

---

## GIMSA REPORTS FIRST QUARTER 2016 RESULTS

---

### RESULTS OF OPERATIONS

1Q16 versus 1Q15

**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.

**Selling, General & Administrative expenses (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 constraints 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 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%.

**Net comprehensive financing cost** was Ps.5 million, an increase of Ps.29 million in connection with last year gains on foreign exchange derivatives related to corn procurement.

**Income taxes** were Ps.166 million, 7% less due to lower pre-tax income.

**Majority net income** was Ps.356 million, 4% lower, driven mainly by the company's aforementioned initiatives to enhance customer service and last year gains on foreign exchange rate hedging. As a percentage of net sales, majority net income declined to 8.7% from 9.7%.

## **FINANCIAL POSITION**

March 2016 versus December 2015

**Balance Sheet Highlights Total assets** increased 4% to Ps.12,833 million due primarily to higher cash balances.

**Total liabilities** increased 6% to Ps.2,743 million largely due to higher accounts payable related to losses on foreign exchange rate hedging, and to higher trade accounts payable related to corn procurement from the corn winter crop in México.

**Shareholders' equity** increased 4% to Ps.10,090 million.

## 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:

- 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 foregoing, as GIMSA operates in a non-hyperinflationary environment, the effects of inflation are not recognized in its figures.

## ABOUT GIMSA

Founded in 1949, Grupo Industrial Maseca, S.A.B. de C.V. ("GIMSA"), is the world's largest producer of corn flour. GIMSA is engaged principally in the production of corn flour in Mexico under the MASECA<sup>®</sup> brand name. GIMSA's corn flour is used mainly in the preparation of tortillas and other related products. GIMSA is headquartered in San Pedro Garza Garcia, Mexico, and has approximately 4,500 employees and 18 plants. In 2015, GIMSA had net sales of US\$922 million.

*This report may contain certain forward-looking statements and information relating to Grupo Industrial Maseca, S.A.B. de C.V., that are based on the beliefs of its management as well as assumptions made by and information then available to GIMSA. Such statements reflect the views of GIMSA 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 GIMSA 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, as well as world and domestic corn 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. GIMSA 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.*

**GRUPO INDUSTRIAL MASECA, S.A.B. DE C.V., AND SUBSIDIARIES**  
**FINANCIAL HIGHLIGHTS**  
 (MILLIONS OF MEXICAN PESOS)

INCOME STATEMENT SUMMARY	QUARTERS				
	1Q16	1Q15	VAR (%)	4Q15	VAR (%)
SALES VOLUME (METRIC TONS IN THOUSANDS)	<b>466</b>	450	3	485	(4)
CORN FLOUR	<b>461</b>	433	7	481	(4)
OTHERS	<b>5</b>	17	(73)	5	(3)
NET SALES	<b>4,110</b>	3,835	7	4,176	(2)
GROSS PROFIT	<b>1,226</b>	1,129	9	1,289	(5)
GROSS MARGIN (%)	<b>29.8%</b>	29.4%		30.9%	
SELLING AND ADMINISTRATIVE EXPENSES	<b>675</b>	580		719	
OTHER EXPENSE(INCOME), NET	<b>21</b>	20		27	
OPERATING INCOME	<b>530</b>	528	0	542	(2)
OPERATING MARGIN (%)	<b>12.9%</b>	13.8%		13.0%	
NET COMPREHENSIVE FINANCING COST (INCOME)	<b>5</b>	(24)		(68)	
INTEREST EXPENSE	<b>4</b>	5		3	
INTEREST INCOME	<b>(15)</b>	(10)		(5)	
(GAIN) LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS	<b>19</b>	(91)		(59)	
FOREIGN EXCHANGE LOSS (GAIN)	<b>(3)</b>	71		(7)	
INCOME TAXES	<b>166</b>	178		(212)	
NET INCOME	<b>359</b>	374	(4)	822	(56)
MAJORITY NET INCOME	<b>356</b>	371	(4)	831	(57)
EARNINGS PER SHARE <sup>1</sup>	<b>0.39</b>	0.40	(4)	0.90	(57)
DEPRECIATION AND AMORTIZATION	<b>187</b>	185		185	
EBITDA <sup>2</sup>	<b>717</b>	713	1	727	(1)
CAPITAL EXPENDITURES	<b>162</b>	63		279	

BALANCE SHEET SUMMARY	Mar-16	Mar-15	VAR (%)	Dec-15	VAR (%)
	CASH AND CASH EQUIVALENTS	<b>365</b>	220	65	534
TRADE ACCOUNTS RECEIVABLE	<b>1,028</b>	899	14	1,081	(5)
OTHER ACCOUNTS RECEIVABLE	<b>1,625</b>	905	80	746	118
INVENTORIES	<b>2,975</b>	2,542	17	3,077	(3)
CURRENT ASSETS	<b>6,066</b>	4,611	32	5,515	10
PROPERTY, PLANT, AND EQUIPMENT, NET	<b>4,432</b>	4,066	9	4,347	2
TOTAL ASSETS	<b>12,833</b>	11,046	16	12,302	4
SHORT-TERM DEBT	<b>0</b>	0	0	0	0
CURRENT LIABILITIES	<b>2,236</b>	2,039	10	2,088	7
LONG-TERM DEBT	<b>0</b>	0	0	0	0
TOTAL LIABILITIES	<b>2,743</b>	2,707	1	2,579	6
SHAREHOLDERS' EQUITY	<b>10,090</b>	8,339	21	9,723	4
MAJORITY SHAREHOLDERS' EQUITY	<b>9,829</b>	8,064	22	9,466	4
CURRENT ASSETS/CURRENT LIABILITIES	<b>2.71</b>	2.26		2.64	
TOTAL LIABILITIES/SHAREHOLDERS' EQUITY	<b>0.27</b>	0.32		0.27	
BOOK VALUE PER SHARE <sup>1</sup>	<b>10.70</b>	8.78		10.31	

<sup>1</sup> Based on 918,405,000 shares outstanding as of March 31, 2016 and 2015 and December 31, 2015.

<sup>2</sup> EBITDA = operating income + depreciation, amortization and impairment of long lived assets +(-) other expenses (income) unrelated to core business operations.