# Quarterly Financial Information

# [105000] Management commentary

## Management commentary [text block]

During the first quarter of 2016 GRUMA continued to deliver improvements in its financial results based on internal strategies oriented to value creation, while strengthening the leadership position of its products and brands.

Sales volume rose 2% supported mainly by GIMSA.

Net sales surged 17%, while operating profit and EBITDA increased 26% and 24%, respectively. Net sales and EBITDA benefited from better performance at most subsidiaries, especially GRUMA USA, and from the weakness of the Mexican peso.

Sales and EBITDA from non-Mexican operations represented 74% and 72%, respectively, of consolidated figures.

The company reported US$729 million of debt at quarter-end, representing a Gross Debt/EBITDA ratio of 1.3 times.

## Disclosure of nature of business [text block]

Since 1949, GRUMA, S.A.B. de C.V., is one of the world's leading tortilla and corn flour producers. With leading brands in most of its markets, GRUMA has operations in the United States, Mexico, Central America, Europe, Asia and Oceania.

## Disclosure of management's objectives and its strategies for meeting those objectives [text block]

Our strategy is to focus on our core business—corn flour and tortilla—as well as to expand our product portfolio towards the flatbreads category in general. We will continue taking advantage of the increasing popularity of Mexican food and, more importantly, tortillas, in the U.S., European, Asian and Oceanian markets. We will also continue taking advantage of the adoption of tortillas by the consumers of several regions of the world for the preparation of different recipes other than Mexican food. Our strategy includes the following key elements:

Expand in the Retail and Food Service Tortilla Markets Where We Currently Have a Presence and to New Regions: We believe that the size and growth of the U.S. retail and food service tortilla markets offer significant opportunities for expansion.

Enter and Expand in the Tortilla and Flatbread Markets in Other Regions of the World: We believe that tortilla and flat-bread markets in other continents such as Europe, Asia and Oceania offer us significant opportunities. We believe our current operations in Europe will enable us to better serve markets there and in the Middle East. Our presence in Asia and Oceania will

## Disclosure of management's objectives and its strategies for meeting those objectives [text block]

enable us to offer our customers in those regions fresh products and respond more quickly to their needs.

Maintain Gruma Corporation’s MISSION® and GUERRERO® Tortilla Brands as the First and Second National Brands in the United States and to Position our Mission Brand in Other Regions: We intend to achieve this by increasing our efforts at building brand name recognition, and by further expanding and utilizing Gruma Corporation’s distribution network, first in Gruma Corporation’s existing markets, where we believe there is potential for further growth, and second, in regions where Gruma Corporation currently does not have a significant presence but where we believe strong demand for tortillas already exists.

Encourage Transition from the Traditional Cooked-Corn Method to the Dry Corn Flour Method as Well as New Uses for Corn Flour: We pioneered the dry corn flour method for the production of tortilla and other corn-based products.We continue to view the transition from the traditional method to the dry corn flour method of making tortillas and other corn-based products, as the primary opportunity for increased corn flour sales.  We are also working to expand the use of corn flour in the manufacture of different types of products.

Expand and Leverage the Mission Brand Name Globally to Achieve Economies of Scale: We intend to continue to launch the Mission brand name in markets where we have reached critical mass to leverage our premium brand name and consolidate profitability.

Invest in our Core Business and Focus on Optimizing Operational Matters: Recently we have experienced renewed growth in the U.S., European, Asian and Oceanian tortilla markets. We intend to focus our investment program on our core business to enable us to meet future demand, consolidate our leading position in the industry and continue delivering a return to shareholders that is above the cost of capital.

## Disclosure of entity's most significant resources, risks and relationships [text block]

Our financial condition and results of operations may be influenced by some of the following factors:

- the level of demand for tortillas and corn flour;
- increase or decrease in the Hispanic population in the United States;
- increases in Mexican food consumption by the non-Hispanic population in the United States; and the use of tortillas in non-Mexican cuisine in the United States, Europe, Asia and Oceania;
- the cost and availability of corn and wheat;
- the cost of energy and other related products;
- our acquisitions, plant expansions and divestitures;
- the effect of government initiatives and policies;

## Disclosure of entity's most significant resources, risks and relationships [text block]

- the effect from variations of interest rates and exchange rates;
- volatility in corn and wheat prices and energy costs;
- competition from tortilla manufacturers, especially in the United States;
- competition in the corn flour business; and
- general economic conditions in the countries in which we operate and worldwide.

## Disclosure of results of operations and prospects [text block]

# GRUMA REPORTS FIRST QUARTER 2016 RESULTS

### HIGHLIGHTS

During the first quarter of 2016 GRUMA continued to deliver improvements in its financial results based on internal strategies oriented to value creation, while strengthening the leadership position of its products and brands.

Sales volume rose 2% supported mainly by GIMSA.

Net sales surged 17%, while operating profit and EBITDA increased 26% and 24%, respectively. Net sales and EBITDA benefited from better performance at most subsidiaries, especially GRUMA USA, and from the weakness of the Mexican peso.

Sales and EBITDA from non-Mexican operations represented 74% and 72%, respectively, of consolidated figures.

The company reported US$729 million of debt at quarter-end, representing a Gross Debt/EBITDA ratio of 1.3 times.

**Consolidated Financial Highlights**

(Ps. millions)

| | 1Q16 | 1Q15 | Var. |
|---|---|---|---|
| Sales volume (thousand metric tons) | 946 | 926 | 2% |
| Net sales | 15,831 | 13,522 | 17% |

## Disclosure of results of operations and prospects [text block]

| | | | |
|---|---|---|---|
| Operating income | 2,031 | 1,615 | 26% |
| Operating margin | 12.8% | 11.9% | 90 bp |
| EBITDA | 2,475 | 1,995 | 24% |
| EBITDA margin | 15.6% | 14.8% | 80 bp |
| Majority net income | 1,267 | 983 | 29% |

**Debt**

(US$ millions)

| Mar'16 | Mar'15 | Var.($) | Var. (%) | Dec'15 | Var.($) | Var. (%) |
|---|---|---|---|---|---|---|
| 729 | 758 | (29) | (4)% | 769 | (40) | (5)% |

## CONSOLIDATED RESULTS OF OPERATIONS

1Q16 versus 1Q15

**Sales volume** increased 2% to 946 thousand metric tons, driven in particular by GIMSA.

**Net sales** rose 17% to Ps.15,831 million, due principally to (1) the weakness of the peso, which benefitted sales from Gruma USA when stated in peso terms; (2) the aforementioned sales volume growth; and (3) price increases, to reflect higher raw material costs, especially at GIMSA.

**Cost of sales** as a percentage of net sales improved to 61.4% from 62.9%, reflecting better performance mostly at Gruma USA and Gruma Centroamérica. In absolute terms, cost of sales increased 14% to Ps.9,712 million due mainly to peso weakness, and the aforementioned sales volume growth.

**Selling, general and administrative expenses (SG&A)** as a percentage of net sales increased to 25.7% from 24.8% due mainly to higher expenses at GIMSA and Gruma Centroamérica, as well as a higher proportion of Gruma Corporation in the consolidated figures. In absolute terms, SG&A rose 21% to Ps.4,064 million mainly in relation to the effect of the weaker peso, and, to a lesser extent, to the aforementioned higher expenses at GIMSA and Gruma Centroamérica.

**Other expense, net**, decreased Ps.12 million to Ps.24 million due principally to gains on asset sales.

**Operating income** grew 26% to Ps.2,031 million, driven primarily by better performance at Gruma USA, the positive effect of the peso depreciation and, to a lesser extent, improvements at Gruma Centroamérica.

## Disclosure of results of operations and prospects [text block]

Operating margin rose to 12.8% from 11.9%, led mostly by Gruma USA and, to a lesser extent, Gruma Centroamérica.

**EBITDA** increased 24% to Ps.2,475 million. EBITDA margin expanded to 15.6% from 14.8%.

**Net comprehensive financing cost** was Ps.137 million, an increase of Ps.55 million in connection with prior year gains on foreign exchange derivatives related to corn purchasing at GIMSA.

**Income taxes** were Ps.578 million, Ps.114 million more resulting from higher pre-tax income. The effective tax rate was 30.5%.

**Majority net income** was Ps.1,267 million, 29% more, driven mostly by better operational performance, especially at the U.S. operations, and the weakness of the peso.

# SUBSIDIARY RESULTS OF OPERATIONS

1Q16 versus 1Q15

### Gruma USA

**Sales volume** was flat at 327 thousand metric tons. Corn flour sales volume increased 4%, benefited by the growth of the tortilla industry and share gains through better quality and service. The tortilla business declined 2%, as growth in the retail segment was offset by the foodservice channel, where we are now going stronger on SKU reductions as the company continues focusing on high margin products. Also, foodservice sales volume was affected by weaker performance of some customers.

**Net sales** grew 1% to Ps.8,562 million. Net sales rose at a higher rate than sales volume driven by the change in the sales mix toward the retail segment and, toward wheat flour tortillas and smaller counts in general. Part of this was offset by lower corn flour prices in connection with lower corn costs.

**Cost of sales** as a percentage of net sales improved to 56.9% from 59.2% driven largely by the tortilla operations; this reflected (1) better sales mix by focusing on high-margin products, as exemplified in 1Q16 with the aforementioned stronger SKU reduction in foodservice; (2) lower raw material costs with prices relatively stable; and (3) better absorption of fixed costs. In absolute terms, cost of sales decreased 3% to Ps.4,869 million basically due to the aforementioned lower raw material costs.

**SG&A** as a percentage of net sales improved to 29.2% from 30% and in absolute terms declined 2% to Ps.2,502 million driven mostly by lower freight expenses; lower salaries resulting from the transition of various departments to the shared services center in Mexico; and lower lease cost for computer equipment. As a percentage of net sales, SG&A improved in connection with better absorption and, to a lesser extent, to the aforementioned

## Disclosure of results of operations and prospects [text block]

reductions.

**Operating income** rose 31% to Ps.1,191 million and operating margin improved to 13.9% from 10.7% resulting mainly from the improvement at cost of sales.

**EBITDA** increased 23% to Ps.1,454 million. EBITDA margin climbed to 17.0% from 13.8%.

**GIMSA**

**Sales volume** increased 3% to 466 thousand metric tons. Corn flour sales volume rose 7% due mainly to (1) strengthening of commercial initiatives aimed at improving customer service (especially in terms of distribution, product quality and availability); (2) higher sales to our U.S. corn flour operations to support their growth; (3) conversion from the traditional method to corn flour of some snack producers; and (4) increased popularity of new types of retail corn flour targeted to specific Mexican dishes. The increase in corn flour was partially offset by the reclassification of byproducts for animal feed, an operation that effective April 2015 is no longer part of GIMSA as it was incorporated into a new subsidiary within Other Subsidiaries and Eliminations.

**Net sales** grew 7% to Ps.4,110 million in connection with the aforementioned sales volume growth, and price increases implemented during December 2015 to reflect higher corn costs. Also, net sales rose in connection with peso weakness on sales to the U.S. corn flour operations, as those sales are dollar denominated.

**Cost of sales** as a percentage of net sales improved to 70.2% from 70.6% due mainly to a change in the sales mix as (1) last quarter GIMSA had extraordinary sales of corn of Ps.78 million at very low margins, which is not the case this quarter; and (2) the byproducts for animal feed operations, which report lower margins than GIMSA's core business, was still part of GIMSA last quarter. Also, the company reported better margins at its exports to the U.S. operations, as those sales are dollar denominated, and benefited from efficiencies in corn handling and better fixed cost absorption. In absolute terms, cost of sales rose 7% to Ps.2,884 million mostly due to the aforementioned volume growth and higher corn costs resulting from peso weakness. To a lesser extent, cost of sales also increased from higher packaging and additive costs resulting from peso weakness, changes in formulation in some types of corn flour, and improved packaging for some SKUs.

**SG&A** as a percentage of net sales increased to 16.4% from 15.1% due to the strengthening of the company's commercial initiatives oriented to enhance customer service, which has driven volume growth. Also, higher freight tariffs and higher intercompany shipments to face capacity constrains in some regions contributed to the increase. In absolute terms, SG&A rose 16% to Ps.675 million reflecting additional freight expenses and sales commissions in connection with sales volume growth, and new distribution centers.

**Operating income** was flat at Ps.530 million. Operating margin declined to 12.9% from

## Disclosure of results of operations and prospects [text block]

13.8% due primarily to the aforementioned strengthening of the company's commercial initiatives.

**EBITDA** increased 1% to Ps.717 million. EBITDA margin declined to 17.4% from 18.6%.

For additional information, please see GIMSA "First Quarter 2016 Results" available through GRUMA's website, www.gruma.com.

**Gruma Europe**

**Sales volume** decreased 9% to 89 thousand metric tons due to reductions at the corn milling business resulting from technical upgrades at the Italian mill, which partially suspended production in November 2015 and is expected to resume operations by the end of April 2016. Also, there were lower byproduct sales for animal feed in connection with bird flu issues in Turkey.

**Net sales** declined 2% to Ps.1,116 million due to the aforementioned sales volume reduction. Net sales fell at a lower rate than sales volume principally because of the change in the sales mix toward tortilla products, which enjoy higher prices than the corn milling business.

**Cost of sales** as a percentage of net sales increased to 76.2% from 75% reflecting (1) lower fixed cost absorption; (2) higher costs on better quality corn for some types of corn flour, which were not fully passed through with pricing; and (3) higher labor costs due to increased number of shifts and production lines at some tortilla plants. In absolute terms, cost of sales was flat at Ps.850 million as the aforementioned sales volume reduction was offset mostly by the higher cost of corn and labor.

**SG&A** as a percentage of net sales increased to 21.5% from 21.3% driven by lower expense absorption. In absolute terms, SG&A decreased 1% to Ps.240 million reflecting lower warehousing expenses as the company leveraged infrastructure built during 2015 and also optimized third-party warehousing for some of its products.

