



GRUMA

Investor Relations

[ir@gruma.com](mailto:ir@gruma.com)

Tel: 52 (81) 8399-3349

[www.gruma.com](http://www.gruma.com)

San Pedro Garza García, N.L., Mexico; October 17, 2018

## GRUMA REPORTS THIRD QUARTER 2018 RESULTS

### HIGHLIGHTS

GRUMA's performance in the third quarter of 2018 showed volume and net sales growth in all regions, with Consolidated EBITDA rising at the same rate as net sales.

Consolidated **sales volume** rose 3%. **Net sales** grew 8% in connection with volume growth, price increases at GIMSA, and the peso weakness effect. Net sales grew despite an impact of Ps.146 million resulting from the adoption of International Financial Reporting Standard 15 ("IFRS 15"), effective January 2018, by which some selling expenses were reclassified as a deduction to net sales.

Consolidated **EBITDA** rose 8% driven by increases at all subsidiaries, other than Gruma Europe, and from the peso weakness effect. EBITDA margin remained flat at 16.4%.

**Majority net income** was affected by a higher comprehensive financing cost, and by a higher effective tax rate, both due to non-recurring events in 3Q17.

Sales and EBITDA from non-Mexican operations represented 73% and 71%, respectively, of consolidated figures. The company reported US\$1.1 billion of **debt** at quarter-end, US\$91 million less than at the end of 2Q18. **Net Debt/EBITDA** ratio was 1.4x.

### Consolidated Financial Highlights

(Ps. millions)

|                                     | 3Q18   | 3Q17   | Var     |
|-------------------------------------|--------|--------|---------|
| Sales volume (thousand metric tons) | 1,027  | 993    | 3%      |
| Net sales                           | 18,488 | 17,135 | 8%      |
| Operating income                    | 2,436  | 2,312  | 5%      |
| Operating margin                    | 13.2%  | 13.5%  | (30) bp |
| EBITDA                              | 3,023  | 2,802  | 8%      |
| EBITDA margin                       | 16.4%  | 16.4%  | -       |
| Majority net income                 | 1,275  | 1,659  | (23)%   |



**Debt**  
(US\$ millions)

| Sep'18 | Sep'17 | Var vs Sep'17 |      | Jun'18 | Var vs Jun'18 |      |
|--------|--------|---------------|------|--------|---------------|------|
|        |        | (\$)          | (%)  |        | (\$)          | (%)  |
| 1,110  | 1,118  | (8)           | (1)% | 1,201  | (91)          | (8)% |

**CONSOLIDATED RESULTS OF OPERATIONS**

3Q18 versus 3Q17

**Sales volume** grew 3% to 1,027 thousand metric tons driven by all subsidiaries.

**Net sales** rose 8% to Ps.18,488 million and were higher at all subsidiaries. The following factors contributed to this increase: sales volume growth; price increases at GIMSA at the beginning of the year and in August; and the peso weakness effect, principally on figures for Gruma USA and Gruma Europe, which represented about 39% of the variation. The change in the sales mix at the tortilla business of Gruma USA, coupled with selective price increases in retail tortilla towards the end of last June, also drove net sales higher. Net sales were impacted by Ps.146 million from the adoption of IFRS 15.

**Cost of sales** as a percentage of net sales improved to 62.2% from 62.6% driven by better performance at the corporate services and technology operations. In absolute terms, cost of sales increased 7% to Ps.11,497 million, mostly in connection with sales volume growth, the peso depreciation, and rising costs for several inputs.

**Selling, general and administrative expenses (SG&A)** as a percentage of net sales rose to 24.6% from 24.0%, primarily driven by a fiscal reimbursement in 3Q17 related to tax on assets, which was reported under administrative expenses. In absolute terms, SG&A rose 11% to Ps.4,546 million, due to the aforementioned reimbursement and the peso depreciation. The adoption of IFRS 15 had a positive impact of Ps.146 million.

**Other expense, net**, was Ps.9 million compared to an income of Ps.5 million. The Ps.14 million difference resulted from impairment of long-lived assets.

