FOCUS

EFFICIENCY

COMPETITIVENESS

PROFITABILITY

TRANSFORMATION
that creates value

gruma

2013 ANNUAL REPORT

CONTENTS

THIS REPORT PRESENTS AN INTEGRATED DISCUSSION OF THE FINANCIAL AND SUSTAINABILITY ACTIONS AND RESULTS OF 2013 FOR THE COMPANIES THAT MAKE UP GRUMA AROUND THE WORLD. IT HAS BEEN PRODUCED IN ACCORDANCE WITH THE METHODOLOGY OF THE GLOBAL REPORTING INITIATIVE ("GRI"), SPECIFICALLY VERSION 3.1, LEVEL B OF ITS SUSTAINABILITY REPORTING GUIDELINES. THE ANALYSIS OF MATERIALITY WAS CARRIED OUT CONSIDERING MAIN PUBLIC ISSUES AND THE WAY IN WHICH STAKEHOLDER DEMANDS AND EXPECTATIONS ARE ADDRESSED. THE CONTENTS WERE COMPILED FROM INFORMATION COLLECTED FROM THE PARTICIPATING AREAS AND REGIONS. FIGURES AND RESULTS IN REGARD TO SUSTAINABILITY CORRESPOND TO PARTICULAR PROGRAMS AND/OR REGIONS, UNLESS OTHERWISE SPECIFIED.

FINANCIAL HIGHLIGHTS

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES

(MILLIONS OF PESOS, EXCEPT WHERE INDICATED[1])

INCOME STATEMENT	2013	2012	VAR.
Sales volume[2]	**4,260**	4,347	(2)%
Net sales	**54,106**	54,409	(1)%
Operating income	**4,831**	2,814	72%
Operating margin	**8.9%**	5.2%	376 bp
EBITDA[3]	**6,512**	4,446	46%
EBITDA margin	**12.0%**	8.2%	387 bp
Consolidated net income	**3,310**	1,704	94%
Shareholders' net income	**3,163**	1,115	184%

BALANCE SHEET	2013	2012	VAR.
Cash and cash equivalents	**1,339**	1,287	4%
Total assets	**42,897**	49,460	(13)%
Debt[4]	**16,372**	19,871	(18)%
Total liabilities	**28,470**	35,127	(19)%
Total equity	**14,427**	14,334	1%
Total shareholders' equity	**12,973**	11,302	15%

OTHER DATA	2013	2012	VAR.
Millions of ordinary shares	**433**	457	(5)%
Earnings per share[5]	**7.31**	2.44	200%
Book value per share[5]	**29.98**	24.71	21%
Year-end share price[6]	**98.78**	39.17	152%
Market capitalization[7]	**42,747**	17,913	139%
Capital expenditures	**1,468**	2,785	(47)%

1 All mentions of pesos refer to Mexican peso
2 Thousands of metric tons
3 EBITDA = operating income + depreciation and amortization + other non-cash items
4 In dollar terms, GRUMA decreased its debt by 18% to US$1,272 million
5 Figures in pesos, based on the number of outstanding shares at year end
6 Figures in pesos
7 Based on the number of outstanding shares at year end
8 bp: basis points

COMPANY PROFILE

UNITED STATES AND EUROPE

Production of corn flour, corn tortillas, wheat flour, flatbread and other related products.
Main brands: Maseca, Mission and Guerrero

United States:
22 plants producing tortillas and related products
6 corn flour plants

Europe:
4 plants producing tortillas and related products
1 flatbread plant
3 plants producing corn flour and grits

MEXICO

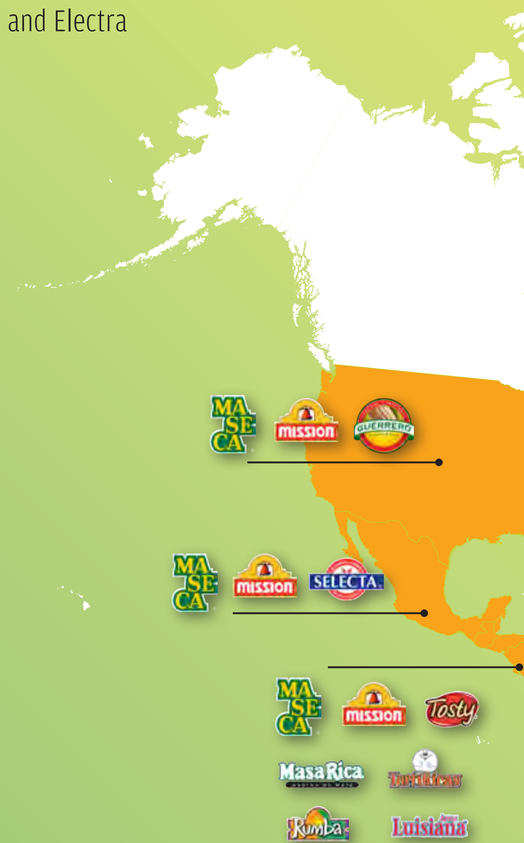
GIMSA
Producer of corn flour
Main brand: Maseca
18 corn flour plants
1 wheat flour plant
1 plant producing other products

Molinera de México
Producer of wheat flour
Main brand: Selecta
(9 plants)

PRODISA
Producer of corn and wheat tortillas and related products
Main brand: Mission
(2 plants)

Technology Business Unit
Carries out the following functions:

- Research and development for corn mill operations and tortilla production
- Plant engineering, design and construction
- Supervision of plant design and construction
- Consulting and employee training services
- Manufacture of corn flour and tortilla production equipment
- Sale of machinery to third parties for small-volume tortilla production
- Main brands: Rodotec and Electra (2 plants)



FOUNDED IN 1949, TODAY GRUMA, S.A.B. DE C.V. ("GRUMA") IS A GLOBAL FOOD COMPANY AND THE LEADING PRODUCER WORLDWIDE OF CORN FLOUR AND TORTILLAS, AS WELL AS AN IMPORTANT PLAYER IN WHEAT FLOUR AND RELATED PRODUCTS, AMONG OTHERS.

THE COMPANY CURRENTLY OPERATES 84 PLANTS AROUND THE WORLD, MARKETING ITS PRODUCTS IN MORE THAN 100 COUNTRIES THROUGH ITS GLOBAL BRANDS MASECA® AND MISSION® AND SEVERAL REGIONAL BRANDS INCLUDING GUERRERO® IN THE UNITED STATES AND TORTIRICAS® AND TOSTY® IN COSTA RICA, AMONG OTHERS.

CENTRAL AMERICA

Production of corn flour, tortillas and other products
Main brands: Maseca, TortiRicas, Mission and Tosty
(12 plants)

ASIA AND OCEANIA

Production of corn and wheat tortillas, flatbread and other related products
Main brand: Mission
(3 plants)

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

MESSAGE FROM THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

TO OUR SHAREHOLDERS:

In 2012, we began a process of transforming our philosophy and our financial, administrative and operating structures, focusing the company's activities on new growth strategies and enhancing profitability. As a result, we are pleased to inform you that, despite a complex and volatile business environment, we took important steps on our way to become a more agile and competitive company, positioning it to better serve the changing needs of the market.

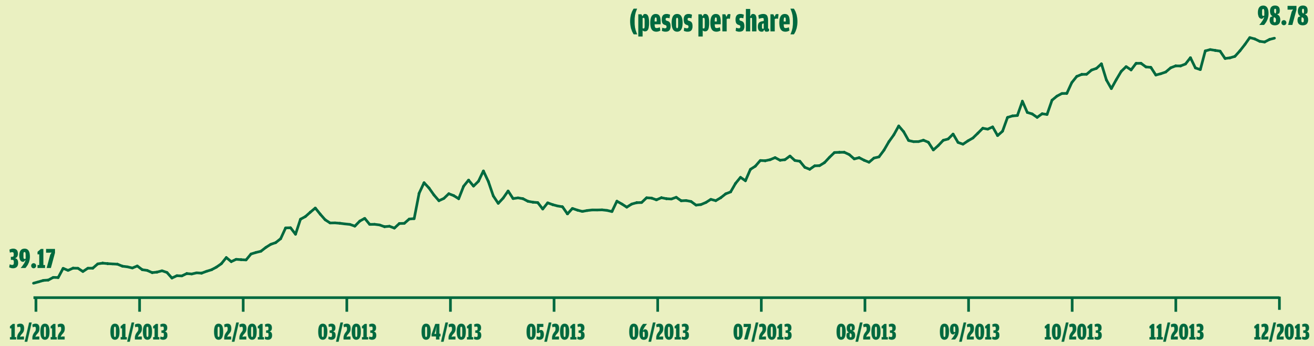
The decisions we made at the end of 2012 and beginning of 2013 allowed us to strengthen GRUMA's business strategy, leverage our capabilities developed during years of expansion and optimize investments, producing outstanding results across all the regions where we operate.

In order to grow the company's profitability, we implemented a series of strategies focused on value creation, enhancing efficiency and optimizing our commercial efforts, within a framework of sustainability and social responsibility.

To accelerate the implementation of these strategies, we improved our operating structure by making our organization flatter. This enabled more efficient interactions between top management and the operating teams of our different business units.

152% **INCREASE IN SHARE PRICE IN 2013**

PERFORMANCE OF THE GRUMA SHARE IN 2013
(pesos per share)



We also implemented initiatives to grow the value of our shareholders' investment and to strengthen our financial structure.

Today, we are pleased to report that, as a result of these decisions, GRUMA closed the year as the highest yielding company on the Mexican Stock Exchange, with a 152% growth in share price compared to year end 2012.

The financial market's trust in GRUMA reflects the positive results the company began to post in the first months of 2013 and which ultimately led to operating income of Ps. 4,831 million for 2013, 72% above that of the previous year.

It is important to note that net income attributable to shareholders totaled Ps. 3,163 million in 2013, 184% more than in 2012, largely reflecting the improved operating performance and strengthened financial structure.

The strength of the company's finances can be seen in the 18%, or US$ 278 million, decline in debt compared to 2012, reflecting enhanced cash flow and cost reductions.

TRANSFORMATION THAT MAKES US STRONGER

GRUMA's value creation strategy focuses on leveraging recent years' growth through a transformation that enhances the effectiveness and optimization of its product portfolio, distribution routes, marketing expenses and administrative costs, among others.

The company's investment in marketing and advertising underpinned its market presence during 2013 by refocusing expenses toward the point of sale, consumer studies and category support initiatives. In particular, advertising was concentrated on distribution channels and our most profitable product presentations, in line with our portfolio consolidation efforts.

The specific focus on our most profitable and high volume products combined with the greater effectiveness of our promotions and marketing programs allowed the company to significantly reduce its operational complexity and enhance efficiency.

Additionally, by reducing capital expenditures, we made better use of installed capacity, improving our return on equity.

GROWTH IN SHAREHOLDERS' NET INCOME 184%

IN 2014, WE WILL CONTINUE WITH A STRATEGY OF OPTIMIZED INVESTMENT IN THE MARKET AND POINT OF SALE, FOCUSING PARTICULARLY ON THE SOLID RELATIONSHIPS WE HAVE BUILT WITH THE APPROXIMATELY 30,000 MICRO-SIZED TORTILLA-PRODUCING ENTERPRISES WE SERVE IN MEXICO.

All of this was made possible because we leveraged two of the company's significant strengths: installed capacity because of the past years of expansion and the significant presence of our brands in the territories where we operate, allowing us to strategically align our long-term vision.

In 2013 GRUMA made capital expenditures of US$114 million which, combined with diverse efficiency-enhancement initiatives, allowed us to grow the wheat and corn tortilla production capacity of our U.S. operations and increase the corn flour production capacity of the plant in Chiapas, Mexico in order to satisfy regional demand.

In 2014, we will continue with a market strategy designed to strengthen our point-of-sale presence, especially focusing on the solid relationship we have built with the approximately 30,000 small tortilla producers that we serve in Mexico, underscoring our position as a value partner who drives their profitability, with more effective communication systems that help us promote this category.

In all the regions where we operate, we will strengthen our business relationship with customers in food service and retail channels, in order to improve communication and the launch of mutually beneficial projects that drive consumption and protect each category.

COMMITMENT TO THE COMMUNITY AND THE ENVIRONMENT

We are committed to continuing a long tradition of social responsibility and the ongoing search for environmental sustainability. To this end, in 2013, we upheld our commitment to those in need, offering support in times of hardship and natural disaster, such as during Tropical Storm Manuel and Hurricane Ingrid in Mexico.

Our company made in kind donations of 88 tons of corn flour to different public, private and charitable institutions. We also put 18 "tortimóviles" into action. These are traveling units that can produce 38,000 hot tortillas every day to mitigate food crises resulting from natural disasters.

We also carried out a range of activities to improve quality of life in four strategic areas: education, health, community development and sports.

Additionally, through research projects and new technologies, we implemented diverse initiatives to modernize our operations and make them more efficient. This improved the performance of our production facilities, reducing carbon emissions and our water footprint and optimizing waste management.

Our tortilla business in the United States, among other achievements, has reduced its use of water per pound of product by approximately 20% since 2009 as a result of the implementation of the For a Better Tomorrow Program.

In Costa Rica, Gruma Central America was recognized by the UN's Food and Agriculture Organization (FAO) as one of two exemplary Costa Rican companies for implementing and following internal policies to prevent food waste.

STRONGER AND MORE OPTIMISTIC

The outstanding results of 2013, the right implementation of the strategies we have discussed here, and the talent and professionalism of our employees have placed GRUMA at an excellent position to accelerate its growth, since it is now a stronger and more competitive company.

The development of new operating and commercial capabilities combines with our financial flexibility and the trust of the financial markets to paint a positive picture for 2014 and the years to come. We go forward with renewed optimism, the determination to achieve new, higher goals and a continued focus on creating value for our shareholders, employees, customers, consumers, suppliers and the community in general.

We appreciate the guidance, vision and leadership of our Board of Directors, who has given us their total support throughout this transformation process. Our thanks also go to the Executive Committee for its help in strengthening the process of institutionalizing the company and assuring that its strategic direction is an integral part of our daily operations.

Finally, we would like to thank our people, whose tenacity and talent enabled the implementation of important improvement initiatives during the year; our customers and consumers for their renewed loyalty and trust in our products and services; and you, our shareholders, to whom we reiterate our commitment to continue building a better, more efficient, more valuable company that continues forward with its characteristic profitable growth, producing results to enhance your investment.

Many thanks to you all.

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

THE OUTSTANDING RESULTS OF 2013, THE RIGHT IMPLEMENTATION OF THE STRATEGIES WE HAVE DISCUSSED HERE, AND THE TALENT AND PROFESSIONALISM OF OUR EMPLOYEES HAVE POSITIONED GRUMA TO ACCELERATE ITS GROWTH AS A STRONGER, MORE COMPETITIVE COMPANY.

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, 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 84 plants in the Americas, Europe, Asia and Oceania, and more than 19,000 employees.

PRESENCE ACROSS MORE THAN

100 COUNTRIES

CODE OF ETHICS

All the business and professional activities of GRUMA and its subsidiaries are governed by a Code of Ethics that our management team, employees and suppliers understand and are obliged to follow. The Code is based on a **Fundamental Standard of Conduct:**

"To carry out our business in good faith, with absolute honesty and in total compliance with the Law."

Our Code of Ethics covers the following areas:

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

SUSTAINABILITY MODEL AND STATEMENT

GRUMA has a clear vision of sustainability: meeting the needs of our customers, shareholders, employees and the community by offering food that nourishes; and operating with strict ethical standards, in regulatory compliance and with a long-term vision and commitment that combines economic and social development with caring for the environment as a key factor for our competitiveness.

STAKEHOLDERS

Our commitment to society and the environment encompasses a determination to comprehensively meet the needs of our different stakeholders, including customers, consumers, employees, suppliers, shareholders and the community, sharing responsibility for our mutual benefit and operating with strict ethical standards, regulatory compliance and a long-term vision that combines economic and social development with caring for the environment.

STAKEHOLDERS	COMMUNICATION MEDIUM	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 longterm 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

TRANSFORMATION THAT CREATES VALUE

Aimed at strengthening long-term sustainable growth, we made 2013 a year of transformation for GRUMA. We leveraged our strengths and converted challenges into opportunities, implementing different strategies to enhance our capabilities in pursuit of greater value creation for our shareholders, customers, consumers and the community.

The results of these initiatives constitute the best evidence of the talent and commitment of a team that focuses on the success and continuous improvement of all the basic processes for our operations, as well as on the strategies to serve the changing needs of our industry and its markets.

POSITIVE EVOLUTION: A STRONGER COMPANY

In accordance with our philosophy of effort, commitment, perseverance and transcendence, in 2013 we embarked on a business transformation focused on profitability, the maximization of our strengths and the development of production, financial and marketing capabilities which allowed us to succeed in today's challenging environment.

The guiding strategy for the series of initiatives we implemented was to improve value creation by leveraging the past years' growth, focusing on:

- Effectiveness and better control of projects
- Product portfolio optimization
- Refocusing the investment in marketing and advertising
- Rationalization of administrative expenses
- Stricter profitability criteria for capital expenditures

The rapid and effective implementation of these initiatives, supported by the professionalism of our management team and the united focus of our employees, yielded positive results immediately, which enhanced the company's profitability and the trust of the financial markets.

These decisions positioned us to leverage our strengths and successfully overcome a number of adverse factors that were not under the company's control.

An important aspect of the main administrative changes was a redefinition of the company's operating structure, in order to facilitate decision-making and reduce intermediation. As a result, country management in Latin America now reports directly to the CEO, instead of to a Director for Latin America, making the organization flatter and more functional.

Another important decision of the year was the acquisition of the stake from Archer Daniels Midland, as we executed our purchase option for 23.16% of the company's share capital for US$ 450 million, with important benefits for GRUMA and its shareholders.

This investment, made with resources from a bridge loan and other available credit lines, made GRUMA's share structure more robust and generated increased earnings per share.

Among the most significant results of these changes was the 72% increase in operating income which, as of year end 2013, was Ps. 4,831 million, resulting in a margin of 8.9%, an EBITDA of Ps. 6,512 million, 46% more than in 2012, and a 387 basis point, or 12%, rise in EBITDA margin.

Consolidated net income for 2013 was almost double that of the previous year, totaling Ps. 3,310 million and representing a growth of 94%.

The increase in cash flow was mainly used to reduce the company's debt, which declined 18%, from US$ 1,550 million at the close of 2012 to US$ 1,272 million as of December 31, 2013. This debt reduction, resulting in a debt to EBITDA ratio of 2.5 times as of December 31, 2013 compared to 4.5 times the previous year, strengthens the company's financial structure. Moreover, 80% of this debt is long term, enhancing the company's financial flexibility.

Our good financial and operating performance was well received by financial analysts and capital investors, as can be seen from the price of the GRUMA share on the stock markets in Mexico and New York and the response of rating agencies such as Fitch and Standard & Poor's, who raised GRUMA's rating from BB to BB+.

In fact, the GRUMA share, which began 2013 with a price of Ps. 39 and rose to Ps. 98 as of December 31, 2013, an increase of 152% year-over-year, was considered to be the best performing share on the Mexican Stock Exchange in 2013.

Because of what we learned during a challenging and complex 2013, we begin 2014 with a solid financial structure, more efficient operations and an optimized commercial strategy. We have built a value creation platform with the flexibility, operating robustness and human talent that is needed to overcome the economic environment and challenges of our markets and leverage the growth opportunities that arise as we go forward.

46% INCREASE IN EBITDA

GRUMA is today a stronger company with better perspectives for the future and with an agile operation ready to step out on new roads of profitable growth and sustainable development.

2013 results are clear proof that we, as a world-class organization that leads its industry and markets, have been able to recognize our own paradigms and make the changes needed to capitalize on our strengths and return to growth.

We face the future with an unbeatable platform to continue developing and consolidating our market presence and positioned to set new goals beyond our current horizons.

During the coming years, our most important challenge will be to continue on the path of growth, maintaining, or even improving, our profitability and capitalizing on the potential that our markets still have to offer. We will leverage our enhanced profitability and financial competitiveness to take advantage of synergies, particularly in Mexico and the United States.

To this end, we must increase our production capacity with prudent strategic investments that make the company stronger.

In 2013, GRUMA showed that openness to change is the way to survive in the increasingly complex economic environment and to better satisfy a dynamic and more demanding consumer, in a profitable and sustainable way and within a framework of values and social responsibility.

ENHANCED PRODUCTIVITY AND EFFICIENCY

In 2013, GRUMA's strategy to drive value creation for its shareholders, customers, consumers and employees focused on enhancing the productivity, innovation and technology of our production operations through a series of initiatives to grow efficiency.

As a global food company and the world leader in corn flour and tortilla production, during the year the company was able to take advantage of important growth opportunities and revitalize its production areas against a backdrop of internal transformation and external challenges.

Thanks to the efforts of our employees, the optimization of installed capacity and the implementation of new technologies, GRUMA enhanced its operating efficiency, gaining a leaner and more agile structure that helped to reduce operating costs and capital expenditures without sacrificing strategic goals.

On a national, regional and local level, we optimized our product portfolio, focusing on the most profitable product presentations in each market, consolidating and improving formulations in the wheat flour tortilla segment, which was a key strategy for reducing dead times during product changes and that contributed to improving margins and consumer acceptance of our products.