**Operating income** declined 36% to Ps.29 million and operating margin dropped to 2.6% from 4% resulting from the aforementioned lower absorption and the higher cost of corn and labor.

**EBITDA** decreased 14% to Ps.73 million. EBITDA margin declined to 6.5% from 7.4%.

**Gruma Centroamérica**

**Sales volume** decreased 5% to 48 thousand metric tons due largely to more aggressive competition in corn flour in Honduras.

## Disclosure of results of operations and prospects [text block]

**Net sales** increased 15% to Ps.1,082 million due mainly to the peso depreciation effect and, to a lesser extent, higher prices of corn flour and tortillas.

**Cost of sales** as a percentage of net sales improved to 62.5% from 65.6% due to lower raw material and energy costs coupled with price increases in corn flour and tortillas. In absolute terms, cost of sales increased 9% to Ps.676 million, as the aforementioned cost reductions were partially offset by the peso depreciation effect.

**SG&A** as a percentage of net sales increased to 29.6% from 27.7% due mainly to higher marketing expenses. In absolute terms, SG&A rose 22% to Ps.320 million principally resulting from the weaker peso and, to a lesser extent, the aforementioned expenses.

**Operating income** rose 36% to Ps.85 million and operating margin improved to 7.9% from 6.7% mostly from the aforementioned cost reductions.

**EBITDA** increased 32% to Ps.111 million. EBITDA margin grew to 10.2% from 8.9%.

**Other Subsidiaries and Eliminations**

**Operating income** improved Ps.126 million to Ps.195 million. This resulted mainly from the positive peso depreciation effect related to Gruma USA, as figures for this subsidiary are reported under convenience translation and the foreign exchange benefit, in this case, is shown under “Other Subsidiaries and Eliminations.” Also, better performance at Gruma Asia-Oceania and at several service areas contributed to the improvement in operating income.

### ACCOUNTING PROCEDURES

The consolidated figures have been prepared in accordance with the International Financial Reporting Standards (IFRS).

International Accounting Standard 29 (IAS 29) defines the criteria to consider when a company operates under a hyperinflationary economic environment, which are when:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
- the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
- sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
- interest rates, wages, and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Based on the above, the GRUMA’s consolidated figures are determined as follows: the figures for subsidiaries in Mexico, the United States, Europe, Central America, Asia and Oceania operate in a non-hyperinflationary environment; therefore the effects of inflation are not recognized. Results for foreign subsidiaries that operate in a non-hyperinflationary environment are translated to

## Disclosure of results of operations and prospects [text block]

Mexican pesos applying the historical exchange rate.

Under the section Subsidiary Results of Operations and the table of Financial Highlights by Subsidiary of this report, figures for Gruma USA and Gruma Europe were translated to Mexican pesos using a convenience translation with the exchange rate of Ps.17.4015/dollar as of March 31, 2016. The differences between the use of convenience translation and the historical exchange rate are reflected under "Other Subsidiaries and Eliminations”.

### ABOUT GRUMA

Since 1949, GRUMA, S.A.B. de C.V., is one of the world's leading tortilla and corn flour producers. With leading brands in most of its markets, GRUMA has operations in the United States, Mexico, Central America, Europe, Asia and Oceania. GRUMA is headquartered in San Pedro Garza García, Mexico, and has approximately 19,500 employees and 75 plants. In 2015, GRUMA had net sales of US$3.4 billion, of which 73% came from non-Mexican operations. For further information, please visit www.gruma.com.

*This report may contain certain forward-looking statements and information relating to GRUMA, S.A.B. de C.V., and its subsidiaries (collectively, “GRUMA”) that are based on the beliefs of its management as well as assumptions made by and information then available to GRUMA. Such statements reflect the views of GRUMA with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or achievements of GRUMA to be materially different from historical results or any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. Such factors include, among others, changes in economic, political, social, governmental, business, or other factors globally or in Mexico, the United States, Latin America, or any other countries in which GRUMA does business, and world corn and wheat prices. If one or more of these risks or uncertainties materializes, or underlying assumptions are proven incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, or targeted. GRUMA does not intend, and undertakes no obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*

## Financial position, liquidity and capital resources [text block]

# FINANCIAL POSITION

March 2016 versus December 2015

**Balance Sheet Highlights**

**Total assets** were Ps.45,705 million, an increase of 3% primarily reflecting rises in (1) property, plant, and equipment, related to the company’s capital expenditures program and also to peso weakness; and (2) cash balances.

**Total liabilities** were flat at Ps.25,647 million as lower debt and trade accounts payable were offset by increases in other accounts payable.

**Shareholders’ equity** totaled Ps.20,058 million, 8% more than at December 2015.

**Debt Profile**

GRUMA’s debt totaled US$729 million, US$40 million less than at December 2015. Approximately 94% of GRUMA’s debt is dollar-denominated.

## Financial position, liquidity and capital resources [text block]

### Debt

(US$ millions)

| Mar'16 | Mar'15 | Var.($) | Var. (%) | Dec'15 | Var.($) | Var. (%) |
|---|---|---|---|---|---|---|
| 729 | 758 | (29) | (4)% | 769 | (40) | (5)% |

### Debt Maturity Profile

(US$ millions)

| | Rate | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2024 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| Senior Notes 2024 | 4.875% | | | | | | | 400 | 400 |
| Rabobank Syndicated Facility | LIBOR+1.5%-3% | 33 | 33 | 121 | | | | | 187 |
| Rabobank Revolving Facility | LIBOR+0.9%-1.2% | | | 50 | | | | | 50 |
| Other | 3.05% (avg.) | 78.3 | 3.7 | 3.3 | 3 | 2.9 | 0.7 | 0.6 | 92.4 |
| **TOTAL** | **3.69%** (avg.) | **111.3** | **36.7** | **174.3** | **3** | **2.9** | **0.7** | **400.6** | **729.4** |

## CAPITAL EXPENDITURE PROGRAM

GRUMA's capital expenditures totaled US$51 million during 1Q16, allocated mostly to (1) the United States, in connection with the new tortilla plant in Dallas, capacity expansions and technical upgrades at several plants; (2) Europe, related to capacity expansions at plants in England and Spain and the new plant in Russia; and (3) technical upgrades at GIMSA.

(MILLIONS OF MEXICAN PESOS)

| | QUARTERS | | | | |
|---|---|---|---|---|---|
| **INCOME STATEMENT SUMMARY** | **1Q16** | 1Q15 | VAR (%) | 4Q15 | VAR (%) |
| NET SALES | **15,831** | 13,522 | 17 | 15,164 | 4 |
| GROSS PROFIT | **6,118** | 5,011 | 22 | 6,017 | 2 |
| GROSS MARGIN (%) | **38.6%** | 37.1% | | 39.7% | |
| SELLING AND ADMINISTRATIVE EXPENSES | **4,064** | 3,360 | | 3,685 | |
| OTHER EXPENSE (INCOME) , NET | **24** | 36 | | 408 | |
| OPERATING INCOME | **2,031** | 1,615 | 26 | 1,924 | 6 |
| OPERATING MARGIN (%) | **12.8%** | 11.9% | | 12.7% | |
| NET COMPREHENSIVE FINANCING COST | **137** | 83 | | 94 | |
| INTEREST EXPENSE | **153** | 144 | | 178 | |
| INTEREST INCOME | **(10)** | (11) | | (12) | |
| (GAIN) LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS | **19** | (91) | | (59) | |
| FOREIGN EXCHANGE LOSS (GAIN) | **(24)** | 40 | | (13) | |
| INCOME TAXES | **578** | 464 | | 172 | |
| PROFIT (LOSS) FROM DISCONTINUED OPERATIONS | **0** | (16) | | (4,249) | |
| NET INCOME | **1,315** | 1,051 | 25 | (2,591) | 151 |
| MAJORITY NET INCOME | **1,267** | 983 | 29 | (2,685) | 147 |
| EARNINGS PER SHARE[1] | **2.93** | 2.27 | 29 | (6.21) | 147 |
| DEPRECIATION AND AMORTIZATION | **444** | 381 | | 566 | |
| EBITDA[2] | **2,475** | 1,995 | 24 | 2,490 | (1) |
| EBITDA MARGIN (%) | **15.6%** | 14.8% | | 16.4% | |
| CAPITAL EXPENDITURES (MILLION US$) | **51** | 67 | | 64 | |

| **BALANCE SHEET SUMMARY** | **Mar-16** | Mar-15 | VAR (%) | Dec-15 | VAR (%) |
|---|---|---|---|---|---|
| CASH AND CASH EQUIVALENTS | **3,396** | 1,487 | 128 | 2,919 | 16 |
| TRADE ACCOUNTS RECEIVABLE | **5,548** | 4,762 | 17 | 5,489 | 1 |
| OTHER ACCOUNTS RECEIVABLE | **1,862** | 2,688 | (31) | 1,934 | (4) |
| INVENTORIES | **7,809** | 6,584 | 19 | 7,817 | (0) |
| CURRENT ASSETS | **19,054** | 15,896 | 20 | 18,514 | 3 |
| PROPERTY, PLANT, AND EQUIPMENT, NET | **20,754** | 17,915 | 16 | 20,170 | 3 |
| INVESTMENT IN VENEZUELA AVAILABLE FOR SALE | **0** | 3,109 | (100) | 0 | 0 |
| **TOTAL ASSETS** | **45,705** | 41,730 | 10 | 44,333 | 3 |
| SHORT-TERM DEBT | **1,993** | 1,805 | 10 | 2,660 | (25) |
| CURRENT LIABILITIES | **11,353** | 8,731 | 30 | 11,667 | (3) |
| LONG-TERM DEBT | **10,622** | 9,605 | 11 | 10,494 | 1 |
| **TOTAL LIABILITIES** | **25,647** | 22,769 | 13 | 25,739 | (0) |
| MAJORITY SHAREHOLDERS' EQUITY | **18,448** | 17,372 | 6 | 17,034 | 8 |
| **SHAREHOLDERS' EQUITY** | **20,058** | 18,961 | 6 | 18,594 | 8 |
| CURRENT ASSETS/CURRENT LIABILITIES | **1.68** | 1.82 | | 1.59 | |
| TOTAL LIABILITIES/SHAREHOLDERS' EQUITY | **1.28** | 1.20 | | 1.38 | |
| DEBT/EBITDA[3] | **1.31** | 1.47 | | 1.44 | |
| EBITDA/INTERES EXPENSE[3] | **15.49** | 7.08 | | 14.94 | |
| BOOK VALUE PER SHARE[1] | **42.63** | 40.14 | | 39.36 | |

**[1] On the basis of 432,749,079 shares as of March 31, 2016 and 2015 and as of December 31, 2015.**

**[2] EBITDA = operating income + depreciation, amortization and impairment of long lived asstes +(-) other expenses (income) unrelated to core business operations.**

**[3] Last twelve months.**

# Internal control [text block]

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, as appropriate to allow timely decisions regarding required disclosure.

Likewise, the effectivity of our internal control processes ober the financial information is annually audited by PricewaterhouseCoopers, S.C.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our Board of Directors, Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer and other personnel, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (v.2013) by the Committee of Sponsoring Organizations of the Treadway Commission.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by IASB. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on our evaluation under the framework in Internal Control—Integrated Framework (v.2013), our management concluded that our internal control over financial reporting was effective.

There has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely that could materially affect, our internal control over financial reporting.

# Disclosure of critical performance measures and indicators that management uses to evaluate entity's performance against stated objectives [text block]

Management evaluates operating and financial indicators to measure improvement or deterioration of the company's performance; the main operating indicators include profitability as a percentage of sales and those demonstrating profitability of investment such as EBITDA, ROIC, ROE and ROA; liquidity, leverage and hedging ratios are also assessed.

# [110000] General information about financial statements

| | |
|---|---|
| **Ticker:** | GRUMA |
| **Period covered by financial statements:** | 2016-01-01 al 2016-03-31 |
| **Date of end of reporting period:** | 2016-03-31 |
| **Name of reporting entity or other means of identification:** | GRUMA, S.A.B. de C.V. |
| **Description of presentation currency:** | MXN |
| **Level of rounding used in financial statements:** | MILES DE PESOS |
| **Consolidated:** | Si |
| **Number of quarter:** | 1 |
| **Type of issuer:** | ICS |
| **Description of nature of financial statements:** | |

## Disclosure of general information about financial statements [text block]

## Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period

## Follow-up of analysis [text block]

IN ACCORDANCE WITH THE ESTABLISHED BY THE RULES OF PROCEDURE OF THE MEXICAN STOCK EXCHANGE, ARTICLE 4.033.01 SECTION VIII, WE INFORM YOU THAT ACTINVER, BARCLAYS, BBVA, BTG PACTUAL, CITI, DEUTSCHE BANK, GBM, GOLDMAN SACHS, HSBC, INTERACCIONES, J.P. MORGAN, MERRILL LYNCH, MORGAN STANLEY, SANTANDER, SCOTIABANK, UBS AND VECTOR, AMONG OTHER, GIVE ANALYSIS COVERAGE OF THE COMPANY'S SECURITIES.

