
Total	**Ps. 59,053**	**Ps. 147,462**	**Ps. 205,277**	**Ps. 286,098**	**Ps. 1,550,475**	**Ps. 2,248,365**

The Company, through time, has been recognizing a tax liability compensated with income tax from tax loss carryforwards. At December 31, 2012, income tax payable with defined payment dates was classified in the statement of financial position as short and long-term income tax payable for Ps.59,053 and Ps.102,088, respectively. In addition, the remaining liability, for which a settlement date has not yet determined in accordance with the requirements of the Income Tax Law, was included as a component of the deferred income taxes.

16. DEBT

Debt is summarized as follows:

Short-term:

	At December 31, 2012		At December 31, 2011	
Bank loans	Ps.	7,929,276	Ps.	1,577,873
Current portion of long-term bank loans		69,414		43,572
Current portion of financing lease liabilities		20,073		11,762
	Ps.	**8,018,763**	**Ps.**	**1,633,207**

Long-term:

	At December 31, 2012		At December 31, 2011	
Bank loans	Ps.	8,207,700	Ps.	7,533,828
Perpetual notes		3,695,579		3,960,333
Financing lease liabilities		38,916		33,283
	Ps.	**11,942,195**	**Ps.**	**11,527,444**
Current portion of long-term bank loans		(69,414)		(43,572)
Current portion of financing lease liabilities		(20,073)		(11,762)
	Ps.	**11,852,708**	**Ps.**	**11,472,110**

The terms, conditions and carrying values of debt are as follows:

	Currency	Interest rate	Maturity date	At December 31, 2012	At December 31, 2011
Perpetual notes	USD	7.75%	(a)	Ps. 3,695,579	Ps. 3,960,333
Revolving credit	USD	LIBOR + 1.375%	2016	2,119,580	1,858,098
Revolving credits	USD	LIBOR + 1.75%	2016	1,626,264	1,046,250
Syndicated loan	Pesos	TIIE + 1.5%	2015-2018	1,193,080	1,189,919
Credit	USD	LIBOR + 1.75%	2014-2016	1,936,138	2,071,783
Credit	USD	LIBOR + 1.75%	2016	642,887	693,296
Credit	USD	2.87% - 7.5%	2013	791,012	773,142
Credit	Pesos	7.41% - 8.14%	2016	84,794	70,301
Credit	Bolivars	8.0% and 13.0%	2010-2012	-	279,813
Credit	Euros	1.8% - 2.2%	2013	32,327	50,617
Credit	USD	LIBOR + 2%	2013	6,895	7,394
Credit	USD	4.8%	2013	9,273	-
Credit	Liras	10.65%	2013	133,925	-
Credit	Pesos	TIIE + 1.5%	2015-2018	598,062	596,786
Credits	USD	LIBOR + 3%	2013	3,997,068	-
Credit	USD	LIBOR + 3%	2013	1,292,671	-
Credits	Pesos	6.16% - 7.65%	2013	1,673,000	-
Credits	USD	LIBOR + 2%	2012	-	474,302
Financing lease liability	Euros	3.99%	2013-2017	17,977	-
Financing lease liability	Pesos	13.02%	2013-2014	20,939	33,283
Total				**Ps. 19,871,471**	**Ps. 13,105,317**

[a] Redeemable starting 2009 at the Company's option.

At December 31, 2012 and 2011, short-term debt bore interest at an average rate of 4.12% and 4.34%, respectively. At December 31, 2012, 2011 and 2010, interest expense included interest related to debt amounting Ps.824,318, Ps.965,128 and Ps.1,391,631, respectively.

At December 31, 2012, the annual maturities of long-term debt outstanding were as follows:

Year		Amount
2014	Ps.	351,896
2015		422,795
2016		5,858,444
2017		812,849
2018 and thereafter		4,406,724
Total	**Ps.**	**11,852,708**

To carry out the transaction of the Equity Interests, as mentioned in Note 3 "Acquisition of non-controlling interest of Archer-Daniels-Midland in Gruma and certain subsidiaries", GRUMA obtained bridge loan facilities with maturity dates of up to a year for a total amount of Ps.5,103,360 (U.S.$400 million), lent by Goldman Sachs Bank USA, Banco Santander and Banco Inbursa (the "Short-Term Loan Facilities"), and used Ps.637,920 (U.S.$50 million) of Gruma Corporation's revolving syndicated long term credit facility with Bank of America, which matures in 2016. For the execution of the Short-Term Loan Facilities, GRUMA's permitted leverage ratios established under the loan facilities were increased to allow GRUMA to increase its leverage as a result of the obtainment of the Short-Term Loan Facilities.

The Company has credit line agreements for Ps.5,529 million (U.S.$425 million), from which Ps.1,123 million (U.S.$86.3 million) are available as of December 31, 2012. These credit line agreements require a quarterly payment of a commitment fee ranging from 0.2% to 1.2% over the unused amounts.

The outstanding credit agreements contain covenants mainly related to compliance with certain financial ratios and delivery of financial information, which, if not complied with during the period, as determined by creditors, may be considered a cause for early maturity of the debt.

Financial ratios are calculated according to formulas established in the credit agreements. The main financial ratios contained in the credit agreements are the following:

- Interest coverage ratio, defined as the ratio of consolidated earnings before interest, tax, depreciation and amortization (EBITDA) to consolidated interest charges, should not be less than 2.50 to 1.00.
- Leverage ratio, defined as the ratio of total consolidated indebtedness (as described in the credit agreements) to consolidated EBITDA, should be as follows:

Period	Leverage ratio
From June 15, 2011 to December 7, 2012	No greater than 3.50 to 1.00
From December 8, 2012 to September 30, 2013	No greater than 4.75 to 1.00
From October 1, 2013 to September 30, 2014	No greater than 4.50 to 1.00
From October 1, 2014 to September 30, 2015	No greater than 4.00 to 1.00
From October 1, 2015 and thereafter	No greater than 3.50 to 1.00

At December 31, 2012, the Company was in compliance with the financial covenants, as well as with the delivery of the required financial information.

17. PROVISIONS

The movements of provisions are as follows:

	Labor provisions	Restoration provision	Tax provision	Unregulated labor security obligations	Subtotal
Balance at January 1, 2011	Ps. 200,182	Ps. 71,754	Ps. 10,751	Ps. 27,698	Ps. 310,385
Charge (credit) to income:					
Additional provisions	157,324	31,148	6,048	15,892	210,412
Unused amounts reversed	-	-	(488)	-	(488)
Used during the year	(72,696)	-	(1,523)	-	(74,219)
Exchange differences	31,751	12,995	1,830	3,588	50,164
Balance at December 31, 2011	316,561	115,897	16,618	47,178	496,254
Charge (credit) to income:					
Additional provisions	31,913	32,558	5,660	-	70,131
Unused amounts reversed	(355)	948	-	(43,575)	(42,982)
Used during the year	(90,919)	(12,739)	(50)	-	(103,708)
Exchange differences	(20,618)	(8,005)	(996)	(2,533)	(32,152)
Balance at December 31, 2012	**Ps. 236,582**	**Ps. 128,659**	**Ps. 21,232**	**Ps. 1,070**	**Ps. 387,543**
Of which current	Ps. 96,673	Ps. -	Ps. -	Ps. 1,070	Ps. 97,743
Of which non-current	139,909	128,659	21,232	-	289,800

	Subtotal	Provision for operating plant closure expenditures	Other	Total
Balance at January 1, 2011	Ps. 310,385	Ps. 19,681	Ps. 88	Ps. 330,154
Charge (credit) to income:				
Additional provisions	210,412	-	4,604	215,016
Unused amounts reversed	(488)	-	-	(488)
Used during the year	(74,219)	(7,256)	(99)	(81,574)
Exchange differences	50,164	2,550	8	52,722
Balance at December 31, 2011	496,254	14,975	4,601	515,830
Charge (credit) to income:				
Additional provisions	70,131	-	-	70,131
Unused amounts reversed	(42,982)	-	-	(42,982)
Used during the year	(103,708)	(13,966)	(4,294)	(121,968)
Exchange differences	(32,798)	(1,009)	(307)	(33,468)
Balance at December 31, 2012	**Ps. 387,543**	**Ps. -**	**Ps. -**	**Ps. 387,543**
Of which current	Ps. 97,743	Ps. -	Ps. -	Ps. 97,743
Of which non-current	289,800	-	-	289,800

Labor provisions

a. Workers' compensation

In the United States, when permitted by law, the Company self insures against workers' compensation claims. As claims are filed for workers' compensation, the Company recognizes an obligation to settle these claims. Certain actuarial information is used to estimate the expected outflows of economic resources and projected timing of the settlement of these claims. The discount rate rate applied during 2012 was 2.89%.

Subsidiaries in Venezuela established a provision for labor claims filed against the Company related to work accidents and the payment of certain labor benefits, and to meet the terms of the collective labor contracts that, as of the date hereof, are still being negotiated with workers' unions.

Likewise, the subsidiary in Italy established a provision to meet legal costs arising from labor claims related mainly to work accidents.

b. Legal reserve

The Company's subsidiaries in the United States have established a provision for the probable settlement of a lawsuit presented by a former employee. Final approval of the settlement was granted by the court on March 26, 2012 with payments of U.S.$2.4 million being submitted by the Company in April 2012.