**Operating income** grew 5% to Ps.2,436 million. Operating margin decreased to 13.2% from 13.5%.

**EBITDA** increased 8% to Ps.3,023 million. EBITDA margin remained flat at 16.4%.





**Net comprehensive financing cost** was Ps.432 million, an increase of Ps.369 million, primarily in connection with (1) lower financial income related to recovered tax on assets in 3Q17; and (2) higher interest expense driven by higher debt, higher interest rates coupled with a higher proportion of peso denominated debt, and peso weakness.

**Income taxes** were Ps.729 million, 23% higher, and the effective tax rate was 36.3%. This was driven by non-cash taxes due to the use of tax-loss-carryforwards in 3Q17.

**Majority net income** declined 23% to Ps.1,275 million driven primarily by the impact from non-cash taxes and, to a lesser extent, higher interest expense and lower financial income from the recovered tax on assets in 3Q17.

### FINANCIAL POSITION

September 2018 versus June 2018

#### Balance Sheet Highlights

**Total assets** declined 7% to Ps.61,003 million mainly due to (1) lower cash balances in connection with debt repayment; (2) lower inventories at GIMSA related to corn consumption; and (3) lower property, plant and equipment in connection with the peso appreciation effect when comparing the exchange rate at the end of September 2018 versus June 2018.

**Total liabilities** decreased 11% to Ps.35,422 million in connection with lower debt.

**Shareholders' equity** declined 1% to Ps.25,581 million.

#### Debt Profile

GRUMA's debt was US\$1.1 billion, US\$91 million less than as of June 2018. Approximately 64% of GRUMA's debt was dollar-denominated.

**Debt**  
(US\$ millions)

| Sep'18 | Sep'17 | Var vs Sep'17 |      | Jun'18 | Var vs Jun'18 |      |
|--------|--------|---------------|------|--------|---------------|------|
|        |        | (\$)          | (%)  |        | (\$)          | (%)  |
| 1,110  | 1,118  | (8)           | (1)% | 1,201  | (91)          | (8)% |





During 3Q18 GRUMA refinanced most of its short-term debt through the issuance of Ps.3 billion in CEBURES with a 5-year maturity, and through a Ps.2 billion syndicated loan maturing in 2021. This new structure significantly improved GRUMA’s debt profile in terms of maturity, with flexibility to prepay debt.

**Debt Maturity Profile**  
(US\$ millions)

|  | Rate                | 2018         | 2019        | 2020        | 2021         | 2022         | 2023         | 2024         | TOTAL          |
|--|---------------------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------|
| Senior Notes 2024 (USD \$400)                      | Fixed 4.875%        |              |             |             |              |              |              | 400.0        | 400.0          |
| Rabobank Syndicated Term Loan (USD \$150)          | LIBOR + 1%          |              | 18.8        | 22.5        | 26.3         | 82.5         |              |              | 150.0          |
| Rabobank Syndicated Revolving Facility (USD \$250) | LIBOR + 1%          |              |             |             |              | 160.0        |              |              | 160.0          |
| CEBURES 2023 (MXN \$3,000)                         | TIIE + 0.38%        |              |             |             |              |              | 159.5        |              | 159.5          |
| Scotiabank Syndicated Term Loan (MXN \$2,000)      | TIIE + 0.55%        |              |             |             | 106.3        |              |              |              | 106.3          |
| Other:   |                     |              |             |             |              |              |              |              |                |
| MXN  | 8.27%               |              | 111.6       |             |              |              |              |              | 111.6          |
| USD  | 3.24%               |              | 4.5         |             |              |              |              |              | 4.5            |
| EUR  | 1.48%               | 1.2          | 5.0         | 3.8         | 2.4          | 2.1          | 2.0          | 2.0          | 18.4           |
| <b>TOTAL</b>                                       | <b>5.61% (avg.)</b> | <b>117.4</b> | <b>23.7</b> | <b>26.3</b> | <b>135.0</b> | <b>244.6</b> | <b>161.4</b> | <b>402.0</b> | <b>1,110.4</b> |

**CAPITAL EXPENDITURE PROGRAM**

GRUMA’s capital expenditures totaled US\$40 million for 3Q18, which were allocated largely to (1) the tortilla plant in Dallas (which started operations last August) and capacity expansions at the tortilla plant in Florida; (2) general technology upgrades at GIMSA; (3) the construction of a tortilla plant in Puebla, and capacity expansions at the tortilla plant in Tijuana; and (4) packaging automation at plants in the Netherlands and England.





