Quarterly Financial Information

[105000] Management commentary

Management commentary [text block]

HIGHLIGHTS

Consolidated **sales volume** declined 1% driven mainly by GIMSA and Gruma Europe, while the remaining subsidiaries continued to expand. **Net sales** grew 4% in connection with price increases at GIMSA along with the peso weakness effect, despite a negative impact of Ps.341 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.

While **EBITDA** rose at all subsidiaries other than Gruma Europe, consolidated EBITDA fell 3% primarily due to charges at corporate services related to information technology initiatives, and in particular a project called G+ ("G+"), and accounting eliminations. EBITDA margin decreased from 16.4% to 15.4%.

Majority net income declined 44% to Ps.1,025 million, affected by lower other income, higher interest expense, and higher taxes. Reductions in other income and higher taxes were mostly related to non-recurring events in 4Q17.

Sales and EBITDA from non-Mexican operations represented 73% and 77%, respectively, of consolidated figures. The company reported US$1.1 billion of **debt** at quarter-end, US$68 million more than at the end of 4Q17. **Net Debt/EBITDA** ratio was 1.5x.

Consolidated Financial Highlights

(Ps. millions)

	4Q18	4Q17	Var
Sales volume (thousand metric tons)	1,028	1,037	(1)%
Net sales	19,080	18,331	4%
Operating income	2,325	2,484	(6)%
Operating margin	12.2%	13.5%	(130) bp
EBITDA	2,929	3,010	(3)%
EBITDA margin	15.4%	16.4%	(100) bp
Majority net income	1,025	1,845	(44)%

Debt

(US$ millions)

Dec'18	Dec'17	Var vs Dec'17 ($)	Var vs Dec'17 (%)	Sep'18	Var vs Sep'18 ($)	Var vs Sep'18 (%)
1,097	1,030	68	7%	1,110	(13)	(1)%

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 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;
- 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 FOURTH QUARTER 2018 RESULTS

HIGHLIGHTS

Consolidated **sales volume** declined 1% driven mainly by GIMSA and Gruma Europe, while the remaining subsidiaries continued to expand. **Net sales** grew 4% in connection with price increases at GIMSA along with the peso weakness effect, despite a negative impact of Ps.341 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.

While **EBITDA** rose at all subsidiaries other than Gruma Europe, consolidated EBITDA fell 3% primarily due to charges at corporate services related to information technology initiatives, and in particular a project called G+ ("G+"), and accounting eliminations. EBITDA margin decreased from 16.4% to 15.4%.

Majority net income declined 44% to Ps.1,025 million, affected by lower other income, higher interest expense, and higher taxes. Reductions in other income and higher taxes were mostly related to non-recurring events in 4Q17.

Sales and EBITDA from non-Mexican operations represented 73% and 77%, respectively, of consolidated figures. The company reported US$1.1 billion of **debt** at quarter-end, US$68 million more than at the end of 4Q17. **Net Debt/EBITDA** ratio was 1.5x.

Consolidated Financial Highlights

(Ps. millions)

	4Q18	4Q17	Var
Sales volume (thousand metric tons)	1,028	1,037	(1)%
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Operating income	2,325	2,484	(6)%
Operating margin	12.2%	13.5%	(130) bp
EBITDA	2,929	3,010	(3)%

EBITDA margin	15.4%	16.4%	(100) bp
Majority net income	1,025	1,845	(44)%

Debt

(US$ millions)

		Var vs Dec'17			Var vs Sep'18	
Dec'18	**Dec'17**	**($)**	**(%)**	**Sep'18**	**($)**	**(%)**
1,097	1,030	68	7%	1,110	(13)	(1)%

CONSOLIDATED RESULTS OF OPERATIONS

4Q18 versus 4Q17

Sales volume declined 1% to 1,028 thousand metric tons driven by GIMSA and Gruma Europe.

Net sales rose 4% to Ps.19,080 million despite a negative impact of Ps.341 million resulting from the adoption of IFRS 15. Net sales growth was driven primarily by (1) price increases at GIMSA; and (2) the peso weakness effect, principally on figures for Gruma USA and Gruma Europe, which represented approximately 40% of the variation.