# [210000] Statement of financial position, current/non-current

| Concepto | Close Current Quarter 2016-03-31 | Close Previous Exercise 2015-12-31 |
|---|---|---|
| **Statement of financial position [abstract]** | | |
| **Assets [abstract]** | | |
| **Current assets [abstract]** | | |
| Cash and cash equivalents | 3,396,483,000 | 2,919,054,000 |
| Trade and other current receivables | 6,959,729,000 | 6,915,651,000 |
| Current tax assets, current | 730,773,000 | 704,131,000 |
| Other current financial assets | 157,857,000 | 158,411,000 |
| Current inventories | 7,808,769,000 | 7,816,767,000 |
| Current biological assets | 0 | 0 |
| Other current non-financial assets | 0 | 0 |
| Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners | 19,053,611,000 | 18,514,014,000 |
| Non-current assets or disposal groups classified as held for sale or as held for distribution to owners | 0 | 0 |
| Total current assets | 19,053,611,000 | 18,514,014,000 |
| **Non-current assets [abstract]** | | |
| Trade and other non-current receivables | 185,768,000 | 193,112,000 |
| Current tax assets, non-current | 28,805,000 | 8,964,000 |
| Non-current inventories | 0 | 0 |
| Non-current biological assets | 0 | 0 |
| Other non-current financial assets | 0 | 0 |
| Investments accounted for using equity method | 0 | 0 |
| Investments in subsidiaries, joint ventures and associates | 6,963,000 | 7,240,000 |
| Property, plant and equipment | 20,753,895,000 | 20,169,988,000 |
| Investment property | 0 | 0 |
| Goodwill | 3,291,609,000 | 3,203,947,000 |
| Intangible assets other than goodwill | 302,896,000 | 298,113,000 |
| Deferred tax assets | 2,039,160,000 | 1,901,218,000 |
| Other non-current non-financial assets | 42,050,000 | 36,425,000 |
| Total non-current assets | 26,651,146,000 | 25,819,007,000 |
| Total assets | 45,704,757,000 | 44,333,021,000 |
| **Equity and liabilities [abstract]** | | |
| **Liabilities [abstract]** | | |
| **Current liabilities [abstract]** | | |
| Trade and other current payables | 8,161,376,000 | 8,259,900,000 |
| Current tax liabilities, current | 832,316,000 | 487,711,000 |
| Other current financial liabilities | 2,218,679,000 | 2,728,185,000 |
| Other current non-financial liabilities | 0 | 0 |
| **Current provisions [abstract]** | | |
| Current provisions for employee benefits | 0 | 0 |
| Other current provisions | 141,126,000 | 191,319,000 |
| Total current provisions | 141,126,000 | 191,319,000 |
| Total current liabilities other than liabilities included in disposal groups classified as held for sale | 11,353,497,000 | 11,667,115,000 |
| Liabilities included in disposal groups classified as held for sale | 0 | 0 |
| Total current liabilities | 11,353,497,000 | 11,667,115,000 |
| **Non-current liabilities [abstract]** | | |
| Trade and other non-current payables | 73,051,000 | 70,678,000 |
| Current tax liabilities, non-current | 0 | 0 |
| Other non-current financial liabilities | 10,622,235,000 | 10,494,407,000 |

| Concepto | Close Current Quarter 2016-03-31 | Close Previous Exercise 2015-12-31 |
|---|---|---|
| Other non-current non-financial liabilities | 0 | 0 |
| **Non-current provisions [abstract]** | | |
| Non-current provisions for employee benefits | 675,796,000 | 645,673,000 |
| Other non-current provisions | 460,851,000 | 490,344,000 |
| Total non-current provisions | 1,136,647,000 | 1,136,017,000 |
| Deferred tax liabilities | 2,461,669,000 | 2,370,918,000 |
| Total non-current liabilities | 14,293,602,000 | 14,072,020,000 |
| Total liabilities | 25,647,099,000 | 25,739,135,000 |
| **Equity [abstract]** | | |
| Issued capital | 5,363,595,000 | 5,363,595,000 |
| Share premium | 0 | 0 |
| Treasury shares | 0 | 0 |
| Retained earnings | 12,398,484,000 | 11,154,288,000 |
| Other reserves | 686,060,000 | 516,287,000 |
| Total equity attributable to owners of parent | 18,448,139,000 | 17,034,170,000 |
| Non-controlling interests | 1,609,519,000 | 1,559,716,000 |
| Total equity | 20,057,658,000 | 18,593,886,000 |
| Total equity and liabilities | 45,704,757,000 | 44,333,021,000 |

# [310000] Statement of comprehensive income, profit or loss, by function of expense

| Concepto | Accumulated Current Year 2016-01-01 - 2016-03-31 | Accumulated Previous Year 2015-01-01 - 2015-03-31 |
|---|---|---|
| **Profit or loss [abstract]** | | |
| **Profit (loss) [abstract]** | | |
| Revenue | 15,830,555,000 | 13,522,450,000 |
| Cost of sales | 9,712,274,000 | 8,511,597,000 |
| Gross profit | 6,118,281,000 | 5,010,853,000 |
| Distribution costs | 3,198,277,000 | 2,677,216,000 |
| Administrative expenses | 865,628,000 | 682,890,000 |
| Other income | 0 | 0 |
| Other expense | 23,684,000 | 36,046,000 |
| Profit (loss) from operating activities | 2,030,692,000 | 1,614,701,000 |
| Finance income | 116,185,000 | 101,245,000 |
| Finance costs | 253,684,000 | 183,934,000 |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | 0 | 0 |
| Profit (loss) before tax | 1,893,193,000 | 1,532,012,000 |
| Tax income (expense) | 577,914,000 | 464,163,000 |
| Profit (loss) from continuing operations | 1,315,279,000 | 1,067,849,000 |
| Profit (loss) from discontinued operations | 0 | -16,498,000 |
| Profit (loss) | 1,315,279,000 | 1,051,351,000 |
| **Profit (loss), attributable to [abstract]** | | |
| Profit (loss), attributable to owners of parent | 1,266,696,000 | 982,538,000 |
| Profit (loss), attributable to non-controlling interests | 48,583,000 | 68,813,000 |
| Earnings per share [text block] | | |
| **Earnings per share [abstract]** | | |
| **Earnings per share [line items]** | | |
| **Basic earnings per share [abstract]** | | |
| Basic earnings (loss) per share from continuing operations | 2.93 | 2.31 |
| Basic earnings (loss) per share from discontinued operations | 0 | -0.04 |
| Total basic earnings (loss) per share | 2.93 | 2.27 |
| **Diluted earnings per share [abstract]** | | |
| Diluted earnings (loss) per share from continuing operations | 2.93 | 2.31 |
| Diluted earnings (loss) per share from discontinued operations | 0 | -0.04 |
| Total diluted earnings (loss) per share | 2.93 | 2.27 |

# [410000] Statement of comprehensive income, OCI components presented net of tax

| Concepto | Accumulated Current Year 2016-01-01 - 2016-03-31 | Accumulated Previous Year 2015-01-01 - 2015-03-31 |
|---|---|---|
| **Statement of comprehensive income [abstract]** | | |
| Profit (loss) | 1,315,279,000 | 1,051,351,000 |
| **Other comprehensive income [abstract]** | | |
| **Components of other comprehensive income that will not be reclassified to profit or loss, net of tax [abstract]** | | |
| Other comprehensive income, net of tax, gains (losses) from investments in equity instruments | 0 | 0 |
| Other comprehensive income, net of tax, gains (losses) on revaluation | 0 | 0 |
| Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans | -22,500,000 | 0 |
| Other comprehensive income, net of tax, change in fair value of financial liability attributable to change in credit risk of liability | 0 | 0 |
| Other comprehensive income, net of tax, gains (losses) on hedging instruments that hedge investments in equity instruments | 0 | 0 |
| Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, net of tax | 0 | 0 |
| Total other comprehensive income that will not be reclassified to profit or loss, net of tax | -22,500,000 | 0 |
| **Components of other comprehensive income that will be reclassified to profit or loss, net of tax [abstract]** | | |
| **Exchange differences on translation [abstract]** | | |
| Gains (losses) on exchange differences on translation, net of tax | 0 | 0 |
| Reclassification adjustments on exchange differences on translation, net of tax | 0 | 0 |
| Other comprehensive income, net of tax, exchange differences on translation | 0 | 0 |
| **Available-for-sale financial assets [abstract]** | | |
| Gains (losses) on remeasuring available-for-sale financial assets, net of tax | 0 | 0 |
| Reclassification adjustments on available-for-sale financial assets, net of tax | 0 | 0 |
| Other comprehensive income, net of tax, available-for-sale financial assets | 0 | 0 |
| **Cash flow hedges [abstract]** | | |
| Gains (losses) on cash flow hedges, net of tax | 32,486,000 | -4,121,000 |
| Reclassification adjustments on cash flow hedges, net of tax | 0 | 0 |
| Amounts removed from equity and included in carrying amount of non-financial asset (liability) whose acquisition or incurrence was hedged highly probable forecast transaction, net of tax | 0 | 0 |
| Other comprehensive income, net of tax, cash flow hedges | 32,486,000 | -4,121,000 |
| **Hedges of net investment in foreign operations [abstract]** | | |
| Gains (losses) on hedges of net investments in foreign operations, net of tax | 138,507,000 | -170,226,000 |
| Reclassification adjustments on hedges of net investments in foreign operations, net of tax | 0 | 0 |
| Other comprehensive income, net of tax, hedges of net investments in foreign operations | 138,507,000 | -170,226,000 |
| **Change in value of time value of options [abstract]** | | |
| Gains (losses) on change in value of time value of options, net of tax | 0 | 0 |
| Reclassification adjustments on change in value of time value of options, net of tax | 0 | 0 |
| Other comprehensive income, net of tax, change in value of time value of options | 0 | 0 |
| **Change in value of forward elements of forward contracts [abstract]** | | |
| Gains (losses) on change in value of forward elements of forward contracts, net of tax | 0 | 0 |
| Reclassification adjustments on change in value of forward elements of forward contracts, net of tax | 0 | 0 |
| Other comprehensive income, net of tax, change in value of forward elements of forward contracts | 0 | 0 |
| **Change in value of foreign currency basis spreads [abstract]** | | |
| Gains (losses) on change in value of foreign currency basis spreads, net of tax | 0 | 0 |
| Reclassification adjustments on change in value of foreign currency basis spreads, net of tax | 0 | 0 |
| Other comprehensive income, net of tax, change in value of foreign currency basis spreads | 0 | 0 |
| Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax | 0 | 0 |
| Total other comprehensive income that will be reclassified to profit or loss, net of tax | 170,993,000 | -174,347,000 |
| Total other comprehensive income | 148,493,000 | -174,347,000 |

| Concepto | Accumulated Current Year 2016-01-01 - 2016-03-31 | Accumulated Previous Year 2015-01-01 - 2015-03-31 |
|---|---|---|
| Total comprehensive income | 1,463,772,000 | 877,004,000 |
| **Comprehensive income attributable to [abstract]** | | |
| Comprehensive income, attributable to owners of parent | 1,413,969,000 | 808,437,000 |
| Comprehensive income, attributable to non-controlling interests | 49,803,000 | 68,567,000 |

# [520000] Statement of cash flows, indirect method

| Concepto | Accumulated Current Year 2016-01-01 - 2016-03-31 | Accumulated Previous Year 2015-01-01 - 2015-03-31 |
|---|---|---|
| **Statement of cash flows [abstract]** | | |
| **Cash flows from (used in) operating activities [abstract]** | | |
| Profit (loss) | 1,315,279,000 | 1,051,351,000 |
| **Adjustments to reconcile profit (loss) [abstract]** | | |
| Discontinued operations | 0 | 16,498,000 |
| Adjustments for income tax expense | 577,914,000 | 464,163,000 |
| Adjustments for finance costs | 0 | 0 |
| Adjustments for depreciation and amortisation expense | 444,272,000 | 380,552,000 |
| Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss | 43,000 | 0 |
| Adjustments for provisions | 0 | 0 |
| Adjustments for unrealised foreign exchange losses (gains) | -24,027,000 | 40,107,000 |
| Adjustments for share-based payments | 0 | 0 |
| Adjustments for fair value losses (gains) | 37,553,000 | -70,598,000 |
| Adjustments for undistributed profits of associates | 0 | 0 |
| Adjustments for losses (gains) on disposal of non-current assets | -9,066,000 | 1,033,000 |
| Participation in associates and joint ventures | 0 | 0 |
| Adjustments for decrease (increase) in inventories | 123,441,000 | 31,908,000 |
| Adjustments for decrease (increase) in trade accounts receivable | 43,063,000 | -192,730,000 |
| Adjustments for decrease (increase) in other operating receivables | -88,084,000 | -24,535,000 |
| Adjustments for increase (decrease) in trade accounts payable | -382,997,000 | -578,711,000 |
| Adjustments for increase (decrease) in other operating payables | 179,572,000 | -53,305,000 |
| Other adjustments for non-cash items | 0 | 0 |
| Other adjustments for which cash effects are investing or financing cash flow | 0 | 0 |
| Straight-line rent adjustment | 0 | 0 |
| Amortization of lease fees | 0 | 0 |
| Setting property values | 0 | 0 |
| Other adjustments to reconcile profit (loss) | -324,860,000 | -530,463,000 |
| Total adjustments to reconcile profit (loss) | 576,824,000 | -516,081,000 |
| Net cash flows from (used in) operations | 1,892,103,000 | 535,270,000 |
| Dividends paid | 0 | 0 |
| Dividends received | 0 | 0 |
| Interest paid | -134,563,000 | -119,313,000 |
| Interest received | -2,504,000 | -1,382,000 |
| Income taxes refund (paid) | 0 | 0 |
| Other inflows (outflows) of cash | 0 | 0 |
| Net cash flows from (used in) operating activities | 2,024,162,000 | 653,201,000 |
| **Cash flows from (used in) investing activities [abstract]** | | |
| Cash flows from losing control of subsidiaries or other businesses | 0 | 0 |
| Cash flows used in obtaining control of subsidiaries or other businesses | 0 | 619,595,000 |
| Other cash receipts from sales of equity or debt instruments of other entities | 0 | 0 |
| Other cash payments to acquire equity or debt instruments of other entities | 0 | 0 |
| Other cash receipts from sales of interests in joint ventures | 0 | 0 |
| Other cash payments to acquire interests in joint ventures | 0 | 0 |
| Proceeds from sales of property, plant and equipment | 15,332,000 | 66,155,000 |
| Purchase of property, plant and equipment | 914,276,000 | 385,954,000 |
| Proceeds from sales of intangible assets | 0 | 0 |
| Purchase of intangible assets | 634,000 | 1,095,000 |
| Proceeds from sales of other long-term assets | 0 | 0 |