## SUBSIDIARY RESULTS OF OPERATIONS

3Q18 versus 3Q17

### Gruma USA

**Sales volume** rose 4% to 354 thousand metric tons. **Corn flour** sales volume rose 10% as the company has gained customers based on service and product quality. The **tortilla** business declined 1% driven by the food service channel, which was impacted by the company’s decision to reduce supply of some SKUs based on profitability. The retail channel benefited primarily from growth of healthier alternatives, carb balance tortillas in particular.



**Net sales** increased 3% to Ps.10,070 million driven by volume growth. Net sales grew at a lower rate than volume because sales mix favored the corn flour business, which has lower prices than the tortilla business; and because of the adoption of IFRS 15, which resulted in a net sales reduction of about Ps.63 million. Excluding this adoption, net sales for Gruma USA would have risen 4% rather than 3%. The aforementioned factors offset higher prices achieved in the tortilla business, which, during 3Q18 benefited from (1) a change in the sales mix within both channels of the tortilla business, favoring higher-priced SKUs, most notably at the retail channel; (2) a change in the sales mix favoring the retail tortilla channel as foodservice declined, resulting from the reduced supply based on profitability; and (3) selective price increases on retail tortilla effective towards the end of June oriented to offset, among other factors, rising costs for labor and transportation.

**Cost of sales** as a percentage of net sales increased to 58.2% from 56.6% driven mainly by (1) the aforementioned sales mix favoring the corn flour business, which has a lower gross margin than the tortilla business; (2) an unfavorable comparison in the corn flour business, raw material costs were lower in the year ago period, resulting from a corn cost positive adjustment based on physical inventories; (3) higher healthcare costs; and (4) the adoption of IFRS 15, which resulted in lower cost absorption of 40 basis points. In absolute terms, cost of sales rose 6% to Ps.5,860 million, due to the aforementioned sales volume growth and cost increases.

**SG&A** as a percentage of net sales improved to 27.9% from 29.2% due mainly to (1) better expense absorption; and (2) the reclassification of some selling expenses in connection with the adoption of IFRS 15, representing approximately a 50 basis points benefit. In absolute terms, SG&A decreased 1% due to the reclassification from the adoption of IFRS 15.





**Operating income** rose 1% to Ps.1,392 million. Operating margin declined to 13.8% from 14.2%.

**EBITDA** rose 4% to Ps.1,746 million. EBITDA margin improved to 17.3% from 17.2%. EBITDA includes a negative impact of approximately Ps.14 million related to hurricane Florence, which hit the U.S. east coast last September, in particular North Carolina.

**GIMSA**



**Sales volume** rose 1% to 520 thousand metric tons resulting mainly from (1) export sales to our U.S. corn flour business; (2) wholesalers expanding their distribution; and (3) sales of grits due to new snack customers.

**Net sales** grew 7% to Ps.5,204 million in connection with (1) price increases effective January and August of 2018; (2) benefits from peso weakness on export sales; and (3) sales volume growth.

**Cost of sales** as a percentage of net sales was flat at 72.4% as price increases offset higher costs of energy, and corn, among other inputs. In absolute terms, cost of sales rose 7% at Ps.3,769 million, due to the aforementioned cost increases and sales volume growth.

**SG&A** as a percentage of net sales increased to 16.1% from 15.4% due mostly to (1) higher fuel prices impacting, among others, sales expenses and freight charges; (2) salary increases; and (3) the change in the sales mix favoring sales where the company absorbs freight expenses. In absolute terms, SG&A grew 11% to Ps.840 million driven by the aforementioned expenses.

**Operating income** increased 1% to Ps.600 million, and operating margin declined to 11.5% from 12.2%.

**EBITDA** rose 5% to Ps.831 million. EBITDA margin declined to 16.0% from 16.2%.

**Gruma Europe**

**Sales volume** increased 10% to 92 thousand metric tons, driven mainly by the corn milling business. The **corn milling** business sales volume increased 14%, driven by (1) higher sales of grits to (a) snack producers, as they favored our better quality; and to (b) brewing companies, as they switched from other grains; and, consequently, (2) higher sales volume of byproducts, in line with the increase in grits. The **tortilla** business rose 4% resulting primarily from (1) new food service customers in France and Germany; and (2) expanded distribution in retail channels in the Middle East.