Cost of sales as a percentage of net sales rose to 63.2% from 61.9%. This was driven by lower absorption reflecting the net sales reduction of Ps.341 million related to the adoption of IFRS 15, which caused a negative impact of 120 basis points. In absolute terms, cost of sales increased 6% to Ps.12,050 million, mostly in connection with peso weakness, and, to a lesser extent, rising costs for several inputs, in particular at GIMSA and Gruma USA.

Selling, general and administrative expenses (SG&A) as a percentage of net sales improved to 24.8% from 25.6%, primarily driven by a positive impact of Ps.341 million, or 130 basis points, resulting from the adoption of IFRS 15. In absolute terms, SG&A rose 1% to Ps.4,723 million, due to peso weakness, and increases at GIMSA, which was largely offset by the adoption of IFRS 15.

Other income, net, was Ps.18 million compared to Ps.187 million. The Ps.169 million reduction resulted from a Ps.171 million financial income related to recovered tax on assets recorded in 4Q17.

Operating income fell 6% to Ps.2,325 million. Operating margin decreased to 12.2% from 13.5%.

EBITDA decreased 3% to Ps.2,929 million. EBITDA margin declined to 15.4% from 16.4%.

Net comprehensive financing cost was Ps.513 million, an increase of Ps.103 million, primarily in connection with (1) higher interest expense driven by higher debt, higher interest rates coupled with a higher proportion of peso denominated debt, and peso weakness; and (2) gains on foreign exchange hedging on corn at GIMSA in 4Q17.

Income taxes were Ps.704 million, Ps.471 million higher driven primarily by a non-recurring benefit of Ps.578 million in 4Q17 on deferred taxes at Gruma USA, in connection with the decline of the corporate income tax rate in the United States from 35% to 21%. The effective tax rate was 38.9%, higher than in previous quarters throughout 2018 due to higher net debt, in peso terms, and year-end adjustments.

Majority net income declined 44% to Ps.1,025 million driven primarily by lower other income, higher interest expense, and higher taxes. Reductions in other income and higher taxes were mostly related to non-recurring events in 4Q17.

SUBSIDIARY RESULTS OF OPERATIONS

4Q18 versus 4Q17

Gruma USA

Sales volume rose 2% to 352 thousand metric tons. **Corn flour** sales volume rose 5% driven by (1) food service distributors and club formats, which continue to benefit from growth at small Mexican food restaurants and small tortilla companies; and (2) more frequent promotions and more in-store displays at the retail channel. The **tortilla** business declined 1% due to the food service channel that was impacted by the company's decision to reduce supply of some SKUs based on profitability. The retail channel benefited primarily from (1) healthier alternatives, carb balance tortillas in particular; and (2) corn chips, driven by more in-store displays, expanded presence at some large retailers, and improved formula and packaging.

Net sales increased 1% to Ps.10,187 million driven by volume growth. Net sales grew at a lower rate than volume principally because of the adoption of IFRS 15, which resulted in a net sales reduction of about Ps.230 million. Prior to closing 2018, the company conducted a final review of the requirements of the new accounting standard and determined that additional reclassifications were required, therefore the impact from the adoption of IFRS 15 in 4Q18 was larger than what was recorded in prior quarters throughout the year. Excluding this adoption, net sales for Gruma USA would have risen 3% rather than 1%. To a lesser extent, higher allowances at the retail tortilla business and the change in the sales mix favoring the corn flour business, which has lower prices than the tortilla business, also impacted average prices at Gruma USA.

Cost of sales as a percentage of net sales increased to 56.9% from 55.5%, driven mainly by the adoption of IFRS 15, which resulted in lower cost absorption of 130 basis points. To a lesser extent, the following factors also affected gross margin: (1) higher depreciation, primarily reflecting the new Dallas plant; (2) higher labor, healthcare, and insurance costs; and (3) the sales mix favoring the corn flour business, which has a lower

gross margin than the tortilla business. In absolute terms, cost of sales rose 3% to Ps.5,793 million, due to (1) sales volume growth; (2) cost increases; and (3) the change in the sales mix favoring healthier alternatives which have higher raw-material costs.

SG&A as a percentage of net sales improved to 28.8% from 30.1% due mainly to (1) the reclassification of some selling expenses in connection with the adoption of IFRS 15, representing an approximate benefit of 160 basis points; and (2) better expense absorption. In absolute terms, SG&A decreased 4% due to the reclassification of Ps.230 million from the adoption of IFRS 15, a figure that was partially offset by higher freight and marketing expenses.

