GRUMA

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GRUMA REPORTS SECOND QUARTER 2017 RESULTS

HIGHLIGHTS

The continued improvement in GRUMA's results during 2Q17 confirmed an upward trend and that the company remains on track towards the long-term targets it has established. Sales volume growth in all subsidiaries, other than Gruma Centroamérica, is providing benefits that arise from economies of scale, which coupled with a better product portfolio and improved operational performance, particularly at Gruma USA and GIMSA, has enabled the company to once again attain a record EBITDA margin level. Gruma USA, in particular, has also continued to achieve higher EBITDA margins, reaching their highest level.

On a consolidated basis, sales volume rose 3%; net sales grew 7%, despite the effect of recent peso appreciation on Gruma USA, and EBITDA increased 7%, reaching a 16.3% EBITDA margin, the highest margin GRUMA has reported.

Sales and EBITDA from non-Mexican operations represented 73% and 71%, respectively, of consolidated figures. The company reported US$806 million of **debt** at quarter-end, US$72 million more than at the end of 1Q17. **Net Debt/EBITDA** ratio was 1.0x.

Consolidated Financial Highlights
(Ps. millions)

	2Q17	2Q16	Var
Sales volume (thousand metric tons)	1,009	981	3%
Net sales	17,437	16,348	7%
Operating income	2,344	2,191	7%
Operating margin	13.4%	13.4%	-
EBITDA	2,835	2,642	7%
EBITDA margin	16.3%	16.2%	10 bp
Majority net income	1,432	1,417	1%

Debt
(US$ millions)

Jun'17	Jun'16	Var ($)	Var (%)	Mar'17	Var ($)	Var (%)
806	704	102	14%	734	72	10%

CONSOLIDATED RESULTS OF OPERATIONS

2Q17 versus 2Q16

Sales volume increased 3% to 1,009 thousand metric tons, mainly driven by GIMSA and Gruma USA.

Net sales rose 7% to Ps.17,437 million, due principally to (1) the aforementioned sales volume growth; (2) price increases at GIMSA, implemented to reflect higher input costs; and (3) a better sales mix at Gruma USA.

Cost of sales as a percentage of net sales improved to 61.4% from 61.8%, driven mostly by Gruma USA. In absolute terms, cost of sales increased 6% to Ps.10,705 million due mainly to sales volume growth and higher input costs at GIMSA, arising mostly from peso weakness.

Selling, general and administrative expenses (SG&A) as a percentage of net sales improved to 25.1% from 25.4% resulting from better absorption. In absolute terms, SG&A rose 6% to Ps.4,382 million mainly arising from Gruma USA, largely in connection with volume growth and better prices.

Other expense, net, was Ps.7 million compared to income of Ps.94 million, reflecting principally mark-to-market losses on natural gas hedging this year as opposed to gains last year.

Operating income grew 7% to Ps.2,344 million, driven primarily by better performance at Gruma USA and, to a lesser extent, at GIMSA. Operating margin was flat at 13.4%, as Gruma USA offset the reduction at GIMSA.

EBITDA increased 7% to Ps.2,835 million. EBITDA margin improved to 16.3% from 16.2%.

Net comprehensive financing cost was Ps.339 million, Ps.305 million more in connection with losses on foreign exchange rate hedging related to corn procurement at GIMSA.

Income taxes were Ps.526 million, 20% less due mostly to lower pre-tax income and a lower effective tax rate, which was 26.2%. The low rate resulted from the use of tax-loss-carryforwards by Gruma Holding when receiving dividends from Gruma USA at an exchange rate that was higher than during the quarter.

Majority net income was Ps.1,432 million, 1% more due to higher operating profit and lower taxes, which were mostly offset by higher comprehensive financing costs.

FINANCIAL POSITION

June 2017 versus March 2017

Balance Sheet Highlights

Total assets were similar at Ps.53,972 million, primarily reflecting cash balances applied to corn procurement, which increased inventories.

Total liabilities were Ps.29,145 million, 4% more resulting mainly from higher debt related to cyclical working capital requirements, dividend payment, and capital expenditures. In addition, there was an increase in other accounts payable due to provisions on declared dividends.

Shareholders' equity was Ps.24,826 million, 4% less than at March 2017.

Debt Profile

GRUMA's debt was US$806 million, US$72 million more than at March 2017. Approximately 79% of GRUMA's debt was dollar-denominated.