**Net sales** rose 5% to Ps.1,340 million resulting from volume growth. Net sales grew at a lower rate than sales volume due mainly to the change in the sales mix toward the corn milling business, in particular the mix toward byproducts.

**Cost of sales** as a percentage of net sales rose to 76.2% from 75.5% in connection with higher raw-material, energy, labor and packaging costs at the tortilla business. Also, the adoption of IFRS 15, which resulted in lower net sales, impacted cost of sales as a percentage of net sales by 40 basis points. In absolute terms, cost of sales increased 6% to Ps.1,021 million mostly in connection with the aforementioned cost increases and the sales volume growth.

**SG&A** as a percentage of net sales improved to 19.1% from 19.2% mostly from the aforementioned adoption of IFRS 15, which resulted in lower SG&A. In absolute terms, SG&A increased 4% to Ps.256 million mainly driven by strengthening of the sales department at the corn milling operations.

**Operating income** decreased 12% to Ps.65 million, and operating margin declined to 4.8% from 5.7%.

**EBITDA** declined 2% to Ps.123 million, and EBITDA margin corrected to 9.2% from 9.8%.

**Gruma Centroamérica**

**Sales volume** increased 17% to 55 thousand metric tons due mainly to (1) less aggressive competition, especially in Honduras, coupled with increased distribution of our corn flour flanker brand; (2) higher sales to the United Nations World Food Programme in Honduras; (3) low availability of corn as the crop in Honduras was delayed, which also caused a spike in local corn prices; (4) lack of corn in Nicaragua as planting areas have declined amid a difficult economic and political environment, which also drove demand for our corn flour flanker brands.



**Net sales** rose 10% to Ps.1,127 million in connection with sales volume growth, and the peso weakness effect. However, net sales and average prices were affected by the adoption of IFRS 15, representing an impact of Ps.56 million; and, the change in the sales mix towards our corn flour flanker brands.





**Cost of sales** as a percentage of net sales increased to 64.7% from 61.3% driven mainly by (1) the adoption of IFRS 15, which resulted in lower absorption that represented an impact of 310 basis points; and, to a lesser extent, (2) the change in the sales mix favoring flanker brands; and (3) higher energy costs. In absolute terms, cost of sales rose 16% to Ps.729 million mainly in connection with (1) the sales volume growth; (2) the peso depreciation; and (3) higher energy costs.

**SG&A** as a percentage of net sales improved to 26.6% from 31.1% due mainly to (1) the aforementioned adoption of IFRS 15, which resulted in lower selling expenses representing a benefit of 350 basis points; and (2) better absorption. In absolute terms, SG&A declined 6% to Ps.300 million principally resulting from the adoption of IFRS 15, which fully offset the increases in SG&A related to the sales volume growth and the peso depreciation.

**Operating income** rose 29% to Ps.100 million, and operating margin expanded to 8.8% from 7.5%.

**EBITDA** increased 26% to Ps.135 million. EBITDA margin improved to 12% from 10.5%.

**Other Subsidiaries and Eliminations**

**Operating income** rose 6% to Ps.284 million. This resulted mainly from better performance in Gruma Asia-Oceania as volumes and margins continue expanding. EBITDA increased 1% to Ps.188million.

**CONFERENCE CALL**

The third quarter conference call will be held on Thursday, October 18, 2018 at 11:30 am Eastern Time (10:30 am Central/ Mexico City Time). To access the call, please dial: domestic US +1 (877) 407 0784, international +1 (201) 689 8560.

**ACCOUNTING PROCEDURES**

The consolidated figures have been prepared in accordance with the International Financial Reporting Standards (IFRS). Results for foreign subsidiaries are translated into Mexican pesos applying the historical exchange rate. Nevertheless, under the section "Subsidiary Results of Operations" and the table "Financial Highlights by Subsidiary" of this report, figures for Gruma USA and Gruma Europe were translated into Mexican pesos using a convenience translation at the exchange rate of Ps.18.8120/dollar as of September 30, 2018. The differences between the use of convenience translation and the historical exchange rate are recorded under the line "Convenience Translation Effect" of the same table.