Operating income was flat at Ps.1,440 million. Operating margin declined to 14.1% from 14.2%.

EBITDA rose 3% to Ps.1,824 million. EBITDA margin improved to 17.9% from 17.4%.

GIMSA

Sales volume declined 2% to 531 thousand metric tons resulting mainly from (1) lower sales to wholesalers; and (2) lower sales to tortilla producers due to build-up of inventories in 4Q17 prior to price increases made effective at the beginning of January 2018, as opposed to the end of January 2019.

Net sales grew 5% to Ps.5,383 million primarily in connection with price increases effective January and August of 2018.

Cost of sales as a percentage of net sales improved to 70.2% from 71.8% as price increases offset higher costs, especially for energy, and to a lesser extent, for corn and additives. In absolute terms, cost of sales rose 3% at Ps.3,776 million, due to the aforementioned cost increases.

SG&A as a percentage of net sales increased to 17.9% from 17.0% due mostly to higher fuel prices impacting, among others, sales expenses and freight charges. In absolute terms, SG&A grew 11% to Ps.965 million driven by the aforementioned expenses.

Other income, net, was Ps.15 million compared to an expense of Ps.41 million. The Ps.56 million difference resulted from gains on natural gas hedging versus losses in 4Q17.

Operating income rose 23% to Ps.657 million, and operating margin improved to 12.2% from 10.5%.

EBITDA rose 17% to Ps.867 million. EBITDA margin improved to 16.1% from 14.5%.

Gruma Europe

Sales volume decreased 4% to 82 thousand metric tons, driven mainly by the corn milling business. The **corn milling** business sales volume declined 8%, driven by (1) lower sales of byproduct due to lack of shipments in Ukraine; and (2) lower sales of grits to brewing companies, as they favored competitors. The **tortilla** business rose 4% resulting primarily from (1) new and existing food service customers in France and Germany that use tortilla to produce durum; and (2) expanded distribution and new customers in retail channels in Spain.

Net sales decreased 1% to Ps.1,299 million resulting from the volume reduction, partially offset by higher average prices.

Cost of sales as a percentage of net sales rose to 77.1% from 73.9% in connection with higher raw-material, energy, and maintenance costs, as well as the need for temporary labor in the tortilla business. In addition, the adoption of IFRS 15, which resulted in lower net sales, impacted cost of sales as a percentage of net sales by 50 basis points. In absolute terms, cost of sales increased 4% to Ps.1,001 million mostly in connection with the aforementioned cost increases.

SG&A as a percentage of net sales declined to 21.8% from 22.8% mostly from (1) the adoption of IFRS 15, representing a 50-basis point improvement; and (2) savings from headcount reductions, mostly in the administrative and sales areas. In absolute terms, SG&A decreased 5% to Ps.283 million mainly driven by the aforementioned drivers.

Operating income decreased 53% to Ps.21 million, and operating margin declined to 1.6% from 3.5%.

EBITDA declined 11% to Ps.95 million, and EBITDA margin fell to 7.3% from 8.1%.

Gruma Centroamérica

Sales volume increased 2% to 56 thousand metric tons due mainly to (1) increased distribution and demand of our corn flour flanker brand, especially in Honduras; coupled with (2) lack of corn and high local corn prices. High local corn prices have resulted from lack of corn as planting areas have declined amid a difficult economic and political environment, primarily in Nicaragua, and from failed crops resulting from droughts, mainly in Honduras, all of which drove demand for corn flour.

Net sales declined 2% to Ps.1,261 in connection with the adoption of IFRS 15, representing a negative impact of Ps.76 million.

Cost of sales as a percentage of net sales increased to 66.3% from 62.5% driven by the adoption of IFRS 15, resulting in lower absorption that represented a negative impact of 380 basis points. In absolute terms, cost of sales rose 4% to Ps.836 million mainly in connection with sales volume growth, and higher cost of corn.

SG&A as a percentage of net sales improved to 25% from 29.6% due mainly to the adoption of IFRS 15, which resulted in lower selling expenses representing a benefit of 430 basis points. In absolute terms, SG&A declined 17% to Ps.315 million principally resulting from the adoption of IFRS 15.