Restoration provision

In the United States and Europe, the Company has recognized an obligation to remove equipment and leasehold improvements from certain of its leased manufacturing facilities in order to restore the facilities to their original condition, less normal wear and tear as determined by the terms of the lease. The Company has estimated the expected outflows of economic resources associated with these obligations and the probability of possible settlement dates based upon the terms of the lease. These estimates are used to calculate the present value of the estimated expenditures using a pre-tax discount rate and taking into account any specific risks associated with these obligations. The discount rate applied during 2012 was 4.30%.

Tax provision

In Central America, for the periods from 2005 to 2011, tax authorities have lodged tax assessments against the Company for an amount of Ps.24.8 million (971 million colons) in connection with sales and income tax. Based on the criteria of the Company's management and the opinion of tax consultants hired for the Company´s defense, there is a probability that nearly 50% of the tax assessments will be settled. For this reason, the Company has accrued the necessary amounts to cover the payment of these obligations.

Unregulated labor security obligations

In Venezuela, the Organic Law of Prevention, Conditions and Work Environment (Ley Orgánica de Prevención, Condiciones y Medio Ambiente de Trabajo) establishes the substitution of certain security obligations for other more onerous. This regulation has not been officially released by the Venezuelan government, making it difficult to determine the payment date for this obligation

Provision for operating plant closure expenditures

This provision was created to cover all expenses related to the closure of a production plant in Venezuela which was surrendered to a government institution due to the expiration of the lease contract, and to cover any damage to the assets to be returned; however, the legal settlement has yet to be concluded.

Other provisions

Other provisions include estimates due to commitments of the Company in Venezuela including, among others, point of sale promotions to its customers for the exchange of different products, for which it is difficult to determine the specific date to deliver these commitments.

18. OTHER CURRENT LIABILITIES

At December 31, 2012 and 2011, Other current liabilities include employee benefits payable of Ps.1,024,372 and Ps.959,975, respectively.

19. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits obligations recognized in the balance sheet, by country, were as follows:

Country		At December 31, 2012		At December 31, 2011
Mexico	Ps.	407,781	Ps.	275,799
United States and Europe		85,819		72,247
Venezuela		90,164		22,356
Total	**Ps.**	**583,764**	**Ps.**	**370,402**

A) MEXICO

In Mexico, labor obligations recognized by the Company correspond to the single-payment retirement plan and seniority premium. The benefits for the retirement plan and seniority premium are defined benefit plans, based on the projected salary at the date in which the employee is assumed to receive the benefits. Currently, the plan operates under Mexican law, which does not require minimum funding.

The Company has decided to recognize actuarial gains and losses immediately in other comprehensive income.

The reconciliation between the initial and final balances of the present value of the defined benefit obligations (DBO) is as follows:

		2012		2011
DBO at beginning of the year	Ps.	314,649	Ps.	306,098
Add (deduct):				
Current service cost		19,907		17,496
Financial cost		22,296		20,964
Actuarial losses (gains) for the period		111,890		(14,061)
Acquisition/disposal or excision of business		52		-
Benefits paid		(12,103)		(15,848)
DBO at end of the year	**Ps.**	**456,691**	**Ps.**	**314,649**

At December 31, 2012 and 2011, liabilities relating to vested employee benefits amounted to Ps.260,193 and Ps.193,225, respectively.

The reconciliation between the initial and final balances of the employee benefit plan assets at fair value for the years 2012 and 2011 is shown below:

		2012		2011
Plan assets at fair value at beginning of the year	Ps.	38,850	Ps.	40,264
Add (deduct):				
Actual return		-		(184)
Expected return on plan assets		4,085		-
Gain on plan assets		5,975		-
Benefits paid		-		(1,230)
Plan assets at fair value at end of the year	**Ps.**	**48,910**	**Ps.**	**38,850**

The following table shows the reconciliation between the present value of the defined benefit obligation and the plan assets at fair value, and the projected net liability included in the balance sheet:

		At December 31, 2012		At December 31, 2011
Employee benefit (assets) liabilities:				
DBO	Ps.	456,691	Ps.	314,649
Plan assets		(48,910)		(38,850)
Projected net liability	**Ps.**	**407,781**	**Ps.**	**275,799**

The value of the DBO related to the pension plan amounted to Ps.388,988 and Ps.263,042 at December 31, 2012 and 2011, respectively, while the value of the DBO related to seniority premiums amounted to Ps.67,703 and Ps.51,607, respectively.

At December 31, 2012, 2011 and 2010, the components of net cost comprised the following:

		2012		2011		2010
Current service cost	Ps.	19,907	Ps.	17,496	Ps.	23,435
Financial cost		22,296		20,964		20,441
Estimated return on plan assets		(4,085)		(4,447)		(3,102)
Net cost for the year	**Ps.**	**38,118**	**Ps.**	**34,013**	**Ps.**	**40,774**

The net cost for the year 2012, 2011 and 2010 of Ps.38,118, Ps.34,013 and Ps.40,774, respectively, was recognized as follows:

		2012		2011		2010
Cost of sales	Ps.	5,104	Ps.	2,138	Ps.	4,596
Selling and administrative expenses		33,014		31,875		36,178
Net cost for the year	**Ps.**	**38,118**	**Ps.**	**34,013**	**Ps.**	**40,774**

The total amount recognized in other comprehensive income is described below:

		2012		2011
Balance at the beginning of the year	Ps.	4,888	Ps.	18,949
Actuarial losses (gains) that occurred during the year		105,967		(14,061)
Balance at the end of the year	**Ps.**	**110,855**	**Ps.**	**4,888**

At December 31, 2012 and 2011, plan assets stated at fair value and related percentages with respect to total plan assets were analyzed as follows:

	At December 31, 2012			At December 31, 2011		
Equity securities	Ps.	33,748	69 %	Ps.	23,692	61%
Fixed rate securities		15,162	31 %		15,158	39%
Fair value of plan assets	**Ps.**	**48,910**	**100%**	**Ps.**	**38,850**	**100%**

The Company has a policy of maintaining at least 30% of its trust assets in Mexican Federal Government instruments.

Guidelines have been established for the remaining 70% and investment decisions are taken in accordance with these guidelines to the extent market conditions and available funds allow it.

As of December 31, 2012, the funds maintained in plan assets were considered sufficient to face the Company's short-term needs; therefore, the Company's management has determined that for the time being there is no need for additional contributions to increase these assets.

The estimated long-term return on assets is based on the annual recommendations issued by the Actuarial Commission of the Mexican Association of Actuaries. These recommendations consider historical information and future market expectations. The actual return on plan assets during the year 2012 was 25.89%.

The main actuarial assumptions used were as follows:

	At December 31, 2012	At December 31, 2011
Discount rate	5.25%	7.75%
Future increase rate in compensation levels	4.50%	4.50%
Estimated return rate on plan assets	5.25%	11.00%
Long-term inflation rate	3.50%	3.50%

At December 31 2012 and 2011, the impact in DBO for a decrease of 25 basis points in the discount rate amounts to Ps.7,455 and Ps.4,598, respectively.

The Company does not expect to contribute during the next fiscal year.

B) OTHER COUNTRIES

In the United States, the Company has a savings and investment plan that incorporates voluntary employee 401(k) contributions with matching contributions from the Company in this country. For the years ended December 31, 2012, 2011 and 2010, total expenses related to this plan amounted to Ps.62,340, Ps.54,004 and Ps.49,066, respectively (U.S.$4.7, U.S.$4.3 and U.S.$3.9 million, respectively).

Additionally, the Company has established an unfunded nonqualified deferred compensation plan for a selected group of management and highly compensated employees. The plan is voluntary and allows employees to defer a portion of their salary or bonus in excess of the savings and investment plan limitations. The employees elect investment options and the Company monitors the result of those investments and records a liability for the obligation. For the years ended December 31, 2012, 2011 and 2010, total expenses related to this plan were approximately Ps.6,014, Ps.1,334 and Ps.5,348, respectively (U.S.$0.5, U.S.$0.1 and U.S.$0.4 million, respectively). At December 31, 2012 and 2011, the liability recognized for these items amounted to Ps.77,410 and Ps.72,247, respectively (U.S.$6.0 and U.S.$5.2 million, respectively).

In Venezuela, on May 7, 2012, the New Organic Labor and Workers' Law (LOTTT) was published in the Official Gazette of the Bolivarian Republic of Venezuela and was effective as of such date. This law established some changes from the previous Organic Law issued on June 19, 1997 and amended on May 6, 2011. The most important changes included: modifications in the method of calculation of some employee benefits such as vacation bonuses, profits, pre and post natal leave, social security benefits and their interests. It also established changes in the lenght of the workday, and introduced concepts as maternity labor stability. Some of the above benefits are also regulated by the collective agreements of the Company in Venezuela, which in many cases, exceeds the issues raised by the new legislation.

The Company's management has determined that the main effect of the enactment of this law is related with the retroactivity of social security benefits and, through actuarial studies, the Company has estimated the effects on labor provisions and costs. As of December 31, 2012 and 2011, the liability recognized for these items amounted to Ps.90,164 and Ps.22,356, respectively. At December 31, 2012, labor obligations cost amounted to Ps.69,314. The main long-term nominal actuarial assumptions used were as follows:

	At December 31, 2012
Discount rate	23%
Future increase rate in compensation levels	25%
Long-term inflation rate	20%

At December 31, 2012, a hypothetical 1% decrease in the discount rate would increase the value of the projected benefits obligation by approximately Ps.5,637.