## 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 20,600 employees and 74 plants. In 2017, GRUMA had net sales of US\$3.7 billion, of which 73% came from non-Mexican operations. For further information, please visit [www.gruma.com](http://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 |        |         | YTD SEPTEMBER |        |         |
|---|----------|--------|---------|---------------|--------|---------|
|   | 3Q18     | 3Q17   | VAR (%) | 2018          | 2017   | VAR (%) |
| NET SALES   | 18,488   | 17,135 | 8       | 54,962        | 52,249 | 5       |
| COST OF SALES                                     | 11,497   | 10,723 | 7       | 34,297        | 32,459 | 6       |
| GROSS PROFIT                                      | 6,991    | 6,411  | 9       | 20,665        | 19,790 | 4       |
| GROSS MARGIN (%)                                  | 37.8%    | 37.4%  |         | 37.6%         | 37.9%  |         |
| SELLING AND ADMINISTRATIVE EXPENSES               | 4,546    | 4,104  |         | 13,516        | 12,905 |         |
| OTHER EXPENSE (INCOME) , NET                      | 9        | (5)    |         | 48            | 50     |         |
| OPERATING INCOME                                  | 2,436    | 2,312  | 5       | 7,100         | 6,836  | 4       |
| OPERATING MARGIN (%)                              | 13.2%    | 13.5%  |         | 12.9%         | 13.1%  |         |
| NET COMPREHENSIVE FINANCING COST                  | 432      | 63     |         | 1,052         | 853    |         |
| INTEREST EXPENSE                                  | 348      | 224    |         | 918           | 541    |         |
| INTEREST INCOME                                   | (24)     | (187)  |         | (58)          | (216)  |         |
| (GAIN) LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS | 44       | (10)   |         | 54            | 701    |         |
| FOREIGN EXCHANGE LOSS (GAIN)                      | 64       | 36     |         | 137           | (172)  |         |
| INCOME TAXES                                      | 729      | 591    |         | 2,183         | 1,549  |         |
| NET INCOME  | 1,275    | 1,659  | (23)    | 3,866         | 4,434  | (13)    |
| MAJORITY NET INCOME                               | 1,275    | 1,659  | (23)    | 3,865         | 4,373  | (12)    |
| EARNINGS PER SHARE <sup>1</sup>                   | 2.98     | 3.83   | (22)    | 9.02          | 10.11  | (11)    |
| DEPRECIATION AND AMORTIZATION                     | 576      | 489    |         | 1,688         | 1,493  |         |
| IMPAIRMENT OF LONG LIVED ASSETS                   | 12       |        |         | 24            | 5      |         |
| EBITDA <sup>2</sup>                               | 3,023    | 2,802  | 8       | 8,812         | 8,334  | 6       |
| EBITDA MARGIN (%)                                 | 16.4%    | 16.4%  |         | 16.0%         | 16.0%  |         |
| CAPITAL EXPENDITURES (MILLION US\$)               | 40       | 61     |         | 128           | 214    |         |