Operating income rose 10% to Ps.109 million, and operating margin expanded to 8.7% from 7.8%.

EBITDA increased 10% to Ps.147 million. EBITDA margin improved to 11.7% from 10.4%.

Other Subsidiaries and Eliminations

Operating income declined Ps.319 million to Ps.98 million. This resulted mainly from charges at corporate services related to an information technology project, called G+, as part of the expenses associated to this initiative are no longer capitalized, and accounting eliminations. EBITDA was negative Ps.31 million.

CONFERENCE CALL

The fourth quarter conference call will be held on Thursday, February 21, 2019 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.19.6829/dollar as of December 31, 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 20,800 employees and 74 plants. In 2018, GRUMA had net sales of US$3.9 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

December 2018 versus September 2018

Balance Sheet Highlights

Total assets increased 1% to Ps.61,799 million mainly due to (1) higher property, plant and equipment in connection with the peso weakness effect when comparing the exchange rate at the end of December 2018 versus September 2018; and with (2) the company's capital expenditures projects undertaken in the quarter.

Total liabilities rose 1% to Ps.35,783 million in connection with higher debt driven by peso weakness.

Shareholders' equity increased 2% to Ps.26,016 million.

Debt Profile

GRUMA's debt was US$1.1 billion, US$13 million less than as of September 2018. Approximately 59% of GRUMA's debt was dollar-denominated.

Debt

(US$ millions)

		Var vs Dec'17			Var vs Sep'18	
Dec'18	**Dec'17**	**($)**	**(%)**	**Sep'18**	**($)**	**(%)**
1,097	1,030	68	7%	1,110	(13)	(1)%

Debt Maturity Profile

(US$ millions)

	Rate	2019	2020	2021	2022	2023	2024	2025	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%				80.0				80.0
CEBURES 2023 (MXN $3,000)	TIIE + 0.38%					152.4			152.4
Scotiabank Syndicated Term Loan (MXN $2,000)	TIIE + 0.55%			101.6					101.6
Other:									
MXN	8.57%	180.4							180.4
USD	3.53%	16.0							16.0
EUR	1.50%	4.9	3.7	2.4	2.1	1.9	1.9		17.0
TOTAL	6.05% (avg.)	220.0	26.2	130.2	164.6	154.4	401.9	0.0	1,097.3

CAPITAL EXPENDITURE PROGRAM

GRUMA's capital expenditures totaled US$209 million for the full year 2018, and US$81 million in 4Q18. During the quarter, capital expenditures were allocated to the following major projects (1) additional production lines at the tortilla plant in Dallas (which started operations in August 2018); (2) capacity expansions at the tortilla plant in Russia; (3) construction of the tortilla plant in Central Mexico (which started operations in October 2018); and (4) land acquisition in Spain in anticipation of future capacity expansion at one of the plants. To a lesser extent, capital expenditures were allocated to packaging automation at a plant in England, warehousing expansions at one of the tortilla plants in Georgia, capacity expansions at the tortilla plant in Florida, and maintenance and general technology upgrades.

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

	QUARTERS			YTD DECEMBER		
INCOME STATEMENT SUMMARY	**4Q18**	4Q17	VAR (%)	**2018**	2017	VAR (%)
NET SALES	**19,080**	18,331	4	**74,041**	70,581	5
COST OF SALES	**12,050**	11,344	6	**46,347**	43,803	6
GROSS PROFIT	**7,029**	6,987	1	**27,694**	26,778	3
GROSS MARGIN (%)	**36.8%**	38.1%		**37.4%**	37.9%	
SELLING AND ADMINISTRATIVE EXPENSES	**4,723**	4,691		**18,239**	17,595	
OTHER EXPENSE (INCOME) , NET	**(18)**	(187)		**30**	(137)	
OPERATING INCOME	**2,325**	2,484	(6)	**9,425**	9,319	1
OPERATING MARGIN (%)	**12.2%**	13.5%		**12.7%**	13.2%	
NET COMPREHENSIVE FINANCING COST	**513**	410		**1,565**	1,263	
INTEREST EXPENSE	**429**	252		**1,347**	793	
INTEREST INCOME	**(24)**	158		**(82)**	(58)	
(GAIN) LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS	**13**	(86)		**67**	614	
FOREIGN EXCHANGE LOSS (GAIN)	**96**	87		**233**	(86)	
INCOME TAXES	**704**	234		**2,887**	1,782	
NET INCOME	**1,026**	1,840	(44)	**4,892**	6,274	(22)
MAJORITY NET INCOME	**1,025**	1,845	(44)	**4,890**	6,218	(21)
EARNINGS PER SHARE[1]	**2.42**	4.26	(43)	**11.55**	14.37	(20)
DEPRECIATION AND AMORTIZATION	**624**	515		**2,312**	**2,009**	
IMPAIRMENT OF LONG LIVED ASSETS	**(20)**	11		**3**	16	
EBITDA[2]	**2,929**	3,010	(3)	**11,741**	11,344	4
EBITDA MARGIN (%)	**15.4%**	16.4%		**15.9%**	16.1%	
CAPITAL EXPENDITURES (MILLION US$)	**81**	61		**209**	275	