We also leveraged the talent, professionalism and extensive experience of our engineering teams, installing new corn and wheat tortilla production lines and setting up nixtamalized corn flour production units with equipment designed, constructed and started up with in-house technology, thereby strengthening our vertical integration.

Among the most important innovations of the year was the enhanced automation of tortilla packaging and stacking using robotic equipment at our new plant in Lakeland, Florida, as well as across the four production lines at the Olympic Plant in California. The new technology reduces human contact with our products, increasing not only product safety but also that of our employees, and enhances weight-control precision.

We also designed and constructed a new wheat tortilla production line, denominated TT-600, with the capacity to produce 600 dozen tortillas per hour, perfect for small plants.

In total, we started up seven new wheat tortilla production lines in the United States, adding 15,000 dozen tortillas per hour to our production capacity, as well as four new corn tortilla lines with the capacity to produce 1,200 tortillas per minute. We also installed new equipment that can produce fried products of up to three colors simultaneously at our Pennsylvania Plant.

In Europe, to satisfy demand in the different markets, we installed a new wheat tortilla production line in England with the capacity to produce 3,000 dozen tortillas per hour, and a fried product line in Moscow with the capacity to produce 1,200 pounds per hour.

In Mexico, we installed a new nixtamalized corn flour unit at the Chiapas plant to produce 280 tons of product daily. This increased existing capacity by 60%, positioning the company to cover regional demand and reducing the cost of transportation from other regions of the nation.

We also modernized the other two operating units in Chiapas and one unit in Merida, in order to enhance volumes.

The combination of installed capacity optimization, portfolio reorientation and strategic investment in technology made our production operations a key support for commercial and financial strategies aligned to the high level objectives of our organization and focused our efforts on excellence and value creation.

THE NEW TORTILLA PRODUCTION LINES IN THE UNITED STATES ADD 4,800 TORTILLAS PER MINUTE TO OUR PRODUCTION CAPACITY.

OPTIMIZED COMMERCIAL STRATEGY

We produce high quality, nutritious food products and profitably and successfully deliver them to our customers, making strategic investments to inform consumers of our product offering.

In line with our objective of driving the company's profitability and value creation, we refocused our marketing and advertising strategy, placing more weight on our investments in the point of sale and the market, customer and consumer services, as well as shelf space.

Building on the outstanding reputation of our brands in our main markets, we decided to enhance consumers' knowledge of our products by taking part in a series of special events, including the Costa Rican Gastronomical Festival in Mexico and the Mexican National Association of Wholesale Grocers' Exhibition and Sale.

In 2013, we optimized our investment in advertising, focusing on our distribution channels and most profitable products and presentations, thereby underpinning the portfolio consolidation we implemented during the year. This shift in policy led us to temporarily move from investing predominantly in mass media advertising to a mix focusing on merchandising campaigns, displays and shelf space, as well as clearly defined market studies to help us understand the consumer better and generate additional volumes.

One of the most successful campaigns of 2013 was implemented in Australia. It resulted in increased sales volumes and market share in the four categories where we participate in this market: bakery, Mexican food, Indian food and snacks, in an environment of aggressive competition from supermarkets' own brands. Moreover, our significant market presence in the Australian wraps segment spread to additional areas and resulted in enhanced sales of other Mission products.

In the United States, we innovated the tortilla market, associating product freshness with softness for the Super Soft line of our Mission brand and leveraging U.S. consumers' preference for fresh products. We also reinforced our strategic alliance with prestigious brands for Cinco de Mayo celebrations, growing the presence of our Mission brand, especially in the corn chips segment.

To satisfy the growing demand of consumers in the northwestern region of the United States for organic products, during the first complete year of Mission Organics in this market, we were able to take Mexican authenticity to the segment with organic white corn, blue corn and multigrain totopos snacks.

We also sponsored basketball teams and supported the Wounded Warrior Project, donating part of the sales of certain products to the rehabilitation and reintegration of U.S. soldiers to civilian life.

In order to enhance our participation in the restaurant and food services channel, during the year we took part in important international exhibitions, such as Fine Foods Australia, FHC China, FoodEx Japan, FH Indonesia, FH Vietnam and HOFEX Hong Kong, enhancing our visibility in those countries and opening up new export opportunities.

We also launched new products for an international fast food chain specializing in fried chicken in Australia and Thailand.

During the year, we were able to grow our presence in the U.S. restaurant channel, especially at fast food chains serving Tex-Mex food, thanks to the launch of a new line of wraps with sizes ranging from 6 to 10 inches.

In order to satisfy our consumers' needs, we launched MASECA Nixtamasa, a new more intensely flavored corn flour, in Texas and on the West Coast. This product targets Mexican consumers who miss the authentic and traditional flavor of nixtamalized corn. On the East Coast of the U.S., GRUMA launched a new type of corn flour with the same formula as that of its Central American operations, with larger granules and pericarp remnants to give consistency and flavor just like the original flour of that region.

All Azteca Milling plants are certified by the Gluten-Free Certifying Organization (GFCO) for people with celiac disease. Now, all its corn flour packaging includes a statement indicating that the product is gluten free, as well as the official logo of GFCO, giving consumers the assurance that the contents are safe for those who wish to avoid this ingredient.

These and other initiatives designed to communicate clearly that our value proposal is superior to that of the competition, combined with our continuous innovation and portfolio optimization to satisfy the needs of our customers and consumers, have enhanced our market presence and won greater shelf space for our products.

The transformation of our marketing and advertising strategy to focus on the consumer and the market is a clear example of our operating flexibility and openness to adapt as a world-class company, with the ability to change internally and externally to adjust to the shifting needs of a marketplace that is increasingly complex and dynamic.

The operating, financial and marketing transformations we implemented during the year have positioned us to re-launch, as we go forward in 2014 and the years to come, a strategy in line with our growth plans.

We will continue to rationalize our advertising investment, focusing our efforts on the optimization of commercial execution and point-of-sale service, as well as gaining a deeper understanding of, and enhanced dialog with, our customers and consumers through clearly directed and scientific market studies.

We will remain close to our tortilla-producing customers who in 2014 will face a complicated business environment, as well as other challenges. We will implement programs to enhance their competiveness, such as loyalty schemes to help them obtain raw materials and spare parts at competitive prices, as well as training and equipment.

We will also seek to leverage our win-win relationship with the approximately 30,000 tortilla producers in Mexico, communicating directly with our customers and consumers in order to inform them in a clear and timely manner of the benefits of our products.

We will take advantage of the growth in social networks to establish new ways to interact with consumers, the general public and all our stakeholders.

We will capitalize on our prestigious brands, the long tradition of our products in the territories where we operate, the continuous improvement of our commercial execution and our innovative portfolio to drive growth in our current markets and successfully enter new markets and consumer niches.

OUR CONTINUOUS INNOVATION AND PORTFOLIO OPTIMIZATION TO SATISFY THE NEEDS OF OUR CUSTOMERS AND CONSUMERS HAVE ENHANCED OUR MARKET PRESENCE AND WON OUR PRODUCTS GREATER SHELF SPACE.

COMMITTED TO SUSTAINABILITY

Sustainability and social responsibility have been key elements of GRUMA's philosophy throughout its more than six decades of serving the market. Our long-term commitment to society and vision of the future guide our strategic decisions and daily activities.

Since its founding, our company has sought to contribute to the comprehensive development of the communities where we operate, offering nourishing, high-quality food products, supporting the disadvantaged, implementing environmentally-friendly processes, reinvesting profits, creating jobs, offering ongoing training, and caring for the progress and wellbeing of our employees, without neglecting the continuous growth and profitability of our business.

During 2013, we underpinned our commitment to sustainability and social responsibility in accordance with our values and organizational culture across our operations.

QUALITY OF LIFE IN THE COMPANY

In a year of fundamental transformation like 2013, the professionalism and loyalty of our employees was a key factor for the achievement of the multiple objectives we had set for the company's operational and financial performance and in the areas of social responsibility and sustainability.

OUR ASSOCIATES

BUSINESS UNIT	TOTAL EMPLOYEES
United States	7,092
Mexico	6,957
Central America	2,038
Europe	1,358
Asia and Oceania	798
Technology	686
Corporate	273
TOTAL	**19,202**

GREAT PLACE TO WORK®

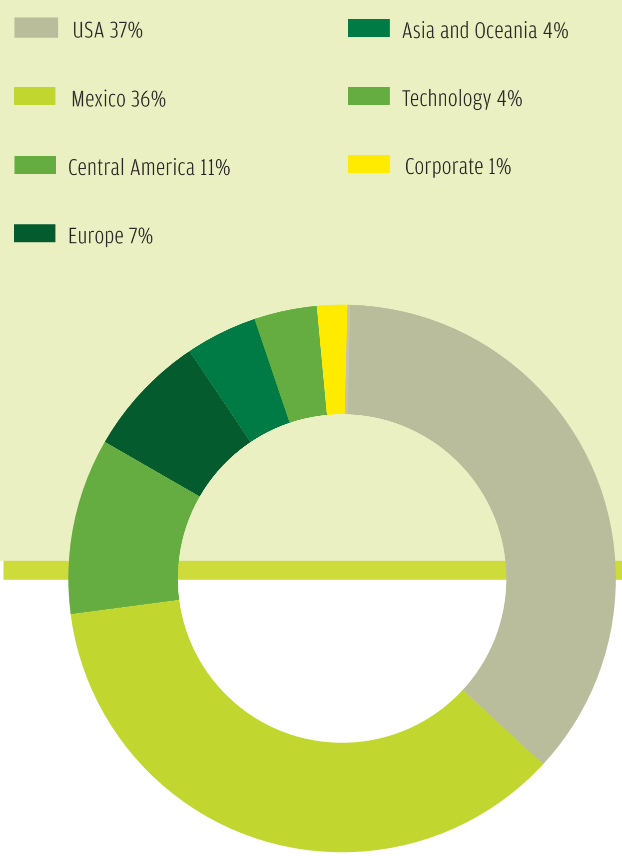
THE GREAT PLACE TO WORK INSTITUTE RANKED GRUMA MEXICO AS THE BEST "GREAT PLACE TO WORK" IN MEXICO.

Because of the way we communicate with our people and our positive working environment that promotes their comprehensive growth, in 2013, for the second consecutive year, we were recognized by the Great Place to Work Institute.

The Institute concluded that Gruma Mexico is the best "Great Place to Work" in Mexico because it offers a working environment where employees "trust their leaders, are proud of what they do and like the people they work with." The analysis also covered aspects such as credibility, respect, impartiality, pride and companionship within the company.

The company also received the "Credibility and Respect" prize for companies that achieve two-way communication with their people.

% EMPLOYEES PER BUSINESS UNIT



UNIONIZED PERSONNEL

	TOTAL	MALE	FEMALE
Central America	0	0	0
Mexico	2,467	2,410	57
Technology	335	335	0
Prodisa	0	0	0
USA	602	374	228
Asia and Oceania	331	196	135
Europe	122	122	0
Corporate	0	0	0

TRAINING AND DEVELOPMENT

In accordance with our commitment to promote our employees' wellbeing, in 2013 we continued a series of initiatives and implemented new ones to help our human capital reach their full potential, through training sessions, wellness support and the construction of a working environment that supports their growth.

During the year, we gave more than 2,300 training courses, investing almost 23,000 man-hours and more than Ps. 15.5 million.

The following initiatives stand out among our efforts to support the comprehensive growth and wellbeing of our people:

INITIATIVE	DESCRIPTION	BENEFITTED
GRUMA EDUCATIONAL PLATFORM	Optimizing and standardizing training processes across our global operations, seeking synergies, exchanging best practices, rationalizing the use of available resources and using technological platforms to extend access to training to a greater number of employees.	7,870 people
GRUMA CORPORATE UNIVERSITY	Enhancing the skills of GRUMA's manufacturing and logistics personnel through training by our own team leads and managers.	Costa Rica: 48 graduates Guatemala, Honduras and El Salvador: 141 employees in training and 42 facilitators
DEVELOPMENT OF CAPABILITIES FOR ADMINISTRATIVE AND MANAGEMENT PERSONNEL	Driving individual and team skills within a framework of the rationalization of training program investment, with 68 managers and team leads as internal trainers developing three basic competencies: teamwork, leadership and communication.	Central America: 378 employees 4,436 hours of training
DEVELOPMENT OF COMMERCIAL CAPABILITIES	Training the sales force in order to underpin the company's organizational culture, focusing on customer service, results and the entrepreneurial spirit.	888 man-hours of training

23,000 MAN-HOURS OF TRAINING

BENEFITS AND REMUNERATION

We offer all our people competitive compensation that recognizes their efforts, loyalty and enthusiasm, with benefits above and beyond the Law in each country and market where we operate.

BENEFITS	CENTRAL AMERICA	ASIA AND OCEANIA	MEXICO	EUROPA						
				SPAIN	U.K.	ITALY	RUSIA	UKRAINE	HOLLAND	TURKEY
Major medical insurance	√						√			
Life insurance	√		√		√					
Social security	√		√	√	√	√	√	√	√	√
Pension plan	√			√	√	√	√	√	√	√
Housing support	√		√							
Education and training	√	√	√							
Work risk insurance	√									
Accident insurance										
Lunch vouchers				√						
Company products										
Retirement insurance										
Vacations		√	√	√	√	√	√	√	√	√
Unemployment fund										√
Payment / Time-off for sickness		√						√		
Grocery vouchers			√							
Savings fund			√							
Support for marriage			√							
Support on death			√						√	√
Savings scheme			√							
Health program			√	√	√	√			√	
Christmas present									√	

WORK-FAMILY BALANCE

GRUMA promotes the comprehensive development of its people and their families through diverse programs, such as Sowing a Seed for the Future in Mexico, that recognizes the academic merit of our employees' children and offers scholarships and support for their studies, and Zero Extreme Poverty in Central America, that in 2013 helped 100% of employees who, despite receiving salaries in excess of the legal minimum, were unable to cover the basic needs of their children because of the size of their families.

535 SCHOLARSHIPS FOR EMPLOYEES' CHILDREN

HEALTH AND SAFETY

We have an ongoing program to support our employees' physical integrity, both at work and outside the workplace. We have in place continuous campaigns, awareness events and training, such as the XVIII Safety and Hygiene Week at our Chinameca plant.

In the United States, we have pioneered collaboration with the Occupational Health and Safety Agency to design equipment and procedures for people entering vertical grain storage silos to carry out maintenance and sampling activities. Going forward, the Agency will officially adopt these standards.

LINKS TO THE COMMUNITY

TECHNICAL ADVISORY SERVICES FOR FARMERS

In 2013, in accordance with Gruma Central America's strategic focus, we shared the company's experience and knowledge with our rice suppliers in Costa Rica in order to add value to the final product.

We also offered training on best practices, through conferences and talks with experts in the field. This helped to guarantee raw material supplies for our Central American operations and enhanced farmers' competitiveness and our company's profitability.

One of our challenges for 2014 is to export this technical assistance program to our operations in Honduras.

SUPPLIERS AND SUPPORT FOR RURAL AREAS

We are in constant communication and have an ongoing mutually beneficial relationships with our suppliers in order to maximize our competitiveness. Our continuous interactions are based on the company's ethical principles and on the values of joint responsibility, the building of long-term relationships and a preference for local sourcing. In this way, we contribute to the economic development of the communities we serve.

IN CENTRAL AMERICA:

SUPPORT FOR:

4,000

MICRO-ENTERPRISES

(TORTILLA PRODUCERS)

2,000

FARMERS GIVEN TECHNICAL AND FINANCIAL ADVISORY SERVICES

LOCAL SOURCING

In the face of considerable volatility in the price of the raw materials we use in our operations, such as corn and rice, we support local value chains through agreements that allow us to acquire a high percentage of our inputs in Honduras, Guatemala and El Salvador from local suppliers.

NOURISHING THE COMMUNITY

World Expo-Summit on Diabetes, Obesity and Nutrition

We make ongoing efforts to contribute to assuring that our consumers are well nourished. During 2013, we played a key role in the World Expo-Summit on Diabetes, Obesity and Nutrition in Mexico City, advising participants on the meaning of healthy eating and the benefits of corn as an integral part of a balanced diet for everyone.

FOOD BANKS

In 2013, we incorporated our operations in Honduras and Guatemala into the Food Banks of the two nations, partnering in this business initiative that has taken food to thousands of families and children who live in extreme poverty.

In recognition of World Food Day, we donated 4.3 tons of corn flour in the Central American region through the Food Banks, helping the community and our people to understand GRUMA's seriousness as a Socially Responsible Company.

WE SUPPORT THE LOCAL ECONOMIES OF OUR COMMUNITIES THROUGH AGREEMENTS TO SOURCE A LARGE PERCENTAGE OF OUR RAW MATERIALS LOCALLY.

COMMUNITY SUPPORT

As members of the communities in which we operate, and in accordance with the values that distinguish us, we contribute to the wellbeing and development of our communities, especially in times of need.

In 2013, the Mexican people were hit by weather events that included Hurricane Ingrid and Tropical Storm Manuel. In response, we donated corn flour to those whose homes had been damaged and sent out 18 “tortimóviles” units, which can produce 38,000 warm tortillas per day.

During the year, we also supported the following charity and government organizations with donations in kind:

CORN FLOUR

AMOUNT (KG)	ORGANIZATION
2,000	Cáritas de Monterrey
1,500	Municipality of Actopan, Veracruz
500	Municipality of Xalisco, Nayarit
20,000	State of Sinaloa
10,000	State of Mexico
4,000	DIF Culiacán, Sinaloa
5,000	Ayú Foundation
2,000	Frente Indígena Tlapaneco, A.C. (Tlacoapa, Guerrero)
100	Mexican Embassy in Kenya
10,000	DIF Guerrero Food Chest
500	Railway Workers Union of Mexico
450	Albergue Misión México (Tapachula, Chiapas)
20,000	Customers of GRUMA’s Chinameca Plant in Veracruz
1,340	ITESM Student Group
6,650	Municipality of Zaragoza, N.L.
2,000	Acapulco Red Cross
2,000	General population affected by Hurricane Manuel

88 TONS OF FOOD TO SUPPORT THOSE AFFECTED BY NATURAL DISASTERS

In order to improve the quality of life of the people who live in the communities we serve in Honduras, we donated money to the potable water project of the San Antonio Choloma Cortés community. This project will benefit 300 local families.

HUMAN DEVELOPMENT

The individual is at the core of our social responsibility and sustainability model. Consequently, we make an ongoing effort to support the comprehensive development of those we touch through support for education, health, culture and sports.

In the area of education, during 2013 we promoted educational excellence and helped children, especially those of our employees, to excel in their studies through scholarships in cash and kind for 570 students at the elementary, high school and college levels.

The projects below are just some of those we supported in 2013:

EDUCATION AND CULTURE

INITIATIVE	BENEFITTED
Stimulus for Teaching Excellence	16 schools, 1,092 students, 96 teachers
Scholarships in partnership with Universidad Autónoma de Nuevo León	198 high-school students 136 college students
Scholarships and training for teachers	35 teachers
Scholarships for educational materials	414 scholarship recipients
Community Learning Center in the Sabinal Park	1,119 visitors 165 people trained
Quality Schools Program	3 schools
Complementary Education Workshop	37 students
Don Roberto M. González and Doña Barbarita Barrera de González Medal for Academic Merit	General Ignacio Zaragoza Primary School
Children's Intercultural Get-together	150 students and parents 50 teachers
University Fair	Nine middle and high-school institutions
Agreements to give scholarships to students and teachers of the municipality of Cerralvo	Universidad Humanista de las Américas Centro de Estudios Universitarios (C.E.U.) Universidad Metropolitana de Monterrey

SPORTS PROMOTION

INITIATIVE	BENEFITTED
Regional Sports Center	350 athletes
2013 Nuevo León Olympics	1st Rural Location in Medals (4th consecutive year) 14 gold 13 silver 12 bronze
National Olympics	25% of the medals obtained by the state of Nuevo León
Sports Unit	People of the town of Cerralvo, N.L.

HEALTHCARE AND SOCIAL ASSISTANCE

INITIATIVE	BENEFITTED
Ophthalmology Brigade	118 people consulted 11 surgeries
Cerralvo General Hospital	Donation of Ps. 111,580 for the trauma area
Food parcels	100 people

COMMUNITY DEVELOPMENT

INITIATIVE	BENEFITTED
Support Brigade for southern Nuevo León	15 communities in Arramberri and Zaragoza
Nutrition Workshop: Healthy Eating	100 participants
Courses: Financial Nutrition Conference for Parents	 32 180
21st Young People in Action Meeting	700 young people

ENVIRONMENT

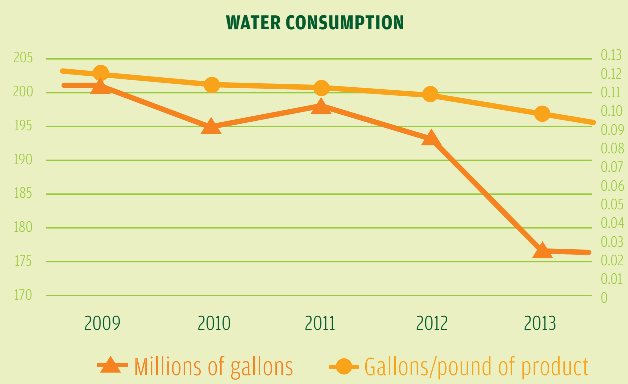
Capitalizing on our own technological developments and the continuous innovation of our daily operations, we have implemented diverse initiatives to enhance the efficiency of our production equipment and optimize our water and energy use, thereby reducing our carbon footprint.