| BALANCE SHEET SUMMARY                  | Sep-18        | Sep-17        | VAR (%)   | Jun-18        | VAR (%)     |
|--|---------------|---------------|-----------|---------------|-------------|
| CASH AND CASH EQUIVALENTS              | 3,747         | 3,695         | 1         | 5,369         | (30)        |
| TRADE ACCOUNTS RECEIVABLE              | 7,224         | 6,497         | 11        | 7,284         | (1)         |
| OTHER ACCOUNTS RECEIVABLE              | 2,722         | 2,516         | 8         | 2,909         | (6)         |
| INVENTORIES                            | 11,594        | 10,617        | 9         | 12,667        | (8)         |
| CURRENT ASSETS                         | 25,959        | 23,883        | 9         | 29,096        | (11)        |
| PROPERTY, PLANT, AND EQUIPMENT, NET    | 28,797        | 26,772        | 8         | 29,840        | (3)         |
| <b>TOTAL ASSETS</b>                    | <b>61,003</b> | <b>57,849</b> | <b>5</b>  | <b>65,444</b> | <b>(7)</b>  |
| SHORT-TERM DEBT                        | 2,421         | 3,244         | (25)      | 6,519         | (63)        |
| CURRENT LIABILITIES                    | 14,181        | 14,041        | 1         | 19,651        | (28)        |
| LONG-TERM DEBT                         | 18,379        | 16,910        | 9         | 17,248        | 7           |
| <b>TOTAL LIABILITIES</b>               | <b>35,422</b> | <b>34,779</b> | <b>2</b>  | <b>39,716</b> | <b>(11)</b> |
| MAJORITY SHAREHOLDERS' EQUITY          | 25,593        | 23,076        | 11        | 25,740        | (1)         |
| <b>SHAREHOLDERS' EQUITY</b>            | <b>25,581</b> | <b>23,070</b> | <b>11</b> | <b>25,728</b> | <b>(1)</b>  |
| CURRENT ASSETS/CURRENT LIABILITIES     | 1.83          | 1.70          |           | 1.48          |             |
| TOTAL LIABILITIES/SHAREHOLDERS' EQUITY | 1.38          | 1.51          |           | 1.54          |             |
| DEBT/EBITDA <sup>3</sup>               | 1.76          | 1.77          |           | 2.05          |             |
| EBITDA/INTERES EXPENSE <sup>3</sup>    | 10.11         | 15.67         |           | 11.10         |             |
| BOOK VALUE PER SHARE <sup>1</sup>      | 59.73         | 53.32         |           | 60.01         |             |

<sup>1</sup> On the basis of 428,490,992 shares as of September 30, 2018 and 432,749,079 shares as of September 30, 2017 and 428,915,430 shares as of June 30, 2018.

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

<sup>3</sup> Last twelve months.

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

## FINANCIAL HIGHLIGHTS BY SUBSIDIARY

(MILLIONS OF MEXICAN PESOS)