| Concepto | Accumulated Current Year 2016-01-01 - 2016-03-31 | Accumulated Previous Year 2015-01-01 - 2015-03-31 |
|---|---|---|
| Purchase of other long-term assets | 0 | 0 |
| Proceeds from government grants | 0 | 0 |
| Cash advances and loans made to other parties | 0 | 0 |
| Cash receipts from repayment of advances and loans made to other parties | 0 | 0 |
| Cash payments for future contracts, forward contracts, option contracts and swap contracts | 0 | 0 |
| Cash receipts from future contracts, forward contracts, option contracts and swap contracts | 0 | 0 |
| Dividends received | 0 | 0 |
| Interest paid | 0 | 0 |
| Interest received | 2,504,000 | 1,382,000 |
| Income taxes refund (paid) | 0 | 0 |
| Other inflows (outflows) of cash | -471,000 | -4,977,000 |
| Net cash flows from (used in) investing activities | -897,545,000 | -944,084,000 |
| **Cash flows from (used in) financing activities [abstract]** | | |
| Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control | 0 | 0 |
| Payments from changes in ownership interests in subsidiaries that do not result in loss of control | 0 | 0 |
| Proceeds from issuing shares | 0 | 0 |
| Proceeds from issuing other equity instruments | 0 | 0 |
| Payments to acquire or redeem entity's shares | 0 | 0 |
| Payments of other equity instruments | 0 | 0 |
| Proceeds from borrowings | 1,012,344,000 | 2,236,244,000 |
| Repayments of borrowings | 1,732,200,000 | 1,893,609,000 |
| Payments of finance lease liabilities | 0 | 0 |
| Proceeds from government grants | 0 | 0 |
| Dividends paid | 0 | 0 |
| Interest paid | 41,606,000 | 34,541,000 |
| Income taxes refund (paid) | 0 | 0 |
| Other inflows (outflows) of cash | 81,933,000 | 26,402,000 |
| Net cash flows from (used in) financing activities | -679,529,000 | 334,496,000 |
| Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes | 447,088,000 | 43,613,000 |
| **Effect of exchange rate changes on cash and cash equivalents [abstract]** | | |
| Effect of exchange rate changes on cash and cash equivalents | 30,341,000 | -21,885,000 |
| Net increase (decrease) in cash and cash equivalents | 477,429,000 | 21,728,000 |
| Cash and cash equivalents at beginning of period | 2,919,054,000 | 1,465,088,000 |
| Cash and cash equivalents at end of period | 3,396,483,000 | 1,486,816,000 |

# [610000] Statement of changes in equity - Year Current

| | Components of equity [axis] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Hoja 1 de 3 | Issued capital [member] | Share premium [member] | Treasury shares [member] | Retained earnings [member] | Revaluation surplus [member] | Reserve of exchange differences on translation [member] | Reserve of cash flow hedges [member] | Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member] | Reserve of change in value of time value of options [member] |
| **Retrospective application and retrospective restatement [axis]** | | | | | | | | | |
| **Statement of changes in equity [line items]** | | | | | | | | | |
| Equity at beginning of period | 5,363,595,000 | 0 | 0 | 11,154,288,000 | 0 | 492,985,000 | 23,302,000 | 0 | 0 |
| **Changes in equity [abstract]** | | | | | | | | | |
| **Comprehensive income [abstract]** | | | | | | | | | |
| Profit (loss) | 0 | 0 | 0 | 1,266,696,000 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | -22,500,000 | 0 | 138,335,000 | 31,438,000 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | 1,244,196,000 | 0 | 138,335,000 | 31,438,000 | 0 | 0 |
| Issue of equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends recognised as distributions to owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase through other contributions by owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease through other distributions to owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through other changes, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through treasury share transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through share-based payment transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total increase (decrease) in equity | 0 | 0 | 0 | 1,244,196,000 | 0 | 138,335,000 | 31,438,000 | 0 | 0 |
| Equity at end of period | 5,363,595,000 | 0 | 0 | 12,398,484,000 | 0 | 631,320,000 | 54,740,000 | 0 | 0 |

| | Components of equity [axis] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Hoja 2 de 3 | Reserve of change in value of forward elements of forward contracts [member] | Reserve of change in value of foreign currency basis spreads [member] | Reserve of gains and losses on remeasuring available-for-sale financial assets [member] | Reserve of share-based payments [member] | Reserve of remeasurements of defined benefit plans [member] | Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member] | Reserve of gains and losses from investments in equity instruments [member] | Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member] | Reserve for catastrophe [member] |
| **Retrospective application and retrospective restatement [axis]** | | | | | | | | | |
| **Statement of changes in equity [line items]** | | | | | | | | | |
| Equity at beginning of period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Changes in equity [abstract]** | | | | | | | | | |
| **Comprehensive income [abstract]** | | | | | | | | | |
| Profit (loss) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Issue of equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends recognised as distributions to owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase through other contributions by owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease through other distributions to owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through other changes, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through treasury share transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through share-based payment transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total increase (decrease) in equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | Components of equity [axis] | | | | | | |
|---|---|---|---|---|---|---|---|
| Hoja 3 de 3 | Reserve for equalisation [member] | Reserve of discretionary participation features [member] | Other comprehensive income [member] | Other reserves [member] | Equity attributable to owners of parent [member] | Non-controlling interests [member] | Equity [member] |
| **Retrospective application and retrospective restatement [axis]** | | | | | | | |
| **Statement of changes in equity [line items]** | | | | | | | |
| Equity at beginning of period | 0 | 0 | 0 | 516,287,000 | 17,034,170,000 | 1,559,716,000 | 18,593,886,000 |
| **Changes in equity [abstract]** | | | | | | | |
| **Comprehensive income [abstract]** | | | | | | | |
| Profit (loss) | 0 | 0 | 0 | 0 | 1,266,696,000 | 48,583,000 | 1,315,279,000 |
| Other comprehensive income | 0 | 0 | 0 | 169,773,000 | 147,273,000 | 1,220,000 | 148,493,000 |
| Total comprehensive income | 0 | 0 | 0 | 169,773,000 | 1,413,969,000 | 49,803,000 | 1,463,772,000 |
| Issue of equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends recognised as distributions to owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase through other contributions by owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease through other distributions to owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through other changes, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through treasury share transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through share-based payment transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total increase (decrease) in equity | 0 | 0 | 0 | 169,773,000 | 1,413,969,000 | 49,803,000 | 1,463,772,000 |
| Equity at end of period | 0 | 0 | 0 | 686,060,000 | 18,448,139,000 | 1,609,519,000 | 20,057,658,000 |

# [610000] Statement of changes in equity - Year Previous

| | Components of equity [axis] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Hoja 1 de 3 | Issued capital [member] | Share premium [member] | Treasury shares [member] | Retained earnings [member] | Revaluation surplus [member] | Reserve of exchange differences on translation [member] | Reserve of cash flow hedges [member] | Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member] | Reserve of change in value of time value of options [member] |
| **Retrospective application and retrospective restatement [axis]** | | | | | | | | | |
| **Statement of changes in equity [line items]** | | | | | | | | | |
| Equity at beginning of period | 5,363,595,000 | 0 | 0 | 11,371,983,000 | 0 | -166,119,000 | -5,813,000 | 0 | 0 |
| **Changes in equity [abstract]** | | | | | | | | | |
| **Comprehensive income [abstract]** | | | | | | | | | |
| Profit (loss) | 0 | 0 | 0 | 982,538,000 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | -169,979,000 | -4,121,000 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | 982,538,000 | 0 | -169,979,000 | -4,121,000 | 0 | 0 |
| Issue of equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends recognised as distributions to owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase through other contributions by owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease through other distributions to owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through other changes, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through treasury share transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through share-based payment transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total increase (decrease) in equity | 0 | 0 | 0 | 982,538,000 | 0 | -169,979,000 | -4,121,000 | 0 | 0 |
| Equity at end of period | 5,363,595,000 | 0 | 0 | 12,354,521,000 | 0 | -336,098,000 | -9,934,000 | 0 | 0 |

| | Components of equity [axis] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Hoja 2 de 3 | Reserve of change in value of forward elements of forward contracts [member] | Reserve of change in value of foreign currency basis spreads [member] | Reserve of gains and losses on remeasuring available-for-sale financial assets [member] | Reserve of share-based payments [member] | Reserve of remeasurements of defined benefit plans [member] | Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member] | Reserve of gains and losses from investments in equity instruments [member] | Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member] | Reserve for catastrophe [member] |
| **Retrospective application and retrospective restatement [axis]** | | | | | | | | | |
| **Statement of changes in equity [line items]** | | | | | | | | | |
| Equity at beginning of period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Changes in equity [abstract]** | | | | | | | | | |
| **Comprehensive income [abstract]** | | | | | | | | | |
| Profit (loss) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Issue of equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends recognised as distributions to owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase through other contributions by owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease through other distributions to owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through other changes, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through treasury share transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through share-based payment transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total increase (decrease) in equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | Components of equity [axis] | | | | | | |
|---|---|---|---|---|---|---|---|
| Hoja 3 de 3 | Reserve for equalisation [member] | Reserve of discretionary participation features [member] | Other comprehensive income [member] | Other reserves [member] | Equity attributable to owners of parent [member] | Non-controlling interests [member] | Equity [member] |
| **Retrospective application and retrospective restatement [axis]** | | | | | | | |
| **Statement of changes in equity [line items]** | | | | | | | |
| Equity at beginning of period | 0 | 0 | 0 | -171,932,000 | 16,563,646,000 | 1,520,600,000 | 18,084,246,000 |
| **Changes in equity [abstract]** | | | | | | | |
| **Comprehensive income [abstract]** | | | | | | | |
| Profit (loss) | 0 | 0 | 0 | 0 | 982,538,000 | 68,813,000 | 1,051,351,000 |
| Other comprehensive income | 0 | 0 | 0 | -174,100,000 | -174,100,000 | -247,000 | -174,347,000 |
| Total comprehensive income | 0 | 0 | 0 | -174,100,000 | 808,438,000 | 68,566,000 | 877,004,000 |
| Issue of equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends recognised as distributions to owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase through other contributions by owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease through other distributions to owners, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through other changes, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through treasury share transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) through share-based payment transactions, equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total increase (decrease) in equity | 0 | 0 | 0 | -174,100,000 | 808,438,000 | 68,566,000 | 877,004,000 |
| Equity at end of period | 0 | 0 | 0 | -346,032,000 | 17,372,084,000 | 1,589,166,000 | 18,961,250,000 |

# [700000] Informative data about the Statement of financial position

| Concepto | Close Current Quarter 2016-03-31 | Close Previous Exercise 2015-12-31 |
|---|---|---|
| Informative data of the Statement of Financial Position [abstract] | | |
| Capital stock (nominal) | 5,363,595,000 | 5,363,595,000 |
| Restatement of capital stock | 0 | 0 |
| Plan assets for pensions and seniority premiums | 0 | 0 |
| Number of executives | 0 | 0 |
| Number of employees | 6414 | 6281 |
| Number of workers | 13161 | 12836 |
| Outstanding shares | 432749079 | 432749079 |
| Repurchased shares | 0 | 0 |
| Restricted cash | 0 | 0 |
| Guaranteed debt of associated companies | 0 | 0 |

# [700002] Informative data about the Income statement

| Concepto | Accumulated Current Year 2016-01-01 - 2016-03-31 | Accumulated Previous Year 2015-01-01 - 2015-03-31 |
|---|---|---|
| Informative data of the Income Statement [abstract] | | |
| Operating depreciation and amortization | 444,315,000 | 380,552,000 |

# [700003] Informative data - Income statement for 12 months

| Concepto | Current Year<br>2015-04-01 - 2016-03-31 | Previous Year<br>2014-04-01 - 2015-03-31 |
|---|---|---|
| **Informative data - Income Statement for 12 months [abstract]** | | |
| Revenue | 60,587,109,000 | 51,391,504,000 |
| Profit (loss) from operating activities | 7,783,940,000 | 6,280,384,000 |
| Profit (loss) | 1,348,523,000 | 4,860,475,000 |
| Profit (loss), attributable to owners of parent | 1,045,971,000 | 4,647,539,000 |
| Operating depreciation and amortization | 1,834,866,000 | 1,482,645,000 |