The estimated cost of the social security benefits for 2013 is approximately Ps.30,559.

20. EQUITY

A) COMMON STOCK

At December 31, 2012, the Company's outstanding common stock consisted of 457,315,640 Series "B" shares, with no par value, fully subscribed and paid, which can only be withdrawn with stockholders' approval, and 107,858,969 shares held in Treasury (563,650,709 shares fully subscribed and paid and 1,532,900 shares held in Treasury at December 31, 2011).

B) RETAINED EARNINGS

In accordance with Mexican Corporate Law, the legal reserve must be increased annually by 5% of annual net profits until it reaches a fifth of the fully paid common stock amount. The legal reserve is included within retained earnings.

Movements in the legal reserve for the years ended December 31, 2012 and 2011 are as follows:

		Amount
Balance at December 31, 2010	Ps.	76,447
Increases during the year		27,095
Balance at December 31, 2011		**103,542**
Increases during the year		201,089
Balance at December 31, 2012	**Ps.**	**304,631**

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account (CUFIN) and will be taxed at a rate that fluctuates between 32% and 35% if they are paid from the reinvested Net Tax Profit Account. Dividends paid that exceed CUFIN and reinvested CUFIN are subject to an income tax payable at a rate of 30% if paid in 2013. The tax is payable by the Company and may be credited against the normal income tax payable by the Company in the year in which the dividends are paid or in the following two years or, if appropriate, against the flat rate tax for the year. Dividends paid from earnings previously taxed are not subject to any withholding or additional tax payment.

C) PURCHASE OF COMMON STOCK

At December 13, 2012 the Shareholders' Meeting approved to increase the reserve to repurchase the Company's own shares up to Ps.4,500,000. The maximum amount of proceeds that can be used to purchase the Company's own shares cannot exceed, in any case, the net earnings of the entity, including retained earnings. The difference between the acquisition cost of the repurchased shares and their stated value, composed of common stock and share premium, is recognized as part of the reserve to repurchase the Company's own shares, which is included within retained earnings from prior years. The gain or loss on the sale of the Company's own shares is recorded in retained earnings. As of December 31, 2012, the Company has 107,858,969 of its own shares with a market value of Ps.4,224,836 at that date.

Movements in the reserve for acquisition of Company's own shares for the years ended December 31, 2012 and 2011 are as follows:

		Amount
Balances at December 31, 2010 and 2011	Ps.	628,736
Increase in reserve for repurchase of Company's own shares approved by the Stockholders' Meeting in December 13, 2012		3,850,000
Acquisition of Strategic Partner's shares (Note 3)		(4,011,348)
Balance at December 31, 2012	**Ps.**	**467,388**

D) FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

Foreign currency translation adjustments consisted of the following as of December 31:

		2012		2011
Balance at beginning of year	Ps.	(76,972)	Ps.	(1,282,185)
Effect of the year from translating net investment in foreign subsidiaries		(455,490)		2,018,314
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investments in foreign subsidiaries		468,381		(813,101)
	Ps.	**(64,081)**	**Ps.**	**(76,972)**

The investment that the Company maintains in its operations in the United States and Europe generated a hedge of up to U.S.$532 and U.S.$478 million at December 31, 2012 and 2011, respectively.

At December 31, 2012 and 2011, the accumulated effect of translating net investment in foreign subsidiaries impacted non-controlling interest in the amounts of Ps.(130,286) and Ps.(143,668), respectively.

21. FINANCIAL INSTRUMENTS

A) FINANCIAL INSTRUMENTS BY CATEGORY

The carrying values of financial instruments by category are presented below:

	At December 31, 2012			
	Loans, receivables and liabilities at amortized cost	Financial assets at fair value through profit or loss	Hedge derivatives	Total categories
Financial assets:				
Cash and cash equivalents	Ps. 1,287,368	Ps. -	Ps. -	Ps. 1,287,368
Derivative financial instruments	-	-	45,316	45,316
Accounts receivable	7,048,525	-	-	7,048,525
Non-current notes and accounts receivable	212,113	-	-	212,113
Financial liabilities:				
Current debt	Ps. 8,018,763	Ps. -	Ps. -	Ps. 8,018,763
Trade accounts payable	6,307,796	-	-	6,307,796
Derivative financial instruments	-	28,832	-	28,832
Long-term debt	11,852,708	-	-	11,852,708
Contingent payment due to repurchase of the Company's own shares (Note 3)	-	606,495	-	606,495
Other liabilities (excludes non-financial liabilities)	60,776	-	-	60,776

	At December 31, 2011			
	Loans, receivables and liabilities at amortized cost	Financial assets at fair value through profit or loss	Hedge derivatives	Total categories
Financial assets:				
Cash and cash equivalents	Ps. 1,179,651	Ps. -	Ps. -	Ps. 1,179,651
Trading investments	-	140,255	-	140,255
Derivative financial instruments	-	88,537	14,876	103,413
Accounts receivable	7,127,208	-	-	7,127,208
Non-current notes and accounts receivable	515,478	-	-	515,478
Financial liabilities:				
Current debt	Ps. 1,633,207	Ps. -	Ps. -	Ps. 1,633,207
Trade accounts payable	5,544,105	-	-	5,544,105
Derivative financial instruments	-	46,013	-	46,013
Long-term debt	11,472,110	-	-	11,472,110
Other liabilities (excludes non-financial liabilities)	45,734	-	-	45,734

B) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable, trade accounts payable and other current liabilities approximate their fair value, due to their short maturity. In addition, the net book value of accounts receivable and recoverable taxes represent the expected cash flow to be received.

The estimated fair value of the Company's financial instruments is as follows:

	At December 31, 2012	
	Carrying amount	Fair value
Assets:		
Derivative financial instruments - corn[1]	Ps. 119,275	Ps. 119,275
Long-term notes receivable from sale of tortilla machines	199,925	172,951
Liabilities:		
Perpetual bonds in U.S. dollars bearing fixed interest at an annual rate of 7.75%	3,695,579	3,942,060
Short and long-term debt	16,175,892	16,457,069
Contingent payment due to repurchase of the Company's own shares	606,495	606,495
Derivative financial instruments - other raw materials	28,832	28,832

[1]At December 31, 2012, the balance of derivative financial instruments receivable amounted to Ps.45,316, and is comprised of Ps.119,275 corresponding to the valuation of open positions at the end of the year, and Ps.73,959 corresponding to advances on favorable positions that arise from price changes in the underlying asset that the Company maintains with the third party.

	At December 31, 2011	
	Carrying amount	Fair value
Assets:		
Interest and capital bonds	Ps. 140,255	Ps. 140,255
Derivative financial instruments - exchange rate	88,537	88,537
Derivative financial instruments - corn	14,876	14,876
Long-term notes receivable	189,044	165,157
Liabilities:		
Perpetual bonds in U.S. dollars bearing fixed interest at an annual rate of 7.75%	3,960,333	4,192,115
Long-term debt	7,567,111	7,621,786
Derivative financial instruments - other raw materials	45,922	45,922

The fair values were determined by the Company as follows:

- The fair values of perpetual bonds and derivative financial instruments were determined based on available market prices and/or estimates using market data information and appropriate valuation methodologies for similar instruments.
- The fair value for the rest of the long-term debt was based on the present value of the cash flows discounted at interest rates based on readily observable market inputs.

C) DERIVATIVE FINANCIAL INSTRUMENTS

At December 31, 2012 derivative financial instruments comprised the following:

		Fair value	
Type of contract	Notional amount	Asset	Liability
Corn futures	6,695,000 Bushels	Ps. 119,275	
Natural gas swaps 2013	1,920,000 Mmbtu		Ps. 28,832

At December 31, 2012, open positions of corn and natural gas derivatives were recorded at fair value. The result of the valuation of financial instruments that qualified as hedge accounting represented a gain of Ps.119,275, which was recognized in comprehensive income within equity. Open positions of financial instruments that did not qualify as hedge accounting represented a gain of Ps.17.090 which was recognized in income as other expenses, net (Note 23).

Operations terminated at December 31, 2012 on corn and natural gas derivatives represented a gain of Ps.21,058 which was recognized in income as other expenses, net (Note 23).

Exchange rate derivative financial instruments were recorded at fair value. At December 31, 2012, the Company had no open positions of these instruments. Likewise, operations terminated at December 31, 2012 on these instruments represented a gain of Ps.107,994, which was recognized in income as comprehensive financing cost, net.

At December 31, 2012, the Company had no margin calls, which are required due to price variations of the underlying asset to be applied against payments.

For the year ended December 31, 2012, the Company reclassified the amount of Ps.235,782 from comprehensive income and recognized it as part of inventory. This amount refers to the gain from the closed operations for corn hedges, in which the grain, subject to these hedges, was received. Additionally, the corn hedges terminated during the period and for which no corn has been received, originated a gain of Ps.340,873, which was recognized in comprehensive income.

At December 31, 2011 derivative financial instruments comprised the following:

		Fair value	
Type of contract	Notional amount	Asset	Liability
Corn futures	2,090,000 Bushels	Ps. 6,915	Ps. -
Corn options	2,560,000 Bushels	7,961	-
Natural gas swaps 2012-2013	3,840,000 Mmbtu	-	45,922
Exchange rate forwards	$ 106,000,000 USD	88,537	-

At December 31, 2011, open positions of corn and natural gas derivatives were recorded at fair value. Financial instruments that qualify as hedge accounting represented a gain of Ps.14,876, which was recognized as comprehensive income in equity. Financial instruments that did not qualify as hedge accounting represented a loss of Ps.40,207, which was recognized in the income statement.