The projects we worked on in 2013 include For a Better Tomorrow, a long-term strategy for our U.S. operations that underscores GRUMA's commitment to sustainable development. Since 2009, it has involved the monitoring of different operating indicators in order to identify solutions that lead us to the objectives we have set for the environment.

WATER AND ENERGY

During 2013, we upgraded diverse processing equipment used in our corn flour production operations, both in Mexico and the United States. This had a major impact on our water and energy use. We also promoted the culture of sustainability across all GRUMA business units.

The For a Better Tomorrow Program in the United States is one of our long-term sustainability strategies which in 2013 resulted in a 9.4% reduction in water consumption per unit mass of tortillas produced in that nation.



In Mexico, the new generation of high-volume lines that our technology division has developed for producing corn and wheat tortillas has resulted in a significant decline in natural gas consumption and heat loss. We also have a continuous oven calibration program that enhances heat efficiency across all our facilities.

In Central America, in 2013 we implemented diverse initiatives to reduce air pollution, such as the substitution of diesel by LP gas at our plants in El Salvador, Guatemala and Costa Rica, which also resulted in economic benefits because LP gas is cheaper than diesel.

WASTE MANAGEMENT

GRUMA's production process drastically reduces the discharge of wastewater with residual solids in comparison with the traditional process of corn nixtamalization, thereby alleviating drainage problems. The wastewater discharge from all our plants falls within the regulations of all the countries in which we operate.

In particular, in 2013 we introduced a series of programs to reduce product waste in our U.S. operations, despite increased production.

In Mexico, we installed new production equipment, thereby enhancing the efficiency of our corn-flour consumption and reducing waste.

In Costa Rica, Gruma Central America was recognized as one of two exemplary Costa Rican companies for implementing and following internal policies to prevent food waste. The award resulted from the company's involvement in the Think, Eat, Save Campaign of the UN's Food and Agriculture Organization (FAO) developed in conjunction with the UN Program for the Environment (PUMA) on a worldwide level in an effort to cut down food waste.

These actions underscore the commitment and determination of GRUMA and its employees to contribute in a profitable and sustainable manner to the creation of prosperous, healthy communities in all our markets, generating shared value and improving our environment.

9.4% REDUCTION IN WATER CONSUMPTION PER UNIT MASS OF TORTILLA PRODUCED IN THE UNITED STATES

CORPORATE CITIZENSHIP

In accordance with our commitment to promote the comprehensive development of our communities and markets, and with our Mission, Vision and Values, GRUMA participates actively in diverse associations and maintains a constant, reciprocal dialog with non-government, government and academic organizations, sharing knowhow and best practices and supporting different kinds of projects and initiatives to drive economic growth and social progress.

We work with the following institutions and associations:

CAINTRA
Cámara de la Industria de la Transformación de Nuevo León
Nuevo León Chamber of Industry

CANACODEA
Cámara Nacional de Comerciantes Detallistas y Afines (Costa Rica)
National Chamber of Retailers and Related Businesses

CANAMI
Cámara Nacional de Maíz Industrializado
National Chamber of Industrialized Corn

CANIMOLT
Cámara Nacional de la Industria Molinera de Trigo
National Chamber of the Wheat Milling Industry

CAMEXCR
Cámara Empresarial México-Costa Rica
Mexico - Costa Rica Business Chamber

CAMEXSAL
Cámara Empresarial México-El Salvador
Mexico - El Salvador Business Chamber

CCE
Consejo Coordinador Empresarial
Business Coordinating Council

CNA
Consejo Nacional Agropecuario
National Council of Agriculture and Animal Husbandry

COMCE
Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología, A.C.
Mexican Business Council for Foreign Trade, Investment and Technology (NGO)

CONCAMIN
Confederación de Cámaras Industriales de los Estados Unidos Mexicanos
Confederation of Industrial Chambers of Mexico

CONMÉXICO
Consejo Mexicano de la Industria de Consumo
Mexican Council of the Consumer Products Industry

CCGM
Conservatorio de la Cultura Gastronómica Mexicana
Mexican Gastronomic Culture Conservatory

PROTORTILLA
Consejo Promotor y Regulador de la Cadena Maíz-Tortilla, A.C.
Promotion and Regulation Council of the Corn-Tortilla Chain (NGO)

TIA
Tortilla Industry Association

GRUMA PARTICIPATES ACTIVELY IN DIVERSE NON-GOVERNMENT, GOVERNMENT AND ACADEMIC ASSOCIATIONS, SHARING ITS KNOWHOW AND BEST PRACTICES.

CORPORATE GOVERNANCE

GRUMA operates with solid Corporate Governance practices, which have helped us to successfully face challenges and capitalize on opportunities in the marketplace. As a result, we have continued to grow and create value.

Our Board of Directors comprises 12 members and their respective alternates. Our directors have wide experience and professional recognition in diverse areas, including production, economics, finance, commerce and construction, thereby enriching the company's vision and strategies.

An Executive Committee and the Audit and Corporate Practices Committees support the Board of Directors in its activities.

BOARD OF DIRECTORS

RELATED DIRECTORS

Juan Antonio González Moreno
Chairman of the Board of Directors and Chief Executive Officer of GRUMA and GIMSA

Carlos Hank González
Vice President of the Board of Directors of GRUMA, Chief Executive Officer of Grupo Financiero Interacciones and Grupo Hermes

Mayra González Moreno
Chairman of the Board of Directors of Saturitas

Homero Huerta Moreno
Chief Administrative Officer of GRUMA

Eduardo Livas Cantú
Member of GRUMA's Executive Committee

Javier Vélez Bautista
Member of GRUMA's Executive Committee

INDEPENDENT DIRECTORS

Gabriel A. Carrillo Medina
Chairman and Stockholder of Mail Ray and Detecno

Thomas S. Heather Rodríguez
Partner of Ritch, Mueller, Heather and Nicolau

Mario Martín Laborín Gómez
Chairman of the Board of Directors and Chief Executive Officer of ABC Holding and ABC Capital

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

Adrián Sada González
Chairman of the Board of Directors of Vitro

Alberto Santos Boesch
Chairman of the Board of Directors of Empresas Santos, Chairman of the Board of Directors and Chief Executive Officer of Ingenios Santos and Vice President of Grupo Tres Vidas Acapulco

EXECUTIVE COMMITTEE

GRUMA's Executive Committee strengthens the links between the Board of Directors and Company Management and enhances the decision-making process.

It is comprised of the following members:

Juan Antonio González Moreno
Chairman of the Board of Directors and Chief Executive Officer of GRUMA and GIMSA

Carlos Hank González
Vice President of the Board of Directors of GRUMA

Eduardo Livas Cantú
Member of the Board of Directors

Javier Vélez Bautista
Member of the Board of Directors

MANAGEMENT TEAM

Juan Antonio González Moreno
Chairman of the Board of Directors
and Chief Executive Officer of GRUMA and GIMSA

Raúl Cavazos Morales
Chief Financial Officer

Leonel Garza Ramírez
Chief Procurement Officer

Homero Huerta Moreno
Chief Administrative Officer

Felipe Antonio Rubio Lamas
Chief Technology Officer

Fernando Solís Cámara y Jiménez Canet
Chief Communications Officer

Salvador Vargas Guajardo
General Counsel

Javier Vélez Bautista
Chief Executive Officer of Mission Foods United States

Rodolfo Maldonado Pérez
Chief Executive Officer of Gruma Europe, Middle East and Africa

José Antonio Jaikel Aguilar
Chief Executive Officer of Gruma Central America

FINANCIAL INFORMATION

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AUDIT COMMITTEE'S REPORT FOR THE 2013 FISCAL YEAR

April 23, 2014

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

In accordance with the 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 you the activities carried out during the fiscal year ended on December 31, 2013. In order to establish its work program, the Committee has considered the best practices relevant for the Company and the provision of applicable laws and norms.

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 2013 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 2013 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 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 2012 fiscal year. Additionally the annual report of activities carried out by this Committee during 2012 fiscal year was drafted and submitted to the Board of Directors and the Shareholders' meeting.

The 20-F Form regarding the 2012 fiscal year, which was timely and completely submitted to the Securities and Exchange Commission of the United States, was reviewed.

We reviewed the quarterly financial information of the Company for the 2013 fiscal year, including the reasons by which the Company ceased the consolidation of the financial information of the companies from the Venezuelan Division; prior to the analysis of each quarterly report, we concluded that the financial information was prepared in accordance with the applicable accounting standards, we did not find any irregularity or omission and consequently, agreed to its submission to the Board of Directors and its publication.

We reviewed the audited financial statements of the Company as of December 31, 2013, the auditor's 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 May 15, 2013 were duly complied with and formalized.

Additionally, we granted our favorable opinion for the execution by GRUMA, S.A.B. de C.V. of one or more loans in Mexican pesos or U.S. dollars, for an amount up to U.S.$400,000,000.00 (Four hundred million U.S. dollars) and/or its equivalent amount in Mexican pesos, to be amortized in a period of 5 (five) years for short-term debt restructuring.

On behalf of GRUMA, S.A.B.DE C.V. Audit Committee,

C.P. Mario Laborín Gómez
Chairman

CORPORATE GOVERNANCE COMMITTEE'S REPORT FOR THE 2013 FISCAL YEAR

April 23, 2014

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, 2013.

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. **Senior Officers' Compensation.-** The total compensation paid to the Chief Executive Officer and other Senior Officers of the Company during the 2013 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.

3. **Waivers.-** During the reporting period, the Board of Directors did not grant any waiver for any Director, Senior Officer of 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.

4. **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.

On behalf of the Corporate Governance Committee,

C.P. Mario Laborín Gómez

Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
2013 VERSUS 2012

CONSOLIDATED RESULTS

GRUMA's **sales volume** declined by 2% to 4,260 thousand metric tons in 2013 compared with 4,345 thousand metric tons in 2012. This decrease was driven mainly by GIMSA due especially to measures the company implemented to prioritize margin expansion, among others.

Net sales decreased by 1% to Ps.54,106 million in 2013 compared with Ps.54,409 million in 2012. The increase in Gruma Corporation was offset mainly by GIMSA. To a lesser extent, net sales declined due to lower net sales at foreign subsidiaries in peso terms reflecting the average peso appreciation.

Cost of sales decreased 4% to Ps.36,511 million in 2013 compared with Ps.37,849 million in 2012, due primarily to the sales volume reduction at GIMSA and lower raw material costs. Cost of sales as a percentage of net sales improved to 67.5% in 2013 from 69.6% in 2012 due to better performance at all subsidiaries, particularly at GIMSA and Gruma Corporation.

Selling, general, and administrative expenses (SG&A) decreased by 8% to Ps.12,572 million in 2013 compared with Ps.13,645 million in 2012, due primarily to GIMSA and Other and Eliminations. SG&A as a percentage of net sales decreased to 23.2% in 2013 from 25.1% in 2012, driven mainly by better expense absorption at Gruma Corporation and important reductions in most subsidiaries, especially at GIMSA and Other and Eliminations. This resulted from the company's efforts to optimize marketing and administrative expenses as part of its strategy to enhance value creation.

Other expenses, net, were Ps.192 million in 2013 compared with Ps.101 million in 2012. The increase was primarily due to higher losses from the sale of fixed assets, higher impairment of long-lived assets and losses on derivative financial instruments compared with a gain in 2012.

GRUMA's **operating income** increased by 72% to Ps.4,831 million in 2013 compared with Ps.2,814 million in 2012 due to a better operating performance at most subsidiaries, mostly in Gruma Corporation and GIMSA. Operating margin improved to 8.9% from 5.2% in 2012, due primarily to GIMSA and Gruma Corporation.

Net comprehensive financing cost was Ps.968 million in 2013 compared with Ps.827 million in 2012. The increase was due to higher interest expense in connection with higher debt related to GRUMA's share buy-back in December 2012.

GRUMA's equity in earnings of **associated companies**, net, represented income of Ps.3 million in 2013 and 2012.

Income Taxes decreased 77% to Ps.198 million in 2013 compared with Ps.863 million in 2012 primarily as a result of the implementation of several initiatives that allowed GRUMA to utilize tax loss carry-forwards, as well as the conclusion of several fiscal litigations with favorable results. The effective tax rate was 5.1%.

Shareholders' net income was Ps.3,163 million in 2013 compared with Ps.1,115 million in 2012 as a result of a better performance at most subsidiaries, especially in Gruma Corporation and GIMSA, the reduction in taxes and higher share ownership in the U.S. corn flour operations in connection with the share buy-back from ADM in December 2012.

SUBSIDIARY RESULTS

Gruma Corporation

Sales volume increased 4% to 1,651 thousand metric tons in 2013 compared with 1,594 thousand metric tons in 2012. This increase was driven by extraordinary sales of corn/grits at the European operations and, to a lesser extent, by higher sales at the U.S. corn flour operations.

Net sales increased by 3% to Ps.27,801 million in 2013, compared with Ps.26,932 million in 2012. The positive effect of price increases, change in the sales mix toward wheat tortillas and allowance reductions was offset by the average peso appreciation effect and by the effect of higher corn/grits sales volume at the European operations (which is priced significantly lower than the rest of Gruma Corporation's product portfolio). Measured in dollar terms, net sales increased 6%.

Cost of sales increased by 1% to Ps.17,808 million in 2013 compared with Ps.17,655 million in 2012 due to sales volume growth, which was partially offset by the average peso appreciation effect. Measured in dollar terms, cost of sales increased 3%. As a percentage of net sales, cost of sales improved to 64.1% in 2013 from 65.6% because price increases more than compensated for higher costs (partially as a result of the company's hedging strategies), and also due to the shift toward high-margin products (as in the case of wheat tortillas) and allowance reduction.

SG&A decreased by 3% to Ps.7,738 million in 2013 compared with Ps.7,997 million in 2012 due mainly to the average peso appreciation effect. Higher expenses derived from the increase in sales volume and commissions (related to price increases) were more than offset by reductions and changes in personnel, marketing and advertising, and corporate expenses across the board, which reflected the company's focus on profitability. Measured in dollar terms, SG&A decreased 1%. SG&A as a percentage of net sales improved to 27.8% in 2013 from 29.7% in 2012 in connection with better expense absorption and the aforementioned reductions.

Operating income increased by 60% to Ps.2,137 million in 2013 from Ps.1,335 million in 2012, and operating margin improved to 7.7% from 5.0%. Measured in dollar terms, operating income grew 61%.

GIMSA

Sales volume decreased by 7% to 1,852 thousand metric tons in 2013 compared with 1,983 thousand metric tons in 2012. The decrease was a result of measures the company implemented to prioritize margin expansion and tighten credit conditions coupled with a larger price differential between corn and corn flour, and lower sales to government channels, among others.

Net sales decreased by 6% to Ps.16,436 million in 2013 compared with Ps.17,573 million in 2012 due to the aforementioned sales volume reduction.

Cost of sales decreased by 11% to Ps.11,785 million in 2013 compared with Ps.13,171 million in 2012 due mainly to the sales volume reduction and lower corn costs. As a percentage of net sales, cost of sales improved to 71.7% in 2013 from 75.0% in 2012 due to the aforementioned lower corn costs and productivity improvements.

SG&A decreased by 16% to Ps.2,154 million in 2013 compared with Ps.2,574 million in 2012 and as a percentage of net sales decreased to 13.1% in 2013 from 14.6% in 2012 due mainly to reductions in marketing and advertising and, to a lesser extent, lower administrative expenses. These reductions were related with the company's efforts to enhance value creation. Also, freight expenses were lower in connection with the sales volume decline.

Operating income increased by 39% to Ps.2,438 million in 2013 from Ps.1,749 million in 2012, and operating margin increased to 14.8% from 10.0%.

Molinera de México

Sales volume decreased by 1% to 579 thousand metric tons in 2013 compared with 583 thousand metric tons in 2012. The decline was in line with the company's focus on higher margin products that reduced some product presentations and also due to a difficult competitive environment.

Net sales decreased by 1% to Ps.4,983 million in 2013 compared with Ps.5,046 million in 2012. The decreased resulted from sales volume reduction.

Cost of sales decreased by 2% to Ps.4,189 million in 2013 compared with Ps.4,254 million in 2012 and, as a percentage of net sales, improved to 84.1% in 2013 from 84.3% in 2012, reflecting lower wheat, packaging and additive costs. In absolute terms, it was also in connection with lower sales volume.

SG&A increased by 3% to Ps.692 million in 2013 compared with Ps.674 million in 2012. The rise was due mainly to higher freight expenses in connection with increased sales to retailers and other large food companies. SG&A as a percentage of net sales increased to 13.9% in 2013 from 13.4% in 2012 due to the aforementioned higher SG&A expenses and the reduction in net sales.

Operating income grew by 13% to Ps.99 million in 2013 from Ps.87 million in 2012 due to lower profit sharing. Operating margin increased to 2.0% in 2013 from 1.7% in 2012.

Gruma Centroamérica

Sales volume decreased by 4% to 198 thousand metric tons in 2013 compared with 207 thousand metric tons in 2012. 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) and a tougher competitive environment from new and existing corn flour producers.

Net sales increased by 1% to Ps.3,386 million in 2013 from Ps.3,369 million in 2012 due to price increases and a change in the sales mix towards higher priced products such as snacks, hearts of palm and rice.

Cost of sales decreased by 6% to Ps.2,264 million in 2013 compared with Ps.2,415 million in 2012. This was due to the decline in sales volume, lower raw material costs, production efficiencies and the average peso appreciation effect during 2013. Cost of sales as a percentage of net sales improved to 66.9% in 2013 from 71.7% in 2012 due mainly to the aforementioned price increases, allowance reductions, lower raw material costs and, to a lesser extent, production efficiencies.

SG&A decreased by 5% to Ps.947 million in 2013 compared with Ps.994 million in 2012, due to the company's global efforts to reduce expenses, mainly marketing and advertising, as well as to the average peso appreciation. As a percentage of net sales, SG&A improved to 28.0% in 2013 from 29.5% in 2012 due mainly to the aforementioned expense reductions.

Operating income was Ps.183 million in 2013 compared with a loss of Ps.40 million in 2012. Operating margin improved to 5.4% in 2013 from a negative 1.2% in 2012.

Consolidated Financial Position

Balance-Sheet Highlights (December 2013 versus December 2012)

Total **assets** as of December 31, 2013 were Ps.42,609 million, a decrease of 14% reflecting the deconsolidation of the Venezuelan operations as GRUMA's consolidated balance sheet shows Venezuelan assets and liabilities as a net asset under the line "assets held for sale". Additionally, lower grain inventories in GIMSA, as corn crops in Mexico were delayed, contributed to the decrease.

Total **liabilities** as of December 31, 2013 were Ps.28,182 million, 20% less derived from debt reduction.

Shareholders' equity as of December 31, 2013 was Ps.14,427 million, 1% more than in December 2012.

Debt Profile

GRUMA's debt as of December 31, 2013, totaled US$1,272 million, of which approximately 65% was dollar denominated.

Schedule of Debt Amortizations
(US$ millions)

	Tasa	2014	2015	2016	2017	2018	2019...	TOTAL
Perpetual Bond	7.75%						300	300
Rabobank Syndicated Facility	LIBOR+1.5%-3%	11	22	33	33	121		220
Inbursa Syndicated Facility MXP	TIIE+1.625%-2.625%	8.8	17.6	26.4	26.4	96.7		175.9
BBVA Syndicated Facility	LIBOR+1.5%-3%	25	25	100				150
BBVA Syndicated Facility MXP	TIIE+1.375%-2.625%		4.6	9.2	41.3	36.7		91.8
Gruma Corp Facility BofA	LIBOR+1.375%-2%	0.2		80				80.2
Bancomext Facility MXP	TIIE+1.375%-2.625%		2.3	4.6	20.6	18.4		45.9
Other	4.27% WAVG	205.3	2.5					207.7
TOTAL	**4.74%** WAVG	**250.3**	**73.9**	**253.1**	**121.3**	**272.8**	**300**	**1,271.5**

Capital Expenditure Program

GRUMA's capital expenditures in 2013 were US$114 million, most of which were allocated to Gruma Corporation and GIMSA for maintenance and technology upgrades, as well as capacity expansions at existing plants.