# [800001] Breakdown of credits

| Institución [eje] | Institución Extranjera (Si/No) | Fecha de firma/contrato | Fecha de vencimiento | Tasa de interés y/o sobretasa | Denominación [eje] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Moneda nacional [miembro] | | | | | | Moneda extranjera [miembro] | | | | | |
| | | | | | Intervalo de tiempo [eje] | | | | | | Intervalo de tiempo [eje] | | | | | |
| | | | | | Año actual [miembro] | Hasta 1 año [miembro] | Hasta 2 años [miembro] | Hasta 3 años [miembro] | Hasta 4 años [miembro] | Hasta 5 años o más [miembro] | Año actual [miembro] | Hasta 1 año [miembro] | Hasta 2 años [miembro] | Hasta 3 años [miembro] | Hasta 4 años [miembro] | Hasta 5 años o más [miembro] |
| Bancarios [sinopsis] | | | | | | | | | | | | | | | | |
| Comercio exterior (bancarios) | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Con garantía (bancarios) | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Banca comercial | | | | | | | | | | | | | | | | |
| 1. MERCANTIL COMMERCE BANK | SI | 2016-01-15 | 2016-04-14 | VAR. L +1.20% | 0 | 0 | 0 | 0 | 0 | 0 | 95,708,000 | 0 | 0 | 0 | 0 | 0 |
| 2. BANCO BLADEX | SI | 2015-11-23 | 2016-05-20 | VAR. L +1.15% | 0 | 0 | 0 | 0 | 0 | 0 | 87,008,000 | 0 | 0 | 0 | 0 | 0 |
| 3. SCOTIABANK | SI | 2016-03-09 | 2016-06-09 | FIJO 2.35% | 0 | 0 | 0 | 0 | 0 | 0 | 34,803,000 | 0 | 0 | 0 | 0 | 0 |
| 4. BANCO BLADEX | SI | 2016-03-14 | 2016-06-09 | VAR. L +1.15% | 0 | 0 | 0 | 0 | 0 | 0 | 87,008,000 | 0 | 0 | 0 | 0 | 0 |
| 5. BANCO BLADEX | SI | 2016-03-15 | 2016-06-13 | VAR. L +1.15% | 0 | 0 | 0 | 0 | 0 | 0 | 130,511,000 | 0 | 0 | 0 | 0 | 0 |
| 6. MERCANTIL COMMERCE BANK | SI | 2016-01-22 | 2016-04-21 | VAR. L +1.20% | 0 | 0 | 0 | 0 | 0 | 0 | 60,905,000 | 0 | 0 | 0 | 0 | 0 |
| 7. MERCANTIL COMMERCE BANK | SI | 2016-03-01 | 2016-05-03 | VAR. L +1.20% | 0 | 0 | 0 | 0 | 0 | 0 | 109,629,000 | 0 | 0 | 0 | 0 | 0 |
| 8. BANCO BLADEX | SI | 2016-03-15 | 2016-06-13 | VAR. L +1.15% | 0 | 0 | 0 | 0 | 0 | 0 | 43,504,000 | 0 | 0 | 0 | 0 | 0 |
| 9. BBVA ESPAÑA | SI | 2015-06-30 | 2020-10-09 | FIJO 1.29% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,786,000 | 8,359,000 | 7,908,000 | 8,010,000 | 3,816,000 |
| 10. BBVA ESPAÑA | SI | 2015-06-30 | 2016-04-18 | FIJO 5.50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 89,000 | 0 | 0 | 0 | 0 |
| 11. REINDUS | SI | 2015-06-30 | 2022-10-01 | FIJO 3.95% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,122,000 | 2,951,000 | 2,537,000 | 2,537,000 | 7,611,000 |
| 12. SANTANDER ESPAÑA | SI | 2015-06-30 | 2021-12-15 | FIJO 1.29% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,867,000 | 5,355,000 | 4,785,000 | 4,847,000 | 9,888,000 |
| 13. BANKINTER | SI | 2014-01-01 | 2017-01-28 | FIJO 2.39% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 320,000 | 0 | 0 | 0 | 0 |
| 14. BANKINTER | SI | 2014-01-01 | 2017-02-20 | FIJO 2.48% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 883,000 | 110,000 | 0 | 0 | 0 |
| 15. BANCO POPULAR | SI | 2014-01-01 | 2020-03-25 | FIJO 2.39% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 434,000 | 730,000 | 592,000 | 617,000 | 0 |
| 16. CREDIT AGRICOLE LEASING | SI | 2012-12-28 | 2017-09-12 | FIJO 3.99% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,834,000 | 2,999,000 | 0 | 0 | 0 |
| 17. BANCA INTESA SANPAOLO GROUP | SI | 2015-12-24 | 2020-06-30 | FIJO 1.19% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44,141,000 | 35,080,000 | 35,080,000 | 35,080,000 | 626,000 |
| 18. HSBC | SI | 2015-03-31 | 2016-12-31 | VAR. 13.75% | 0 | 0 | 0 | 0 | 0 | 0 | 55,888,000 | 0 | 0 | 0 | 0 | 0 |
| 19. BONO 10Y2024 | SI | 2014-12-05 | 2024-12-01 | FIJO 4.875% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,900,603,000 |
| 20. RABOBANK | SI | 2013-06-13 | 2018-06-13 | VAR. L3+1.5% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 574,250,000 | 574,250,000 | 2,096,261,000 | 0 | 0 |
| 21. RABOBANK | SI | 2011-06-15 | 2018-06-17 | VAR. L3+0.95% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 861,895,000 | 0 | 0 |
| 22. FIDEICOMISO AAA NAFINSA | NO | 1994-05-16 | 2020-06-18 | FIJO 6.20% | 43,022,000 | 5,514,000 | 6,468,000 | 1,081,000 | 1,327,000 | 832,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. BBVA | NO | 2016-03-11 | 2016-04-01 | FIJO 0.87% | 0 | 0 | 0 | 0 | 0 | 0 | 156,615,000 | 0 | 0 | 0 | 0 | 0 |
| 24. BBVA | NO | 2016-03-31 | 2016-04-07 | FIJO 4.27% | 80,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. BBVA | NO | 2016-03-15 | 2016-04-14 | FIJO 4.48% | 100,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. BBVA | NO | 2016-03-16 | 2016-04-06 | FIJO 4.36% | 270,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | NO | | | | 493,022,000 | 5,514,000 | 6,468,000 | 1,081,000 | 1,327,000 | 832,000 | 861,579,000 | 632,726,000 | 629,834,000 | 3,009,058,000 | 51,091,000 | 6,922,544,000 |
| Otros bancarios | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total bancarios | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 493,022,000 | 5,514,000 | 6,468,000 | 1,081,000 | 1,327,000 | 832,000 | 861,579,000 | 632,726,000 | 629,834,000 | 3,009,058,000 | 51,091,000 | 6,922,544,000 |
| Bursátiles y colocaciones privadas [sinopsis] | | | | | | | | | | | | | | | | |
| Bursátiles listadas en bolsa (quirografarios) | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bursátiles listadas en bolsa (con garantía) | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Institución [eje] | Institución Extranjera (Si/No) | Fecha de firma/contrato | Fecha de vencimiento | Tasa de interés y/o sobretasa | Denominación [eje] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Moneda nacional [miembro] | | | | | | Moneda extranjera [miembro] | | | | | |
| | | | | | Intervalo de tiempo [eje] | | | | | | Intervalo de tiempo [eje] | | | | | |
| | | | | | Año actual [miembro] | Hasta 1 año [miembro] | Hasta 2 años [miembro] | Hasta 3 años [miembro] | Hasta 4 años [miembro] | Hasta 5 años o más [miembro] | Año actual [miembro] | Hasta 1 año [miembro] | Hasta 2 años [miembro] | Hasta 3 años [miembro] | Hasta 4 años [miembro] | Hasta 5 años o más [miembro] |
| **Colocaciones privadas (quirografarios)** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Colocaciones privadas (con garantía)** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total bursátiles listados en bolsa y colocaciones privadas** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Otros pasivos circulantes y no circulantes con costo [sinopsis]** | | | | | | | | | | | | | | | | |
| **Otros pasivos circulantes y no circulantes con costo** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total otros pasivos circulantes y no circulantes con costo** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Proveedores [sinopsis]** | | | | | | | | | | | | | | | | |
| **Proveedores** | | | | | | | | | | | | | | | | |
| VARIOS | NO | 2016-01-04 | 2017-03-31 | | 0 | 885,747,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VARIOS EXT | NO | 2016-01-04 | 2017-03-31 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,709,657,000 | 0 | 0 | 0 | 0 |
| TOTAL | NO | | | | 0 | 885,747,000 | 0 | 0 | 0 | 0 | 0 | 2,709,657,000 | 0 | 0 | 0 | 0 |
| **Total proveedores** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 885,747,000 | 0 | 0 | 0 | 0 | 0 | 2,709,657,000 | 0 | 0 | 0 | 0 |
| **Otros pasivos circulantes y no circulantes sin costo [sinopsis]** | | | | | | | | | | | | | | | | |
| **Otros pasivos circulantes y no circulantes sin costo** | | | | | | | | | | | | | | | | |
| VARIOS CORTO PLAZO | NO | | | | 0 | 128,351,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | NO | | | | 0 | 128,351,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total otros pasivos circulantes y no circulantes sin costo** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 0 | 128,351,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total de créditos** | | | | | | | | | | | | | | | | |
| TOTAL | NO | | | | 493,022,000 | 1,019,612,000 | 6,468,000 | 1,081,000 | 1,327,000 | 832,000 | 861,579,000 | 3,342,383,000 | 629,834,000 | 3,009,058,000 | 51,091,000 | 6,922,544,000 |

# [800003] Annex - Monetary foreign currency position

| | Currencies [axis] | | | | |
|---|---|---|---|---|---|
| | Dollars [member] | Dollar equivalent in pesos [member] | Other currencies equivalent in dollars [member] | Other currencies equivalent in pesos [member] | Total pesos [member] |
| **Foreign currency position [abstract]** | | | | | |
| **Monetary assets [abstract]** | | | | | |
| Current monetary assets | 319,411,000 | 5,558,231,000 | 145,757,000 | 2,536,394,000 | 8,094,625,000 |
| Non-current monetary assets | 754,000 | 13,121,000 | 2,922,000 | 50,850,000 | 63,971,000 |
| Total monetary assets | 320,165,000 | 5,571,352,000 | 148,679,000 | 2,587,244,000 | 8,158,596,000 |
| **Liabilities position [abstract]** | | | | | |
| Current liabilities | 350,548,000 | 6,100,061,000 | 79,780,000 | 1,388,285,000 | 7,488,346,000 |
| Non-current liabilities | 633,038,000 | 11,015,811,000 | 15,084,000 | 262,476,000 | 11,278,287,000 |
| Total liabilities | 983,586,000 | 17,115,872,000 | 94,864,000 | 1,650,761,000 | 18,766,633,000 |
| Net monetary assets (liabilities) | -663,421,000 | -11,544,520,000 | 53,815,000 | 936,483,000 | -10,608,037,000 |

# [800005] Annex - Distribution of income by product

| | Income type [axis] | | | |
|---|---|---|---|---|
| | National income [member] | Export income [member] | Income of subsidiaries abroad [member] | Total income [member] |
| **MASECA** | | | | |
| HARINA DE MAIZ | 4,072,901,000 | 0 | 0 | 4,072,901,000 |
| **MASECA, MISSION, GUERRERO** | | | | |
| H. DE MAIZ, TORTILLAS, OTROS | 0 | 0 | 11,757,654,000 | 11,757,654,000 |
| TOTAL | 4,072,901,000 | 0 | 11,757,654,000 | 15,830,555,000 |

# [800007] Annex - Financial derivate instruments

## Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading [text block]

otro fines tales como negociación [bloque de texto]

1. Derivative financial instruments contracting policies.

   Gruma's policies regarding financial instruments establish that the acquisition of any derivative financial instruments agreement must be associated with the hedging of an underlying operation of the company, such as the purchase of inventory or fuel consumption (commodities), interest payment at a determined rate, foreign currency payments at an exchange rate, among others.

   Gruma has a Risks Management policy that details the procedure to authorize their contracting.

2. General description of the objectives to use derivative financial instruments.

   The availability and price of corn and other agricultural commodities are subject to important fluctuations due to factors that are beyond our control, such as the weather, planting seasons, agricultural programs and government policies (both national and foreign), changes in the global supply/demand created by population growth, competitors and global production of similar harvests. The objective of using derivative financial instruments is to reduce the aforementioned risks.

   Likewise, in the normal course of business, Gruma enters into transactions in which it could be exposed to risks for changes in the interest rates or for fluctuations of exchange rates. The variations in the exchange rates can result from changes in the economic conditions, tax and monetary policies, volatile conditions, global markets liquidity, international and local political events, among others. In order to minimize these risks Gruma has entered into certain financial instruments.

3. Instruments used and hedging or negotiation strategies implemented.

   We hedge a part of our production requirements through futures and options contracts in order to minimize the risk generated by the fluctuations in the price and supply of corn, natural gas and diesel, risk that exists as an ordinary part of our business.

   Additionally, Gruma has entered into certain financial instruments such as interest rate swaps and foreign exchange financial instruments (FX).

4. Allowed negotiation markets and eligible counterparties.

## Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading [text block]

In order to minimize the counterparty solvency risk, Gruma enters into derivative financial instruments only with major national and international financial institutions using mainly, when applicable depending on the derivative instrument used, the standard International Swaps and Derivatives Association, Inc. ("ISDA") authorized forms and long form confirmation agreements.

5. Policies on the appointment of calculation or valuation agents.

   Gruma appoints the counterparties as calculation agents who periodically send the account statements of the open positions of the financial instruments.

6. Policies on margins, collaterals, credit lines, VAR.

   The Central Risks Committee of Gruma establishes that the derivative financial transactions may be performed with collaterals or using credit lines for that purpose.

   The majority of the executed transactions establish certain obligations on behalf of the Issuer to guarantee, from time to time, the differential between fair value and the credit line (risk margin) established with the respective financial institutions, consequently the timely compliance of those obligations are assured. Additionally, it is made clear that, upon failure to fulfill the obligations of providing collateral, the counterparty will have the right, but not the obligation, to early terminate the transactions in place, and to demand the corresponding consideration pursuant to the agreed terms. In addition and in order to maintain a risk exposure level within the boundaries authorized by the Central Risks Committee and the Audit Committee, the Corporate Treasury department reports, in a weekly and monthly manner, the information about the Derivative Financial Instruments to such organs, respectively, and quarterly to the Board of Directors.

   As of this date, Gruma has margin calls with their counterparty for $209,586 thousand pesos.

7. Internal control procedures to manage the exposure to market and liquidity risks.

   The Finance Department of each region in which the company has operations, evaluates the changes in the exposure of the derivative financial instruments and periodically informs them to the Corporate Financial & Planning Management, and the latter informs the General Management and the Central Risks Committee when the market conditions have materially changed. The execution of the derivative financial instruments is authorized pursuant to the guidelines set forth in the Risks Management policy of the company.