Operations closed at December 31, 2011 on corn and natural gas derivatives represented a loss of Ps.52,626, which were recognized in income.

Exchange rate derivative financial instruments were recorded at fair value. At December 31, 2011, open positions on these instruments represented a gain of approximately Ps.93,400, which was recognized in income for the year. Likewise, operations terminated at December 31, 2011 on exchange rate derivatives represented a gain of Ps.207,250, which was recognized in income.

At December 31, 2011, the Company had no revolving funds denominated “margin calls”, which are required due to price variations of the underlying asset to be applied against payments.

D) FAIR VALUE HIERARCHY

A three-level hierarchy is used to measure and disclose fair values. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation.

The following is a description of the three hierarchy levels:

- Level 1— Quoted prices for identical instruments in active markets.
- Level 2— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

a. Determination of fair value

When available, the Company generally uses quoted market prices to determine fair value and classifies such items in Level 1. If quoted market prices are not available, fair value is valued using industry standard valuation models. When applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rates, currency rates, volatilities, etc. Items valued using such inputs are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some inputs that are readily observable. In addition, the Company considers assumptions for its own credit risk and the respective counterparty risk.

b. Measurement

Assets and liabilities measured at fair value are summarized below:

	At December 31, 2012							
		Level 1		Level 2		Level 3		Total
Assets:								
Plan assets – seniority premium fund	Ps.	48,910	Ps.	-	Ps.	-	Ps.	48,910
Derivative financial instruments – corn and other raw materials		119,275		-		-		119,275
	Ps.	**168,185**	**Ps.**	**-**	**Ps.**	**-**	**Ps.**	**168,185**
Liabilities:								
Derivative financial instruments – exchange rate	Ps.	-	Ps.	-	Ps.	28,832	Ps.	28,832
Contingent payment due to repurchase of the Company's own shares		-		-		606,495		606,495
	Ps.	**-**	**Ps.**	**-**	**Ps.**	**635,327**	**Ps.**	**635,327**

	At December 31, 2011							
		Level 1		Level 2		Level 3		Total
Assets:								
Interest and capital bonds	Ps.	-	Ps.	140,255	Ps.	-	Ps.	140,255
Plan assets – seniority premium fund		38,850		-		-		38,850
Derivative financial instruments – corn		14,876		-		-		14,876
Derivative financial instruments – exchange rate		-		88,537		-		88,537
	Ps.	**53,726**	**Ps.**	**228,792**	**Ps.**	**-**	**Ps.**	**282,518**
Liabilities:								
Derivative financial instruments – other raw materials	Ps.	-	Ps.	-	Ps.	46,013	Ps.	46,013

Level 1 – Quoted prices for identical instruments in active markets

Financial instruments that are negotiated in active markets are classified as Level 1. The inputs used in the Company's financial statements to measure the fair value include the following:
- Quoted market prices of corn listed on the Chicago Board of Trade.
- Quoted market prices of natural gas listed on the NYMEX Exchange.

Level 2 – Quoted prices for similar instruments in active markets

Financial instruments that are classified as Level 2 refer mainly to quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, as well as model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – Valuation techniques

The Company has classified as Level 3 those financial instruments whose fair values are obtained using valuation models that include observable inputs but also include certain unobservable inputs.
The table below includes a roll-forward of the balance sheet amounts for the years ended December 31, 2012 and 2011 for financial instruments classified by the Company within Level 3 of the valuation hierarchy. When a determination is made to classify a financial instrument within Level 3, it is due to the use of significant unobservable inputs. However, Level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due, in part, to observable factors that are part of the valuation methodology:

	Contingent payment due to repurchase of the Company's own shares		Derivative financial instruments – other raw materials	
Beginning balance as of January 1, 2011	Ps.	-	Ps.	-
Losses recognized in the income statement		-		46,013
Ending balance as of December 31, 2011		-		46,013
Gain recognized in the income statement		-		(17,781)
Additional provision		606,495		-
Ending balance as of December 31, 2012	**Ps.**	**606,495**	**Ps.**	**28,832**

Regarding the contingent payment due to repurchase of the Company's own shares and as mentioned in Note 3, the Company recognized a contingent payment liability amounting to Ps.606,495 (U.S.$46.6 million), regarding the scenario identified as (i) in that Note. This provision is related to the increase in GRUMA's shares market price, over the closing price of GRUMA's shares determined for purposes of the transaction, at the end of a 42-month period.

The contingent payment liability was recognized at fair value, which was determined using discounted future cash flows and a discount rate which represented the average rate of return of bonds issued by companies comparable to GRUMA. Subsequent changes in the fair value of the contingent payment liability will be recognized in the income statement. The Monte Carlo simulation model was used to estimate the future price of the shares; this model includes the expected return and weighted volatility of historical prices of GRUMA's shares over a period of 42 months.

Significant data used to determine the fair value of the contingent payment liability at December 31, 2012 is as follows:

Weighted volatility of historical prices of GRUMA's shares	29.78%
Weighted average price of GRUMA's shares (simulated)	Ps. 58.79 per share
Forward exchange rate	Ps. 14.65 per dollar
Discount rate	7.30%

An increase or decrease of 10% in the discount rate used for the calculation of fair value, would result in an effect of Ps.12,100.

Regarding the measurement of the fair value of the other Level 3 financial instruments, for the years 2012 and 2011, the Company's management believes that a possible reasonable change in unobservable assumptions would not cause a variation where the fair value can materially exceed the book value. For the Company, the unobservable input included in the valuation of the other Level 3 financial instruments, refers solely to the Company's own credit risk.

22. EXPENSES BY NATURE

Expenses by nature are presented in the income statement within the captions of cost of sales and selling and administrative expenses and are analyzed as follows:

	2012	2011	2010
Cost of raw materials consumed and changes in inventory (Note 10)	Ps. 31,479,110	Ps. 34,374,608	Ps. 26,697,273
Employee benefit expenses (Note 24)	13,437,016	11,715,816	10,215,398
Depreciation (Note 13)	1,664,677	1,526,946	1,448,154
Amortization (Note 14)	80,039	69,697	54,380
Rental expense of operating leases (Note 26)	790,979	701,370	745,613
Research and development expenses (Note 14)	136,826	91,011	76,604

23. OTHER EXPENSES, NET

Other expenses, net comprised the following:

		2012		2011		2010
Expenses related to Venezuela legal proceedings	Ps.	-	Ps.	-	Ps.	(403,712)
Net loss from sale of fixed assets		(14,053)		(4,201)		(26,912)
Net (loss) gain from sale of scrap		1,407		1,084		(704)
Impairment loss on long-lived assets		(4,014)		(93,808)		-
Cost of written-down fixed assets		(37,681)		(52,271)		-
Current employees' statutory profit sharing		(79,610)		(36,959)		(50,361)
Non-recoverable cost of damaged assets		(5,852)		(17,695)		(37,043)
Result from derivative financial instruments		38,148		-		-
Total	**Ps.**	**(101,655)**	**Ps.**	**(203,850)**	**Ps.**	**(518,732)**

24. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses are comprised of the following:

		2012		2011		2010
Salaries, wages and benefits (including termination benefits)	Ps.	12,399,235	Ps.	10,989,724	Ps.	9,556,890
Social security contributions		861,197		690,745		602,360
Employment benefits (Note 19)		176,584		35,347		56,148
Total	**Ps.**	**13,437,016**	**Ps.**	**11,715,816**	**Ps.**	**10,215,398**

25. INCOME TAX EXPENSE

A) INCOME BEFORE INCOME TAX

The domestic and foreign components of income before income tax are the following:

	For the years ended December 31,					
		2012		2011		2010
Domestic	Ps.	932,725	Ps.	5,995,927	Ps.	665,708
Foreign		1,854,325		1,626,467		813,339
	Ps.	**2,787,050**	**Ps.**	**7,622,394**	**Ps.**	**1,479,047**

B) COMPONENTS OF INCOME TAX EXPENSE

The components of income tax expense are the following:

		2012		2011		2010
Current tax:						
Current tax on profits for the year	Ps.	(728,166)	Ps.	(866,734)	Ps.	(669,498)
Adjustments in respect of prior years		(38,568)		(137,512)		90,768
Total current tax		(766,734)		(1,004,246)		(578,730)
Deferred tax:						
Origin and reversal of temporary differences		(454,631)		(1,035,147)		(260,831)
Tax credit derived from foreign dividends		138,074		232,821		-
Total deferred tax		(316,557)		(802,326)		(260,831)
Total income tax expense	**Ps.**	**(1,083,291)**	**Ps.**	**(1,806,572)**	**Ps.**	**(839,561)**

Domestic federal, foreign federal and state income taxes in the consolidated statements of income consisted of the following components:

	For the years ended December 31,					
		2012		2011		2010
Current:						
Domestic federal	Ps.	(208,851)	Ps.	(316,407)	Ps.	(179,565)
Foreign federal		(514,142)		(644,174)		(355,500)
Foreign state		(43,741)		(43,665)		(43,665)
		(766,734)		(1,004,246)		(578,730)
Deferred:						
Domestic federal		(146,711)		(896,374)		(271,451)
Foreign federal		(175,269)		88,634		17,765
Foreign state		5,423		5,414		(7,145)
		(316,557)		(802,326)		(260,831)
Total income taxes	**Ps.**	**(1,083,291)**	**Ps.**	**(1,806,572)**	**Ps.**	**(839,561)**

