
GIMSA REPORTS THIRD QUARTER 2017 RESULTS

RESULTS OF OPERATIONS

3Q17 versus 3Q16

Sales volume rose 4% to 512 thousand metric tons driven mainly by (1) wholesalers who are expanding their distribution; (2) higher demand from the largest snack producers in Mexico; and (3) exports to our U.S. operations.

Net sales grew 8% to Ps.4,864 million primarily in connection with (1) the effect of price increases implemented during 2016 and the beginning of 2017; and (2) the aforementioned sales volume growth.

Cost of sales as a percentage of net sales improved to 72.4% from 72.6%. 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 8% to Ps.3,523 million due to the aforementioned higher costs and sales volume growth.

Selling, General & Administrative expenses (SG&A) as a percentage of net sales improved to 15.5% from 16.2% due to better absorption. In absolute terms, SG&A rose 3% to Ps.755 million due mostly to (1) higher sales commissions in connection with volume growth; (2) higher freight costs, resulting from higher tariffs, and higher sales volume to customers where the company absorbs this expense.

Other income, net, of Ps.8 million, represents a decline of Ps.127 million, mostly resulting from (1) reversed impairment losses of Ps.78 million in 3Q16 related to the reopening of a plant in Central Mexico, a facility that had been closed since 1999; and (2) extraordinary gains on corn hedging during 3Q16.

Operating income decreased 8% to Ps.594 million and operating margin declined to 12.2% from 14.2% principally driven by the aforementioned reversed impairment losses and corn hedging gains last year.

EBITDA increased 5% to Ps.790 million. EBITDA margin declined to 16.2% from 16.7%.

Net comprehensive financing income was Ps.9 million, a decrease of Ps.156 million resulting mostly from lower foreign exchange hedging gains related to corn procurement.

Income taxes were Ps.186 million, 25% less in connection with a lower pre-tax income. The effective tax rate was 30.8%.

Majority net income was Ps.414 million, 37% lower; and as a percentage of net sales, majority net income declined to 8.5% from 12.3%. This was primarily due to (1) the aforementioned lower foreign exchange hedging gains related to corn procurement; and (2) reductions at other income.

CAPITAL EXPENDITURES

GIMSA's capital expenditures for 3Q17 were US\$5 million, primarily allocated to general technology upgrades.

FINANCIAL POSITION

September 2017 versus June 2017

Balance Sheet Highlights

Total assets decreased 2% to Ps.15,545 million due primarily to lower cash balances, most of which was applied to building corn inventory.

Total liabilities decreased 7% to Ps.3,798 million largely due to lower corn trade accounts payable.

Shareholders' equity was relatively flat at Ps.11,747 million.

RECENT EVENTS

During 3Q17 GRUMA acquired most (99.9%) of the 14.5% of GIMSA's public stake. This effort was aimed at the delisting of GIMSA from the public market in the short-term.

Also, during 3Q17, GRUMA and GIMSA acquired the minority interests that remained at some of GIMSA's plants. The amount applied for this during 3Q17 US\$25 million.

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[®] 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 4,900 employees and 18 plants. In 2016, GIMSA had net sales of US\$865 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			YTD SEPTEMBER		
	3Q17	3Q16	VAR (%)	2017	2016	VAR (%)
SALES VOLUME (METRIC TONS IN THOUSANDS)	512	491	4	1,499	1,443	4
CORN FLOUR	508	487	4	1,485	1,428	4
OTHERS	5	4	15	14	14	(5)
NET SALES	4,864	4,513	8	14,391	13,005	11
COST OF SALES	3,523	3,274	8	10,500	9,325	13
GROSS PROFIT	1,341	1,238	8	3,891	3,679	6
GROSS MARGIN (%)	27.6%	27.4%		27.0%	28.3%	
SELLING AND ADMINISTRATIVE EXPENSES	755	731		2,235	2,113	
OTHER EXPENSE(INCOME), NET	(8)	(135)		(101)	(176)	
OPERATING INCOME	594	642	(8)	1,757	1,742	1
OPERATING MARGIN (%)	12.2%	14.2%		12.2%	13.4%	
NET COMPREHENSIVE FINANCING COST (INCOME)	(9)	(165)		617	(410)	
INTEREST EXPENSE	7	4		16	12	
INTEREST INCOME	(13)	(29)		(56)	(65)	
(GAIN) LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS	(10)	(153)		701	(437)	
FOREIGN EXCHANGE LOSS (GAIN)	6	13		(44)	79	
INCOME TAXES	186	249		355	677	
NET INCOME	417	558	(25)	785	1,476	(47)
MAJORITY NET INCOME	414	554	(25)	773	1,463	(47)
EARNINGS PER SHARE ¹	0.45	0.60	(25)	0.84	1.59	(47)
DEPRECIATION AND AMORTIZATION	196	190		586	566	
IMPAIRMENT OF LONG LIVED ASSETS	0	(78)		0	(78)	
EBITDA ²	790	754	5	2,342	2,230	5
CAPITAL EXPENDITURES	98	188		350	519	

BALANCE SHEET SUMMARY	Sep-17	Sep-16	VAR (%)	Jun-17	VAR (%)
CASH AND CASH EQUIVALENTS	342	577	(41)	694	(51)
TRADE ACCOUNTS RECEIVABLE	1,342	1,046	28	1,257	7
OTHER ACCOUNTS RECEIVABLE	867	3,103	(72)	1,503	(42)
INVENTORIES	6,051	4,020	51	5,395	12
CURRENT ASSETS	8,714	8,830	(1)	8,924	(2)
PROPERTY, PLANT, AND EQUIPMENT, NET	5,121	4,691	9	5,084	1
TOTAL ASSETS	15,545	15,566	(0)	15,798	(2)
SHORT-TERM DEBT	0	0	0	0	0
CURRENT LIABILITIES	3,240	4,104	(21)	3,560	(9)
LONG-TERM DEBT	0	0	0	0	0
TOTAL LIABILITIES	3,798	4,635	(18)	4,106	(7)
SHAREHOLDERS' EQUITY	11,747	10,931	7	11,692	0
MAJORITY SHAREHOLDERS' EQUITY	11,641	10,661	9	11,373	2
CURRENT ASSETS/CURRENT LIABILITIES	2.69	2.15		2.51	
TOTAL LIABILITIES/SHAREHOLDERS' EQUITY	0.32	0.42		0.35	
BOOK VALUE PER SHARE ¹	12.68	11.61		12.38	

¹ Based on 918,405,000 shares outstanding as of September 30, 2017 and 2016 and June 30, 2017.

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