Debt
(US$ millions)

Jun'17	Jun'16	Var ($)	Var (%)	Mar'17	Var ($)	Var (%)
806	704	102	14%	734	72	10%

Debt Maturity Profile
(US$ millions)

	Rate	2017	2018	2019	2020	2021	2022	2024	TOTAL
Senior Notes 2024	Fixed 4.875%							400	400
2017 Syndicated Credit Facility	LIBOR + 1.00%			18.8	22.5	26.3	82.5		150
2017 Syndicated Revolving Facility	LIBOR + 1.00%						66		66
Others	6.65% (avg.)	182.2	3.1	2.9	1.6	0.4	0.1		190.5
TOTAL	**4.57%** (avg.)	**182.2**	**3.1**	**21.7**	**24.1**	**26.7**	**148.6**	**400**	**806.5**

CAPITAL EXPENDITURE PROGRAM

GRUMA's capital expenditures totaled US$61 million during 2Q17, allocated mostly to (1) United States, in connection with the construction of a tortilla plant in Dallas, the expansion of the corn flour plant in Indiana, and the expansion of the tortilla plant in Florida; (2) Mexico, related to general technology upgrades; (3) Europe, in connection with the construction of a tortilla plant in Russia, technology upgrades for packaging automation at the flatbread plant in England, and the expansion of the tortilla plant in the Netherlands; and (4) Asia, in connection with the expansion of the tortilla plant in Malaysia and capacity expansions at the tortilla plant in Australia.

SUBSIDIARY RESULTS OF OPERATIONS

2Q17 versus 2Q16

Gruma USA

Sales volume increased 3% to 344 thousand metric tons resulting primarily from the tortilla business.

By segment, **corn flour** sales volume rose 2% driven mainly by (1) club formats and food service distributors, as they continue to benefit from growth at small Mexican food restaurants and small tortilla companies; and (2) retailers, especially in connection with increased promotions and, to a lesser extent, the expansion of MASECA within the dollar store channels.

The **tortilla** business rose 4%. Food service benefited from the recovery of volumes lost last year in connection with the SKU rationalization process and from better performance at some large restaurant chains. In retail, volume benefited primarily from (1) growth of our Super Soft flour tortillas, as wheat flour tortillas continue to take stomach share out of bread; (2) the nationwide launch of our Street Taco tortilla, last September (a small tortilla especially used for *tacos*); (3) the expansion of gluten-free tortillas in the east and north central regions of the U.S.; (4) new distribution and products at club formats, and (5) increased shelf space for corn chips at some retailers, combined with improved formulation.

Net sales increased 5% to Ps.9,269 million reflecting the aforementioned sales volume growth and a change in the sales mix within the retail tortilla business favoring higher-priced SKUs, such as the aforementioned Super Soft flour tortillas, the Street Taco tortilla and, in general, the healthier alternatives line, which during the quarter launched shelf-stable organic tortillas.

Cost of sales as a percentage of net sales improved to 55.9% from 57% driven largely by (1) a change in the sales mix toward higher margin SKUs at the retail tortilla business; (2) lower raw-material costs; (3) non-recurrent health insurance reimbursements; and (4) cancellation of health insurance provisions, adjusting them to a more realistic scenario. As in 1Q17, the company continued reporting higher costs related to the new plant in the Dallas area (i.e. higher leases, accelerated depreciation for assets of the current Dallas tortilla plant, and transition costs); some of these costs will be eliminated once the new plant starts operations and the former plant is closed. These additional costs were more than offset by the aforementioned improvement drivers.

In absolute terms, cost of sales increased 3% to Ps.5,179 million largely due to the aforementioned sales volume growth.

SG&A as a percentage of net sales increased to 29.4% from 29.2% due to higher intercompany shipments to meet demand. In absolute terms, SG&A rose 5% to Ps.2,721 million driven in large part by higher selling commissions in connection with volume growth and better prices, and by the aforementioned intercompany shipments.

Other expense, net, was Ps.13 million, driven by mark-to-market losses on natural gas hedging.

Operating income rose 9% to Ps.1,357 million. Operating margin improved to 14.6% from 14%.

EBITDA increased 8% to Ps.1,635 million. EBITDA margin improved to 17.6% from 17.1%, its highest level in history.

GIMSA

Sales volume rose 4% to 506 thousand metric tons driven mainly by wholesalers who are increasing the distribution of certain varieties of corn flour; exports to our U.S. operations; and higher demand from the largest snack producers in Mexico.

Net sales grew 10% to Ps.4,828 million primarily in connection with (1) the effect of price increases implemented during 2016 and the beginning of 2017, to reflect higher corn costs and other inputs arising from peso weakness, as well as to reflect higher energy costs; and (2) the aforementioned sales volume growth.