8. Existence of an independent third party who reviews the aforementioned procedures.

   The procedures are reviewed in the external audit process performed by

## Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading [text block]

PricewaterhouseCoopers, S.C. annually.

9. Information regarding the authorization of the use of derivatives and if there is a committee in charge of giving those authorizations and the derivatives risk management.

   All derivative financial transactions must be previously authorized by a Divisional Risks Committee and by the Central Risks Committee which is formed by members of the senior management and approved by the Audit Committee and the Board of Directors.

## General description about valuation techniques, standing out the instruments valuated at cost or fair value, just like methods and valuation techniques [text block]

1. Description of methods, valuation techniques and valuation frequency:

   Derivative financial instruments that are not reported as hedging instruments for accounting purposes are initially recorded at fair value, and at the end of each reporting period they are re-measured at their fair value. The result of this valuation is recognized in the income statement. All accounting records comply with applicable regulations and are based on the official financial statements of each Financial Institution.

   For derivative financial instruments that qualify as cash flow hedges, the effects of changes in the fair value of such derivative financial instrument are included within the other comprehensive income in equity, based on an evaluation of the hedge effectiveness. Such changes in the fair value are reclassified to income in the period when the firm commitment or projected transaction is realized. Derivative financial instruments that qualify as fair value hedges are initially recorded at fair value and the effects of changes in the fair value 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.

2. Clarification concerning if the valuation is performed by an independent third party or if it is an internal valuation and on which cases one or the other valuation is used. If it is performed by a third party, if his arranger, seller or counterparty of the derivative financial instrument is mentioned.

   Gruma determines the fair value based on recognized market prices. When not quoted in markets, fair value is determined using valuation techniques commonly used in the financial

## General description about valuation techniques, standing out the instruments valuated at cost or fair value, just like methods and valuation techniques [text block]

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. Regarding purchases of corn, natural gas and diesel futures the market values of the US Chicago and New York futures exchanges are taken as reference, through the specialized Financial Institutions engaged for such purposes. These valuations are made periodically.

3. For hedging instruments, explanation of the method used to determine the effectiveness of the same, identifying the current available hedging level of the global position.

   Effectiveness of hedges is determined when the changes in fair value or cash flows of the underlying operation are offset by changes in fair value or cash flows of the hedging instrument in a ratio that falls within an inverse correlation range from 80% to 125%.

   When a hedge is no longer effective as well as when the hedge does not comply with the documentation requirements set forth in the International Financial Reporting Standards the results of the valuation of the financial instruments at their fair value are recognized in the income statement.

   As of March 31, 2016, the open positions of financial instruments of corn that qualified as hedges had 100% of effectiveness.

## Management discussion about intern and extern sources of liquidity that could be used for attending requirements related to financial derivate instruments [text block]

1. Discussion about the internal and external sources of liquidity that could be used to attend the requirements related to derivative financial instruments.

   There is potential liquidity requirements under our derivative financial instruments described in Section II below. Gruma plans to use its available cash flow as well as other available liquidity sources to satisfy such liquidity requirements.

## Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]

1. Description of the changes in the exposure to major identified risks, its management and contingencies that could affect it in future reports.

   The availability and price of corn and other agricultural commodities are subject to important fluctuations due to factors that are beyond our control, such as the weather, planting seasons, agricultural programs and government policies (both national and foreign), changes in the global supply/demand created by population growth, competitors and global production of similar harvests. We hedge a part of our production requirements through futures contracts and options in order to reduce the risk generated by the fluctuations in price and supply of corn, natural gas and diesel, risks that exist in the normal course of our business.

   Gruma carried out forward and options transactions with the intention of hedging the currency risk of the Mexican peso with respect to the U.S. dollar, related with the price of corn purchases for domestic and imported harvest. The fair value of these derivative instruments can decrease or increase in the future before the instruments expire. The variations in the exchange rate can result from changes in the economic conditions, tax and monetary policies, volatile conditions, global markets liquidity, international and local political events, among others.

2. Disclosure of eventualities, such as changes on the value of the underlying asset, which cause it to differ from the one originally agreed, that modify it, or that the hedging level has changed, pursuant to which the issuer is required to assume new obligations or affect its liquidity:

   Gruma carried out forward and options transactions with the intention of hedging the currency risk of the Mexican peso with respect to the U.S. dollar, related with the price of corn purchases for domestic and imported harvest. The fair value of these derivative instruments can decrease or increase in the future before the instruments expire. The variations in the exchange rate can result from changes in the economic conditions, tax and monetary policies, volatile conditions, global markets liquidity, international and local political events, among others.

3. Include Influence on results or cash flow of the mentioned derivative transactions:

   As of March 31, 2016, the open positions of corn and fuels financial instruments were valued at their fair value. The financial instruments of corn that qualified as hedges for accounting purposes represented a loss of $14,739 thousand pesos which was applied to other comprehensive income in equity.

   The Company entered into hedge contracts for corn purchases of $9,430 thousand pesos, which were designated as fair value hedges. Therefore, the derivative financial instruments, as well as the assets and liabilities being hedged, are recognized at fair value at the trade date.

## Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]

Changes in the fair value of the derivative financial instruments and the assets and liabilities being hedged are recognized in income of the year. As of March 31, 2016, the effectiveness of these hedges was 100%.

The open positions of fuels financial instruments that did not qualify as hedges for accounting purposes represented a loss of $68,379 thousand pesos which was applied to the income statement.

The foreign exchange derivative financial instruments were valuated at fair value. As of March 31, 2106, the open positions of these instruments represented a loss of approximately $60,290 thousand pesos which was reflected on the income statement.

4. Description and number of the derivative financial instruments that had expired during the quarter and those which its position has been closed.

   As of March 31, 2016, the Company reclassified the amount of $15,266 thousand pesos from comprehensive income and recognized it as part of inventory. This amount refers to the loss 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 $60,363 thousand pesos, which was recognized in comprehensive income, and will be transferred to inventory once the corn is received.

   The operations that concluded during the first quarter of 2016, for financial instruments of corn and fuels, recognized in income, represented a loss of $22,486 thousand pesos.

   The operations that concluded during the first quarter of 2016 regarding the foreign exchange financial instruments originated a profit of $81,933 thousand pesos which was reflected on the income statement.

5. Description and number of the margin calls presented during the quarter.

   As of March 31, 2016, the company has revolving funds denominated “margin calls” for $209,586 thousand pesos. The margin calls are required upon the variations in the prices of the underlying asset as collateral in favor of the counterparty in order to reduce the risk of non-payment in an event of default.

6. Disclosure of any breach that has been presented to the respective agreements.

   The company has complied with all obligations under its derivative financial instruments agreements.

# Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]

# Quantitative information for disclosure [text block]

## I. Characteristics of the derivative financial instruments as of the date of this report.

**Summary of Derivative Financial Instruments as of March 31, 2016**

**Amounts in Thousands of Pesos**

*Corn and Fuels Derivative Financial Instruments*

| 20. Type of Derivative | 21. Hedging / Negotiation purpouse | 22. Notional Amount | | | | 22. Underlying Asset (pesos) | | Fair Value (Thousands of pesos) | | 24. Installments (Thousands of pesos) | | 25. Collatrall / Lines of credit / Guarantees (Thousands of pesos) | Long / Short |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1st Quarter 2016 | | 4th Quarter 2015 | | 1st Quarter 2016 | 4th Quarter 2015 | 1st Quarter 2016 | 4th Quarter 2015 | 2016 | 2017 | | |
| Corn futures | Hedge | 14,490,000 | Bushels | 14,375,000 | Bushels | 66.9090 | 64.6138 | (21,966) | (31,266) | (21,966) | | 129,916 | Long |
| Put Spread | Hedge | 20,765,000 | Bushels | | | 65.0196 | | 7,227 | | 7,227 | | n.a. | Long |
| Swap | Hedge | 15,660,000 | Bushels | | | 65.6274 | | 9,430 | | 9,430 | | n.a. | Long |
| HO/Gasoline futures | Negotioation* | 4,830,000 | Gallons | 3,696,000 | Gallons | 21.4426 | 22.7219 | (44,615) | (43,612) | (46,927) | 2,312 | 79,671 | Long |
| Swap | Negotioation* | 5,280,000 | Mmbtu | 4,990,000 | Mmbtu | 44.0469 | 47.3487 | (23,763) | (28,091) | (30,945) | 7,182 | n.a. | Long |
| | | | | | | | | (73,688) | (102,969) | (83,181) | 9,494 | 209,586 | |

*Exchange Rate Derivative Financial Instruments*

| 20. Type of Derivative | Purchase / Sell | 21. Hedging / Negotiation purpouse | Currency exchange | 22. Notional Amount (Thousands of USD) | | 22. Underlying Asset (pesos) | | Fair Value (Thousands of pesos) | | 24. Installments (Thousands of pesos) | 25. Collatrall / Lines of credit / Guarantees (Thousands of pesos) | Long / Short |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 1st Quarter 2016 | 4th Quarter 2015 | 1st Quarter 2016 | 4th Quarter 2015 | 1st Quarter 2016 | 4th Quarter 2015 | 2016 | | |
| Forwards | Purchase | Negotiation* | USD-MXN | 29,800 | 54,581 | 17.4740 | 17.2389 | (22,468) | 40,298 | (22,468) | n.a. | Long |
| Options | Purchase | Negotiation* | USD-MXN | 69,048 | | 17.0643 | | (524) | | (524) | n.a. | Long |
| Options | Purchase | Negotiation* | USD-MXN | 43,300 | | 17.4597 | | (10,358) | | (10,358) | n.a. | Long |
| Options | Purchase | Negotiation* | USD-MXN | 86,600 | | 17.1374 | | (19,863) | | (19,863) | n.a. | Long |
| Options | Purchase | Negotiation* | USD-MXN | 20,000 | | 17.4628 | | (4,492) | | (4,492) | n.a. | Long |
| Options | Purchase | Negotiation* | USD-MXN | 16,500 | | 17.4288 | | (2,585) | | (2,585) | n.a. | Long |
| | | | | 265,248 | 54,581 | | | (60,290) | 40,298 | (60,290) | | |

* The sole purpose of the Company's acquisition of derivative financial instruments is hedging market and liquidity risks, notwithstanding, the accounting rules require specific documentation and evidence to classify a derivative financial instrument as a hedging instrument, and consequently the company classified its derivative financial instruments as negotiation instruments.

23. As of March 31, 2016, the financial instruments transactions of corn and fuels in long positions represented a loss of $73,688 thousand pesos and the financial instruments transactions of

## Quantitative information for disclosure [text block]

exchange rate represented a profit of $60,290 thousand pesos in long positions.

25. As of March 31, 2016 the Company has revolving funds denominated “margin calls” for $209,586 thousand pesos, required upon variations in prices of the underlying asset as collateral in favor of the counterparty in order to reduce the risk of non-payment in an event of default.

As of March 31, 2016, the Company reclassified the amount of $15,266 thousand pesos from comprehensive income and recognized it as part of inventory. This amount refers to the loss 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 $60,363 thousand pesos, which was recognized in comprehensive income, and will be transferred to inventory once the corn is received.

The operations that concluded during the first quarter of 2016, for financial instruments of corn and fuels, recognized in income, represented a loss of $22,486 thousand pesos.

The operations that concluded during the first quarter of 2016 regarding the foreign exchange financial instruments originated a profit of $81,933 thousand pesos which was reflected on the income statement.

### I. Sensitivity analysis

*Corn and Fuels Derivative Financial Instruments*:

According to the position as of March 31, 2016, a hypothetical 10 percent loss of the corn and fuels value would result in an additional adverse effect of $34,641 thousand pesos (for non-qualifying contracts). This sensitivity analysis is determined based on the underlying assets' values obtained from the valuation performed as of March 31, 2016.

| Type of Derivative | Hedging / Negotiation purpouse | Notional Amount | | As of march 31, 2016 | | Potential Loss (Thousands of pesos) | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Underlying Asset (pesos) | Fair Value (Thousands of pesos) | Variation 10% | Variation 25% | Variation 50% |
| HO/Gasoline futures | Negotioation* | 4,830,000 | Gallons | 21.4426 | (44,615) | (11,138) | (27,845) | (55,690) |
| Swap | Negotioation* | 5,280,000 | Mmbtu | 44.0469 | (23,763) | (23,503) | (58,757) | (117,514) |
| | | | | | **(68,379)** | **(34,641)** | **(86,602)** | **(173,205)** |

## Quantitative information for disclosure [text block]

*Exchange Rate Derivative Financial Instruments:*

Based on our position as of March 31, 2016, a hypothetical appreciation of 10% of the Mexican peso against the United States dollar would result in an additional unfavorable effect of $462,154 thousand pesos. This sensitivity analysis is based in the value of the underlying assets given in the valuation made by the counterparty as of March 31, 2016, which includes the effects on the exchange rate variables, time and volatility.

| Type of Derivative | Purchase / Sell | Hedging / Negotiation purpouse | Currency exchange | Notional Amount (Thousands of USD) | As of March 31, 2016 | | Potential Loss (Thousands of pesos) | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Underlying Asset (pesos) | Fair Value (Thousands of pesos) | Variation 10% | Variation 25% | Variation 50% |
| Forwards | Purchase | Negotiation* | USD-MXN | $ 29,800 | 17.4740 | (22,468) | (52,072) | (130,181) | (260,362) |
| Opciones | Purchase | Negotiation* | USD-MXN | $ 69,048 | 17.2482 | (524) | (119,095) | (297,738) | (595,477) |
| Opciones | Purchase | Negotiation* | USD-MXN | $ 43,300 | 17.5083 | (10,358) | (75,811) | (189,527) | (379,055) |
| Opciones | Purchase | Negotiation* | USD-MXN | $ 86,600 | 17.4954 | (19,863) | (151,510) | (378,775) | (757,551) |
| Opciones | Purchase | Negotiation* | USD-MXN | $ 20,000 | 17.4725 | (4,492) | (34,945) | (87,363) | (174,725) |
| Opciones | Purchase | Negotiation* | USD-MXN | $ 16,500 | 17.4063 | (2,585) | (28,720) | (71,801) | (143,602) |
| | | | | $ 265,248 | | (60,290) | (462,154) | (1,155,386) | (2,310,772) |

* The sole purpose of the Company's acquisition of derivative financial instruments is hedging market and liquidity risks, notwithstanding, the accounting rules require specific documentation and evidence to classify a derivative financial instrument as a hedging instrument, and consequently the company classified its derivative financial instruments as negotiation instruments.