BALANCE SHEET SUMMARY	**Dec-18**	Dec-17	VAR (%)	Sep-18	VAR (%)
CASH AND CASH EQUIVALENTS	**3,436**	3,230	6	3,747	(8)
TRADE ACCOUNTS RECEIVABLE	**7,589**	7,172	6	7,224	5
OTHER ACCOUNTS RECEIVABLE	**2,342**	2,940	(20)	2,722	(14)
INVENTORIES	**11,116**	10,790	3	11,594	(4)
CURRENT ASSETS	**25,028**	24,708	1	25,959	(4)
PROPERTY, PLANT, AND EQUIPMENT, NET	**30,155**	29,327	3	28,797	5
TOTAL ASSETS	**61,799**	60,821	2	61,003	1
SHORT-TERM DEBT	**4,330**	2,897	49	2,421	79
CURRENT LIABILITIES	**15,753**	14,752	7	14,181	11
LONG-TERM DEBT	**17,164**	17,310	(1)	18,379	(7)
TOTAL LIABILITIES	**35,783**	34,843	3	35,422	1
MAJORITY SHAREHOLDERS' EQUITY	**26,028**	25,984	0	25,593	2
SHAREHOLDERS' EQUITY	**26,016**	25,978	0	25,581	2
CURRENT ASSETS/CURRENT LIABILITIES	**1.59**	1.67		1.83	
TOTAL LIABILITIES/SHAREHOLDERS' EQUITY	**1.38**	1.34		1.38	
DEBT/EBITDA[3]	**1.83**	1.78		1.76	
EBITDA/INTERES EXPENSE[3]	**8.74**	14.31		10.11	
BOOK VALUE PER SHARE[1]	**61.47**	60.04		59.73	

[1] On the basis of 423,430,920 shares as of December 31, 2018, 432,749,079 shares as of December 31, 2017, and 428,490,992 shares as of September 30, 2018.