Cost of sales as a percentage of net sales was flat at 72.3%. The effect of higher costs related to corn, energy and other inputs was offset by the aforementioned price increases. In absolute terms, cost of sales rose 10% to Ps.3,490 million due to the aforementioned higher costs and sales volume growth.

SG&A as a percentage of net sales improved to 15.4% from 16.1% due to better absorption. In absolute terms, SG&A rose 5% to Ps.743 million mostly in connection with higher freight tariffs, resulting from gasoline price increases, and higher sales volume for the retail segment, where the company absorbs this expense.

Other income, net, of Ps.7 million, represents a decline of Ps.55 million, mostly related to lower gains on corn hedging, and natural gas hedging gains last year.

Operating income rose 6% to Ps.602 million principally driven by the sale volume growth. Operating margin declined to 12.5% from 13% in connection with the aforementioned reductions in other income.

EBITDA increased 5% to Ps.797 million. EBITDA margin declined to 16.5% from 17.3%.

For additional information, please see GIMSA "Second Quarter 2017 Results" available through GRUMA's website, www.gruma.com.

Gruma Europe

Sales volume rose 2% to 104 thousand metric tons. The tortilla business rose in connection with (1) increased consumption of kebabs, particularly in France; (2) higher retail sales in Spain due to increased store coverage within large retailers, combined with larger shelf-space, and promotions; and (3) market share gains in Russia in connection with increased coverage. The corn milling business rose as during 2Q16 the Italian mill partially suspended production due to technology upgrades. Part of this growth was offset by volume reductions in Turkey related to delays on corn import permits.

Net sales decreased 1% to Ps.1,274 million despite the aforementioned sales volume growth, due mainly to the weakness of the British pound.

Cost of sales as a percentage of net sales improved to 75% from 76.7% reflecting primarily production efficiencies at the tortilla business, which resulted in lower costs for raw materials, labor, and packaging. In absolute terms, cost of sales decreased 3% to Ps.955 million in connection with the aforementioned production efficiencies and the weakness of the British pound.

SG&A as a percentage of net sales increased to 19.9% from 19% and in absolute terms rose 4% to Ps.253 million. This was driven mainly by (1) higher freight expenses arising from a change in the customer mix; (2) new distribution centers in Russia and the U.K.; and (3) strengthening of the retail sales department and controlling areas.

Operating income was Ps.67 million, compared to Ps.62 million, and operating margin rose to 5.3% from 4.8%, resulting mainly from the aforementioned production efficiencies at the tortilla business.

EBITDA increased 7% to Ps.116 million, and EBITDA margin improved to 9.1% from 8.4%.

Gruma Centroamérica

Sales volume decreased 1% to 47 thousand metric tons due mainly to lower corn flour sales to the United Nations World Food Programme in Honduras. The decline was mostly offset by higher sales of hearts of palm, due to reactivation of sales to France, and higher snack sales resulting from increased promotions and new product launches.

Net sales were flat at Ps.1,073 million, as sales volume decline was offset by the aforementioned change in sales mix toward hearts of palm and snacks.

Cost of sales as a percentage of net sales increased to 62% from 60.6% mostly driven by higher energy and raw material costs, especially corn and rice, as well as a change in the sales mix toward flanker brands in corn flour and snacks. In absolute terms, cost of sales rose 2% to Ps.665 million in connection with the aforementioned higher costs.

SG&A as a percentage of net sales improved to 30.2% from 31.3%, and in absolute terms, SG&A declined 4% to Ps.324 million, mostly resulting from lower marketing expenses.

Operating income decreased 16% to Ps.83 million, and operating margin declined to 7.7% from 9.2% due mainly to an insurance claim recovery for Ps.15 million in 2Q16, reported under other income, and the aforementioned higher energy and raw-material costs.

EBITDA declined 9% to Ps.113 million. EBITDA margin decreased to 10.5% from 11.6%.

Other Subsidiaries and Eliminations

Operating income improved Ps.18 million to Ps.235 million. This resulted mainly from the positive peso depreciation effect largely related to Gruma USA, as figures for this subsidiary are reported under convenience translation and the foreign exchange benefit is shown under “Other Subsidiaries and Eliminations”.

CONFERENCE CALL

The second quarter conference call will be held on Thursday, July 20, 2017 at 11:30 am Eastern Time (10:30 am Central/ Mexico City Time). To access the call, please dial: domestic US +1 (855) 327 6837, international +1 (631) 891 4304.

ACCOUNTING PROCEDURES

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

Results for foreign subsidiaries are translated to Mexican pesos applying the historical exchange rate. Nevertheless, 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.17.8973/dollar as of June 30, 2017. 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 20,000 employees and 72 plants. In 2016, GRUMA had net sales of US$3.6 billion, of which 75% 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.