## Quantitative information for disclosure [text block]

26. For derivative financial instruments with negotiation purposes or those whose ineffectiveness of the hedge must be acknowledged, description of the method applied in determining the expected losses or the price sensitivity of the derivatives, including volatility.

The potential losses of the derivative financial instruments were determined pursuant to the underlying assets' value and their volatility, under a sensibility analysis considering a 10%, 25% and 50% loss in the underlying assets' value.

27. Presentation of a sensitivity analysis for such transactions that includes, at least, the following elements:

a) Identification of the risks that may create losses in the issuer for derivative transactions.

b) Identification of the instruments that would create such losses.

The fair value of corn and fuels derivative financial instruments can decrease or increase in the future before the date of maturity of the instruments. These variations can be the result of factors that are beyond our control, such as the weather, planting seasons, agricultural programs and government policies (both national and foreign), changes in the global supply/demand created by population growth, competitors and global production of similar harvests.

The fair value of the foreign exchange financial instruments can decrease or increase in the future before the expiration date of said instruments. These variations in the exchange rate can be the result of changes in the economic, fiscal policies or monetary conditions, volatility, liquidity in global markets, international or local political events, among others.

28. Presentation of 3 scenarios (probable, possible and remote or stress) that can create negative circumstances for the issuer, identifying the assumptions and factors taken into consideration in their execution.

a) Possible scenario with a variation of at least 25% in the underlying asset's Price and remote scenario with a variation of at least 50%.

The sensitivity chart already contains this information.

## Quantitative information for disclosure [text block]

29. Estimation of the potential loss reflected in the income statement and cash flow for each scenario.

For the derivative financial instruments of corn and fuels, based on our position as of March 31, 2016, a hypothetical change of 10%, 25% and 50% loss in market prices applied to the fair value of the instruments would result in an additional charge to income for $34,641, $86,602 and $173,205 thousands of pesos, respectively.

For the foreign exchange financial instruments, based on our position as of March 31, 2016, a hypothetical change of 10%, 25% and 50% of appreciation of the Mexican peso against the United States dollar would result in an additional charge of $462,154, $1,155,386 and $2,310,772 thousand pesos, respectively.

30. For hedging financial instruments, indicate the stress level or the variation of the underlying assets under which the effectiveness measures result sufficient.

Effectiveness of hedges are determined when the changes in fair market value or cash flows of the underlying operation are offset by changes in fair market value or cash flows of the hedging instrument in a ratio that falls within an inverse correlation range from 80% to 125%.

# [800100] Notes - Subclassifications of assets, liabilities and equities

| Concepto | Close Current Quarter 2016-03-31 | Close Previous Exercise 2015-12-31 |
|---|---|---|
| **Subclassifications of assets, liabilities and equities [abstract]** | | |
| **Cash and cash equivalents [abstract]** | | |
| **Cash [abstract]** | | |
| Cash on hand | 0 | 0 |
| Balances with banks | 3,225,694,000 | 2,392,900,000 |
| Total cash | 3,225,694,000 | 2,392,900,000 |
| **Cash equivalents [abstract]** | | |
| Short-term deposits, classified as cash equivalents | 0 | 0 |
| Short-term investments, classified as cash equivalents | 170,789,000 | 526,154,000 |
| Other banking arrangements, classified as cash equivalents | 0 | 0 |
| Total cash equivalents | 170,789,000 | 526,154,000 |
| Other cash and cash equivalents | 0 | 0 |
| Total cash and cash equivalents | 3,396,483,000 | 2,919,054,000 |
| **Trade and other current receivables [abstract]** | | |
| Current trade receivables | 5,548,175,000 | 5,489,384,000 |
| Current receivables due from related parties | 0 | 0 |
| **Current prepayments [abstract]** | | |
| Current advances to suppliers | 0 | 0 |
| Current prepaid expenses | 280,561,000 | 191,894,000 |
| Total current prepayments | 280,561,000 | 191,894,000 |
| Current receivables from taxes other than income tax | 679,198,000 | 576,875,000 |
| Current value added tax receivables | 679,198,000 | 576,875,000 |
| Current receivables from sale of properties | 0 | 0 |
| Current receivables from rental of properties | 0 | 0 |
| Other current receivables | 451,795,000 | 657,498,000 |
| Total trade and other current receivables | 6,959,729,000 | 6,915,651,000 |
| **Classes of current inventories [abstract]** | | |
| **Current raw materials and current production supplies [abstract]** | | |
| Current raw materials | 5,203,328,000 | 5,361,758,000 |
| Current production supplies | 0 | 0 |
| Total current raw materials and current production supplies | 5,203,328,000 | 5,361,758,000 |
| Current merchandise | 0 | 0 |
| Current work in progress | 282,767,000 | 237,827,000 |
| Current finished goods | 1,209,257,000 | 1,133,922,000 |
| Current spare parts | 449,504,000 | 451,591,000 |
| Property intended for sale in ordinary course of business | 0 | 0 |
| Other current inventories | 663,913,000 | 631,669,000 |
| Total current inventories | 7,808,769,000 | 7,816,767,000 |
| **Non-current assets or disposal groups classified as held for sale or as held for distribution to owners [abstract]** | | |
| Non-current assets or disposal groups classified as held for sale | 0 | 0 |
| Non-current assets or disposal groups classified as held for distribution to owners | 0 | 0 |
| Total non-current assets or disposal groups classified as held for sale or as held for distribution to owners | 0 | 0 |
| **Trade and other non-current receivables [abstract]** | | |
| Non-current trade receivables | 178,478,000 | 185,600,000 |
| Non-current receivables due from related parties | 0 | 0 |
| Non-current prepayments | 0 | 0 |
| Non-current lease prepayments | 0 | 0 |
| Non-current receivables from taxes other than income tax | 0 | 0 |

| Concepto | Close Current Quarter 2016-03-31 | Close Previous Exercise 2015-12-31 |
|---|---|---|
| Non-current value added tax receivables | 0 | 0 |
| Non-current receivables from sale of properties | 0 | 0 |
| Non-current receivables from rental of properties | 0 | 0 |
| Revenue for billing | 0 | 0 |
| Other non-current receivables | 7,290,000 | 7,512,000 |
| Total trade and other non-current receivables | 185,768,000 | 193,112,000 |
| **Investments in subsidiaries, joint ventures and associates [abstract]** | | |
| Investments in subsidiaries | 6,963,000 | 7,240,000 |
| Investments in joint ventures | 0 | 0 |
| Investments in associates | 0 | 0 |
| Total investments in subsidiaries, joint ventures and associates | 6,963,000 | 7,240,000 |
| **Property, plant and equipment [abstract]** | | |
| **Land and buildings [abstract]** | | |
| Land | 1,505,530,000 | 1,510,870,000 |
| Buildings | 4,940,369,000 | 4,951,779,000 |
| Total land and buildings | 6,445,899,000 | 6,462,649,000 |
| Machinery | 12,241,831,000 | 12,347,173,000 |
| **Vehicles [abstract]** | | |
| Ships | 0 | 0 |
| Aircraft | 0 | 0 |
| Motor vehicles | 0 | 0 |
| Total vehicles | 0 | 0 |
| Fixtures and fittings | 0 | 0 |
| Office equipment | 0 | 0 |
| Tangible exploration and evaluation assets | 0 | 0 |
| Mining assets | 0 | 0 |
| Oil and gas assets | 0 | 0 |
| Construction in progress | 1,701,928,000 | 984,671,000 |
| Construction prepayments | 0 | 0 |
| Other property, plant and equipment | 364,237,000 | 375,495,000 |
| Total property, plant and equipment | 20,753,895,000 | 20,169,988,000 |
| **Investment property [abstract]** | | |
| Investment property completed | 0 | 0 |
| Investment property under construction or development | 0 | 0 |
| Investment property prepayments | 0 | 0 |
| Total investment property | 0 | 0 |
| **Intangible assets and goodwill [abstract]** | | |
| **Intangible assets other than goodwill [abstract]** | | |
| Brand names | 87,093,000 | 85,025,000 |
| Intangible exploration and evaluation assets | 0 | 0 |
| Mastheads and publishing titles | 0 | 0 |
| Computer software | 21,019,000 | 21,866,000 |
| Licences and franchises | 4,331,000 | 3,818,000 |
| Copyrights, patents and other industrial property rights, service and operating rights | 0 | 0 |
| Recipes, formulae, models, designs and prototypes | 0 | 0 |
| Intangible assets under development | 0 | 0 |
| Other intangible assets | 190,453,000 | 187,404,000 |
| Total intangible assets other than goodwill | 302,896,000 | 298,113,000 |
| Goodwill | 3,291,609,000 | 3,203,947,000 |
| Total intangible assets and goodwill | 3,594,505,000 | 3,502,060,000 |
| **Trade and other current payables [abstract]** | | |
| Current trade payables | 3,595,404,000 | 3,914,328,000 |

| Concepto | Close Current Quarter 2016-03-31 | Close Previous Exercise 2015-12-31 |
|---|---|---|
| Current payables to related parties | 0 | 0 |
| **Accruals and deferred income classified as current [abstract]** | | |
| Deferred income classified as current | 0 | 0 |
| Rent deferred income classified as current | 0 | 0 |
| Accruals classified as current | 30,755,000 | 23,867,000 |
| Short-term employee benefits accruals | 30,755,000 | 23,867,000 |
| Total accruals and deferred income classified as current | 30,755,000 | 23,867,000 |
| Current payables on social security and taxes other than income tax | 63,197,000 | 50,097,000 |
| Current value added tax payables | 63,197,000 | 50,097,000 |
| Current retention payables | 0 | 0 |
| Other current payables | 4,472,020,000 | 4,271,608,000 |
| Total trade and other current payables | 8,161,376,000 | 8,259,900,000 |
| **Other current financial liabilities [abstract]** | | |
| Bank loans current | 1,992,841,000 | 2,660,036,000 |
| Stock market loans current | 0 | 0 |
| Other current iabilities at cost | 0 | 0 |
| Other current liabilities no cost | 128,351,000 | 39,623,000 |
| Other current financial liabilities | 97,487,000 | 28,526,000 |
| Total Other current financial liabilities | 2,218,679,000 | 2,728,185,000 |
| **Trade and other non-current payables [abstract]** | | |
| Non-current trade payables | 0 | 0 |
| Non-current payables to related parties | 0 | 0 |
| **Accruals and deferred income classified as non-current [abstract]** | | |
| Deferred income classified as non-current | 0 | 0 |
| Rent deferred income classified as non-current | 0 | 0 |
| Accruals classified as non-current | 0 | 0 |
| Total accruals and deferred income classified as non-current | 0 | 0 |
| Non-current payables on social security and taxes other than income tax | 0 | 0 |
| Non-current value added tax payables | 0 | 0 |
| Non-current retention payables | 0 | 0 |
| Other non-current payables | 73,051,000 | 70,678,000 |
| Total trade and other non-current payables | 73,051,000 | 70,678,000 |
| **Other non-current financial liabilities [abstract]** | | |
| Bank loans non-current | 10,622,235,000 | 10,494,407,000 |
| Stock market loans non-current | 0 | 0 |
| Other non-current liabilities at cost | 0 | 0 |
| Other non-current liabilities no cost | 0 | 0 |
| Other non-current financial liabilities | 0 | 0 |
| Total Other non-current financial liabilities | 10,622,235,000 | 10,494,407,000 |
| **Other provisions [abstract]** | | |
| Other non-current provisions | 460,851,000 | 490,344,000 |
| Other current provisions | 141,126,000 | 191,319,000 |
| Total other provisions | 601,977,000 | 681,663,000 |
| **Other reserves [abstract]** | | |
| Revaluation surplus | 0 | 0 |
| Reserve of exchange differences on translation | 631,320,000 | 492,985,000 |
| Reserve of cash flow hedges | 54,740,000 | 23,302,000 |
| Reserve of gains and losses on hedging instruments that hedge investments in equity instruments | 0 | 0 |
| Reserve of change in value of time value of options | 0 | 0 |
| Reserve of change in value of forward elements of forward contracts | 0 | 0 |
| Reserve of change in value of foreign currency basis spreads | 0 | 0 |
| Reserve of gains and losses on remeasuring available-for-sale financial assets | 0 | 0 |

| Concepto | Close Current Quarter 2016-03-31 | Close Previous Exercise 2015-12-31 |
|---|---|---|
| Reserve of share-based payments | 0 | 0 |
| Reserve of remeasurements of defined benefit plans | 0 | 0 |
| Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale | 0 | 0 |
| Reserve of gains and losses from investments in equity instruments | 0 | 0 |
| Reserve of change in fair value of financial liability attributable to change in credit risk of liability | 0 | 0 |
| Reserve for catastrophe | 0 | 0 |
| Reserve for equalisation | 0 | 0 |
| Reserve of discretionary participation features | 0 | 0 |
| Reserve of equity component of convertible instruments | 0 | 0 |
| Capital redemption reserve | 0 | 0 |
| Merger reserve | 0 | 0 |
| Statutory reserve | 0 | 0 |
| Other comprehensive income | 0 | 0 |
| Total other reserves | 686,060,000 | 516,287,000 |
| **Net assets (liabilities) [abstract]** | | |
| Assets | 45,704,757,000 | 44,333,021,000 |
| Liabilities | 25,647,099,000 | 25,739,135,000 |
| Net assets (liabilities) | 20,057,658,000 | 18,593,886,000 |
| **Net current assets (liabilities) [abstract]** | | |
| Current assets | 19,053,611,000 | 18,514,014,000 |
| Current liabilities | 11,353,497,000 | 11,667,115,000 |
| Net current assets (liabilities) | 7,700,114,000 | 6,846,899,000 |