C) RECONCILIATION OF FINANCIAL AND TAXABLE INCOME

For the years ended December 31, 2012, 2011 and 2010, the reconciliation between statutory income tax amounts and the effective income tax amounts is summarized as follows:

	2012	2011	2010
Statutory federal income tax (30% for 2012, 2011 and 2010)	Ps. (836,115)	Ps. (2,286,719)	Ps. (443,714)
Foreign dividends	-	-	(278,705)
Effects related to inflation	(105,677)	119,454	(197,016)
Foreign income tax rate differences	(90,616)	(67,105)	(88,238)
Tax credit derived from foreign dividends	383,740	232,821	-
Recoverable asset tax written off	(209,940)	-	-
Tax loss carryforwards used	(86,620)	186,772	248,031
Non-deductible expenses related with legal proceedings in Venezuela	-	-	(80,727)
Nondeductible expenses and others	(138,063)	8,204	808
Effective income tax (38.87%, 23.7% and 56.8% for 2012, 2011 and 2010, respectively)	**Ps. (1,083,291)**	**Ps. (1,806,572)**	**Ps. (839,561)**

In Mexico, the Federal Revenue Act for 2013 was issued on December 9, 2012 and published in the Official Journal of the Federation on December 17, 2012. This law established that the current income tax rate for 2013 will be 30% instead of 29%, and also specified that an income tax rate of 29% will apply for 2014 and 28% from 2015 and onwards.

In the United States of America, in late 2012, the Senate approved and passed to the Representatives changes to the Revenue Act, which were signed by the President of the United States in early January 2013 and are considered substantially approved. At December 31, 2012, this Act has no impact in either current or deferred taxes determined by the Company.

26. COMMITMENTS

A) OPERATING LEASES

The Company is leasing certain facilities and equipment under long-term lease agreements in effect through 2027, which include an option for renewal. These agreements are recognized as operating leases, since the contracts do not transfer substantially all risks and advantages inherent to ownership.

Future minimum lease payments under operating lease agreements are as follows:

		2012		2011
No later than 1 year	Ps.	612,521	Ps.	624,025
Later than 1 year and no later than 5 years		1,214,100		1,290,301
Later than 5 years		509,911		801,660
Total	**Ps.**	**2,336,532**	**Ps .**	**2,715,986**

Rental expense was approximately Ps.790,979, Ps.701,370 and Ps.745,613 for the years ended December 31, 2012, 2011 and 2010, respectively.

The Company has a lease agreement of an aircraft for a 10-year term, which includes an early purchase option on the following dates: (a) on the fifth anniversary for a total of U.S.$34.7 million and (b) on the seventh anniversary for a total of U.S.$31.6 million.

B) FINANCE LEASES

At December 31, 2012 and 2011, the net carrying values of assets recorded under finance leases totaled Ps.22,683 and Ps.20,922, respectively, and corresponded to transportation and production equipment.

Future minimum lease payments under finance lease agreements are as follows:

		2012		2011
No later than 1 year	Ps.	16,778	Ps.	13,515
Later than 1 year and no later than 5 years		22,787		23,805
		39,565		37,320
Future finance charges on finance leases		(649)		(4,037)
Present value of finance lease liabilities	**Ps.**	**38,916**	**Ps.**	**33,283**

The present value of finance lease liabilities is as follows:

		2012		2011
No later than 1 year	Ps.	16,294	Ps.	12,432
Later than 1 year and no later than 5 years		22,622		20,851
Total	**Ps.**	**38,916**	**Ps.**	**33,283**

C) OTHER COMMITMENTS

At December 31, 2012 and 2011, the Company had various outstanding commitments to purchase commodities and raw materials in the United States for approximately Ps.2,680,523 and Ps.3,742,213, respectively (U.S.$206 and U.S.$268 million, respectively) and in Mexico for approximately Ps.624,485 and Ps.4,491,900, respectively (U.S.$48 and U.S.$322 million), which will be delivered during 2013. The Company has concluded that there are not embedded derivatives resulting from these contracts.

At December 31, 2012 and 2011, the Company had outstanding commitments to purchase machinery and equipment in Mexico and the United States amounting to approximately Ps.106,919 and Ps.255,724.

27. CONTINGENCIES

MEXICO

Asset Tax Claim.- The Secretaría de Hacienda y Crédito Público, or Ministry of Finance and Public Credit, lodged certain tax assessments against the Company for an amount of Ps. 34.3 million plus penalties, updates and charges, in connection with our asset tax return for the year 1997. The Company filed a motion to reduce or annul these assessments and received a favorable judgment reducing the claimed amount to Ps. 19.7 million. Thereafter, on September 3, 2012 the Company requested to the Ministry of Finance and Public Credit a partial condonation of such assessment, by which the Company paid Ps. 14.5 million on September 28, 2012 to finalize the dispute.

Income Tax Claim.- The Ministry of Finance and Public Credit has lodged certain tax assessments against the Company for an amount of Ps. 29.9 million in connection with withholding on interest payments to our foreign creditors during the years 2001 and 2002. Mexican authorities claim that the Company should have withheld at a higher rate than the 4.9% actually withheld by the Company. The Company has filed several motions to annul these assessments which are pending resolution. We intend to defend against these claims vigorously, and we believe that the outcome of these claims will not have a material effect on our financial position, results of operation or cash flows.

The Ministry of Finance and Public Credit also lodged certain tax assessments against our Company for an amount of Ps. 63.6 million in connection with withholding on interest payments to our foreign creditors during the year 2000. Notwithstanding, the Company initiated several proceedings to annul such assessments, which resulted in a judgment favorable to the Company in May 2012, finalizing the dispute.

CNBV Investigation.- On December 8, 2009, the Surveillance Office of the Comisión Nacional Bancaria y de Valores (the Mexican National Banking and Securities Commission, or CNBV) began an investigation into the Company in respect of the timely disclosure of material events reported through the Mexican Stock Exchange during the end of 2008 and throughout 2009 in connection with the Company's foreign exchange derivative losses and the subsequent conversion of the realized losses into debt. In 2011, the CNBV commenced an administrative proceeding against the Company for alleged infringements to applicable legislation. The Company has participated in this proceeding in order to demonstrate its compliance with current legislation and to adopt applicable defenses as deemed appropriate in order to protect Gruma's interests. As of this date, the aforementioned proceeding is ongoing, and the CNBV has not issued a final resolution in connection therewith.

We intend to vigorously defend against these actions and proceedings. It is the opinion of the Company that the outcome of this proceeding will not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

UNITED STATES

Cox v. Gruma Corporation. On or about December 21, 2012, a consumer filed a putative class action against Gruma Corporation, claiming that Mission tortilla chips should not be labeled "All Natural" if they contain certain non-natural ingredients. The plaintiff seeks restitution or other actual damages including attorneys' fees. Gruma Corporation believes that the claims have no merit and filed a motion to dismiss. In response to the motion to dismiss, plaintiff filed a First Amended Complaint. Gruma filed a motion to dismiss the First Amended Complaint on April 10, 2013.

We intend to vigorously defend against this action. It is the opinion of the Company that the outcome of this proceeding will not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

VENEZUELA

Expropriation Proceedings by the Venezuelan Government.- On May 12, 2010, the Bolivarian Republic of Venezuela (the "Republic") published in the Official Gazette of Venezuela decree number 7,394 (the "Expropriation Decree"), dated April 27, 2010 which announced the forced acquisition of all goods, movables and real estate of MONACA. The Republic has expressed to GRUMA's representatives that the Expropriation Decree extends to DEMASECA.

As stated in the Expropriation Decree and in accordance with the Venezuelan Expropriation Law (the "Expropriation Law"), the transfer of legal ownership can occur either through an "Amicable Administrative Arrangement" or a "Judicial Order". Each process requires certain steps as indicated in the Expropriation Law, neither of which has occurred. Therefore, as of this date, no formal transfer of title of the assets covered by the Expropriation Decree has taken place.

GRUMA's interests in MONACA and DEMASECA are held through two Spanish companies: Valores Mundiales, S.L. ("Valores Mundiales") and Consorcio Andino, S.L. ("Consorcio Andino"). In 2010, Valores Mundiales and Consorcio Andino (collectively, the "Investors") commenced negotiations with the Republic with the intention of reaching an amicable settlement. Through Valores Mundiales and Consorcio Andino, GRUMA participated in these negotiations with a view to (i) continuing its presence in Venezuela by potentially entering into a joint venture with the Venezuelan government; and/or (ii) seeking adequate compensation for the assets subject to expropriation.

The Republic and the Kingdom of Spain are parties to a Treaty on Reciprocal Promotion and Protection of Investments, dated November 2, 1995 (the "Investment Treaty"), under which the Investors may settle investment disputes by means of arbitration before the International Centre for Settlement of Investment Disputes ("ICSID"). On November 9, 2011, the Investors, MONACA and DEMASECA provided formal notice to the Republic that an investment dispute had arisen as a consequence of the Expropriation Decree and related measures adopted by the Republic. In that notification, the Investors, MONACA and DEMASECA also agreed to submit the dispute to ICSID arbitration if the parties were unable to reach an amicable agreement.