GRUMA, S.A.B. DE C.V., AND SUBSIDIARIES
FINANCIAL HIGHLIGHTS
(MILLIONS OF MEXICAN PESOS)

INCOME STATEMENT SUMMARY	QUARTERS 2Q17	2Q16	VAR (%)	YTD JUNE 2017	2016	VAR (%)
NET SALES	**17,437**	16,348	7	**35,115**	32,179	9
COST OF SALES	**10,705**	10,097	6	**21,736**	19,809	10
GROSS PROFIT	**6,733**	6,251	8	**13,379**	12,369	8
GROSS MARGIN (%)	**38.6%**	38.2%		**38.1%**	38.4%	
SELLING AND ADMINISTRATIVE EXPENSES	**4,382**	4,155		**8,801**	8,219	
OTHER EXPENSE (INCOME) , NET	**7**	(94)		**55**	(71)	
OPERATING INCOME	**2,344**	2,191	7	**4,523**	4,221	7
OPERATING MARGIN (%)	**13.4%**	13.4%		**12.9%**	13.1%	
NET COMPREHENSIVE FINANCING COST	**339**	33		**790**	171	
INTEREST EXPENSE	**150**	164		**317**	318	
INTEREST INCOME	**(16)**	(12)		**(29)**	(22)	
(GAIN) LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS	**238**	(302)		**710**	(284)	
FOREIGN EXCHANGE LOSS (GAIN)	**(33)**	183		**(208)**	159	
INCOME TAXES	**526**	656		**958**	1,234	
NET INCOME	**1,479**	1,501	(1)	**2,775**	2,816	(1)
MAJORITY NET INCOME	**1,432**	1,417	1	**2,714**	2,683	1
EARNINGS PER SHARE[1]	**3.31**	3.27	1	**6.27**	6.20	1
DEPRECIATION AND AMORTIZATION	**492**	451		**1,009**	**896**	
EBITDA[2]	**2,835**	2,642	7	**5,532**	5,117	8
EBITDA MARGIN (%)	**16.3%**	16.2%		**15.8%**	15.9%	
CAPITAL EXPENDITURES (MILLION US$)	**61**	79		**119**	129	

BALANCE SHEET SUMMARY	Jun-17	Jun-16	VAR (%)	Mar-17	VAR (%)
CASH AND CASH EQUIVALENTS	**3,332**	2,902	15	3,881	(14)
TRADE ACCOUNTS RECEIVABLE	**6,223**	5,723	9	6,248	(0)
OTHER ACCOUNTS RECEIVABLE	**1,960**	1,879	4	1,851	6
INVENTORIES	**9,857**	9,737	1	9,399	5
CURRENT ASSETS	**21,882**	20,900	5	21,938	(0)
PROPERTY, PLANT, AND EQUIPMENT, NET	**25,192**	22,803	10	25,324	(1)
TOTAL ASSETS	**53,972**	49,970	8	53,894	0
SHORT-TERM DEBT	**3,267**	2,003	63	3,792	(14)
CURRENT LIABILITIES	**14,311**	13,384	7	14,405	(1)
LONG-TERM DEBT	**11,057**	11,235	(2)	9,960	11
TOTAL LIABILITIES	**29,145**	28,572	2	28,110	4
MAJORITY SHAREHOLDERS' EQUITY	**22,975**	19,751	16	23,949	(4)
SHAREHOLDERS' EQUITY	**24,826**	21,398	16	25,783	(4)
CURRENT ASSETS/CURRENT LIABILITIES	**1.53**	1.56		1.52	
TOTAL LIABILITIES/SHAREHOLDERS' EQUITY	**1.17**	1.34		1.09	
DEBT/EBITDA[3]	**1.26**	1.32		1.23	
EBITDA/INTERES EXPENSE[3]	**17.34**	15.38		16.67	
BOOK VALUE PER SHARE[1]	**53.09**	45.64		55.34	

[1] On the basis of 432,749,079 shares as of June 30, 2017 and 2016 and as of March 31, 2017.

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

[3] Last twelve months.