# [800200] Notes - Analysis of income and expense

| Concepto | Accumulated Current Year 2016-01-01 - 2016-03-31 | Accumulated Previous Year 2015-01-01 - 2015-03-31 |
|---|---|---|
| **Analysis of income and expense [abstract]** | | |
| **Revenue [abstract]** | | |
| Revenue from rendering of services | 0 | 0 |
| Revenue from sale of goods | 15,830,555,000 | 13,522,450,000 |
| Interest income | 0 | 0 |
| Royalty income | 0 | 0 |
| Dividend income | 0 | 0 |
| Rental income | 0 | 0 |
| Revenue from construction contracts | 0 | 0 |
| Other revenue | 0 | 0 |
| Total revenue | 15,830,555,000 | 13,522,450,000 |
| **Finance income [abstract]** | | |
| Interest income | 7,252,000 | 4,545,000 |
| Net gain on foreign exchange | 24,027,000 | 0 |
| Gains on change in fair value of derivatives | 81,933,000 | 26,402,000 |
| Gain on change in fair value of financial instruments | 0 | 64,257,000 |
| Other finance income | 2,973,000 | 6,041,000 |
| Total finance income | 116,185,000 | 101,245,000 |
| **Finance costs [abstract]** | | |
| Interest expense | 127,031,000 | 109,004,000 |
| Net loss on foreign exchange | 0 | 40,107,000 |
| Losses on change in fair value of derivatives | 0 | 0 |
| Loss on change in fair value of financial instruments | 100,588,000 | 0 |
| Other finance cost | 26,065,000 | 34,823,000 |
| Total finance costs | 253,684,000 | 183,934,000 |
| **Tax income (expense)** | | |
| Current tax | 663,610,000 | 481,254,000 |
| Deferred tax | -85,696,000 | -17,091,000 |
| Total tax income (expense) | 577,914,000 | 464,163,000 |

# [800500] Notes - List of notes

## Disclosure of notes and other explanatory information [text block]

**-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, Europe, Asia and Oceania, together referred to as the "Company". The Company's main activities are the production and sale of corn flour, tortillas and related products.

GRUMA is a publicly held corporation (S*ociedad 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.

**-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 IFRS Interpretations Committee, including those previously issued by the Standing Interpretations Committee. The Company applied IFRS that were effective at December 31, 2015, with no significant impact on its financial statements.

## Disclosure of accounting judgements and estimates [text block]

**-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 is 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.
- 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.
- The key assumptions in impairment testing for long-lived assets used for the determination of the recoverable amount for the different cash generating units.
- The actuarial assumptions used for the determination of employee benefits obligations.
- The key assumptions in impairment testing of the investment in Venezuela.

## Disclosure of authorisation of financial statements [text block]

## Disclosure of authorisation of financial statements [text block]

The consolidated financial statements were authorized by the Chief Administrative Office of the Company on April 7, 2016.

## Disclosure of basis of preparation of financial statements [text block]

**-BASIS OF MEASUREMENT**

The consolidated financial statements have been prepared on the basis of historical cost, except for the fair value of certain financial instruments as described in the policies shown below (See accounting policy of financial instruments).

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.

## Disclosure of discontinued operations [text block]

**-DISCONTINUED OPERATIONS**

**A)LOSS OF CONTROL OF VENEZUELA**

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 the Bolivarian Republic of Venezuela (the "Republic"). Given this Providence, which designated special managers with the broadest management faculties conferred by the Republic, GRUMA determined that it had lost control of the subsidiaries in Venezuela: Molinos Nacionales, C.A. ("MONACA") and Derivados de Maíz Seleccionado, DEMASECA, C.A. ("DEMASECA"). Refer to Note 28 for additional detail on the processes in Venezuela.

Following the principles set by IFRS, the Company lost the ability to affect the variable returns and concluded that it had 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, applied the guidelines from IFRS 5 for their accounting treatment 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 in the

## Disclosure of discontinued operations [text block]

year 2013 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 believed that is the appropriate treatment applicable to a non-voluntary disposition of assets and the asset did 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 (4.3 Venezuelan bolivars 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. See section B below.

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.

**B) IMPAIRMENT OF THE INVESTMENT IN VENEZUELA**

a)Year 2014: As required by IFRS, at December 31, 2014, 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), 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 at December 31, 2014. Regarding the calculations to determine the potential recoverable amount, the Company's management believed 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.

As of December 31, 2014, there were three legal exchange rates in Venezuela that could be used: the government-operated National Center of Foreign Commerce (CENCOEX) exchange rate, mainly intended for the import of essential goods and services by designated industry sectors and two auction-based exchange rates Supplementary Foreign Currency Administration System (SICAD I and SICAD II).

For purposes of these calculations, the Company used the SICAD I available exchange rate (12.00 Venezuelan bolivars per U.S. dollar as of December 31, 2014, which was the reference considered by Management for settlement, based on its legal ability to do so. The Venezuelan exchange system, comprising the SICAD, involves different rates at which certain transactions should be executed, including “foreign investments and payment of royalties” for which the reference rate is 12.00 Venezuelan bolivars per U.S.

## Disclosure of discontinued operations [text block]

dollar.

An alternative exchange rate available as of December 31, 2014 was SICAD II (49.99 Venezuelan bolivars per U.S. dollar) and for a simulation exercise using this exchange rate, the result would be an impairment loss in income of year 2014 of Ps.124,578 related with the Company's investment in MONACA and DEMASECA.

b)Year 2015: As of February 12, 2015, the SICAD I and SICAD II exchange rates were merged (currently SICAD) by the Venezuelan government and a new exchange rate denominated Foreign Exchange Marginal System (SIMADI) was created, which means that there are continue to be three legal exchange rates between the Venezuelan currency (VEF) and U.S. dollars (USD), all of which meet the definition of a spot exchange rate in IAS 21.

As of December 31, 2015, SICAD exchange rate was 13.50 Venezuelan bolivars per U.S. dollar and SIMADI exchange rate was 198.70 Venezuelan bolivars per U.S. dollar.

As of December 31, 2015, the Company considered that SIMADI exchange rate is the most representative among legal exchange rates available. In the absence of auctions for SICAD I in the recent past, in a macroeconomic context aggravated by historically low prices in the oil market and the condition of Venezuela's hyperinflationary economy, the Company has decided to consider as reference rate the one resulting in the allocations conducted through SIMADI, to calculate any related impairment balances that the Company has in its Venezuelan subsidiaries Molinos Nacionales, C.A. (MONACA) and Derivados de Maíz Seleccionado, DEMASECA, C.A. (DEMASECA). Simultaneously, outstanding accounts receivable were diluted by the application of the new exchange rate and balances of indirect investment of GRUMA in MONACA and DEMASECA, held through its Spanish subsidiaries Valores Mundiales, S.L. (GRUMA 75.86%, other 24.14%) and Consorcio Andino, S.L. (GRUMA 60%, other 40%), so that both have significant adjustments. The impairment test performed in the fourth quarter of 2015, resulted in an impairment loss of Ps.4,362,108 recognized in consolidated income for the year ended December 31, 2015, in connection with the balances aforementioned in MONACA and DEMASECA, which was recognized in income as "Income (loss) from discontinued operations", following a presentation according to the one of the financial statement, in which the loss of control of the Venezuelan subsidiaries was initially recognized.

If a sensitivity analysis was performed using the SICAD exchange rate and other variables were held constant, the impairment loss would have been of Ps.1,983,619.

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 these entities, was Ps.2,913,760 and Ps.195,253, respectively.

At December 31, 2015 certain subsidiaries of GRUMA have accounts receivable with the Venezuelan companies for a total amount of Ps.1,253,095, which were fully impaired and are included as part of the impairment loss recognized in income as of this date altogether with the investment.

## Disclosure of related party [text block]

## Disclosure of related party [text block]

**-RELATED PARTIES**

As of March 31, the Company did not carry out any transaction with nor had balances with related parties.

## Disclosure of summary of significant accounting policies [text block]

This section details applicable accounting policies for the recognition of financial information included in the Consolidated Financial Statements.

# [800600] Notes - List of accounting policies

## Disclosure of summary of significant accounting policies [text block]

This section details applicable accounting policies for the recognition of financial information included in the Consolidated Financial Statements.

## Description of accounting policy for business combinations and goodwill [text block]

**-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 transferred, 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.

When the entity or entities acquired are, before and after the acquisition, ultimately controlled by the same entity, and such control is not temporary, it is assumed that the entities are under common control and therefore, there is no business combination. Transactions and exchanges between entities under common control are recognized on the basis of the carrying value of assets and liabilities transferred on the date of the transaction, and therefore, goodwill is not recognized.

## Description of accounting policy for derivative financial instruments and hedging [text block]

**-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 twelve months.

## Description of accounting policy for derivative financial instruments and hedging [text block]

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 changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**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.

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.

# Description of accounting policy for determining components of cash and cash equivalents [text block]

**-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.

# Description of accounting policy for employee benefits [text block]

**-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 saving and investment plans that incorporate voluntary employees 401(k) contributions with matching contributions of the Company in this country. The Company's contributions are recognized in the income statement 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

## Description of accounting policy for employee benefits [text block]

Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes restructuring costs that represents 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 related service is provided. 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.

## Description of accounting policy for financial instruments [text block]

**-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.

**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

## Description of accounting policy for financial instruments [text block]

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. 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 considered 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 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.

## Description of accounting policy for foreign currency translation [text block]

**-FOREIGN CURRENCY**

**a. Transactions in foreign currency**

## Description of accounting policy for foreign currency translation [text block]

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates effective 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 each 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 the 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 period.
- Equity is translated at the effective exchange rate in 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 end of the period. 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 the accounting of the net investment hedge policy.

## Description of accounting policy for functional currency [text block]

**-FUNCTIONAL AND PRESENTATION CURRENCY**

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

## Description of accounting policy for impairment of assets [text block]

**-IMPAIRMENT OF LONG-LIVED ASSETS**

The Company performs impairment tests for its property, plant and equipment and intangible assets with finite useful lives, when certain events and circumstances suggest that the carrying value of the assets might not be recovered. Intangible assets with indefinite useful lives 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.

## Description of accounting policy for income tax [text block]

**-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 approved or substantially approved 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, 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.

## Description of accounting policy for income tax [text block]

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.

## Description of accounting policy for intangible assets and goodwill [text block]

**-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 useful lives**

Intangible assets with finite useful 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. Intangible assets with indefinite useful lives**

Intangible assets with indefinite useful lives 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.

## Description of accounting policy for intangible assets and goodwill [text block]

## Description of accounting policy for issued capital [text block]

**-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.

## Description of accounting policy for leases [text block]

**-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 expense 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.

## Description of accounting policy for measuring inventories [text block]

**-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

## Description of accounting policy for measuring inventories [text block]

applicable variable selling expenses. The cost of finished goods and production in process includes raw materials, direct labor, other direct costs and related production overheads. Cost of inventories could also include the transfer from comprehensive income of any gains or losses on cash flow hedges for purchases of raw materials.

## Description of accounting policy for non-current assets or disposal groups classified as held for sale and discontinued operations [text block]

**-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.

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 have been 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.

## Description of accounting policy for property, plant and equipment [text block]

**-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, 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, general and specific, of qualifying assets that require a substantial period of time (over one

## Description of accounting policy for property, plant and equipment [text block]

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.

## Description of accounting policy for provisions [text block]

**-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.

## Description of accounting policy for recognition of revenue [text block]

**-REVENUE RECOGNITION**

Sales are recognized upon shipment of products to, and acceptance by, the Company's customers or when the risk of ownership has passed to the customers. Revenue is recognized at 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.

## Description of accounting policy for segment reporting [text block]

**-SEGMENT INFORMATION**

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.

## Description of accounting policy for subsidiaries [text block]

**-SUBSIDIARIES**

The subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are incorporated in the consolidated financial statements starting on the date on which the control begins, until the date such 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 March 31, 2016, the main subsidiaries included in the consolidation are:

| | % of ownership 2015 |
|---|---|
| Gruma Corporation and subsidiaries……………………..…… | 100.00 |
| Grupo Industrial Maseca, S.A.B. de C.V. and subsidiaries…… | 85.50 |
| Gruma International Foods, S.L. and subsidiaries…................. | 100.00 |
| Mission Foods México, S. de R.L. de C.V……………………. | 100.00 |

## Description of accounting policy for trade and other receivables [text block]

**-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.

## Description of accounting policy for trade and other receivables [text block]

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 maturity dates of customers' balances, specific credit circumstances and the Company's historical experience on doubtful accounts.

## Description of accounting policy for transactions with non-controlling interests [text block]

**-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 interest acquired of the carrying value of net assets of the subsidiary is recognized as equity transactions; therefore, no goodwill is recognized with these acquisitions. Disposals of non-controlling interests result in gains or losses for the Company and are recorded in equity when there is no loss of control.

## Description of other accounting policies relevant to understanding of financial statements [text block]

**-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.

# [813000] Notes - Interim financial reporting

## Disclosure of interim financial reporting [text block]

See sections [800500] and [800600]

## Description of significant events and transactions

There are no significant events or transactions to be disclosed.

## Dividends paid, ordinary shares

0

## Dividends paid, other shares

0

## Dividends paid, ordinary shares per share

0

## Dividends paid, other shares per share

0