INDEPENDENT AUDITOR´S REPORT

Monterrey, N. L, February 26, 2014

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"), which comprise the consolidated statement of financial position at December 31, 2013 and 2012, and the consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2013, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (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 expressing an opinion on the effectiveness of the entity's internal control. An audit also includes 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, 2013 and 2012, and its financial performance and its cash flows for the years ended December 31, 2013, 2012 and 2011, in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosed in Notes 28 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 stopped 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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
AS OF DECEMBER 31, 2013 AND 2012
(IN THOUSANDS OF MEXICAN PESOS)
(NOTES 1, 2 AND 5)

	Note	As of December 31, 2013	As of December 31, 2012
Assets			
Current:			
Cash and cash equivalents	8	Ps. 1,338,555	Ps. 1,287,368
Derivative financial instruments	22	120,562	45,316
Accounts receivable, net	9	7,193,317	7,048,525
Inventories	10	7,644,130	13,383,990
Recoverable income tax		1,768,539	1,621,044
Prepaid expenses		167,739	228,791
		18,232,842	23,615,034
Asset held for sale	13	103,300	-
Total current assets		18,336,142	23,615,034
Non-current:			
Long-term notes and accounts receivable	11	190,863	346,944
Investment in associates	12	148,881	1,156,251
Property, plant and equipment, net	13	17,904,972	20,917,534
Intangible assets, net	14	2,631,101	2,775,444
Deferred tax assets	15	287,668	649,195
Investment in Venezuela available for sale	28	3,109,013	-
Total non-current assets		24,272,498	25,845,368
Total Assets		Ps. 42,608,640	Ps. 49,460,402
Liabilities			
Current:			
Short-term debt	16	Ps. 3,275,897	Ps. 8,018,763
Trade accounts payable		3,547,498	6,307,796
Derivative financial instruments	22	71,540	28,832
Provisions	17	53,980	97,743
Income tax payable		1,525,933	327,657
Other current liabilities	18	2,875,593	2,744,267
Total current liabilities		11,350,441	17,525,058
Non-current:			
Long-term debt	16	13,096,443	11,852,708
Provision for deferred taxes	15	2,046,118	4,225,367
Employee benefits obligations	19	629,043	583,764
Provisions	17	323,804	289,800
Other non-current liabilities	3	735,931	649,988
Total non-current liabilities		16,831,339	17,601,627
Total Liabilities		28,181,780	35,126,685
Equity			
Shareholders' equity:			
Common stock	20	5,363,595	5,668,079
Reserves		(132,209)	272,262
Retained earnings	20	7,741,678	5,361,325
Total shareholders' equity		12,973,064	11,301,666
Non-controlling interest		1,453,796	3,032,051
Total Equity		14,426,860	14,333,717
Total Liabilities and Equity		Ps. 42,608,640	Ps. 49,460,402

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

CONSOLIDATED INCOME STATEMENTS

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(IN THOUSANDS OF MEXICAN PESOS, EXCEPT PER-SHARE DATA)
(NOTES 1, 2 AND 5)

	Note		2013		2012		2011
Net sales		Ps.	54,106,305	Ps.	54,409,450	Ps.	48,488,146
Cost of sales			(36,510,754)		(37,849,274)		(33,371,189)
Gross profit			17,595,551		16,560,176		15,116,957
Selling and administrative expenses			(12,572,458)		(13,645,196)		(12,485,762)
Other expenses, net	24		(192,495)		(100,970)		(203,850)
Operating income			4,830,598		2,814,010		2,427,345
Comprehensive financing cost, net	26		(968,414)		(826,694)		(627,313)
Share of profits of associated companies	12		2,562		2,976		3,329
Gain from the sale of shares of associated companies	12		-		-		4,707,804
Income before income tax			3,864,746		1,990,292		6,511,165
Income tax expense	27		(198,448)		(862,781)		(1,618,271)
Consolidated net income from continuing operations			3,666,298		1,127,511		4,892,894
Income (loss) from discontinued operations, net	28		(356,329)		576,248		922,928
Consolidated net income		Ps.	3,309,969	Ps.	1,703,759	Ps.	5,815,822
Attributable to:							
Shareholders		Ps.	3,163,133	Ps.	1,115,338	Ps.	5,270,762
Non-controlling interest			146,836		588,421		545,060
		Ps.	3,309,969	Ps.	1,703,759	Ps.	5,815,822
From continuing operations:							
Basic and diluted earnings per share (pesos)		Ps.	7.75	Ps.	1.21	Ps.	8.16
From discontinued operations:							
Basic and diluted earnings per share (pesos)		Ps.	(0.59)	Ps.	0.79	Ps.	1.19
From continuing and discontinued operations:							
Basic and diluted earnings per share (pesos)		Ps.	7.16	Ps.	2.00	Ps.	9.35
Weighted average shares outstanding (thousands)			441,835		558,712		563,651

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(IN THOUSANDS OF MEXICAN PESOS)
(NOTES 1, 2 AND 5)

	Note		2013		2012		2011
Consolidated net income		**Ps.**	**3,309,969**	**Ps.**	**1,703,759**	**Ps.**	**5,815,822**
Other comprehensive income:							
Items that will not be reclassified to profit or loss:							
Remeasurement of employment benefit obligations	19		(170,618)		(105,967)		2,336
Income taxes	15		42,298		10,783		11,725
			(128,320)		(95,184)		14,061
Items that may be subsequently reclassified to profit or loss:							
Foreign currency translation adjustments (net of the reclassification adjustment from discontinued operations of Ps.432,458 in 2013)			156,847		29,130		1,589,088
Share of other comprehensive income of associated companies			-		71,217		(5,014)
Cash flow hedges			(585,811)		461,687		4,969
Other			-		(71,810)		-
Income taxes	15		142,545		(125,113)		9,261
			(286,419)		365,111		1,598,304
Other comprehensive income, net of tax			(414,739)		269,927		1,612,365
Total comprehensive income		**Ps.**	**2,895,230**	**Ps.**	**1,973,686**	**Ps.**	**7,428,187**
Attributable to:							
Shareholders		Ps.	2,630,867	Ps.	1,378,161	Ps.	6,486,642
Non-controlling interest			264,363		595,525		941,545
		Ps.	2,895,230	Ps.	1,973,686	Ps.	7,428,187

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(IN THOUSANDS OF MEXICAN PESOS)
(NOTES 1, 2 AND 5)

	Common stock (Note 20-A)		Foreign currency translation adjustment (Note 20-D)
	Number of shares (thousands)	Amount	
Balances at January 1, 2011	563,651	Ps. 6,972,425	Ps. (1,282,185)
Transactions with owners of the Company:			
Dividends paid from net tax profit account (CUFIN)			
Contribution from non-controlling interest			
Comprehensive income:			
Net income of the year			
Foreign currency translation adjustment (Net of taxes of Ps.8,583)			1,205,213
Remeasurement of employment benefit obligations (Net of taxes of Ps.11,725)			
Share of other comprehensive income of associated companies			
Cash flow hedges			
Other			
Comprehensive income of the year	-	-	1,205,213
Balances at December 31, 2011	563,651	6,972,425	(76,972)
Transactions with owners of the Company:			
Dividends paid from CUFIN			
Contribution from non-controlling interest			
Acquisition of Company's own shares	(106,335)	(1,304,346)	
Contingent payment due to acquisition of Company's own shares (Note 3)			
Effect of acquisition of non-controlling interest, net of taxes (Note 3)			
	(106,335)	(1,304,346)	-
Comprehensive income:			
Net income of the year			
Foreign currency translation adjustment (Net of taxes of Ps.(825))			9,860
Other			
Remeasurement of employment benefit obligations (Net of taxes of Ps.10,783)			
Cash flow hedges (Net of taxes of Ps.(125,938))			
Comprehensive income of the year	-	-	9,860
Balances at December 31, 2012	457,316	Ps. 5,668,079	Ps. (67,112)

Reserves					
Share of equity of associated companies	Cash flow hedges and other reserves	Retained earnings (Note 20-B)	Total shareholders' equity	Non-controlling interest	Total equity
Ps. (66,203)	Ps. (1,694)	Ps. 1,322,218	Ps. 6,944,561	Ps. 3,777,713	Ps. 10,722,274
			-	(524,303)	(524,303)
			-	86,626	86,626
			-	(437,677)	(437,677)
		5,270,762	5,270,762	545,060	5,815,822
			1,205,213	392,458	1,597,671
		10,034	10,034	4,027	14.061
(5,014)			(5,014)	-	(5,014)
	4,969		4,969	-	4,969
	678		678	-	678
(5,014)	5,647	5,280,796	6,486,642	941,545	7,428,187
(71,217)	3,953	6,603,014	13,431,203	4,281,581	17,712,784
			-	(96,187)	(96,187)
			-	165,710	165,710
		(2,707,003)	(4,011,349)	-	(4,011,349)
		(492,272)	(492,272)	-	(492,272)
		995,923	995,923	(1,914,578)	(918,655)
-	-	(2,203,352)	(3,507,698)	(1,845,055)	(5,352,753)
		1,115,338	1,115,338	588,421	1,703,759
			9,860	20,095	29,955
71,217	(328)	(71,217)	(328)	(265)	(593)
		(82,458)	(82,458)	(12,726)	(95,184)
	335,749		335,749	-	335,749
71,217	335,421	961,663	1,378,161	595,525	1,973,686
Ps. -	Ps. 339,374	Ps. 5,361,325	Ps. 11,301,666	Ps. 3,032,051	Ps. 14,333,717

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(IN THOUSANDS OF MEXICAN PESOS)
(NOTES 1, 2 AND 5)

	Common stock (Note 20-A)		
	Number of shares (thousands)	Amount	Foreign currency translation adjustment (Note 20-D)
Balances at December 31, 2012	457,316	Ps. 5,668,079	Ps. (67,112)
Transactions with owners of the Company:			
Dividends paid from CUFIN			
Cancellation of Company's own shares due to merger with shareholder (Note 12)	(24,567)	(304,484)	
Decrease of non-controlling interest due to cease of consolidation of Venezuela (Note 28)			
Effect on acquisition of non-controlling interest, net of taxes			
	(24,567)	(304,484)	-
Comprehensive income:			
Net income of the year			
Foreign currency translation adjustment (Net of taxes of Ps.(14,391))			(278,338)
Currency translation of discontinued operations			317,133
Remeasurement of employment benefit obligations (Net of taxes of Ps.42,298)			
Cash flow hedges (Net of taxes of Ps.159,936)			
Comprehensive income of the year	-	-	38,795
Balances at December 31, 2013	432,749	Ps. 5,363,595	Ps. (28,317)

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

Reserves					
Share of equity of associated companies	Cash flow hedges and other reserves	Retained earnings (Note 20-B)	Total shareholders' equity	Non-controlling interest	Total equity
Ps. -	Ps. 339,374	Ps. 5,361,325	Ps. 11,301,666	Ps. 3,032,051	Ps. 14,333,717
			-	(594,024)	(594,024)
		(705,364)	(1,009,848)	-	(1,009,848)
			-	(1,057,497)	(1,057,497)
		50,379	50,379	(191,097)	(140,718)
-	-	(654,985)	(959,469)	(1,842,618)	(2,802,087)
		3,163,133	3,163,133	146,836	3,309,969
			(278,338)	2,727	(275,611)
			317,133	115,325	432,458
		(127,795)	(127,795)	(525)	(128,320)
	(443,266)		(443,266)	-	(443,266)
-	(443,266)	3,035,338	2,630,867	264,363	2,895,230
Ps. -	Ps. (103,892)	Ps. 7,741,678	Ps. 12,973,064	Ps. 1,453,796	Ps. 14,426,860

CONSOLIDATED STATEMENTS OF CASH FLOWS

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(IN THOUSANDS OF MEXICAN PESOS)
(NOTES 1, 2 AND 5)

	2013	2012	2011
Operating activities:			
Income before taxes	Ps. 3,864,746	Ps. 1,990,292	Ps. 6,511,165
Foreign exchange loss (gain) from working capital	(17,002)	91,990	(22,454)
Net cost of the year for employee benefit obligations	110,397	107,270	35,347
Items related with investing activities:			
Depreciation and amortization	1,636,448	1,590,392	1,461,308
Impairment of long-lived assets	45,235	4,014	93,808
Written-down fixed assets	-	37,681	52,271
Interest income	(16,645)	(15,057)	(33,259)
Share of profits of associated companies	(2,562)	(2,976)	(3,329)
Gain from the sale of shares of associated companies	-	-	(4,707,804)
Loss in sale of fixed assets and damaged assets	92,205	17,813	20,812
Items related with financing activities:			
Derivative financial instruments	(40,725)	(146,142)	(207,816)
Foreign exchange gain from debt	(38,761)	(2,342)	(23,953)
Interest expense	1,015,458	782,487	903,005
	6,648,794	4,455,422	4,079,101
Accounts receivable, net	328,672	(321,637)	(1,502,494)
Inventories	2,202,680	(1,803,233)	(1,828,095)
Prepaid expenses	18,645	(10,384)	118,980
Trade accounts payable	(1,539,124)	705,178	1,276,091
Accrued liabilities and other accounts payables	528,842	(43,365)	(85,622)
Income taxes paid	(1,012,213)	(1,793,400)	(545,212)
Employee benefits obligations and others, net	(139,549)	(61,568)	49,787
Net cash flows from operating activities of discontinued operations	(357,316)	679,123	188,778
	30,637	(2,649,286)	(2,327,787)
Net cash flows from operating activities	6,679,431	1,806,136	1,751,314
Investing activities:			
Acquisitions of property, plant and equipment	(1,468,326)	(2,593,108)	(1,588,513)
Sale of property, plant and equipment	121,859	74,287	107,196
Investment in Valores Azteca, S.A. de C.V. (associate)	-	(895,640)	-
Acquisition of subsidiaries, net of cash acquired	-	-	(708,664)
Acquisition of intangible assets	(3,401)	(14,916)	(20,743)
Sale of shares of associated companies	-	-	9,003,700
Interests collected	16,498	15,057	32,816
Other	12,276	15,339	(6,300)
Net cash flows used in investing activities of discontinued operations	(203,807)	(56,648)	(40,363)
Net cash flows (used in) provided by investing activities	(1,524,901)	(3,455,629)	6,779,129
Cash provided (used in) financing activities	5,154,530	(1,649,493)	8,530,443
Financing activities:			
Proceeds from debt	12,361,530	14,618,388	15,162,806
Payment of debt	(15,877,418)	(6,973,659)	(21,373,729)
Interests paid	(994,840)	(768,289)	(929,662)
Derivative financial instruments collected	29,774	196,531	154,556
Acquisition of Company's own shares	-	(4,011,348)	-
Acquisition of non-controlling interest [(1)]	(37,418)	(996,575)	-
Capital contribution from non-controlling interest	-	165,710	86,626
Dividends paid	(594,024)	(96,187)	(524,303)
Net cash flows used in financing activities of discontinued operations	-	(316,896)	(5,353)
Net cash flows provided (used in) from financing activities	(5,112,396)	1,817,675	(7,429,059)
Net increase in cash and cash equivalents	42,134	168,182	1,101,384
Exchange differences and effects from inflation on cash and cash equivalents	9,053	(60,465)	56,950
Cash and cash equivalents at the beginning of the year	1,287,368	1,179,651	21,317
Cash and cash equivalents at the end of the year	Ps. 1,338,555	Ps. 1,287,368	Ps. 1,179,651

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

[(1)] At December 31, 2013, an account payable for Ps.103,300 resulted from this transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
AS OF DECEMBER 31, 2013 AND 2012
(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 February 26, 2014.

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 applied IFRS that were effective at December 31, 2013. The following standards have been adopted by the Company for the first time for the year beginning on January 1, 2013 and had the following impact:

IAS 19, "Employee Benefits" was revised in June 2011. The changes on the Company's accounting policies have been as follows: to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). These changes had no significant impact in the Company's financial statements.

IFRS 12, "Disclosures of Interests in Other Entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities, and other off balance sheet vehicles. The disclosures that were applicable to the Company were included in Note 21.

IFRS 13, "Fair Value Measurements" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements. The new disclosures that were applicable to the Company were included in Note 22.

IFRS 10, "Consolidated Financial Statements" - IFRS 10 was issued in May 2011 and superseded the control and consolidation guidance contained in IAS 27, "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". Under IFRS 10, the subsidiaries are all entities (including structured entities) over which the Company had control. The Company controls an entity when it is exposed, or has rights, to variable returns and has the capability to affect those returns through its power over the investee. 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. The Company has applied IFRS 10 retrospectively according to provisions described therein. The above mentioned had no effect on the consolidation of investments held by the Company.

In May 2013, the IASB amended the requirements related to recoverable amount of non-financial assets contained in IAS 36. These amendments reduce the circumstances contained in IAS 36 in which the recoverable amount of cash-generating units (CGU) is required to be disclosed, due to the issuance of IFRS 13. These amendments must be applied for annual periods beginning on or after January 1, 2014; however, the Company decided to early adopt these amendments starting January 1, 2013.

The 2011 annual amendments issued in May 2012 include amendments to IAS 16 "Property, Plant and Equipment" which clarify that spare parts and maintenance equipment that comply with the definition of property, plant and equipment, are not part of inventory; and amendments to IAS 32, "Financial Instruments: Presentation" clarify that income taxes resulting from distributions to shareholders are recorded in accordance with IAS 12 "Income Taxes". These improvements had no significant impact in the Company's financial statements.

A) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the basis of historical cost, except for Venezuela's financial information for years 2012 and 2011, 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 22).
- 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 27).
- 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 and 14).
- The actuarial assumptions used for the determination of employee benefits obligations (Note 19).
- The key assumptions in impairment testing of the investment in Venezuela (Notes 28 and 30).

3. ACQUISITION OF NON-CONTROLLING INTEREST OF ARCHER-DANIELS-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% of 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, at December 31, 2012 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. As of December 31, 2013, the fair value of Contingent Payment amounted Ps.671,069, affecting the income statement by Ps.64,574, within "Comprehensive financing cost, net". 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, 2013 and 2012 is presented in Note 22-D.

As of December 31, 2013 and 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 as of December 31, 2012 were increased to allow GRUMA to increase its leverage as a result of the obtainment of the Short-Term Loan Facilities. During June 2013, GRUMA obtained two long-term loan facilities which were used to settle the bridge loan facilities mentioned above (see Note 16).

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 work-force, 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, 2013, the outstanding payment due to contingent consideration amounted to Ps.5,231.

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 work-force, 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, 2013, the outstanding payment due to contingent consideration was fully paid.

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 work-force, 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 structured entities) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns through its power over the investee. 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, 2013 and 2012, the main subsidiaries included in the consolidation were:

	% of ownership	
	At December 31, 2013	At December 31, 2012
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. (Notes 3 and 28)	-	75.86
Derivados de Maíz Seleccionado, C.A. Notes 3 and 28)	-	60.00
Molinera de México, S.A. de C.V. and subsidiaries (Note 3)	100.00	100.00
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

At December 31, 2013 and 2012, there were no significant restrictions for the investment in the subsidiaries mentioned above, except for those described in Note 28.

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 when it has not fluctuated significantly during the year.
- 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 translation to Mexican pesos, 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, 2013	As of December 31, 2012
Pesos per U.S. dollar	13.0765	13.0101
Pesos per Euro	18.0430	17.1941
Pesos per Swiss franc	14.7241	14.2420
Pesos per Venezuelan bolivar (Bs.)	2.0756	3.0256
Pesos per Australian dollar	11.6443	13.4960
Pesos per Chinese yuan	2.1428	2.0685
Pesos per Pound sterling	21.5684	21.0152
Pesos per Malaysian ringgit	3.9692	4.2499
Pesos per Costa Rica colon	0.0258	0.0256
Pesos per Ukrainian hryvnia	1.6341	1.6318
Pesos per Russian ruble	0.3995	0.4283
Pesos per Turkish lira	6.1268	7.2984

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 Company.

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 AND DISCONTINUED OPERATIONS

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, the Company did not have this type of assets.

Discontinued operations are the operations and cash flows that can be clearly distinguished from the rest of the entity, that either have been disposed of or are classified as held for sale, and:

- Represent a line of business or geographical area of operations.
- Are part of a single coordinated plan to dispose of a line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

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, 2013 and 2012 are disclosed in Note 22-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 they are measured at cost (See Note 28). 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, 2013 and 2012, 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 22-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. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). 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.

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 at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes costs for a restructuring representing a provision and involves the payment of termination benefits. 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 or different taxable entities where there is an intention to settle the balances on a net basis.

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, 2013, 2012 and 2011, the Company had 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, 2013 and 2012. The tables show the carrying amount of the Company's financial instruments denominated in foreign currency.

At December 31, 2013:

	Amounts in thousands of Mexican pesos				
	U.S. Dollar	Pound sterling	Euros	Costa Rica colons and others	Total
Monetary assets:					
Current[1]	Ps. 2,776,046	Ps. 265,952	Ps. 764,541	Ps. 1,077,969	Ps. 4,884,508
Non-current	9,912	-	7,406	10,854	28,172
Monetary liabilities:					
Current	(5,459,193)	(271,561)	(247,916)	(544,162)	(6,522,832)
Non-current	(9,536,365)	(2,157)	(20,864)	(53,503)	(9,612,889)
Net position	Ps. (12,209,600)	Ps. (7,766)	Ps. 503,167	Ps. 491,158	Ps. (11,223,041)

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)

(1) Approximately 70% of this balance corresponds to accounts receivable.

For the years ended December 31, 2013, 2012 and 2011, the effects of exchange rate differences on the Company's monetary assets and liabilities were recognized as follows:

		2013		2012		2011
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.	(46,412)	Ps.	468,381	Ps.	(813,101)
Exchange differences arising from foreign currency transactions recognized in the income statement		55,763		(82,212)		41,217
	Ps.	9,351	Ps.	386,169	Ps.	(771,884)

Net sales are denominated in Mexican pesos, U.S. dollars, and other currencies. Sales generated in Mexican pesos during 2013, 2012 and 2011 were 39% in 2013, 41% in 2012 and 34% in 2011 of total net sales. Sales generated in U.S. dollars during 2013 were 46%, in 2012 and 2011were 45% of total net sales. Additionally, at December 31, 2013 and 2012, 71% and 63% 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, 2013, 2012 and 2011, net sales in foreign currency amounted to Ps.32,925,736, Ps.32,139,710 and Ps.28,663,315, 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 90% of total debt denominated in U.S. dollars.