[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 DECEMBER					
		4Q18	%	4Q17	%	VAR ($)	VAR (%)	2018	%	2017	%	VAR ($)	VAR (%)
GRUMA USA[1]	SALES VOLUME[2]	**352**		346		6	2	**1,397**		1,367		30	2
Corn flour, tortillas, and other	NET SALES	**10,187**		10,133		54	1	**41,305**		40,363		942	2
	COST OF SALES	**5,793**	56.9	5,623	55.5	170	3	**23,716**	57.4	22,734	56.3	983	4
	GROSS PROFIT	**4,394**	43.1	4,510	44.5	(116)	(3)	**17,589**	42.6	17,629	43.7	(41)	(0)
	SG&A	**2,938**	28.8	3,053	30.1	(115)	(4)	**11,677**	28.3	11,880	29.4	(203)	(2)
	OPERATING INCOME	**1,440**	14.1	1,435	14.2	5	0	**5,890**	14.3	5,681	14.1	209	4
	EBITDA	**1,824**	17.9	1,763	17.4	61	3	**7,329**	17.7	6,922	17.2	406	6
GIMSA	SALES VOLUME	**531**		540		(9)	(2)	**2,064**		2,039		25	1
Corn flour and other	NET SALES	**5,383**		5,117		266	5	**20,508**		19,508		1,000	5
	COST OF SALES	**3,776**	70.2	3,673	71.8	103	3	**14,692**	71.6	14,173	72.7	519	4
	GROSS PROFIT	**1,606**	29.8	1,444	28.2	162	11	**5,815**	28.4	5,335	27.3	480	9
	SG&A	**965**	17.9	867	17.0	98	11	**3,407**	16.6	3,103	15.9	304	10
	OPERATING INCOME	**657**	12.2	536	10.5	121	23	**2,404**	11.7	2,293	11.8	111	5
	EBITDA	**867**	16.1	742	14.5	125	17	**3,297**	16.1	3,084	15.8	213	7
GRUMA EUROPE[1]	SALES VOLUME[2]	**82**		85		(4)	(4)	**340**		374		(34)	(9)
Corn flour, tortillas, and other	NET SALES	**1,299**		1,307		(8)	(1)	**5,528**		5,358		170	3
	COST OF SALES	**1,001**	77.1	966	73.9	35	4	**4,229**	76.5	4,030	75.2	198	5
	GROSS PROFIT	**297**	22.9	341	26.1	(43)	(13)	**1,300**	23.5	1,328	24.8	(28)	(2)
	SG&A	**283**	21.8	299	22.8	(15)	(5)	**1,120**	20.3	1,146	21.4	(26)	(2)
	OPERATING INCOME	**21**	1.6	45	3.5	(24)	(53)	**192**	3.5	194	3.6	(2)	(1)
	EBITDA	**95**	7.3	106	8.1	(12)	(11)	**451**	8.2	414	7.7	37	9
GRUMA CENTROAMÉRICA	SALES VOLUME	**56**		55		1	2	**210**		195		14	7
Corn flour and other	NET SALES	**1,261**		1,282		(21)	(2)	**4,596**		4,533		63	1
	COST OF SALES	**836**	66.3	801	62.5	35	4	**2,996**	65.2	2,829	62.4	167	6
	GROSS PROFIT	**425**	33.7	481	37.5	(56)	(12)	**1,601**	34.8	1,704	37.6	(104)	(6)
	SG&A	**315**	25.0	380	29.6	(64)	(17)	**1,224**	26.6	1,382	30.5	(158)	(11)
	OPERATING INCOME	**109**	8.7	100	7.8	10	10	**378**	8.2	320	7.1	58	18
	EBITDA	**147**	11.7	134	10.4	14	10	**523**	11.4	446	9.8	77	17
OTHER SUBSIDIARIES & ELIMINATIONS	SALES VOLUME	**7**		10		(3)	(34)	**43**		34		10	29
	NET SALES	**796**		779		17	2	**3,260**		2,799		461	16
	COST OF SALES	**532**	66.8	435	55.8	97	22	**1,353**	41.5	1,135	40.6	218	19
	GROSS PROFIT	**263**	33.0	344	44.2	(81)	(24)	**1,907**	58.5	1,665	59.5	242	15
	SG&A	**177**	22.2	173	22.2	4	2	**1,124**	34.5	633	22.6	491	78
	OPERATING INCOME	**98**	12.3	417	53.5	(319)	(76)	**767**	23.5	1,167	41.7	(400)	(34)
	EBITDA	**(31)**	(3.9)	308	39.5	(339)	(110)	**330**	10.1	811	29.0	(481)	(59)
CONVENIENCE TRANSLATION EFFECT[3]	NET SALES	**155**		(286)		441	154	**(1,156)**		(1,981)		825	42
	COST OF SALES	**112**		(154)		266	172	**(639)**		(1,097)		459	42
	GROSS PROFIT	**43**		(132)		176	133	**(518)**		(884)		366	41
	SG&A	**44**		(82)		126	154	**(312)**		(548)		236	43
	OPERATING INCOME	**(1)**		(50)		49	99	**(205)**		(335)		130	39
	EBITDA	**28**		(42)		70	166	**(188)**		(334)		146	44
CONSOLIDATED	SALES VOLUME	**1,028**		1,037		(9)	(1)	**4,055**		4,009		46	1
	NET SALES	**19,080**		18,331		748	4	**74,041**		70,581		3,461	5
	COST OF SALES	**12,050**	63.2	11,344	61.9	706	6	**46,347**	62.6	43,803	62.1	2,544	6
	GROSS PROFIT	**7,029**	36.8	6,987	38.1	42	1	**27,694**	37.4	26,778	37.9	916	3
	SG&A	**4,723**	24.8	4,691	25.6	32	1	**18,239**	24.6	17,595	24.9	644	4
	OTHER EXP. (INC.) , NET	**(18)**		(187)		169	90	**30**		(137)		167	122
	OPERATING INCOME	**2,325**	12.2	2,484	13.5	(159)	(6)	**9,425**	12.7	9,319	13.2	106	1
	EBITDA	**2,929**	15.4	3,010	16.4	(81)	(3)	**11,741**	15.9	11,344	16.1	397	4