On January 22, 2013, the Venezuelan Government issued a resolution providing the right to take control over the operations of MONACA and DEMASECA. See Note 30-B.

While negotiations with the government may take place from time to time, the Company cannot assure that such negotiations will be successful or will result in the Investors receiving adequate compensation, if any, for their investments subject to the Expropriation Decree. Additionally, the Company cannot predict the results of any arbitral proceeding, or the ramifications that costly and prolonged legal disputes could have on its results of operations or financial position, or the likelihood of collecting a successful arbitration award. The Company and its subsidiaries reserve and intend to continue to reserve the right to seek full compensation for any and all expropriated assets and investments under applicable law, including investment treaties and customary international law.

Pending resolution of this matter, based on preliminary fair value calculations, no impairment charge on GRUMA's net investment in MONACA and DEMASECA has been identified. The Company is also unable to estimate the value of any future impairment charge, if one will be taken. The historical value as of December 31, 2012 of the net investment in MONACA and DEMASECA was Ps.2,901,726 and Ps.188,563, respectively. The Company does not maintain insurance for the risk of expropriation of its investments.

Below is financial information regarding MONACA and DEMASECA as of December 31, 2012 and 2011 (there are no material transactions between MONACA and DEMASECA and the Company that need to be eliminated):

	At December 31, 2012	At December 31, 2011
Current assets	Ps. 4,463,157	Ps. 3,934,554
Non-current assets	2,624,411	2,495,680
Total assets	**7,087,569**	**6,430,234**
Percentage from consolidated total assets	14.3%	14.4%
Current liabilities	2,853,060	2,999,526
Non-current liabilities	95,132	22,356
Total liabilities	**2,948,192**	**3,021,882**
Percentage from consolidated total liabilities	8.4%	11.3%
Total net assets	**4,139,377**	**3,408,352**
Percentage from consolidated total liabilities	28.8%	19.2%
Non-controlling interest	1,049,088	971,205
Interest of Gruma in total net assets	**Ps. 3,090,289**	**Ps. 2,437,147**

The condensed statements of income for MONACA and DEMASECA for the years ended December 31, 2012, 2011 and 2010, are as follows:

	For the years ended December 31,		
	2012	2011	2010
Net sales	Ps. 9,907,182	Ps. 9,156,603	Ps. 5,381,849
Percentage from consolidated net sales	15.4%	15.9%	11.6%
Operating income	444,525	674,068	(26,200)
Percentage from consolidated operating income	12.6%	20.2%	(1.3%)
Net (loss) income	321,750	685,887	(256,375)
Percentage from consolidated net income	18.9%	11.8%	(40.1%)

Intervention Proceedings by the Venezuelan Government.- On December 4, 2009, the Eleventh Investigations Court for Criminal Affairs of Caracas issued an order authorizing the precautionary seizure of assets in which Ricardo Fernández Barrueco had any interest. As a result of Ricardo Fernández Barrueco's former indirect minority ownership of MONACA and DEMASECA, these subsidiaries were subject to the precautionary measure. Between 2009 and 2012, the Ministry of Finance of Venezuela, pursuant to the precautionary measure ordered by the court, designated several special managers of the indirect minority shareholding that Ricardo Fernández Barrueco previously owned in MONACA and DEMASECA. On January 22, 2013, the Ministry of Justice and Internal Relations revoked the prior designations made by the Ministry of Finance of Venezuela and made a new designation of individuals as special managers and representatives on behalf of the Republic of Venezuela of MONACA and DEMASECA, providing the right to take control over the operations of these companies. See Note 30-B.

As a result of the foregoing, MONACA and DEMASECA, as well as Consorcio Andino and Valores Mundiales, as holders of the Venezuelan subsidiaries, filed a petition as aggrieved third-parties to the proceedings against Ricardo Fernández Barrueco challenging the precautionary measures and all related actions. On November 19, 2010, the Eleventh Investigations Court for Criminal Affairs of Caracas ruled that MONACA and DEMASECA are companies wholly controlled by Valores Mundiales and Consorcio Andino, respectively. However, the precautionary measures issued on December 4, 2009 were kept in effect by the court, despite the court's recognition that Valores Mundiales and Consorcio Andino are the sole owners of MONACA and DEMASECA, respectively. An appeal has been filed, which is pending resolution as of this date.

INDEPABIS issued an order, on a precautionary basis, authorizing the temporary occupation and operation of MONACA for a period of 90 calendar days from December 16, 2009, which was renewed for the same period on March 16, 2010. The order expired on June 16, 2010 and as of the date hereof MONACA has not been notified of any extension or similar measure. INDEPABIS has also initiated a regulatory proceeding against MONACA in connection with alleged failure to comply with regulations governing precooked corn flour and for allegedly refusing to sell this product as a result of the December 4, 2009 precautionary asset seizure described above. The Company filed an appeal against these proceedings which has not been resolved as of the date hereof.

Additionally, INDEPABIS initiated an investigation of DEMASECA and issued an order, on a precautionary basis, authorizing the temporary occupation and operation of DEMASECA for a period of 90 calendar days from May 25, 2010, which was extended until November 21, 2010. INDEPABIS issued a new precautionary measure of occupation and temporary operation of DEMASECA, valid for the duration of this investigation. DEMASECA has challenged these measures but as of the date hereof, no resolution has been issued. The proceedings are still ongoing.

The Company intends to exhaust all legal remedies available in order to safeguard and protect the Company's legitimate interests.

Other claims.- MONACA was named in several labor lawsuits related to occupational diseases and workplace accidents, issues related to social security, Caleteros and by representatives of freighters. MONACA, based on the opinion of its legal counsel, has recorded a provision to cover potential liabilities that may arise for these items by Ps.9,270 (Ps.17,438 at December 31, 2011), which is presented as Provisions, Note 17.

In the normal course of operations of MONACA, there are judgments and claims, whose final outcome cannot be quantified. Management, based on the opinion of its legal counsel, believes that such lawsuits and claims are not entirely appropriate and that the legal remedies will be favorably received.

There are also other lawsuits, labor and tax claims against MONACA, which have been assumed by the previous shareholder International Multifoods Corporation (IMF), in accordance with the share purchase agreement of 1999.

Finally, the Company and its subsidiaries are involved in various pending litigations filed in the normal course of business. It is the opinion of the Company that the outcome of these proceedings will not have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

28. RELATED PARTIES

Related party transactions were carried out at market value.

A) SALES OF GOODS AND SERVICES

	For the years ended December 31,					
		2012		2011		2010
Sales of goods:						
Associate	Ps.	49,783	Ps.	41,318	Ps.	27,834
Sale of services:						
Entities that have significant influence over the Company		34,106		41,519		21,599
Associate		1,294		1,349		1,270
	Ps.	**85,183**	**Ps.**	**84,186**	**Ps.**	**50,703**

B) PURCHASES OF GOODS AND SERVICES

	For the years ended December 31,					
		2012		2011		2010
Purchases of goods:						
Entities that have significant influence over the Company	Ps.	2,350,350	Ps.	1,836,942	Ps.	1,239,716
Associate		931		539		210
Purchases of services:						
Associate		33,385		31,048		28,247
Other related parties		114,422		110,239		113,004
	Ps.	**2,499,088**	**Ps.**	**1,978,768**	**Ps.**	**1,381,177**

Other transactions with related parties are identified in Note 3.

C) KEY MANAGEMENT PERSONNEL COMPENSATION

Key management includes Board members, alternate Board members, officers and members of the Audit Committee and Corporate Practice Committee. The compensation paid to key management for employee services is shown below:

		2012		2011		2010
Salaries and other short-term employee benefits	Ps.	179,492	Ps.	186,707	Ps.	149,588
Termination benefits		33,527		20,227		-
Total	**Ps.**	**213,019**	**Ps.**	**206,934**	**Ps.**	**149,588**

At December 31, 2012, 2011 and 2010, the reserve for deferred compensation amounted to Ps.62.3, Ps.49.8 and Ps.53.7 million, respectively.

D) BALANCES WITH RELATED PARTIES

At December 31, 2012 and 2011, the balances with related parties were as follows:

	Nature of the transaction		At December 31, 2012		At December 31, 2011
Receivables from related parties:					
Associate	Commercial and services	Ps.	1,423	Ps.	2,855
Other related parties	Commercial and services		2,391		-
		Ps.	3,814	Ps.	2,855
Payables from related parties:					
Other related parties	Services	Ps.	845	Ps.	131,772

The balances payable to related parties at December 31, 2012 expire during 2013 and do not bear interest.

29. FINANCIAL STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new IFRS, which will become effective after the issuance of the Company's financial statements, are explained below. This list includes those IFRS standards which the Company reasonably expects to apply in the future. The Company has the intention of adopting these new IFRS on the date they become effective.