At December 31, 2013, the Company had foreign exchange derivative instruments for a nominal amount of U.S.$65 million maturing in January 2014. The purpose of these instruments is to hedge the risks related to exchange rate variations on corn price, which is denominated in U.S. dollars. At December 31, 2012, the Company had 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, 2013, 2012 and 2011, related with the assets and liabilities denominated in foreign currency, totaled a gain of Ps.55,763, a loss of Ps.(82,212) and a gain of Ps.41,217, respectively. Considering the exposure at December 31, 2013, 2012 and 2011, 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.35,796, Ps.458,069 and Ps.128,673, respectively.

Interest rate risk

The variations in interest rates could affect the interest 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 and Eurolibor) that are used to determine the interest rates applicable to the borrowings.

The following table shows, at December 31, 2013 and 2012, the Company's debt at fixed and variable rates:

	Amounts in thousands of Mexican pesos			
	2013		2012	
Debt at fixed interest rate	Ps.	3,747,511	Ps.	3,734,498
Debt at variable interest rate		12,624,829		16,136,973
Total	Ps.	16,372,340	Ps.	19,871,471

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, 2013, 2012 and 2011 will have an effect on the results of the Company of Ps.126,248, Ps.161,370 and Ps.88,246, 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, as well as fuels. 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, based on the Company's corporate policies.

During 2013, 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, 2013, 2012 and 2011, financial instruments that qualify as hedge accounting represented an unfavorable effect of Ps.71,540 in 2013 and a favorable effect of Ps.119,275 and Ps.14,876 in 2012 and 2011, respectively, 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 years ended December 31, 2012 and 2011, the Company recognized a favorable effect of Ps.17,090 and unfavorable of Ps.40,207, respectively. Additionally, as of December 31, 2013 the Company realized Ps.30,160 in net losses on commodity price risk hedges that did not qualify for hedge accounting; likewise, as of December 31, 2012 and 2011, realized net gains of Ps.21,058 and net losses of Ps.52,626, respectively.

Based on the Company's overall commodity exposure at December 31, 2013, 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.54,568, 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, 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 most of the clients do not 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 2013 and 2012, credit limits were complied with and, consequently, management does not expect any important losses from trade accounts receivable.

At December 31, 2013 and 2012, 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, 2013 and 2012, 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. For operations in Central America, only invests cash reserves with leading local banks and local branches of international banks. Additionally, small investments are maintained abroad. 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.

Investment risk in Venezuela

The recent political and civil instability that has prevailed in Venezuela represents a risk to the Company's investment in this country. The Company does not have insurance for the risk of expropriation of its investments. See Note 28 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. Starting January 23, 2014 the activities of INDEPABIS were assumed by the Superintendencia Nacional para la Defensa de los Derechos Socio Económicos.

Considering the above, the financial position and results of the Company may be negatively affected due to the inability to obtain and collect a fair and reasonable compensation for the assets of MONACA and DEMASECA subject to expropriation.

The exchange rate controlled by the Foreign Exchange Administration Commission (Comisión de Administración de Divisas, CADIVI) at December 31, 2012 was 4.30 Venezuelan bolivars per U.S. dollar. Certain entities in specific sectors such as the food industry, were allowed to use foreign currency to settle accounts payable or to remit dividends using the exchange rate established by CADIVI. There are often substantial delays to obtain foreign currency through this mechanism.

In March 2013, the Venezuelan government announced the creation of an alternative exchange mechanism called the Supplementary System of Foreign Exchange Administration (Sistema Complementario de Administración de Divisas, SICAD). The SICAD operates as an auction system that allows entities of specific sectors to buy foreign currency for imports. This is not a free auction (that is, the counterpart that offers the highest price does not necessarily have the right to receive the foreign currency). Each auction may have different rules (for example, the minimum and maximum amount of foreign currency that may be offered to exchange). Limited amounts of dollars are available and entities do not commonly get the full amount for which they entered in auction. During December 2013, the Venezuelan government authorized the Central Bank of Venezuela to publish the average exchange rate resulting of SICAD auctions. During weeks of December 23 and December 30, 2013, the Central Bank of Venezuela published on its website the average exchange rate for auctions No.13 and No.14 (11.30 Venezuelan bolivars per U.S. dollar).

On January 24, 2014, Exchange Agreement No.25 became effective, which establishes the concepts to which the SICAD exchange rate (11.30 Venezuelan bolivars per U.S. dollar) applies to, for sale of foreign currency operations. In addition, the agreement also provides that the sale of foreign currency whose clearance has been requested to the Central Bank of Venezuela, before the Exchange Agreement No.25 became effective, will be settled at the exchange rate effective on the date on which such operations were authorized. This Exchange Agreement No.25 will result in a net foreign exchange loss of Ps.142,079 in 2014, which will be presented as discontinued operations, this exchange loss is originated by certain accounts receivable maintained with the Venezuelan companies as of December 31, 2013 and are expected to be settled at this new exchange rate (11.30 Venezuelan bolivars per U.S. dollar).

The only mechanism permitted to obtain foreign currency for remittance of dividends outside of Venezuela is the CADIVI. Foreign currency (U.S. dollars) has not been authorized for dividend payments outside of Venezuela in the past five years.

Due to the aforementioned, it is important to consider the exchange rate that will be more appropriate when cash flows are remitted outside of Venezuela.

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;
- medium- and long-term debt contracting;
- offerings in Bond markets; 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, 2013:

	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. 3,272,118	Ps. 4,262,055	Ps. 5,153,781	Ps. 3,922,950	Ps. 16,610,904
Interest payable from short and long term debt	687,821	1,214,130	897,858	304,029	3,103,838
Financing leases	3,771	11,024	-	-	14,795
Trade accounts and other payables	8,003,004	-	-	-	8,003,004
Other non-current liabilities	-	671,069	-	-	671,069
Derivative financial instruments	71,540	-	-	-	71,540
	Ps. 12,038,254	Ps. 6,158,278	Ps. 6,051,639	Ps. 4,226,979	Ps. 28,475,150

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	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	18,839	-	-	38,916
Trade accounts and other payables	9,434,272	-	-	-	9,434,272
Other non-current liabilities	-	-	606,495	-	606,495
Derivative financial instruments	28,832	-	-	-	28,832
	Ps. 18,272,885	Ps. 1,859,656	Ps. 8,163,769	Ps. 5,251,052	Ps. 33,547,362

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 (México).

  c) Packaged tortillas (México).

  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, 2013:

	Corn flour and packaged tortilla division (United States and Europe)	Corn flour division (Mexico)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers	Ps. 27,760,984	Ps. 15,790,150	Ps. 10,482,332	Ps. 72,839	Ps. 54,106,305
Inter-segment net sales	39,639	645,675	1,236,873	(1,922,187)	-
Operating income (loss)	2,136,570	2,437,503	365,838	(109,313)	4,830,598
Depreciation and amortization	1,066,910	332,923	276,381	5,469	1,681,683
Total assets	17,364,824	11,547,873	10,384,077	3,311,866	42,608,640
Investment in associates	-	-	64,713	84,168	148,881
Total liabilities	8,942,631	4,238,286	3,204,957	11,795,906	28,181,780
Expenditures for fixed assets	849,693	566,512	246,856	(194,735)	1,468,326

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)	Discontinued operations (Venezuela)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers	Ps. 26,900,883	Ps.16,809,903	Ps. -	Ps.10,662,239	Ps. 36,425	Ps. 54,409,450
Inter-segment net sales	30,672	763,547	-	1,303,796	(2,098,015)	-
Operating income (loss)	1,334,615	1,749,259	-	27,411	(297,275)	2,814,010
Depreciation and amortization	1,058,384	357,097	-	312,037	(95,431)	1,632,087
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	-	393,171	117,939	2,593,108

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)	Discontinued operations (Venezuela)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers	Ps. 23,900,928	Ps. 14,799,007	Ps. -	Ps. 9,643,075	Ps. 145,136	Ps. 48,488,146
Inter-segment net sales	196,857	586,733	-	1,128,926	(1,912,516)	-
Operating income (loss)	946,806	1,770,725	-	(183,752)	(106,434)	2,427,345
Depreciation and amortization	1,004,467	356,171	-	323,051	(76,302)	1,607,387
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	-	404,051	133,762	1,635,246

A summary of information by geographic segment for the years ended December 31, 2013, 2012 and 2011 is presented below:

	2013	%	2012	%	2011	%
Net sales to external customers:						
United States and Europe	Ps. 27,760,984	52	Ps. 26,900,883	50	Ps. 23,900,928	49
Mexico	21,180,569	39	22,269,740	41	19,870,195	41
Central America	3,385,916	6	3,368,693	6	3,180,155	7
Asia and Oceania	1,778,836	3	1,870,134	3	1,536,868	3
	Ps. 54,106,305	100	Ps. 54,409,450	100	Ps. 48,488,146	100
Capital expenditures:						
United States and Europe	Ps. 849,693	59	Ps. 1,630,227	63	Ps. 858,475	53
Mexico	444,838	30	839,736	32	470,977	29
Central America	49,614	3	70,078	3	88,508	5
Asia and Oceania	124,181	8	53,067	2	217,286	13
	Ps. 1,468,326	100	Ps. 2,593,108	100	Ps. 1,635,246	100
Identifiable assets						
United States and Europe	Ps. 17,364,824	41	Ps. 17,600,503	36	Ps. 16,860,083	38
Mexico	19,510,613	46	18,695,391	38	15,052,360	34
Discontinued operations (Venezuela)	-	-	7,087,569	14	6,430,234	14
Central America	2,239,126	5	2,376,482	5	2,408,555	5
Asia and Oceania	3,494,077	8	3,700,457	7	3,791,386	9
	Ps. 42,608,640	100	Ps. 49,460,402	100	Ps. 44,542,618	100

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

		At December 31, 2013		At December 31, 2012
Cash at bank	Ps.	809,905	Ps.	1,245,911
Short-term investments (less than 3 months)		528,650		41,457
	Ps.	1,338,555	Ps.	1,287,368

9. ACCOUNTS RECEIVABLE

Accounts receivable comprised the following:

		At December 31, 2013		At December 31, 2012
Trade accounts and notes receivable	Ps.	5,177,963	Ps.	6,530,563
Accounts receivable with Venezuelan companies		1,137,718		-
Employees		9,545		26,339
Recoverable value-added tax		901,570		485,608
Other debtors		294,377		374,249
Allowance for doubtful accounts		(327,856)		(368,234)
	Ps.	7,193,317	Ps.	7,048,525

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.	7,521,173	Ps.	4,577,857	Ps.	1,494,638	Ps.	82,260	Ps.	1,366,418
Allowance for doubtful accounts		(327,856)		-		(100,836)		(50,217)		(176,803)
Total at December 31, 2013	Ps.	7,193,317	Ps.	4,577,857	Ps.	1,393,802	Ps.	32,043	Ps.	1,189,615

					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

For the years ended December 31, 2013 and 2012, the movements on the allowance for doubtful accounts are as follows:

		2013		2012
Beginning balance	Ps.	(368,234)	Ps.	(316,112)
Allowance for doubtful accounts		(52,208)		(116,240)
Receivables written off during the year		92,700		54,610
Exchange differences		(114)		9,508
Ending balance	Ps.	(327,856)	Ps.	(368,234)

10. INVENTORIES

Inventories consisted of the following:

		At December 31, 2013		At December 31, 2012
Raw materials, mainly corn and wheat	Ps.	5,182,139	Ps.	9,513,318
Finished products		925,917		1,018,452
Materials and spare parts		1,132,007		1,346,546
Production in process		148,755		220,439
Advances to suppliers		76,223		416,487
Inventory in transit		179,089		466,700
Raw material loans (1)		-		402,048
	Ps.	7,644,130	Ps.	13,383,990

(1) Total amount due at December 31, 2012 related to physical loans of grains to government companies in Venezuela, which was received during 2013.

For the years ended December 31, 2013, 2012 and 2011, 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.23,579,575, Ps.26,409,848 and Ps.29,562,447, respectively.

For the years ended December 31, 2013, 2012 and 2011, the Company recognized Ps.69,854, Ps.90,584 and Ps.76,086, 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, 2013		At December 31, 2012
Long-term notes receivable from sale of tortilla machines	Ps.	144,142	Ps.	199,925
Prepaid rent deposits		-		98,792
Guarantee deposits		29,874		29,324
Long-term recoverable value-added tax		6,531		6,716
Other		10,316		12,187
	Ps.	190,863	Ps.	346,944

At December 31, 2013 and 2012, long-term notes receivable are denominated in pesos, maturing from 2015 to 2017 and bearing an average interest rate of 16.5%, for both years.

12. INVESTMENT IN ASSOCIATES

Investment in associates is comprised of the following:

	At December 31, 2013		At December 31, 2012	
Valores Azteca, S.A. de C.V (Mexican company)	Ps.	-	Ps.	1,009,863
Harinera de Monterrey, S.A. de C.V (Mexican company)		148,881		146,388
	Ps.	148,881	Ps.	1,156,251

The percentage of interest held in associates is:

	At December 31, 2013	At December 31, 2012
Valores Azteca, S.A. de C.V	-	45%
Harinera de Monterrey, S.A. de C.V	40%	40%

Valores Azteca, S.A. de C.V.

The Extraordinary Stockholders' Meeting held on May 15, 2013 agreed on the merger by incorporation of Valores Azteca as merged company that is extinguished, with GRUMA as merging company. In accordance with this merger, GRUMA as owner of 45% of the capital stock of Valores Azteca, received 24,566,561 ordinary shares, with no par value, Series B, Class I, of GRUMA. The effect in the Company's equity as a result of this merger was $1,009.8 million pesos, derived from cancellation of the Company's investment in Valores Azteca, whose only asset was represented by GRUMA's shares.

At December 31, 2012, Valores Azteca had 9.66% of the outstanding shares of the Company. As of December 31, 2012 and until the date of the merger, Valores Azteca had assets amounting to Ps.1,094,016 and no liabilities. From January 1, 2013 and until the date of the merger, Valores Azteca did not perform any operation and for the year ended December 31, 2012, had no revenues and reported a net profit of Ps.107,963. Valores Azteca was a private company and did 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.

Grupo Financiero Banorte, S.A.B. de C.V.

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.

13. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment for the years ended December 31, 2013 and 2012 were as follows:

	Land and buildings	Machinery and equipment	Leasehold improvements	Construction in progress	Total
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 from continuing operations	(177,541)	(1,209,406)	(81,766)	-	(1,468,713)
Transfers [1]	8,884	902,720	143,666	(1,055,270)	-
Impairment	-	(4,014)	-	-	(4,014)
Discontinued operations	(28,302)	(117,695)	(4,888)	-	(150,885)
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
For the year ended December 31, 2013					
Opening net book value	Ps. 5,984,847	Ps. 12,905,249	Ps. 624,372	Ps. 1,403,066	Ps. 20,917,534
Exchange differences	(53,934)	(46,458)	6,951	2,659	(90,782)
Additions	6,691	384,303	1,953	1,075,379	1,468,326
Disposals	(7,680)	(221,036)	(8,578)	(11,919)	(249,213)
Depreciation charge from continuing operations	(176,660)	(1,151,012)	(90,201)	-	(1,417,873)
Transfers to assets held for sale	-	(103,300)	-	-	(103,300)
Transfers [1]	160,523	1,196,601	209,329	(1,566,453)	-
Impairment	-	(16,930)	-	-	(16,930)
Discontinued operations	(861,806)	(1,604,956)	(6,121)	(129,907)	(2,602,790)
Closing net book value	Ps. 5,051,981	Ps. 11,342,461	Ps. 737,705	Ps. 772,825	Ps. 17,904,972
At December 31, 2013					
Cost	Ps. 7,747,517	Ps. 26,801,643	Ps. 1,314,759	Ps. 772,825	Ps. 36,636,744
Accumulated depreciation	(2,695,536)	(15,459,182)	(577,054)	-	(18,731,772)
Net book value	Ps. 5,051,981	Ps. 11,342,461	Ps. 737,705	Ps. 772,825	Ps. 17,904,972

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

For the years ended December 31, 2013, 2012 and 2011, depreciation expense was recognized as follows:

		2013		2012		2011
Cost of sales	Ps.	1,132,389	Ps.	1,168,931	Ps.	1,093,318
Selling and administrative expenses		285,484		299,782		263,938
	Ps.	1,417,873	Ps.	1,468,713	Ps.	1,357,256

At December 31, 2013 and 2012, property, plant and equipment included idle assets with a carrying value of approximately Ps.668,068 and Ps.842,992, 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, 2013 and 2012, the Company recognized impairment losses on fixed assets by Ps.16,930 and Ps.4,014, respectively, within “Other expenses”.

The impairment loss recognized in 2013 for Ps.16,930 referred to the subsidiary Transporte Aéreo Técnico Ejecutivo, S.A. de C.V., which is part of “other segments” (see next paragraph). 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)”. The impairment loss in Gruma Seaham, Ltd, reflects a decrease in the recoverable value of fixed assets of this CGU due to its continued operating losses.

On December 16, 2013, the Company entered into a purchase-sale contract with retention of title to sell an Eurocopter aircraft for a total of Ps.103,300. The sale price will be paid no later than 45 calendar days from the contract date. At December 31, 2013, the Company reclassified this item as “Asset held for sale” within current assets and the difference between its carrying value and its sale price was recognized in income as an impairment loss, as mentioned above.

The Company recognized equipment under finance lease arrangements that are described in Note 29-B.

14. INTANGIBLE ASSETS

Changes in intangible assets for the years ended December 31, 2013 and 2012 were as follows:

	Intangible assets acquired						
	Goodwill	Covenants not to compete	Patents and trademarks	Customer lists	Software for internal use	Internally generated intangible assets and others	Total
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	(168)	(3,241)	(125,984)
Additions	9,804	-	23	-	2,151	2,938	14,916
Disposals	-	-	-	-	(495)	(6,091)	(6,586)
Amortization charge from continuing operations	-	(31,979)	(10,554)	(12,211)	(1,585)	(6,945)	(63,274)
Discontinued operations	-	-	-	-	2,013	-	2,013
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. 146,260	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
For the year ended December 31, 2013							
Opening 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
Exchange differences	(33,147)	(26)	148	(575)	(37)	5,936	(27,701)
Additions	-	-	-	-	809	2,592	3,401
Disposals	-	-	(3)	-	(69)	(838)	(910)
Amortization charge from continuing operations	-	(47,252)	(9,315)	(8,817)	(1,529)	(4,291)	(71,204)
Impairment	-	-	(761)	(27,544)	-	-	(28,305)
Discontinued operations	-	-	-	-	(19,611)	(13)	(19,624)
Closing net book value	Ps. 2,472,692	Ps. 45,481	Ps. 39,124	Ps. 47,100	Ps. 15,107	Ps. 11,597	Ps. 2,631,101
At December 31, 2013							
Cost	Ps. 2,472,692	Ps. 465,125	Ps. 135,508	Ps. 71,657	Ps. 417,002	Ps. 23,980	Ps. 3,585,964
Accumulated amortization	-	(419,644)	(96,384)	(24,557)	(401,895)	(12,383)	(954,863)
Net book value	Ps. 2,472,692	Ps. 45,481	Ps. 39,124	Ps. 47,100	Ps. 15,107	Ps. 11,597	Ps. 2,631,101

At December 31, 2013 and 2012, except for goodwill, the Company does not have indefinite-lived intangible assets.

For the years ended December 31, 2013, 2012 and 2011, amortization expense of intangible assets from continuing operations amounted to Ps.71,204, Ps.63,274 and Ps.52,323, respectively, which were recognized in the income statement as selling and administrative expenses.

For the year ended December 31, 2013, the Company recognized an impairment loss of intangible assets amounting Ps.28,305, within "Other expenses". Impairment loss in 2013 referred to "other segments". This impairment loss is originated by a decrease of the asset's ability to generate future economic benefits.

Research and development costs of Ps.144,563, Ps.136,826 and Ps.91,011 that did not qualify for capitalization were recognized in the income statement for the years ended December 31, 2013, 2012 and 2011, 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, 2013		At December 31, 2012
Mission Foods Division (1)	Ps.	802,845	Ps.	798,768
Gruma Seaham Ltd (2)		338,596		322,660
Gruma Corporation		212,765		212,765
Rositas Investments Pty, Ltd (2)		171,748		199,062
Semolina, A.S (2)		153,084		182,366
Gruma Holding Netherlands B.V (1)		123,507		122,451
Agroindustrias Integradas del Norte, S.A. de C.V. (3)		115,099		115,099
Altera LLC (2)		95,755		95,617
Grupo Industrial Maseca, S.A.B. de C.V. (3)		98,622		98,622
NDF Azteca Milling Europe SRL (2)		93,317		86,757
Azteca Milling, L.P. (1)		71,228		70,866
Solntse Mexico (2)		64,819		69,499
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.	2,472,692	Ps.	2,505,839

(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 2013 and 2012, the 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:

	After-tax discount rates		Growth rates	
Cash-generating unit	2013	2012	2013	2012
Mission Foods Division	6.4%	6.0%	2.5%	2.5%
Gruma Seaham	8.5%	7.7%	2.5%	2.5%
Gruma Corporation	6.4%	6.0%	2.5%	2.5%
Rositas Investment PTY, LTD	7.7%	7.9%	3.0%	3.0%
Gruma Holding Netherlands B.V	8.4%	8.6%	1.9%	1.9%
Agroindustrias Integradas del Norte, S.A. de C.V.	9.0%	7.8%	2.5%	2.5%
Semolina A.S.	10.6%	8.5%	2.5%	2.5%

The discount rate used reflects the Company's specific risks related to its operations. The long-term growth rate used is consistent with projections included in industry reports.