|   |                           | QUARTERS      |      |        |      |          |         | YTD SEPTEMBER |      |        |      |          |         |
|---|---------------------------|---------------|------|--------|------|----------|---------|---------------|------|--------|------|----------|---------|
|   |                           | 3Q18          | %    | 3Q17   | %    | VAR (\$) | VAR (%) | 2018          | %    | 2017   | %    | VAR (\$) | VAR (%) |
| <b>GRUMA USA<sup>1</sup></b>                      | SALES VOLUME <sup>2</sup> | <b>354</b>    |      | 342    |      | 13       | 4       | <b>1,045</b>  |      | 1,020  |      | 25       | 2       |
| Corn flour, tortillas, and other                  | NET SALES                 | <b>10,070</b> |      | 9,754  |      | 316      | 3       | <b>29,741</b> |      | 28,892 |      | 849      | 3       |
|   | COST OF SALES             | <b>5,860</b>  | 58.2 | 5,521  | 56.6 | 339      | 6       | <b>17,130</b> | 57.6 | 16,353 | 56.6 | 777      | 5       |
|   | GROSS PROFIT              | <b>4,210</b>  | 41.8 | 4,233  | 43.4 | (22)     | (1)     | <b>12,611</b> | 42.4 | 12,539 | 43.4 | 72       | 1       |
|   | SG&A                      | <b>2,815</b>  | 27.9 | 2,845  | 29.2 | (30)     | (1)     | <b>8,352</b>  | 28.1 | 8,436  | 29.2 | (84)     | (1)     |
|   | OPERATING INCOME          | <b>1,392</b>  | 13.8 | 1,384  | 14.2 | 8        | 1       | <b>4,253</b>  | 14.3 | 4,058  | 14.0 | 195      | 5       |
|   | EBITDA                    | <b>1,746</b>  | 17.3 | 1,676  | 17.2 | 71       | 4       | <b>5,262</b>  | 17.7 | 4,931  | 17.1 | 330      | 7       |
| <b>GIMSA</b>                                      | SALES VOLUME              | <b>520</b>    |      | 512    |      | 7        | 1       | <b>1,533</b>  |      | 1,499  |      | 34       | 2       |
| Corn flour and other                              | NET SALES                 | <b>5,204</b>  |      | 4,864  |      | 339      | 7       | <b>15,125</b> |      | 14,391 |      | 734      | 5       |
|   | COST OF SALES             | <b>3,769</b>  | 72.4 | 3,523  | 72.4 | 245      | 7       | <b>10,916</b> | 72.2 | 10,500 | 73.0 | 416      | 4       |
|   | GROSS PROFIT              | <b>1,435</b>  | 27.6 | 1,341  | 27.6 | 94       | 7       | <b>4,209</b>  | 27.8 | 3,891  | 27.0 | 318      | 8       |
|   | SG&A                      | <b>840</b>    | 16.1 | 755    | 15.5 | 85       | 11      | <b>2,442</b>  | 16.1 | 2,235  | 15.5 | 206      | 9       |
|   | OPERATING INCOME          | <b>600</b>    | 11.5 | 594    | 12.2 | 6        | 1       | <b>1,747</b>  | 11.5 | 1,757  | 12.2 | (10)     | (1)     |
|   | EBITDA                    | <b>831</b>    | 16.0 | 790    | 16.2 | 40       | 5       | <b>2,431</b>  | 16.1 | 2,342  | 16.3 | 88       | 4       |
| <b>GRUMA EUROPE<sup>1</sup></b>                   | SALES VOLUME <sup>2</sup> | <b>92</b>     |      | 84     |      | 9        | 10      | <b>259</b>    |      | 289    |      | (30)     | (11)    |
| Corn flour, tortillas, and other                  | NET SALES                 | <b>1,340</b>  |      | 1,281  |      | 59       | 5       | <b>4,043</b>  |      | 3,872  |      | 170      | 4       |
|   | COST OF SALES             | <b>1,021</b>  | 76.2 | 968    | 75.5 | 54       | 6       | <b>3,084</b>  | 76.3 | 2,928  | 75.6 | 156      | 5       |
|   | GROSS PROFIT              | <b>319</b>    | 23.8 | 314    | 24.5 | 5        | 2       | <b>958</b>    | 23.7 | 944    | 24.4 | 14       | 2       |
|   | SG&A                      | <b>256</b>    | 19.1 | 246    | 19.2 | 10       | 4       | <b>799</b>    | 19.8 | 809    | 20.9 | (10)     | (1)     |
|   | OPERATING INCOME          | <b>65</b>     | 4.8  | 74     | 5.7  | (9)      | (12)    | <b>163</b>    | 4.0  | 142    | 3.7  | 21       | 15      |
|   | EBITDA                    | <b>123</b>    | 9.2  | 126    | 9.8  | (3)      | (2)     | <b>340</b>    | 8.4  | 294    | 7.6  | 46       | 16      |
| <b>GRUMA CENTROAMÉRICA</b>                        | SALES VOLUME              | <b>55</b>     |      | 47     |      | 8        | 17      | <b>154</b>    |      | 141    |      | 13       | 9       |
| Corn flour and other                              | NET SALES                 | <b>1,127</b>  |      | 1,021  |      | 106      | 10      | <b>3,335</b>  |      | 3,251  |      | 84       | 3       |