A) NEW STANDARDS

a. IFRS 9, "Financial Instruments"

IFRS 9, "Financial Instruments" was published in November 2009 and contained requirements for the classification and measurement of financial assets. Requirements for financial liabilities were added to IFRS 9 in October 2010. Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. In December 2011, the IASB amended IFRS 9 in order to require its application for annual periods beginning on or after January 1, 2015.

b. IFRS 10, "Consolidated Financial Statements"

In May 2011 the IASB issued IFRS 10, "Consolidated Financial Statements". This standard establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the financial statements. The standard also sets out the accounting requirements for the preparation of consolidated financial statements, as well as the requirements on how to apply the control principle. IFRS 10 supersedes IAS 27, "Consolidated and Separate Financial Statements" and SIC 12, "Consolidation – Special Purpose Entities", and is effective for annual periods beginning on or after January 1, 2013.

c. IFRS 11, "Joint Arrangements"

In May 2011 the IASB issued IFRS 11, "Joint Arrangements". IFRS 11 classifies joint arrangements into two types: joint operations and joint ventures. An entity determines the type of joint arrangement in which it is involved by considering its rights and obligations. For a joint operation, the assets, liabilities, revenues and expenses are measured in relation to its interest in the arrangement. For a joint venture, an investment is recognized and accounted using the equity method. Proportional consolidation of joint ventures is no longer allowed. IFRS 11 is effective for those annual periods beginning on or after January 1, 2013.

d. IFRS 12, "Disclosure of Interests in Other Entities"

IASB issued IFRS 12, "Disclosure of Interests in Other Entities" in May 2011. IFRS 12 requires an entity to disclose information that enables users of financial statements to evaluate the nature and the risks associated with its interest in other entities, such as joint arrangements, associates and special purpose entities. The standard is effective for annual periods beginning on or after January 1, 2013.

e. IFRS 13, "Fair Value Measurement"

In May 2011 the IASB issued IFRS 13, "Fair Value Measurement". The objective of IFRS 13 is to provide a precise definition of fair value and a single source of fair value measurement and disclosure requirements, when it is required or allowed by other IFRS. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

B) AMENDMENTS

a. IAS 19, "Employee Benefits"

In June 2011 the IASB issued the revised IAS 19, "Employee Benefits". The amendments eliminate the corridor approach and establish the calculation of interest expense on a net basis. The standard is effective for annual periods beginning on or after January 1, 2013.

b. IAS 27, "Separate Financial Statements"

In May 2011 the IASB issued a revised IAS 27 with a new title: "Separate Financial Statements". This standard includes the provisions on separate financial statements that remained after the control provisions of IAS 27 were included in the new IFRS 10. The standard is effective for annual periods beginning on or after January 1, 2013.

c. IAS 28, "Investments in Associates and Joint Ventures"

In May 2011 the IASB issued a revised IAS 28 with a new title: "Investments in Associates and Joint Ventures". This standard includes the requirements for joint ventures, as well as associates, to be accounted using the equity method. The standard is effective for annual periods beginning on or after January 1, 2013.

The Company's management expects that the adoption of the new standards and amendments explained above will not have significant effects in its financial statements.

30. SUBSEQUENT EVENTS

A) DEVALUATION IN VENEZUELA

On February 8, 2013 the National Executive, through the Central Bank of Venezuela and the Ministry of People's Power for Planning and Finance, amended the Exchange Agreement which established that, from February 9, 2013, the exchange rate applicable to all operations conducted in foreign currency shall be Bs.6.2842 per U.S.$1.00 for purchase and Bs.6.30 per U.S.$1.00 for sale, maintaining the right of foreign currency settlement of Bs.4.30 per U.S.$1.00 for all requests of imports of goods and services that have been made authorized until February 8, 2013. Moreover, the President of the Central Bank of Venezuela announced the elimination of SITME exchange rate, which MONACA and DEMASECA have occasionally used for buying foreign currency in order to make payments arising from minor purchases of goods and services, as spare parts, equipment and quality audits, which are not defined by CADIVI in the lists of goods and services subject to preferential currency. It also decreed the creation of the Superior Entity for the Optimization of the Currency Exchange System, which will be dependent of the Ministry of People's Power for Planning and Finance, the Central Bank of Venezuela and the Ministry of People's Power of Petroleum and Mining; the purpose of this new entity is to design, plan and implement the strategies of the State on foreign currency exchange matters.

Based on the foreign currency positions at December 31, 2012 and the new exchange rates established in the Exchange Agreement No.14 of Bs.6.30 per U.S.$1.00 and interpretations of the Company's management, the estimated financial effect from the enactment of this Exchange Agreement for those items that management believes will be settled at these new exchange rates, is an estimated net foreign exchange loss of Bs.19,494, which will be recognized in February 2013. Additionally, the effect on the financial position and the results of the Company for translating the financial information of the subsidiaries in Venezuela considering the exchange rate of Bs.6.30 per U.S.$1.00 will be a decrease of approximately 45% in the peso value of the consolidated financial information of these subsidiaries.

B) LOSS OF CONTROL OF MONACA AND DEMASECA

In connection with the order for the precautionary seizure of assets issued on December 4, 2009 and the Decree number 7,394 from April 27, 2010 (published on May 12, 2010 in the Official Gazette of Venezuela), both described in Note 27, the Ministry of Popular Power for Internal Relations and Justice published on January 22, 2013 the Administrative Providence number 004-13 dated January 21, 2013 (the "Providence") in the Official Gazette of Venezuela. The dispositions contained in the Providence are effective starting the date when published in the Official Gazette.

Through this Providence, Special Managers were designated for MONACA and DEMASECA. The Preamble of the Providence indicates that its objective is to provide "the Special Managers, [...] with the broadest powers to execute all necessary actions with the purpose of pursuing continuity and avoid disruption of the operations of the companies under its management." Consequently, Article 2 of the Providence provides Special Managers "with the broadest management faculties for ensuring the possession, care, custody, use, and conservation of movable and immovable assets of [Monaca and Demaseca]; in such regard, Special Managers must safeguard the assets, goods and rights from the companies indicated, in order to achieve their full operability." Likewise, Article 4 orders that Special Managers "must present the financial statements for their performance at the end of its economic period [, and must] [...] comply with the public policies related to the agricultural food industry issued by the competent Ministry related with food, by providing required information."

Based on the facts and circumstances described above and in Note 27 and following the principles set by IFRS, the Company concludes that it has lost the control of MONACA and DEMASECA on January 22, 2013. Consequently and as a result of such loss of control, the Company will cease the consolidation of the financial information of MONACA and DEMASECA starting January 22, 2013 and will present the net investment and results of operation of these companies as of such date as a discontinued operation.

As disclosed in Notes 7 and 27, at December 31, 2012, the total assets and liabilities of these subsidiaries in Venezuela were Ps.7,087,569 (Ps.6,430,234 in 2011) and Ps.2,948,192 (Ps.3,021,882 in 2011), respectively. For the years ended December 31, 2012, 2011 and 2010, these subsidiaries presented net sales of Ps.9,907,182, Ps.9,156,603 and Ps.5,381,849, and operating income of Ps.444,525, Ps.674,068 and Ps.(26,200), respectively.

Our interest in the total net assets of Venezuelan subsidiaries was Ps.3,090,289 at December 31, 2012. In January 2013 and as a result of the loss of control in these subsidiaries, the balance at December 31, 2012 corresponding to the foreign currency translation loss of Ps.432,458, recorded in other comprehensive income relating to these subsidiaries, was transferred to income statement and presented as a discontinued operation.

GRI INDEX 3.1

Profile Disclosure	Description	Reported	Cross reference/Direct answer	Explanation
1. STRATEGY AND ANALYSIS				
1.1	Statement from the most senior decision-maker of the organization	Fully	4 to 5	
1.2	Description of key impacts, risks, and opportunities	Fully	4 to 5	
2. ORGANIZATIONAL PROFILE				
2.1	Name of the organization	Fully	2	
2.2	Primary brands, products, and/or services	Fully	2 to 3	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Fully	2 to 3	
2.4	Location of organization's headquarters	Fully	covers	
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	2 to 3	
2.6	Nature of ownership and legal form	Fully	2	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Fully	2 to 3	
2.8	Scale of the reporting organization	Fully	1, 2 to 3, 18	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Fully	12	
2.10	Awards received in the reporting period	Fully	38	
3. REPORT PARAMETERS				
REPORT PROFILE				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	Fully	covers	
3.2	Date of most recent previous report (if any)	Fully	covers	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	covers	
3.4	Contact point for questions regarding the report or its contents	Fully	covers	
REPORT SCOPE AND BOUNDARY				
3.5	Process for defining report content	Fully	covers	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	Fully	covers	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	covers	
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	covers	
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	Fully	covers	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	Fully	covers	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Fully	covers	
CONTENTS				
3.12	Table identifying the location of the Standard Disclosures in the report	Fully	124 to 129	
ASSURANCE				
3.13	Policy and current practice with regard to seeking external assurance for the report	Fully	129	

Profile Disclosure	Description	Reported	Cross reference/Direct answer	Explanation
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT				
GOVERNANCE				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Fully	40 to 41	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Fully	http://www.gruma.com/ving/relacion/relacion_rep_anual.asp?idempresa=1	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Fully	http://www.gruma.com/ving/relacion/relacion_rep_anual.asp?idempresa=1	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Fully	http://www.gruma.com/ving/relacion/relacion_rep_anual.asp?idempresa=1	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Fully	http://www.gruma.com/ving/relacion/relacion_rep_anual.asp?idempresa=1	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	http://www.gruma.com/ving/relacion/relacion_rep_anual.asp?idempresa=1	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	Fully	http://www.gruma.com/ving/relacion/relacion_rep_anual.asp?idempresa=1	
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	6 to 7	
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	40 to 41	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Fully	http://www.gruma.com/ving/relacion/relacion_rep_anual.asp?idempresa=1	
COMMITMENTS TO EXTERNAL INITIATIVES				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Fully	12	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	19, 20, 24, 25, 27 to 31, 36, 37	
4.13	Principales asociaciones a las que pertenezca la organización	Fully	39	
STAKEHOLDER ENGAGEMENT				
4.14	List of stakeholder groups engaged by the organization	Fully	9	
4.15	Basis for identification and selection of stakeholders with whom to engage	Fully	9	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Fully	9	
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	Fully	9	
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	Fully	13	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Not		Not material
EC3	Coverage of the organization's defined benefit plan obligations	Fully	http://www.gruma.com/Noticias/InformeSustGRUMA2010.pdf	
EC4	Significant financial assistance received from government	Not applicable		GRUMA does not receive government aid
MARKET PRESENCE				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Not		Not material