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. The recovery amount of cash-generating units has been determined based on calculations of the values in use. These calculations use cash flow projections based on financial budgets approved by the Company's management for a 5-year period.

For the years ended December 31, 2013 and 2012, no impairment losses on goodwill were recognized. 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, 2013		At December 31, 2012
Deferred tax asset:				
To be recovered after more than 12 months	Ps.	(280,424)	Ps.	(314,866)
To be recovered within 12 months		(7,244)		(334,329)
		(287,668)		(649,195)
Deferred tax liability:				
To be recovered after more than 12 months		1,964,789		4,225,367
To be recovered within 12 months		81,329		-
		2,046,118		4,225,367
Deferred tax liability, net	Ps.	1,758,450	Ps.	3,576,172

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

	(Asset) Liability			
	At December 31, 2013		At December 31, 2012	
Net operating loss carryforwards and other tax credits	Ps.	(322,530)	Ps.	(686,260)
Customer advances		(3,884)		(3,722)
Allowance for doubtful accounts		(17,858)		(4,637)
Provisions		(516,933)		(799,140)
Deferred income for trademarks license with subsidiary		(703,269)		-
Other		(115,040)		(102,387)
Deferred tax asset		(1,679,514)		(1,596,146)
Property, plant and equipment, net		1,758,421		2,075,116
Prepaid expenses		3,376		3,782
Inventories		15,133		38,458
Intangible assets and others		352,573		322,962
Investment in associates		403,384		407,958
Derivative financial instruments		(30,377)		125,938
Other		24,836		8,792
		2,527,346		2,983,006
Tax consolidation effect		910,618		2,189,312
Deferred tax liability		3,437,964		5,172,318
Net provision for deferred taxes	Ps.	1,758,450	Ps.	3,576,172

At December 31, 2013 and 2012, the Company did not recognize a deferred income tax asset of Ps.1,817,029 and Ps.3,328,993, respectively, for tax loss carryforwards, since sufficient evidence was not available to determine that these tax loss carryforwards will be realized during their amortization period. These tax losses expire in the year 2023. During 2013, the Company amortized tax losses of Ps.1,648,249 for which a deferred income tax asset was not previously recognized.

At December 31, 2013 and 2012, undistributed taxable income of subsidiaries amounted to Ps.2,462,656 and Ps.2,994,611, respectively. No deferred income tax has been recognized for this concept, since the Company has the ability to control the time for its reversal and it is probable that in the foreseeable future these temporary differences will not reverse.

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

	Balance at January 1, 2013	Recognized in income	Recognized in other comprehensive income	Reclassifi-cations	Discontinued operations	Foreign currency translation	Balance at December 31, 2013
Net operating loss carryforwards and other tax credits	Ps. (686,260)	Ps. 334,919	Ps. -	Ps. -	Ps. -	Ps. 28,811	Ps. (322,530)
Customer advances	(3,722)	(162)	-	-	-	-	(3,884)
Allowance for doubtful accounts	(4,637)	(13,177)	-	(71)	-	27	(17,858)
Provisions	(799,140)	80,962	(42,298)	7,335	235,595	613	(516,933)
Deferred income for trademarks license with subsidiary	-	(703,269)	-	-	-	-	(703,269)
Others	(102,387)	(12,402)	-	45	-	(296)	(115,040)
Deferred tax asset	(1,596,146)	(313,129)	(42,298)	7,309	235,595	29,155	(1,679,514)
Property, plant and equipment	2,075,116	(167,014)	-	(280)	(156,541)	7,140	1,758,421
Prepaid expenses	3,782	(406)	-	-	-	-	3,376
Inventories	38,458	(15,461)	-	-	(7,864)	-	15,133
Intangible assets and others	322,962	28,147	-	-	-	1,464	352,573
Investment in associates	407,958	(6,821)	-	-	-	2,247	403,384
Derivative financial instruments	125,938	-	(156,936)	-	-	621	(30,377)
Others	8,792	8,870	14,391	(1,343)	-	(5,874)	24,836
	2,983,006	(152,685)	(142,545)	(1,623)	(164,405)	5,598	2,527,346
Tax consolidation effect	2,189,312	(1,278,694)	-	-	-	-	910,618
Deferred tax liability	5,172,318	(1,431,379)	(142,545)	(1,623)	(164,405)	5,598	3,437,964
Net provision for deferred taxes	Ps. 3,576,172	Ps. (1,744,508)	Ps. (184,843)	Ps. 5,686	Ps. 71,190	Ps. 34,753	Ps. 1,758,450

	Balance at January 1, 2012	Recognized in income	Recognized in other comprehensive income	Reclassifications	Discontinued operations	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. -	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	(672,821)	82,933	(9,567)	-	(17,001)	(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)	(243,656)	(9,567)	(195)	(17,001)	(166,564)	(1,596,146)
Property, plant and equipment	2,060,121	(74,485)	(1,217)	(930)	22,991	68,636	2,075,116
Prepaid expenses	4,999	(1,217)	-	-	-	-	3,782
Inventories	63,104	(24,486)	-	-	75	(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	54,209	14,702	(431)	-	(146,370)	8,792
	2,986,457	46,195	139,423	(78,979)	23,066	(133,156)	2,983,006
Tax consolidation effect	1,696,886	492,426	-	-	-	-	2,189,312
Deferred tax liability	4,683,343	538,621	139,423	(78,979)	23,066	(133,156)	5,172,318
Net provision for deferred taxes	Ps. 3,524,180	Ps. 294,965	Ps. 129,856	Ps. (79,174)	Ps. 6,065	Ps. (299,720)	Ps. 3,576,172

B) TAX LOSS CARRYFORWARDS

At December 31, 2013, the Company had tax loss carryforwards which amounted to approximately Ps.6,307,263. 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.250,501 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
2014	Ps. 5,647
2015	104,751
2016	4,830
2017	4,239
2018 to 2023	131,034
Total	Ps. 250,501

C) UNCERTAIN TAX POSITIONS

At December 31, 2013 and 2012, the Company recognized a liability for uncertain tax positions of Ps.41,421 and Ps.38,688, respectively, excluding interest and penalties, and it is included in Other non-current liabilities. The following table shows a reconciliation of the Company's uncertain tax positions, excluding interest and penalties:

		2013		2012
Uncertain tax positions at beginning of year	Ps.	38,688	Ps.	42,816
Translation adjustment of the beginning balance		(1,758)		(1,552)
Increase as result of uncertain tax positions taken in the year		6,538		5,217
Reductions due to a lapse of the statute of limitations		(2,047)		(7,793)
Uncertain tax positions at end of year	Ps.	41,421	Ps.	38,688

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.3,609 and Ps.3,305 related to uncertain tax positions for 2013 and 2012, respectively.

D) TAX EFFECTS FROM OTHER COMPREHENSIVE INCOME

Deferred taxes related to other comprehensive income are comprised of:

		At December 31, 2013		At December 31, 2012		At December 31, 2011
Foreign currency translation adjustments	Ps.	14,391	Ps.	14,701	Ps.	(8,583)
Remeasurement of employment benefit obligations		(42,298)		(10,783)		(11,725)
Cash flow hedges		(156,936)		125,938		-
Other movements		-		-		(678)
Total	Ps.	(184,843)	Ps.	129,856	Ps.	(20,986)

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.

During 2013 and 2012, the Company determined a consolidated tax profit of Ps.7,855,228 and Ps.1,575,525, respectively. 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.

The Company, together with its Mexican subsidiaries, determined income tax on a consolidated basis until 2013. The tax consolidation regime ceased due to the abrogation of the Income Tax Law effective until December 31, 2013; therefore, the Company has the obligation to pay the deferred tax determined at that time during the following five-year period starting in 2014, as shown below.

At the date of issuance of these financial statements, the Company is in the process of evaluating the option to join the new Optional Regime for Company Groups starting in 2014 .

In accordance with subsection d) of section XV of the transitional Article 9 of the 2014 Income Tax Law, and since the Company was the parent entity at December 31, 2013 and at such date was subject to the payment schedule contained in the section VI of Article 4 of the transitional provisions of the Income Tax Law published in the Official Gazette on December 7, 2009, or Article 70-A of the 2013 Income Tax Law that was abrogated, the Company shall continue to settle its deferred income tax from tax consolidation pertaining to 2007 and previous years, under the provisions above mentioned, until its payment is completed.

Income tax resulting from the deconsolidation must be paid to the tax authorities in accordance with the following deadlines:

1. 25% no later than May 31, 2014.
2. 25% no later than April 30, 2015.
3. 20% no later than April 30, 2016.
4. 15% no later than April 30, 2017.
5. 15% no later than April 30, 2018.

The corresponding taxes (except the 25% to be paid in 2014), must be restated with inflation factors.

At December 31, 2013, the liability arising from the aforementioned changes in the Income Tax Law amounted to Ps.1,258,238 and is estimated to be incurred as follows:

	Year of payment											
		2014		2015		2016		2017		2018 and thereafter		Total
Tax losses	Ps.	347,620	Ps.	312,910	Ps.	244,733	Ps.	179,525	Ps.	173,450	Ps.	1,258,238

The Company, through time, has been recognizing a tax liability compensated with income tax from tax loss carryforwards. At December 31, 2013, 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.347,620 and Ps.910,618, 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, 2013		At December 31, 2012
Bank loans	Ps.	2,612,997	Ps.	7,929,276
Current portion of long-term bank loans		659,129		69,414
Current portion of financing lease liabilities		3,771		20,073
	Ps.	3,275,897	Ps.	8,018,763

Long-term:

		At December 31, 2013		At December 31, 2012
Bank loans	Ps.	10,011,831	Ps.	8,207,700
Perpetual notes		3,732,717		3,695,579
Financing lease liabilities		14,795		38,916
	Ps.	13,759,343	Ps.	11,942,195
Current portion of long-term bank loans		(659,129)		(69,414)
Current portion of financing lease liabilities		(3,771)		(20,073)
	Ps.	13,096,443	Ps.	11,852,708

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

	Currency	Interest rate	Maturity date		At December 31, 2013		At December 31, 2012
Perpetual notes	U.S.$	7.75%	(a)	Ps.	3,732,717	Ps.	3,695,579
Revolving credit	U.S.$	LIBOR + 1.375%	2016		1,038,800		2,119,580
Revolving credit	U.S.$	LIBOR + 1.75%	2016		-		1,626,264
Syndicated loan	U.S.$	LIBOR + 2%	2014-2018		2,855,248		-
Syndicated loan	Pesos	TIIE + 2% (b)	2014-2018		2,284,283		-
Syndicated loan	Pesos	TIIE + 1.875%	2015-2018		1,193,683		1,193,080
Credit	U.S.$	LIBOR + 1.75%	2014-2016		1,951,575		1,936,138
Credit	Pesos	5.19%	2014		1,550,000		-
Credit	U.S.$	2.65% - 3.37%	2014		725,750		791,012
Credit	Pesos	TIIE + 1.875%	2015-2018		597,702		598,062
Credit	Pesos	6.39% - 8.57%	2016		88,082		84,794
Credit	Liras	5.0%	2014		75,717		133,925
Credit	U.S.$	LIBOR + 2%	2014		2,458		6,895
Credit	U.S.$	LIBOR + 1.75%	2016		-		642,887
Credit	Euros	1.8% - 2.2%	2013		-		32,327
Credit	U.S.$	4.8%	2013		-		9,273
Credit	U.S.$	LIBOR + 0.9935%	2014		261,530		-
Credits	U.S.$	LIBOR + 3%	2013		-		3,997,068
Credit	U.S.$	LIBOR + 3%	2013		-		1,292,671
Credits	Pesos	6.16% - 7.65%	2013		-		1,673,000
Financing lease liability	Euros	3.99%	2013-2017		14,795		17,977
Financing lease liability	Pesos	13.02%	2013-2014		-		20,939
Total				Ps.	16,372,340	Ps.	19,871,471

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

[b] Interbank Equilibrium Interest Rate.

At December 31, 2013 and 2012, short-term debt bore interest at an average rate of 4.13% and 4.12%, respectively. At December 31, 2013, 2012 and 2011, interest expense included interest related to debt amounting Ps.1,015,458, Ps.782,487 and Ps.903,005, respectively.

At December 31, 2013, the annual maturities of long-term debt outstanding were as follows:

Year	Amount	
2015	Ps.	962,785
2016		3,293,075
2017		1,586,525
2018		3,521,344
2019 and thereafter		3,732,714
Total	Ps.	13,096,443

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 as of December 31, 2012 were increased to allow GRUMA to increase its leverage as a result of the obtainment of the Short-Term Loan Facilities.

In order to refinance the Short-Term Loan Facilities, on June 10, 2013, the Company obtained a 5-year Syndicated Credit Facility for Ps.$2,300 million with Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, as administrative agent, with an average life of 4.2 years and amortizations starting on December 2014, at a rate of TIIE plus a spread between 162.5 and 262.5 basis points based on the Company's leverage ratio. Banco Nacional de Comercio Exterior, S.N.C., Banca de Desarrollo and HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, also participated in this facility.

Likewise, on June 13, 2013, the Company obtained a 5-year Syndicated Credit Facility for U.S.$220 million with Coöperatieve Centrale Raiffeisen Boerenleenbank B.A., "Rabobank Nederland", New York Branch, as administrative agent, with an average life of 4.2 years and amortizations starting on December 2014, at a rate of LIBOR plus a spread between 150 and 300 basis points based on the Company's leverage ratio. BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Bank of America, N.A., also participated in this facility.

The Company has credit line agreements for Ps.5,558 million (U.S.$425 million), from which Ps.4,511 million (U.S.$345 million) are available as of December 31, 2013. 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) of the last twelve months 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, 2013, 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 December 31, 2011	Ps. 316,561	Ps. 115,897	Ps. 16,618	Ps. 47,178	Ps. 496,254
Charge (credit) to income:					
Additional provisions	15,821	32,558	5,660	-	54,039
Unused amounts reversed	(355)	948	-	-	593
Used during the year	(71,420)	(12,739)	(50)	-	(84,209)
Exchange differences	(17,873)	(8,005)	(996)	-	(26,874)
Discontinued operations	(6,152)	-	-	(46,108)	(52,260)
Balance at December 31, 2012	236,582	128,659	21,232	1,070	387,543
Charge (credit) to income:					
Additional provisions	73,636	-	1,501	-	75,137
Unused amounts reversed	-	(5,800)	-	-	(5,800)
Used during the year	(45,989)	-	-	-	(45,989)
Exchange differences	1,715	623	214	-	2,552
Discontinued operations	(34,589)	-	-	(1,070)	(35,659)
Balance at December 31, 2013	Ps. 231,355	Ps. 123,482	Ps. 22,947	Ps. -	Ps. 377,784
Of which current	Ps. 53,980	Ps. -	Ps. -	Ps. -	Ps. 53,980
Of which non-current	177,375	123,482	22,947	-	323,804

		Subtotal		Provision for operating plant closure expenditures		Other		Total
Balance at December 31, 2011	Ps.	496,254	Ps.	14,975	Ps.	4,601	Ps.	515,830
Charge (credit) to income:								
Additional provisions		54,039		-		-		54,039
Unused amounts reversed		593		-		-		593
Used during the year		(84,209)		-		-		(84,209)
Exchange differences		(26,874)		-		-		(26,874)
Discontinued operations		(52,260)		(14,975)		(4,601)		(71,836)
Balance at December 31, 2012		387,543		-		-		387,543
Charge (credit) to income:								
Additional provisions		75,137		-		-		75,137
Unused amounts reversed		(5,800)		-		-		(5,800)
Used during the year		(45,989)		-		-		(45,989)
Exchange differences		2,552		-		-		2,552
Discontinued operations		(35,659)		-		-		(35,659)
Balance at December 31, 2013	Ps.	377,784	Ps.	-	Ps.	-	Ps.	377,784
Of which current	Ps.	53,980	Ps.	-	Ps.	-	Ps.	53,980
Of which non-current		323,804		-		-		323,804

Labor provisions

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 applied during 2013 was 2.98%.

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

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.

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 2013 was 4.11%.

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.25 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 more than 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.

18. OTHER CURRENT LIABILITIES

At December 31, 2013 and 2012, Other current liabilities include employee benefits payable of Ps.590,722 and Ps.1,024,372, respectively. The rest of the items that comprise Other current liabilities correspond to accrued expenses payable.

19. EMPLOYEE BENEFITS OBLIGATIONS

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

País	At December 31, 2013		At December 31, 2012	
Mexico	Ps.	523,427	Ps.	407,781
United States and Europe		96,871		85,819
Central America		8,745		-
Venezuela		-		90,164
Total	Ps.	629,043	Ps.	583,764

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 plans in Mexico typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk:

- Investment risk. The expected return rate for investment funds is equivalent to the discount rate, which is calculated using a discount rate determined by reference to long-term government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and fixed-rate instruments. Due to the long-term nature of the plan liabilities, the Company considers appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the fund; however, a minimum 30% must be invested in government bonds as required by Mexican tax laws.

- Interest risk. A decrease in the interest rate will increase the plan liability; the volatility in interest rates depends exclusively in the economic environment.
- Longevity risk. The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk. The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary expectancy of the plan participants will increase the plan's liability.

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

		2013		2012
DBO at beginning of the year	Ps.	456,691	Ps.	314,649
Add (deduct):				
Current service cost		16,032		19,907
Financial cost		21,852		22,296
Remeasurement for the period		167,985		111,890
Acquisition/disposal or excision of business		-		52
Benefits paid		(84,445)		(12,103)
Past service cost		1,552		-
DBO at end of the year	Ps.	579,667	Ps.	456,691

At December 31, 2013 and 2012, liabilities relating to vested employee benefits amounted to Ps.391,860 and Ps.260,193, respectively.

The reconciliation between the beginning and ending balances of the employee benefit plan assets at fair value for the years 2013 and 2012 is shown below:

		2013		2012
Plan assets at fair value at beginning of the year	Ps.	48,910	Ps.	38,850
Add (deduct):				
Return on plan assets		2,494		4,085
Return on plan assets (excluding amounts included in net interest expense)		4,836		5,975
Plan assets at fair value at end of the year	Ps.	56,240	Ps.	48,910

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, 2013		At December 31, 2012
Employee benefit (assets) liabilities:				
DBO	Ps.	579,667	Ps.	456,691
Plan assets		(56,240)		(48,910)
Employee benefits obligations	Ps.	523,427	Ps.	407,781

The value of the DBO related to the pension plan amounted to Ps.507,826 and Ps.388,988 at December 31, 2013 and 2012, respectively, while the value of the DBO related to seniority premiums amounted to Ps.71,841 and Ps.67,703, respectively.

At December 31, 2013, 2012 and 2011, the components of net cost comprised the following:

		2013		2012		2011
Current service cost	Ps.	16,032	Ps.	19,907	Ps.	17,496
Past service cost		1,552		-		-
Financial cost		21,852		22,296		20,964
Return on plan assets		(2,494)		(4,085)		(4,447)
Net cost for the year	Ps.	36,942	Ps.	38,118	Ps.	34,013

The net cost for the year 2013, 2012 and 2011 of Ps.36,942, Ps.38,118 and Ps.34,013, respectively, was recognized as follows:

		2013		2012		2011
Cost of sales	Ps.	11,934	Ps.	5,104	Ps.	2,138
Selling and administrative expenses		25,008		33,014		31,875
Net cost for the year	Ps.	36,942	Ps.	38,118	Ps.	34,013

Remeasurements of the defined benefit obligation recognized in other comprehensive income are comprised of:

		2013		2012		2011
Return on plan assets (excluding amounts included in net interest expense)	Ps.	(4,836)	Ps.	(5,975)	Ps.	4,631
Actuarial gains and losses arising from changes in financial assumptions		(19,366)		67,269		(7,665)
Actuarial gains and losses arising from experience adjustments		187,351		44,621		698
Acquisition/disposal or excision of business		-		52		-
	Ps.	163,149	Ps.	105,967	Ps.	(2,336)

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

		2013		2012
Balance at the beginning of the year	Ps.	110,855	Ps.	4,888
Remeasurements that occurred during the year		163,149		105,967
Balance at the end of the year	Ps.	274,004	Ps.	110,855

At December 31, 2013 and 2012, plan assets stated at fair value and related percentages with respect to total plan assets were analyzed as follows:

		At December 31, 2013			At December 31, 2012	
Equity securities, classified by type of industry:	Ps.	42,180	75%	Ps.	33,748	69 %
Consumer industry		7,907			6,193	
Financial institutions		34,273			27,555	
Fixed rate securities		14,060	25%		15,162	31 %
Fair value of plan assets	Ps.	56,240	100%	Ps.	48,910	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, 2013, 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 main actuarial assumptions used were as follows:

	At December 31, 2013	At December 31, 2012
Discount rate	5.75%	5.25%
Future increase rate in compensation levels	4.50%	4.50%
Long-term inflation rate	3.50%	3.50%

At December 31 2013 and 2012, the impact in DBO for a decrease of 25 basis points in the discount rate amounts to Ps.9,470 and Ps.7,455, respectively.