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

FINANCIAL HIGHLIGHTS BY SUBSIDIARY

(MILLIONS OF MEXICAN PESOS)

		QUARTERS				YTD JUNE			
		2Q17	2Q16	VAR ($)	VAR (%)	**2017**	2016	VAR ($)	VAR (%)
GRUMA USA[1]	SALES VOLUME[2]	**344**	335	10	3	**678**	662	16	2
Corn flour, tortillas, and other	NET SALES	**9,269**	8,845	424	5	**18,208**	17,651	556	3
	GROSS PROFIT	**4,090**	3,806	284	7	**7,902**	7,604	298	4
	Gross Margin	**44.1%**	43.0%			**43.4%**	43.1%		
	OPERATING INCOME	**1,357**	1,243	114	9	**2,543**	2,468	76	3
	Operating Margin	**14.6%**	14.0%			**14.0%**	14.0%		
	EBITDA	**1,635**	1,510	125	8	**3,097**	3,005	92	3
	EBITDA Margin	**17.6%**	17.1%			**17.0%**	17.0%		
GIMSA	SALES VOLUME	**506**	486	21	4	**986**	952	35	4
Corn flour and other	NET SALES	**4,828**	4,382	446	10	**9,527**	8,492	1,035	12
	GROSS PROFIT	**1,337**	1,215	122	10	**2,550**	2,441	109	4
	Gross Margin	**27.7%**	27.7%			**26.8%**	28.7%		
	OPERATING INCOME	**602**	570	32	6	**1,163**	1,100	63	6
	Operating Margin	**12.5%**	13.0%			**12.2%**	13.0%		
	EBITDA	**797**	759	38	5	**1,552**	1,476	76	5
	EBITDA Margin	**16.5%**	17.3%			**16.3%**	17.4%		
GRUMA EUROPE[1]	SALES VOLUME[2]	**104**	101	3	2	**205**	190	15	8
Corn flour, tortillas, and other	NET SALES	**1,274**	1,283	(9)	(1)	**2,465**	2,431	34	1
	GROSS PROFIT	**319**	298	20	7	**599**	572	27	5
	Gross Margin	**25.0%**	23.3%			**24.3%**	23.5%		
	OPERATING INCOME	**67**	62	5	9	**65**	92	(27)	(29)
	Operating Margin	**5.3%**	4.8%			**2.6%**	3.8%		
	EBITDA	**116**	108	8	7	**160**	182	(22)	(12)
	EBITDA Margin	**9.1%**	8.4%			**6.5%**	7.5%		
GRUMA CENTROAMÉRICA	SALES VOLUME	**47**	47	(0)	(1)	**94**	95	(1)	(1)
Corn flour and other	NET SALES	**1,073**	1,075	(2)	(0)	**2,230**	2,157	73	3
	GROSS PROFIT	**407**	423	(16)	(4)	**828**	828	(1)	(0)
	Gross Margin	**38.0%**	39.4%			**37.1%**	38.4%		
	OPERATING INCOME	**83**	99	(16)	(16)	**143**	184	(41)	(22)
	Operating Margin	**7.7%**	9.2%			**6.4%**	8.6%		
	EBITDA	**113**	125	(12)	(9)	**205**	235	(30)	(13)
	EBITDA Margin	**10.5%**	11.6%			**9.2%**	10.9%		
OTHER SUBSIDIARIES & ELIMINATIONS[3]	SALES VOLUME	**8**	12	(4)	(33)	**18**	29	(11)	(37)
	NET SALES	**995**	763	232	30	**2,686**	1,448	1,238	85
	GROSS PROFIT	**579**	508	71	14	**1,499**	923	576	62
	Gross Margin	**58.2%**	66.6%			**55.8%**	63.7%		
	OPERATING INCOME	**235**	217	18	8	**608**	377	231	61
	Operating Margin	**23.6%**	28.4%			**22.6%**	26.0%		
	EBITDA	**175**	141	34	24	**517**	218	299	137
	EBITDA Margin	**17.6%**	18.5%			**19.2%**	15.1%		
CONSOLIDATED	SALES VOLUME	**1,009**	981	28	3	**1,982**	1,927	55	3
	NET SALES	**17,437**	16,348	1,089	7	**35,115**	32,179	2,936	9
	GROSS PROFIT	**6,733**	6,251	482	8	**13,379**	12,369	1,010	8
	Gross Margin	**38.6%**	38.2%			**38.1%**	38.4%		
	OPERATING INCOME	**2,344**	2,191	153	7	**4,523**	4,221	302	7
	Operating Margin	**13.4%**	13.4%			**12.9%**	13.1%		
	EBITDA	**2,835**	2,642	193	7	**5,532**	5,117	415	8
	EBITDA Margin	**16.3%**	16.2%			**15.8%**	15.9%		

[1] Convenience translation. For further details see "Accounting Procedures".

[2] All sales volume figures are expressed in thousand metric tons.

[3] Effect of the use of convenience translation is reported under Other Subsidiaries & Eliminations.