Profile Disclosure	Description	Reported	Cross reference/Direct answer	Explanation
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Fully	21	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Not		Not material
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	12 to 17	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Fully	12 to 17	
ECONOMIC AND SOCIAL IMPACT INDICATORS				
ENVIRONMENTAL INDICATORS				
MATERIALS				
EN1	Materials used by weight or volume	Not		Not material
EN2	Percentage of materials used that are recycled input materials	Partial	37	Results from some regions are presented, in 2013 achievement goals will be defined
ENERGY				
EN3	Direct energy consumption by primary energy source	Not		Not material
EN4	Indirect energy consumption by primary source	Not		Not material
EN5	Energy saved due to conservation and efficiency improvements	Fully	35 to 36	
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	35 to 36	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Not		Not material
WATER				
EN8	Total water withdrawal by source	Partial	36	Results from some regions are presented, in 2013 achievement goals will be defined
EN9	Water sources significantly affected by withdrawal of water	Not		Not material
EN10	Percentage and total volume of water recycled and reused	Partial	36	Results from some regions are presented, in 2013 achievement goals will be defined
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	Not		Not material
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not		Not material
EN13	Habitats protected or restored	Not		Not material
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Not		Not material
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not applicable		GRUMA operations are not carried out in protected flora and fauna conservations areas
EMISSIONS, EFFLUENTS AND WASTE				
EN16	Total direct and indirect greenhouse gas emissions by weight	Not		Not material
EN17	Other relevant indirect greenhouse gas emissions by weight	Not		Not material
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Not		Not material
EN19	Emissions of ozone-depleting substances by weight	Not		Not material
EN20	NOx, SOx, and other significant air emissions by type and weight	Not		Not material
EN21	Total water discharge by quality and destination	Partial	35	Results from some regions are presented, in 2013 achievement goals will be defined
EN22	Total weight of waste by type and disposal method	Partial	36	Results from some regions are presented, in 2013 achievement goals will be defined
EN23	Total number and volume of significant spills	Not applicable		GRUMA's operations do not represent a risk of leaks

Profile Disclosure	Description	Reported	Cross reference/Direct answer	Explanation
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	Not applicable		GRUMA's operations do not produce hazardous residues
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	Not		Not material
PRODUCTS AND SERVICES				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Not		Not material
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not		Not material
COMPLIANCE				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Fully		No fines or sanctions were reported in 2012
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	Not		Not material
OVERALL				
EN30	Total environmental protection expenditures and investments by type	Not		Not material
LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATOR				
Performance Indicator				
EMPLOYMENT				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Partial	18	Disclosure by region will be presented in 2013
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Not		Not material
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Fully	http://www.gruma.com/Noticias/InformeSustGRUMA2010.pdf	
LABOR/MANAGEMENT RELATIONS				
LA4	Percentage of employees covered by collective bargaining agreements	Fully	http://www.gruma.com/documentos/seccion_4/categoria_597/PDF_Informe%20Anual%20GRUMA%202011_.pdf	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Not		Not material
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	Not		Not material
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	Not		Not material
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Fully	18 to 19	
LA9	Health and safety topics covered in formal agreements with trade unions	Not		Not material
TRAINING AND EDUCATION				
LA10	Average hours of training per year per employee by gender, and by employee category	Not		Not material
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Not		Not material
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	Not		Not material
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	Partial	40, 42	In 2013 diversity indicators will be defined
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Not		Not material
LA15	Return to work and retention rates after parental leave, by gender	Not		Not material

Profile Disclosure	Description	Reported	Cross reference/Direct answer	Explanation
Human Rights Performance Indicators				
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	Not		Not material
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	Not		Not material
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	Not		Not material
NON-DISCRIMINATION				
HR4	Total number of incidents of discrimination and corrective actions taken	Not		Not material
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	Fully		At GRUMA the right to free association is respected
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	Not applicable		GRUMA does not hire minors
PREVENTION OF 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	Not applicable		GRUMA operates under collective bargaining contracts
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	Not		Not material
INDIGENOUS RIGHTS				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Not		Not material
ASSESSMENT				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Not		Not material
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Not		Not material
Society Performance Indicators				
LOCAL COMMUNITIES				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Fully	23 to 31	
CORRUPTION				
SO2	Percentage and total number of business units analyzed for risks related to corruption	Not		Not material
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Not		Not material
SO4	Actions taken in response to incidents of corruption	Not		Not material
PUBLIC POLICY				
SO5	Public policy positions and participation in public policy development and lobbying	Fully	39	GRUMA participates actively with various sector organizations and associations
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Not applicable		GRUMA does not make donations to political parties
ANTI-COMPETITIVE BEHAVIOR				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Not		Not material
COMPLIANCE				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Fully		No fines or sanctions were reported in 2012

Profile Disclosure	Description	Reported	Cross reference/Direct answer	Explanation
SO9	Operations with significant potential or actual negative impacts on local communities	Not		Not material
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Not		Not material
Social: Product Responsibility				
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	http://www.gruma.com/Noticias/InformeSustGRUMA2010.pdf	
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	Fully		No incidents were reported in 2012
PRODUCT AND SERVICE LABELLING				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Fully		All GRUMA products present the information required by applicable norms
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Fully		No breaches of compliance were reported in 2012
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Not		Not material
MARKETING COMMUNICATIONS				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Not		Not material
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	Fully		No incidents were reported in 2012
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Fully		No complaints were reported in 2012
COMPLIANCE				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Fully		No fines were reported in 2012

REPORT APPLICATION LEVEL

STANDARD DISCLOSURES

		C	C+	B	B+	A	A+
G3 Profile Disclosures	OUTPUT	Report on: 1.1; 2.1 - 2.10; 3.1 - 3.8, 3.10 - 3.12; 4.1 - 4.3, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2; 3.9, 3.13; 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
G3 Management Approach Disclosures		Not required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
G3 Performance Indicators & Sector Supplement Performance Indicators		Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission	

*Sector supplement in final version

VERIFICATION LETTER

REDES SOCIALES

Report on the independent review of *Annual Report GRUMA 2012: Consolidating our Leadership.*

Scope of our work

The present independent verification consisted of a review of the contents and performance indicators presented in ***Annual Report GRUMA 2012: Consolidating our Leadership.*** Our review is based on the standards (IASE 3000) and the Global Reporting Initiative methodology version 3.1 (GRI G3.1) for the preparation of sustainability reports.

Verification process

The responsibility of Redes Sociales en LT S.A. de C.V. consisted of reviewing the contents of the document. To this end, interviews were conducted with personnel from different areas of the institution who participated in the drafting of the report. Various analytical procedures and sample review tests were also carried out, as outlined below:

- Verification of the main indicators contained in the report.
- Consistency of the 2012 Report in comparison with the 2011 Report, in terms of indicators reported, the follow-up of programs, depth of information, and the increase in indicators.
- Verification of quantitative and qualitative information, based on a selection of GRI indicators contained in past reports.
- Following up of recommendations made on past verifications.

Conclusions

On the basis of our review, we can assert that:

- ***Annual Report GRUMA 2012: Consolidating our Leadership,*** has been prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Guidelines version 3.1 (GRI G3.1).

Global Reporting Initiative™ Organizational Stakeholder 2013

There is no indication that the information contained in this report, whether in the case of the indicators reviewed or the processes and actions related to the institution's sustainability, have errors.

The review process demonstrates that the performance indicators selected for verification are presented and communicated in the present report in a balanced and timely manner.

Annual Report GRUMA 2012: Consolidating our Leadership was prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Guidelines version 3.1 (GRI G3.1), with a level of application graded B+.

Recommendations

As a result of our review, we make the following recommendations:

- A smaller number of indicators were included in comparison with the 2011 report. We recommend increasing them to ensure a balance in sustainability's performance and management.
- Include more indicators in the area of social performance.
- Present figures regarding the environmental impact of initiatives.
- Attempt to meet the goals set for upcoming years.

Y. Mariana Martínez Valerio
Redes Sociales en LT S.A. de C.V.

The external verification of the contents of the Sustainability Report constitutes a review that in no case can be understood as an audit report, thus we assume no responsibility for the internal control and management systems and processes through which the information was obtained. The self-declaration of the level of application in accordance with version 3.1 (G31) of the GRI Guide is the responsibility of GRUMA.

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Ticker Symbols
BMV: GRUMAB
NYSE: GMK (each American Depositary Receipt
represents four ordinary shares)

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Corporate Website
www.gruma.com

DESIGN: **FHDS**

GRUMA

ANNUAL REPORT

2012

CONSOLIDATING OUR LEADERSHIP