The sensitivity analysis mentioned above is based on the change in the discount rate while keeping constant the rest of the assumptions. In practice, this is unlikely to occur, and changes in some of the assumptions can be correlated.

The methods and assumptions used in preparing the sensitivity analysis did not change from those used in prior years.

The average duration of the benefit obligation at December 31, 2013 and 2012 is 14 and 15 years, 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, 2013, 2012 and 2011, total expenses related to this plan amounted to Ps.68,658, Ps.62,340 and Ps.54,004, respectively (U.S.$5,351, U.S.$4,737 and U.S.$4,331 thousand, 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, 2013, 2012 and 2011, total expenses related to this plan were approximately Ps.2,515, Ps.6,014 and Ps.1,334, respectively (U.S.$196, U.S.$457 and U.S.$106 thousand, respectively). At December 31, 2013 and 2012, the liability recognized for these items amounted to Ps.87,469 and Ps.77,410, respectively (U.S.$6,689 and U.S.$5,950 thousand, respectively).

In Central America, in its subsidiary in Ecuador, as stated by law, the Company records a retirement liability according to the Labor Code, Article 216 - Retirement, which states that "workers that have rendered services twenty five years or more, continuously or interruptedly, are entitled to be retired by their employers". At December 31, 2013, the liability recognized for this item amounted to Ps.8,745 and the total labor obligation cost amounted Ps.1,843.

In Venezuela, as of December 31, 2012, the liability recognized for these items amounted to Ps.90,164. At December 31, 2012, labor obligations cost amounted to Ps.69,314, respectively. 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.

20. EQUITY

A) COMMON STOCK

At December 31, 2013, the Company's outstanding common stock consisted of 432,749,079 Series "B" shares, with no par value, fully subscribed and paid, which can only be withdrawn with stockholders' approval (457,315,640 shares fully subscribed and paid and 107,858,969 shares held in Treasury at December 31, 2012).

The Extraordinary Stockholders' Meeting held on May 15, 2013 agreed on the merger by incorporation of Valores Azteca, S.A. de C.V. as merged company that is extinguished, with GRUMA as merging company. In accordance with this merger, GRUMA as owner of 45% of the capital stock of Valores Azteca, received 24,566,561 ordinary shares, with no par value, Series B, Class I, of GRUMA. The effect in the Company's equity as a result of this merger was $1,010 million Mexican pesos.

Additionally, the following shares of GRUMA were approved to be cancelled:

Amount of shares cancelled	Description
1,523,900 shares	Shares held in Treasury, repurchased by GRUMA
106,335,069 shares	Shares held in Treasury, acquired by GRUMA from ADM in December 2012 (Note 3)
24,566,561 shares	Shares received by GRUMA, due to the merger of Valores Azteca with GRUMA (Note 12)

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, 2013 and 2012 are as follows:

		Amount
Balance at December 31, 2011	Ps.	103,542
Increases during the year		201,089
Balance at December 31, 2012		304,631
Increases during the year		-
Balance at December 31, 2013	Ps.	304,631

In October 2013, the Chamber of Senators and Deputies approved the issuance of the new Income Tax Law, effective starting January 1, 2014. Among other, the Law establishes a 10% tax rate on earnings from 2014 and thereafter, for dividend paid to foreign residents and Mexican individuals; additionally, this law states that for the years 2001 to 2013, the net taxable income will be determined in accordance with the Income Tax Law that was effective for each year.

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 2014. 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. Dividends paid from earnings previously taxed are not subject to any withholding or additional tax payment.

C) PURCHASE OF COMMON STOCK

The Shareholders' Meeting held on April 26, 2013 approved to increase the reserve to repurchase the Company's own shares up to Ps.650,000, while the Shareholders' Meeting held on December 13, 2012 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.

Movements in the reserve for acquisition of Company's own shares for the years ended December 31, 2013 and 2012 are as follows:

		Amount
Balance at December 31, 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
Increase in reserve for repurchase of Company's own shares approved by the Stockholders' Meeting in April 26, 2013		650,000
Cancellation of repurchased shares		(467,388)
Balance at December 31, 2013	Ps.	650,000

D) FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

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

		2013		2012
Balance at beginning of year	Ps.	(64,081)	Ps.	(76,972)
Effect of the year from translating net investment in foreign subsidiaries		(217,535)		(455,490)
Reclassification adjustment for foreign currency translation from discontinued operations [1]		317,133		-
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investments in foreign subsidiaries		(46,412)		468,381
Balance at end of year	Ps.	(10,895)	Ps.	(64,081)

(1) Corresponds to the shareholders' portion of the foreign currency translation effect. The non-controlling portion of the foreign currency translation effect at December 31, 2013 amounts to Ps.115,325.

The investment that the Company maintains in its operations in the United States and Europe generated a hedge of up to U.S.$651 and U.S.$532 million at December 31, 2013 and 2012, respectively.

At December 31, 2013 and 2012, the accumulated effect of translating net investment in foreign subsidiaries impacted non-controlling interest in the amounts of Ps.(8,769) and Ps.(130,286), respectively.

21. SUBSIDIARIES

The table below shows details of non-wholly subsidiaries of the Company that have material non-controlling interests:

Name of subsidiary	Country of incorporation and business	% of non-controlling interest		Income allocated to non-controlling interest		
		31/Dec/2013	31/Dec/2012	31/Dec/2013	31/Dec/2012	31/Dec/2011
Grupo Industrial Maseca, S.A.B. de C.V.	Mexico	16.82%	16.82%	Ps. 301,328	Ps. 241,575	Ps. 257,202

Name of subsidiary	Accumulated non-controlling interest	
	31/Dec/2013	31/Dec/2012
Grupo Industrial Maseca, S.A.B. de C.V.	Ps. 1,473,531	Ps. 1,767,752

Summarized financial information in respect of the Company's subsidiary that has material non-controlling interests is set out below. The summarized financial information below represents amounts before inter-company eliminations.

Grupo Industrial Maseca, S.A.B. de C.V.

	At December 31, 2013		At December 31, 2012	
Current assets	Ps.	4,440,185	Ps.	8,158,176
Non-current assets		7,141,225		4,635,296
Current liabilities		3,647,105		3,236,283
Non-current liabilities		624,718		572,552
Equity attributable to owners of the Company		5,836,056		7,216,885
Non-controlling interests		1,473,531		1,767,752
Dividends paid to non-controlling interests		594,024		96,187

	For the year ended December 31,					
	2013		2012		2011	
Net sales	$	16,435,825	$	17,573,450	$	15,385,740
Net income		1,767,978		1,352,888		1,479,032
Comprehensive income		1,760,949		1,295,452		1,507,908
Cash flows:						
Operating activities	$	4,473,355	$	842,946	$	974,125
Investment activities		(2,792,669)		(457,388)		(200,919)
Financing activities		(1,886,033)		(351,475)		(831,822)

During 2013 the Company acquired the shares of a non-controlling interest for Ps.140,718. The Company has recorded an account payable of Ps.103,300 as of December 31, 2013.

22. FINANCIAL INSTRUMENTS

A) FINANCIAL INSTRUMENTS BY CATEGORY

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

	At December 31, 2013				
	Loans, receivables and liabilities at amortized cost	Financial assets and liabilities at fair value through profit or loss	Hedge derivatives	Assets available for sale	Total categories
Financial assets:					
Cash and cash equivalents	Ps. 1,338,555	Ps. -	Ps. -	Ps. -	Ps. 1,338,555
Derivative financial instruments	-	12,282	108,280	-	120,562
Accounts receivable	7,193,317	-	-	-	7,193,317
Investment in Venezuela available for sale	-	-	-	3,109,013	3,109,013
Long term notes receivable from sale of tortilla machines and other	154,458	-	-	-	154,458
Financial liabilities:					
Current debt	Ps. 3,275,897	Ps. -	Ps. -	Ps. -	Ps. 3,275,897
Trade accounts payable	3,547,498	-	-	-	3,547,498
Derivative financial instruments	-	-	71,540	-	71,540
Long-term debt	13,096,443	-	-	-	13,096,443
Contingent payment due to repurchase of the Company's own shares (Note 3)	-	671,069	-	-	671,069
Other liabilities (excludes non-financial liabilities)	51,924	-	-	-	51,924

	At December 31, 2012							
	Loans, receivables and liabilities at amortized cost		Financial assets and liabilities 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

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, 2013			
	Carrying amount		Fair value	
Assets:				
Derivative financial instruments – exchange rate (1)	Ps.	12,282	Ps.	12,282
Investment in Venezuela available for sale		3,109,013		3,109,013 (2)
Long-term notes receivable from sale of tortilla machines		144,142		127,182
Liabilities:				
Perpetual bonds in U.S. dollars bearing fixed interest at an annual rate of 7.75%		3,732,717		3,967,083
Short and long-term debt		12,639,623		12,924,889
Contingent payment due to repurchase of the Company's own shares		671,069		671,069
Derivative financial instruments - other raw materials		71,540		71,540

(1) At December 31, 2013, the balance of derivative financial instruments receivable amounted to Ps.120,562, and is comprised of Ps.12,282 corresponding to the gain from the valuation of open positions in exchange rate derivative financial instruments at the end of the year, and Ps.108,280 corresponding to revolving funds or margin calls that arise from price changes in the underlying asset that the Company maintains with the third party, to be applied against payments, related to corn derivatives.

(2) Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value and not at its fair value. See Note 28.

	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 gain from the valuation of open positions in corn derivatives 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.

The fair values were determined by the Company as follows:

- The fair values of perpetual bonds were determined based on available market prices. Fair value of perpetual bonds is classified as level 1 in the fair value hierarchy.
- 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. Fair value of long-term debt is classified as level 2 in the fair value hierarchy. The average discount rate used was 3.74%.
- Long-term notes receivable from sale of tortilla machines are classified as level 2 in the fair value hierarchy. Its fair value was based on the present value of future cash flows using a discount rate of 9.01%.

C) DERIVATIVE FINANCIAL INSTRUMENTS

At December 31, 2013 derivative financial instruments comprised the following:

				Fair value			
Type of contract	Notional amount			Asset		Liability	
Corn futures		6,365,000	Bushels			Ps.	71,540
Exchange rate forwards	$	65,280,000	USD	Ps.	12,282		

At December 31, 2013, open positions of corn derivatives were recorded at fair value. The result of the valuation of financial instruments that qualified as hedge accounting represented a loss of Ps.71,540, which was recognized in comprehensive income within equity. At December 31, 2013, the Company had no open positions of financial instruments that did not qualify as hedge accounting.

Operations terminated at December 31, 2013 on corn and natural gas derivatives represented a loss of Ps.30,160 which was recognized in income as other expenses, net (Note 24).

Exchange rate derivative financial instruments were recorded at fair value. At December 31, 2013, the open positions of exchange rate derivatives represented a gain of Ps.12,282 which was recognized in income as comprehensive financing cost, net (Note 26). Likewise, for the year ended December 31, 2013, terminated operations of these instruments represented a gain of Ps.29,785, which was recognized in income as comprehensive financing cost, net.

At December 31, 2013, the Company had revolving funds denominated "margin calls" amounting Ps.108,280, which are required to be applied against payments, due to price changes in the underlying asset.

For the year ended December 31, 2013, the Company reclassified the amount of Ps.207,241 from comprehensive income and recognized it as part of inventory. This amount refers to the gain from the terminated 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 loss of Ps.62,009, which was recognized in comprehensive income.

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

Type of contract	Notional amount		Fair value 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 24).

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 24).

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 to be applied against payments, due to price changes in the underlying asset.

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.

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, 2013							
	Level 1		Level 2		Level 3		Total	
Assets:								
Plan assets - seniority premium fund	Ps.	56,240	Ps.	-	Ps.	-	Ps.	56,240
Derivative financial instruments - exchange rate		-		12,282		-		12,282
Investment in Venezuela available for sale		-		-		3,109,013		3,109,013 (1)
	Ps.	56,240	Ps.	12,282	Ps.	3,109,013	Ps.	3,177,535
Liabilities:								
Derivative financial instruments - corn	Ps.	71,540	Ps.	-	Ps.	-	Ps.	71,540
Contingent payment due to repurchase of the Company's own shares		-		-		671,069		671,069
	Ps.	71,540	Ps.	-	Ps.	671,069	Ps.	742,609

(1) Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value and not at its fair value. See Note 28.

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

There were no transfers between the three levels in the period.

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 quoted market prices of corn listed on the Chicago Board of Trade.

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.

Derivative financial instruments – exchange rate

Exchange rate financial instruments were recorded at fair value, which was determined based on future cash flows discounted to present value. Significant data used to determine the fair value of these instruments were as follows:

	At December 31, 2013
Forward exchange rate	13.12
Discount rate	3.79%

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, 2013 and 2012 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		Investment available for sale	
Balance as of December 31, 2011	Ps.	-	Ps.	46,013	Ps.	-
Total gains or losses:						
In the income statement		-		(17,781)		-
In the comprehensive income statement		-		-		-
Additional provision		606,495		-		-
Balance as of December 31, 2012		606,495		28,832		-
Investment in Venezuela available for sale		-		-		3,109,013
Total gains or losses:				-		-
In the income statement		64,574		(28,832)		-
In the comprehensive income statement		-		-		-
Additional provision		-		-		-
Balance as of December 31, 2013	Ps.	671,069	Ps.	-	Ps.	3,109,013

Contingent payment due to repurchase of the Company's own shares

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.671,069 (U.S.$51.3 million) and Ps.606,495 (U.S.$46.6 million) at December 31, 2013 and 2012, respectively, 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 is as follows:

	At December 31,	
	2013	2012
Weighted volatility of historical prices of GRUMA's shares	38.83%	29.78%
Weighted average price of GRUMA's shares (simulated)	Ps. 316.95 per share	Ps. 58.79 per share
Forward exchange rate	Ps. 14.07 per dollar	Ps. 14.65 per dollar
Discount rate	6.80%	7.30%

An increase or decrease of 10% in the disccount rate used for the calculation of fair value, would result in an effect of Ps.9,571 and Ps.12,100, at December 31, 2013 and 2012, respectively.

Derivative financial instruments – natural gas

Natural gas derivative financial instruments were recognized at fair value, which was determined using future cash flow discounted to present value, using quoted market prices of natural gas listed on the NYMEX Exchange.

For the Company, the unobservable input included in the valuation of this Level 3 financial instrument refers solely to the Company's own credit risk. For the year 2012 the Company's management believes that a possible reasonable change in this unobservable assumption will not cause a change where the fair value can materially exceed the carrying value.

Investment available for sale

The investment in Venezuela available for sale is recognized at the best estimated amount considered by the Company, which is represented by its carrying value, since no active market exists for this investment. See Note 28 for more information.

23. 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:

		2013		2012		2011
Cost of raw materials consumed and changes in inventory (Note 10)	Ps.	23,579,575	Ps.	26,409,848	Ps.	29,562,447
Employee benefit expenses (Note 25)		11,392,101		11,559,797		10,248,848
Depreciation		1,466,579		1,513,790		1,396,259
Amortization		169,869		76,602		65,049
Rental expense of operating leases (Note 29)		733,861		722,739		630,406
Research and development expenses (Note 14)		144,563		136,826		91,011

24. OTHER EXPENSES, NET

Other expenses, net comprised the following:

		2013		2012		2011
Net loss from sale of fixed assets	Ps.	(85,672)	Ps.	(14,053)	Ps.	(4,201)
Net (loss) gain from sale of scrap		(2,293)		2,092		1,084
Impairment loss on long-lived assets		(45,235)		(4,014)		(93,808)
Cost of written-down fixed assets		-		(37,681)		(52,271)
Current employees' statutory profit sharing		(53,725)		(79,610)		(36,959)
Non-recoverable cost of damaged assets		(4,240)		(5,852)		(17,695)
Result from derivative financial instruments		(1,330)		38,148		-
Total	Ps.	(192,495)	Ps.	(100,970)	Ps.	(203,850)

25. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses are comprised of the following:

		2013		2012		2011
Salaries, wages and benefits (including termination benefits)	Ps.	10,668,575	Ps.	10,776,058	Ps.	9,653,863
Social security contributions		613,129		676,469		559,638
Employment benefits (Note 19)		110,397		107,270		35,347
Total	Ps.	11,392,101	Ps.	11,559,797	Ps.	10,248,848

26. COMPREHENSIVE FINANCING COST

Comprehensive financing cost, net is comprised by:

		2013		2012		2011
Interest expense (Note 16)	Ps.	(1,105,563)	Ps.	(900,733)	Ps.	(945,499)
Interest income		39,319		48,257		69,153
Gain from derivative financial instruments (Note 22)		42,067		107,994		207,816
Gain (loss) from foreign exchange differences, net		55,763		(82,212)		41,217
Comprehensive financing cost, net	Ps.	(968,414)	Ps.	(826,694)	Ps.	(627,313)

27. 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,					
		2013		2012		2011
Domestic	Ps.	1,574,119	Ps.	932,725	Ps.	5,995,927
Foreign		2,290,627		1,057,567		515,238
	Ps.	3,864,746	Ps.	1,990,292	Ps.	6,511,165

B) COMPONENTS OF INCOME TAX EXPENSE

The components of income tax expense are the following:

		2013		2012		2011
Current tax:						
Current tax on profits for the year	Ps.	(2,080,601)	Ps.	(529,248)	Ps.	(585,622)
Adjustments in respect of prior years		137,645		(38,568)		(137,514)
Total current tax		(1,942,956)		(567,816)		(723,136)
Deferred tax:						
Origin and reversal of temporary differences		96,259		(433,039)		(1,127,956)
Tax credit derived from foreign dividends		-		138,074		232,821
Use of tax loss carryforwards not previously recognized		1,648,249		-		-
Total deferred tax		1,744,508		(294,965)		(895,135)
Total income tax expense	Ps.	(198,448)	Ps.	(862,781)	Ps.	(1,618,271)

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,					
		2013		2012		2011
Current:						
Domestic federal	Ps.	(1,023,859)	Ps.	(208,851)	Ps.	(316,407)
Foreign federal		(810,651)		(315,224)		(363,064)
Foreign state		(108,446)		(43,741)		(43,665)
		(1,942,956)		(567,816)		(723,136)
Deferred:						
Domestic federal		1,599,957		(146,711)		(896,374)
Foreign federal		160,320		(153,677)		(4,175)
Foreign state		(15,769)		5,423		5,414
		1,744,508		(294,965)		(895,135)
Total income taxes	Ps.	(198,448)	Ps.	(862,781)	Ps.	(1,618,271)

C) RECONCILIATION OF FINANCIAL AND TAXABLE INCOME

For the years ended December 31, 2013, 2012 and 2011, the reconciliation between statutory income tax amounts and the effective income tax amounts is summarized as follows:

		2013		2012		2011
Statutory federal income tax (30% for 2013, 2012 and 2011)	Ps.	(1,159,424)	Ps.	(597,085)	Ps.	(1,953,350)
Effects related to inflation		(149,104)		(105,677)		(62,230)
Foreign income tax rate differences		(86,918)		(57,008)		(32,138)
Tax credit derived from foreign dividends		-		383,740		232,821
Recoverable asset tax written off		-		(209,940)		-
Tax loss carryforwards used		1,131,434		(86,620)		186,772
Recovery of asset tax from previous years		216,204		-		-
Nondeductible expenses and others		(150,640)		(190,191)		9,854
Effective income tax (5.13%, 43.35% and 24.85% for 2013, 2012 and 2011, respectively)	Ps.	(198,448)	Ps.	(862,781)	Ps.	(1,618,271)

In October 2013, the Chamber of Senators and Deputies approved the issuance of the new Income Tax Law, effective starting January 1, 2014, abrogating the Income Tax Law published on January 1, 2002. The new Income Tax Law captures the essence of the previous Income Tax Law; however, this new law makes significant changes, including an income tax rate of 30% for 2014 and the following years; compared to the previous Income Tax Law, which established tax rates of 30%, 29% and 28% for 2013, 2014 and 2015, respectively. This change had no significant effect in the income of the year.

28. DISCONTINUED OPERATIONS

A) LOSS OF CONTROL OF VENEZUELA

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, personal property 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, none of which have 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.

The Ministry of Popular Power for Internal Relations and Justice published on January 22, 2013 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 avoiding 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, the 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 to food, by providing required information."