|   | COST OF SALES             | <b>729</b>    | 64.7 | 626    | 61.3 | 103      | 16      | <b>2,160</b>  | 64.8 | 2,028  | 62.4 | 132      | 7       |
|   | GROSS PROFIT              | <b>398</b>    | 35.3 | 395    | 38.7 | 3        | 1       | <b>1,176</b>  | 35.2 | 1,223  | 37.6 | (48)     | (4)     |
|   | SG&A                      | <b>300</b>    | 26.6 | 317    | 31.1 | (18)     | (6)     | <b>909</b>    | 27.2 | 1,003  | 30.8 | (94)     | (9)     |
|   | OPERATING INCOME          | <b>100</b>    | 8.8  | 77     | 7.5  | 23       | 29      | <b>269</b>    | 8.1  | 220    | 6.8  | 48       | 22      |
|   | EBITDA                    | <b>135</b>    | 12.0 | 107    | 10.5 | 28       | 26      | <b>375</b>    | 11.3 | 312    | 9.6  | 63       | 20      |
| <b>OTHER SUBSIDIARIES &amp; ELIMINATIONS</b>      | SALES VOLUME              | <b>6</b>      |      | 9      |      | (3)      | (32)    | <b>37</b>     |      | 24     |      | 13       | 55      |
|   | NET SALES                 | <b>747</b>    |      | 739    |      | 8        | 1       | <b>2,464</b>  |      | 2,021  |      | 443      | 22      |
|   | COST OF SALES             | <b>115</b>    | 15.4 | 379    | 51.3 | (264)    | (70)    | <b>821</b>    | 33.3 | 700    | 34.6 | 121      | 17      |
|   | GROSS PROFIT              | <b>632</b>    | 84.6 | 360    | 48.7 | 272      | 76      | <b>1,644</b>  | 66.7 | 1,321  | 65.4 | 323      | 24      |
|   | SG&A                      | <b>336</b>    | 45.0 | 89     | 12.0 | 247      | 278     | <b>947</b>    | 38.4 | 459    | 22.7 | 488      | 106     |
|   | OPERATING INCOME          | <b>284</b>    | 38.0 | 267    | 36.1 | 17       | 6       | <b>669</b>    | 27.2 | 750    | 37.1 | (81)     | (11)    |
|   | EBITDA                    | <b>188</b>    | 25.2 | 187    | 25.3 | 1        | 1       | <b>361</b>    | 14.7 | 503    | 24.9 | (142)    | (28)    |
| <b>CONVENIENCE TRANSLATION EFFECT<sup>3</sup></b> | NET SALES                 | <b>(1)</b>    |      | (526)  |      | 524      | 100     | <b>253</b>    |      | (178)  |      | 431      | 242     |
|   | COST OF SALES             | <b>3</b>      |      | (294)  |      | 297      | 101     | <b>185</b>    |      | (51)   |      | 236      | 466     |
|   | GROSS PROFIT              | <b>(4)</b>    |      | (232)  |      | 227      | 98      | <b>67</b>     |      | (127)  |      | 195      | 153     |
|   | SG&A                      | <b>(0)</b>    |      | (148)  |      | 148      | 100     | <b>67</b>     |      | (38)   |      | 106      | 276     |
|   | OPERATING INCOME          | <b>(4)</b>    |      | (83)   |      | 79       | 95      | <b>(0)</b>    |      | (91)   |      | 91       | 100     |
|   | EBITDA                    | <b>0</b>      |      | (84)   |      | 84       | 100     | <b>44</b>     |      | (50)   |      | 93       | 188     |
| <b>CONSOLIDATED</b>                               | SALES VOLUME              | <b>1,027</b>  |      | 993    |      | 34       | 3       | <b>3,027</b>  |      | 2,972  |      | 55       | 2       |
|   | NET SALES                 | <b>18,488</b> |      | 17,135 |      | 1,353    | 8       | <b>54,962</b> |      | 52,249 |      | 2,712    | 5       |
|   | COST OF SALES             | <b>11,497</b> | 62.2 | 10,723 | 62.6 | 774      | 7       | <b>34,297</b> | 62.4 | 32,459 | 62.1 | 1,838    | 6       |
|   | GROSS PROFIT              | <b>6,991</b>  | 37.8 | 6,411  | 37.4 | 579      | 9       | <b>20,665</b> | 37.6 | 19,790 | 37.9 | 874      | 4       |
|   | SG&A                      | <b>4,546</b>  | 24.6 | 4,104  | 24.0 | 442      | 11      | <b>13,516</b> | 24.6 | 12,905 | 24.7 | 612      | 5       |
|   | OTHER EXP. (INC.), NET    | <b>9</b>      |      | (5)    |      | 14       | 286     | <b>48</b>     |      | 50     |      | (2)      | (4)     |
|   | OPERATING INCOME          | <b>2,436</b>  | 13.2 | 2,312  | 13.5 | 123      | 5       | <b>7,100</b>  | 12.9 | 6,836  | 13.1 | 265      | 4       |
|   | EBITDA                    | <b>3,023</b>  | 16.4 | 2,802  | 16.4 | 222      | 8       | <b>8,812</b>  | 16.0 | 8,334  | 16.0 | 478      | 6       |

<sup>1</sup> Convenience translation. For further details see "Accounting Procedures".

<sup>2</sup> All sales volume figures are expressed in thousand metric tons.

<sup>3</sup> The difference between the use of convenience translation and the historical exchange rate is recorded under "Convenience Translation Effect".