Given the Providence, the designation of the Special Managers and the broadest management faculties that these managers were conferred by the Republic, GRUMA determined that it has lost control of MONACA and DEMASECA. Based on the facts and circumstances described above and following the principles set by IFRS, the Company lost the ability to affect the variable returns and concluded 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 proceeded with the following:

a) Ceased the consolidation of the financial information of MONACA and DEMASECA starting January 22, 2013 and derecognized the assets and liabilities of these companies from the consolidated balance sheet. For disclosure and presentation purposes, the Company considered these subsidiaries as a significant segment and therefore, applying the guidelines from IFRS 5 treated MONACA and DEMASECA as discontinued operations; consequently, the results and cash flows generated by the Venezuelan companies for the periods presented were classified as discontinued operations.

b) The amounts recognized in other comprehensive income relating to these companies were reclassified to the consolidated income statement as part of the results from discontinued operations, considering that MONACA and DEMASECA were disposed of due to the loss of control.

c) Recognized the investment in MONACA and DEMASECA as a financial asset, classifying it as an available-for-sale financial asset. The Company classified its investment in these companies as available for sale since management believes it is the appropriate treatment applicable to a non-voluntary disposition of assets and the asset does not fulfill the requirements of classification in another category of financial assets. Following the applicable guidelines and considering that the range of reasonable fair-value estimates was significant and the probabilities of the various estimates within the range could not be reasonably assessed, the Company recognized this financial asset at its carrying value translated to the functional currency of the Company using an exchange rate of $2.9566 Mexican pesos per bolivar (Bs.4.3 per U.S. dollar), which was effective at the date of the loss of control, and not at its fair value. The investment in MONACA and DEMASECA is subject to impairment tests at the end of each reporting period when there is objective evidence that the financial asset is impaired. At December 31, 2013, no impairment for these assets was identified.

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.

As a consequence of the events mentioned above, on May 10, 2013, Valores Mundiales and Consorcio Andino presented an arbitration application before the ICSID, based in the city of Washington, D.C. ICSID registered the arbitration application on June 11, 2013 under case number ARB/13/11. The arbitration panel has already been formed. The purpose of the arbitration is to seek compensation for the damages caused by the Republic's violation of the Articles III (obstruction of management, maintenance, development, using, enjoyment, extension, sale and liquidation of the investment), IV (lack of fair and equitable treatment) and V (transfer of investment income as repatriation of capital, royalty payment) of the Investment Treaty, to the detriment of Valores Mundiales and Consorcio Andino, in their capacity as Spanish investors. In the arbitration application filed before ICSID, Valores Mundiales and Consorcio Andino have reserved their rights to extend the dispute against the Republic, in case it executes the forced acquisition of MONACA and DEMASECA Decree.

While awaiting resolution of this matter and as required by IFRS, GRUMA performed impairment tests on the investments in MONACA and DEMASECA to determine a potential recoverable amount, using two valuation techniques: 1) an income approach considering estimated future cash flows as a going concern business, discounted at present value using an appropriate discount rate (weighted average cost of capital) of 13.7% and an estimated future exchange rate of $1.18293 pesos per bolivar (Bs.11.3 per U.S. dollar), and 2) a market approach, such as the public company market multiple method using implied multiples such as earnings before interest, taxes, depreciation and amortization, and revenues of comparable companies adjusted for liquidity, control and disposal expenses. In both cases, the potential recoverable amounts using the income and market approach were higher than the carrying value of these investments and therefore, no impairment adjustment was deemed necessary. Regarding the calculations to determine a potential recoverable amount, the Company's management believes that a possible reasonable change in the key assumptions would not cause the carrying value of the Company's investment in MONACA and DEMASECA materially exceed the potential recoverable amount before described.

The historical value of the net investment in MONACA and DEMASECA at January 22, 2013, the date when the Company ceased the consolidation of the financial information of MONACA and DEMASECA, was Ps.2,913,760 and Ps.195,253, respectively. The Company does not have insurance for the risk of expropriation of its investments.

Financial information regarding MONACA and DEMASECA at January 22, 2013 and December 31, 2012 (there are no material transactions between MONACA and DEMASECA and the Company that need to be eliminated), is shown below:

		At January 22, 2013		At December 31, 2012
Current assets	Ps.	4,345,709	Ps.	4,463,157
Non-current assets		2,558,444		2,624,411
Total assets		6,904,153		7,087,569
Percentage of consolidated total assets		14.0%		14.3%
Current liabilities		2,641,540		2,853,060
Non-current liabilities		96,103		95,132
Total liabilities		2,737,643		2,948,192
Percentage of consolidated total liabilities		7.8%		8.4%
Total net assets		4,166,510		4,139,377
Percentage of consolidated total net assets		29.1%		28.8%
Non-controlling interest		1,057,497		1,049,088
Interest of Gruma in total net assets	Ps.	3,109,013	Ps.	3,090,289

Additionally, at December 31, 2013 certain subsidiaries of GRUMA have accounts receivable with the Venezuelan companies with the total amount of Ps.1,137,718. According to tests performed by the Company, these receivables are not impaired. See Note 9.

B) ANALYSIS OF GAIN OR LOSS FROM DISCONTINUED OPERATIONS

		2013		2012		2011
Net sales	Ps.	880,991	Ps.	9,907,182	Ps.	9,156,603
Cost of sales		(668,091)		(7,500,396)		(6,746,763)
Gross profit		212,900		2,406,786		2,409,840
Selling and administrative expenses		(129,960)		(1,707,076)		(1,498,724)
Other expenses, net		(1,431)		(687)		-
Operating income		81,509		699,023		911,116
Comprehensive financing cost, net		21,471		97,735		200,113
Income before income taxes		102,980		796,758		1,111,229
Income taxes		(26,850)		(220,510)		(188,301)
Discontinued operations		76,130		576,248		922,928
Reclassification of foreign currency translation adjustment		(432,459)		-		-
(Loss) gain from discontinued operations	Ps.	(356,329)	Ps.	576,248	Ps.	922,928

29. 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:

		2013		2012
No later than 1 year	Ps.	586,314	Ps.	544,281
Later than 1 year and no later than 5 years		1,056,789		1,214,100
Later than 5 years		308,252		509,911
	Ps.	1,951,355	Ps.	2,268,292

Rental expense was approximately Ps.733,861, Ps.722,739 and Ps.630,406 for the years ended December 31, 2013, 2012 and 2011, respectively.

B) FINANCE LEASES

At December 31, 2013 and 2012, the net carrying values of assets recorded under finance leases totaled Ps.20,298 and Ps.22,683, respectively, and corresponded to transportation and production equipment.

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

		2013		2012
No later than 1 year	Ps.	3,771	Ps.	16,778
Later than 1 year and no later than 5 years		11,024		22,787
		14,795		39,565
Future finance charges on finance leases		-		(649)
Present value of finance lease liabilities	Ps.	14,795	Ps.	38,916

The present value of finance lease liabilities is as follows:

		2013		2012
No later than 1 year	Ps.	3,771	Ps.	16,294
Later than 1 year and no later than 5 years		11,024		22,622
Total	Ps.	14,795	Ps.	38,916

C) OTHER COMMITMENTS

At December 31, 2013 and 2012, the Company had various outstanding commitments to purchase commodities and raw materials in the United States for approximately Ps.3,112,207 and Ps.2,680,523, respectively (U.S.$238 million and U.S.$206 million, respectively) and in Mexico for approximately Ps.2,850,677 and Ps.624,485, respectively (U.S.$218 million and U.S.$48 million, respectively), which will be delivered during 2014. The Company has concluded that there are not embedded derivatives resulting from these contracts.

At December 31, 2013, the Company had outstanding commitments to purchase machinery and equipment in the United States amounting to approximately Ps.128,689 (approximately Ps.106,919 in 2012 in Mexico and the United States).

30. CONTINGENCIES

MEXICO

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 plus penalties, updates and charges, in connection with withholding on interest payments to our foreign creditors during the years 2001 and 2002. Mexican tax authorities claim that the Company should have withheld at a higher rate than the 4.9% actually withheld by the Company. The Company filed several motions to annul these assessments, which later were relinquished, in order to be eligible for the tax amnesty program set forth in the Provisional Article Third of the Federal Income Law for the 2013 Fiscal Year.

Thereafter on May 2013, the partial tax assessment relief was authorized, by which the Company paid Ps.3.3 million on May 21, 2013 to finalize the dispute.

On January 29, 2014, the Company was notified of an official letter whereby the International Taxation Central Administration Office lodged a tax assessment for the amount of Ps.41.2 million in connection with the 2001 and 2002 years, and derived from the initial allegation made in 2005. Given that the assessment subject to allegation was partially relieved (80%) and, that the remaining amount was paid on May of 2013, the Company intends to request its reversal through the filing of the respective appeal.

The Company intends 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.

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.

On October 29, 2013, the Company was notified by the CNBV of its resolution whereby a fine equivalent to Ps.4.1 million was imposed to the Company, same which was timely paid by the Company and therefore, the proceeding initiated by the CNBV on August of 2011, was finally concluded.

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. In response to a motion to dismiss plaintiff's First Amended Complaint, Judge Yvonne Gonzalez Rogers granted in part Gruma Corporation's motion, and referred to the US FDA for an administrative determination regarding the use of the "All Natural" identifier. On January 6, 2014 the FDA responded that it would not, at this time, consider the referred issue. The court then requested additional briefing from the parties, and will be proceeding with the case.

Gruma Corporation intends to vigorously defend against this action. It is the opinion of Gruma Corporation 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.

Griffith v. Gruma Corporation. – On or about August 12, 2013, 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. In response to a motion to dismiss filed by Gruma Corporation, plaintiff filed a First Amended Complaint and Motion to Certify Class. On October 25, 2013, Gruma Corporation filed a motion to dismiss the First Amended Complaint, and on October 29, 2013, filed a Motion to Stay Determination of Plaintiff's Motion to Certify Class. Those motions are pending.

Gruma Corporation intends to vigorously defend against this action. It is the opinion of Gruma Corporation that the outcome of this proceeding will not have a material adverse effect on Gruma Corporation's financial position, results of operations, or cash flows.

Ana G. Gracias v. Gruma Corporation. – On or about June 26, 2013, plaintiff, a former employee of Gruma Corporation, filed a putative class action against Gruma Corporation seeking damages for certain wage and hour claims under California law. The court has entered a stay while Gruma Corporation evaluates plaintiff's claims and prepares its answer. Gruma Corporation intends to vigorously defend against this action. It is the opinion of Gruma Corporation that the outcome of this proceeding will not have a material adverse effect on Gruma Corporation's financial position, results of operations, or cash flows.

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, personal property 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, none of which have occurred. Therefore, as of this date, no formal transfer of title of the assets covered by the Expropriation Decree has taken place.

As mentioned in Note 28, 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.

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.

On May 10, 2013, Valores Mundiales and Consorcio Andino presented an arbitration application before the ICSID, based in the city of Washington, D.C. ICSID registered the arbitration application on June 11, 2013 under case No. ARB/13/11. The arbitration panel has already been formed. The purpose of the arbitration is to seek compensation for the damages caused by the Republic's violation of Articles III (obstruction of management, maintenance, development, using, enjoyment, extension, sale and liquidation of the investment), IV (lack of fair and equitable treatment) and V (transfer of investment income as repatriation of capital, royalty payment) of the Investment Treaty, to the detriment of Valores Mundiales and Consorcio Andino, in their capacity as Spanish investors. In the arbitration application filed before the ICSID, Valores Mundiales and Consorcio Andino have reserved their rights to extend the dispute against the Republic, in case it executes the forced acquisition of MONACA and DEMASECA Decree.

While awaiting resolution of this matter and as required by the IFRS, GRUMA performed impairment tests on the investments in MONACA and DEMASECA to determine a potential recoverable amount, using two valuation techniques: 1) an income approach considering estimated future cash flows as a going concern business, discounted at present value using an appropriate discount rate (weighted average cost of capital) of 13.7% and an estimated future exchange rate of Bs.11.3 per U.S. dollar, and 2) a market approach, such as the public company market multiple method using implied multiples such as earnings before interest, taxes, depreciation and amortization, and revenues of comparable companies adjusted for liquidity, control and disposal expenses. In both cases, the potential recoverable amounts using the income and market approach were higher than the carrying value of these investments and therefore, no impairment adjustment was deemed necessary.

The historical value of the net investment in MONACA and DEMASECA at January 22, 2013, the date when the Company ceased the consolidation of the financial information of MONACA and DEMASECA, was Ps.2,913,760 and Ps.195,253, respectively. Additionally, at December 31, 2013 certain subsidiaries of GRUMA have accounts receivable with the Venezuelan companies totaling Ps.1,137,718. The Company does not have insurance for the risk of expropriation of its investments.

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.

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 90 days 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.

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 operation, or cash flows of the Company.

31. RELATED PARTIES

Related party transactions were carried out at market value.

A) SALES OF GOODS AND SERVICES

	For the years ended December 31,					
	2013		2012		2011	
Sales of goods:						
Associate	Ps.	50,821	Ps.	49,783	Ps.	41,318
Sale of services:						
Entities that have significant influence over the Company		18,203		34,106		41,519
Associate		-		1,294		1,349
	Ps.	69,024	Ps.	85,183	Ps.	84,186

B) PURCHASES OF GOODS AND SERVICES

	For the years ended December 31,					
	2013		2012		2011	
Purchases of goods:						
Entities that have significant influence over the Company	Ps.	-	Ps.	2,350,350	Ps.	1,836,942
Associate		-		931		539
Purchases of services:						
Associate		35,719		33,385		31,048
Other related parties		18,379		114,422		110,239
	Ps.	54,098	Ps.	2,499,088	Ps.	1,978,768

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:

		2013		2012		2011
Salaries and other short-term employee benefits	Ps.	132,371	Ps.	179,492	Ps.	186,707
Termination benefits		66,561		33,527		20,227
Total	Ps.	198,932	Ps.	213,019	Ps.	206,934

At December 31, 2013, 2012 and 2011, the reserve for deferred compensation amounted to Ps.34.8, Ps.62.3 and Ps.49.8 million, respectively.

D) BALANCES WITH RELATED PARTIES

At December 31, 2013 and 2012, the balances with related parties were as follows:

	Nature of the transaction		At December 31, 2013		At December 31, 2012
Receivables from related parties:					
Associate	Commercial	Ps.	592	Ps.	1,423
Other related parties	and services		2,352		2,391
		Ps.	2,944	Ps.	3,814
Payables from related parties:					
Other related parties	Services	Ps.	-	Ps.	845

The balances payable to related parties at December 31, 2013 expire during 2014 and do not bear interest.

32. 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. However, on November 2013, amendments were issued to remove January 1, 2015 as effective date of implementation. The new effective date will be determined once the phases of classification and measurement and impairment of IFRS 9 are completed.

B) AMENDMENTS

a. IAS 19, “Employee Benefits”

On November 2013, IASB amended IAS 19 regarding Defined Benefit Obligation and Employee Contributions. The purpose of this amendment is to provide additional guidance on accounting for employee contributions or third parties to a defined benefit plan. Amendments to IAS 19 are effective for annual periods beginning on or after July 1, 2014.

b. IAS 32, “Financial Instruments: Presentation”

In December 2011, the IASB amended the accounting requirements related to the offsetting of financial assets and financial liabilities by issuing amendment to IAS 32, Financial Instruments: Presentation. The amendments to IAS 32 are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice, by focusing in the meaning of ‘currently has a legally enforceable right of set-off’ and the application of simultaneous realization and settlement. These amendments are effective for annual periods beginning on or after January 1, 2014.

c. IAS 39, “Financial Instruments: Recognition and Measurement”

In June 2013, the IASB amended IAS 39, Financial Instruments: Recognition and Measurement to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, as long as certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations. This standard is applicable to annual periods beginning on or after January 1, 2014.

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.

GRI INDEX

	Disclosure		Location of disclosure	Direct response, another source or reason omsión
1. STRATEGY AND ANALYSIS				
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	C	6-9	
1.2	Description of key impacts, risks, and opportunities	C	6-9	
2. ORGANIZATIONAL PROFILE				
2.1	Name of the organization	C	4-5	
2.2	Primary brands, products, and/or services	C	4-5	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	C	4-5	
2.4	Location of organization's headquarters	C	Inside back cover	
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	C	4-5	
2.6	Nature of ownership and legal form	C	4-5	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries)	C	4-5	
2.8	Scale of the reporting organization	C	4-5	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	C	54	
2.10	Awards received in the reporting period	C	26	http://www.gruma.com/somos-gruma/premios-y-reconocimientos.aspx?sec=1051
3. REPORT PARAMETERS				
Report Profile				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	C	Inside front cover	
3.2	Date of most recent previous report (if any)	C	Inside front cover	
3.3	Reporting cycle (annual, biennial, etc.)	C	Inside front cover	
3.4	Contact point for questions regarding the report or its contents	C	Inside back cover	
Report Scope and Boundary				
3.5	Process for defining report content	C	1	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	C	1	
3.7	State any specific limitations on the scope or boundary of the report	C	1	
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	C	1	
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	C	1	
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)	C	1	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	C	1	
GRI Content Index				
3.12	Table identifying the location of the StandardDisclosures in the report.	C	136-140	

	Disclosure		Location of disclosure	Direct response, another source or reason omsión
Assurance				
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	INA		
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	C	42-44	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	C	44	
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.	C	42-44	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	C		http://www.gruma.com/inversionistas/inversionistas-gruma/contacto-para-inversionistas.aspx
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	C	42-44	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	C	42-44	
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	C	42-44	
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	C	10-11	http://www.gruma.com/inversionistas/inversionistas-gruma/gobierno-corporativo/estatutos-sociales-y-código-de-ética.aspx
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	C		http://www.gruma.com/inversionistas/inversionistas-gruma/gobierno-corporativo/estatutos-sociales-y-código-de-ética.aspx
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	C		http://www.gruma.com/inversionistas/inversionistas-gruma/gobierno-corporativo/estatutos-sociales-y-código-de-ética.aspx
Commitments to External Initiatives				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	C	12	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	C	24-39	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization	C	40-41	

	Disclosure		Location of disclosure	Direct response, another source or reason omsión
Stakeholder Engagement				
4.14	List of stakeholder groups engaged by the organization	C	13	
4.15	Basis for identification and selection of stakeholders with whom to engage	C	13	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	C	13	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	C	13	
ECONOMIC PERFORMANCE INDICATORS				
Aspect: Economic Performance				
EC1	Direct economic value generated and distributed	C	1	
EC3	Coverage of the organization's defined benefit plan obligations	C	32-37	
EC4	Significant financial assistance received from government	C		GRUMA does not receive government aid
Aspect: Market Presence				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	C	33	
Aspect: Indirect Economic Impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement	C	32-37	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	C	32=37	
ENVIRONMENTAL PERFORMANCE INDICATORS				
Aspect: Materials				
EN2	Percentage of materials used that are recycled input materials	P	38-39	
Aspect: Energ y				
EN5	Energy saved due to conservation and efficiency improvements	P	38-39	
Aspect: Water				
EN8	Total water withdrawal by source	P	38=39	
EN10	Percentage and total volume of water recycled and reused	P	38-39	
Aspect: Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	NA		GRUMA operations are not carried out in protected flora and fauna conservations areas
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	NA		GRUMA operations are not carried out in protected flora and fauna conservations areas

	Disclosure		Location of disclosure	Direct response, another source or reason omsión
Aspect: Emissions, Effluents, and Waste				
EN21	Total water discharge by quality and destination	P	39	
EN22	Total weight of waste by type and disposal method	P	39	
EN23	Total number and volume of significant spills	NA		GRUMA's operations do not represent a risk of leaks
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	NA		GRUMA's operations do not produce hazardous residues
Aspect : Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	C		No fines or sanctions were reported in 2013
LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS				
Aspect: Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	C	26-27	
LA3	Total number and rate of new employee hires and employee turnover by age group, gender, and region	C	29	
Aspect: Labor/Management Relations				
LA4	Percentage of employees covered by collective bargaining agreements	C	27	
Aspect: Occupational Health and Safety				
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	C	26-31	
Aspect: Training and Education				
LA10	Average hours of training per year per employee by gender, and by employee category	C	28	
Aspect: Diversity and Equal Opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	C	42-44	
HUMAN RIGHTS PERFORMANCE INDICATORS				
Aspect: Fr eedom 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	C		At GRUMA the right to free association is respected
Aspect: Child Labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	NA		GRUMA does not hire minors
Aspect: Forced and Compulsory Labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	NA		GRUMA operates under collective bargaining contracts

	Disclosure		Location of disclosure	Direct response, another source or reason omsión
SOCIETY PERFORMANCE INDICATORS				
Aspect: Local Communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	P	32-37	
FP4	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need	P	32-37	
Aspect : Public Policy				
SO5	Public policy positions and participation in public policy development and lobbying	C	40-41	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	NA		GRUMA does not make donations to political parties
Aspect: Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	C		No fines or sanctions were reported in 2013
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS				
Aspect: Customer Health and Safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	C		http://www.gruma.com/media/180388/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	C		No incidents were reported in 2013
Aspect : Product and Service Labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	C		All GRUMA products present the information required by applicable norms
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	C		No breaches of compliance were reported in 2013
Aspecto: Comunicación de marketing				
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	C		No incidents were reported in 2013
Aspect : Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	C		No incidents were reported in 2012
Aspect: Compliance				
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	C		No incidents were reported in 2012

C = Complete   P = Partial   NA = Does not apply   INA = Information not available

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United States: New York Stock Exchange (NYSE)
www.nyse.com

TICKER SYMBOLS
BMV: GRUMAB
NYSE: GMK*
* each American Depositary Receipt
represents four ordinary shares

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