[1] Convenience translation at the exchange rate of Ps19.6829/dollar as of December 31, 2018. For further details see "Accounting Procedures".

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

[3] The difference between the use of convenience translation and the historical exchange rate is recorded under "Convenience Translation Effect".

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:	2018-01-01 al 2018-12-31
Date of end of reporting period:	2018-12-31
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:	Yes
Number of quarter:	4
Type of issuer:	ICS
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period:	
Description of nature of financial statements:	

Disclosure of general information about financial statements [text block]

Follow-up of analysis [text block]

IN ACCORDANCE WITH THE RULES OF PROCEDURE OF THE MEXICAN STOCK EXCHANGE, ARTICLE 4.033.01 SECTION VIII, WE INFORM YOU THAT ACTINVER, BANK OF AMERICA MERRILL LYNCH, BARCLAYS, BBVA, BTG PACTUAL, CITI, GBM, GOLDMAN SACHS, HSBC, INTERCAM, J.P.MORGAN, 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

Concept	Close Current Quarter 2018-12-31	Close Previous Exercise 2017-12-31
Statement of financial position [abstract]		
Assets [abstract]		
Current assets [abstract]		
Cash and cash equivalents	3,435,722,000.00	3,229,980,000.00
Trade and other current receivables	9,862,073,000.00	9,517,564,000.00
Current tax assets, current	517,809,000.00	930,582,000.00
Other current financial assets	96,633,000.00	240,030,000.00
Current inventories	11,115,967,000.00	10,789,674,000.00
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	25,028,204,000.00	24,707,830,000.00
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Total current assets	25,028,204,000.00	24,707,830,000.00
Non-current assets [abstract]		
Trade and other non-current receivables	212,849,000.00	201,383,000.00
Current tax assets, non-current	11,585,000.00	35,616,000.00
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	6,485,000.00	6,576,000.00
Property, plant and equipment	30,154,660,000.00	29,326,904,000.00
Investment property	0	0
Goodwill	3,670,715,000.00	3,707,696,000.00
Intangible assets other than goodwill	647,794,000.00	515,007,000.00
Deferred tax assets	2,019,870,000.00	2,266,824,000.00
Other non-current non-financial assets	46,809,000.00	52,927,000.00
Total non-current assets	36,770,767,000.00	36,112,933,000.00
Total assets	61,798,971,000.00	60,820,763,000.00
Equity and liabilities [abstract]		
Liabilities [abstract]		
Current liabilities [abstract]		
Trade and other current payables	10,416,053,000.00	11,194,370,000.00
Current tax liabilities, current	411,337,000.00	400,482,000.00
Other current financial liabilities	4,777,238,000.00	3,051,944,000.00
Other current non-financial liabilities	0	0
Current provisions [abstract]		
Current provisions for employee benefits	0	0
Other current provisions	148,271,000.00	105,466,000.00
Total current provisions	148,271,000.00	105,466,000.00
Total current liabilities other than liabilities included in disposal groups classified as held for sale	15,752,899,000.00	14,752,262,000.00
Liabilities included in disposal groups classified as held for sale	0	0
Total current liabilities	15,752,899,000.00	14,752,262,000.00
Non-current liabilities [abstract]		
Trade and other non-current payables	92,890,000.00	12,318,000.00
Current tax liabilities, non-current	0	0
Other non-current financial liabilities	17,164,392,000.00	17,310,045,000.00
Other non-current non-financial liabilities	0	0

Concept	Close Current Quarter 2018-12-31	Close Previous Exercise 2017-12-31
Non-current provisions [abstract]		
Non-current provisions for employee benefits	814,752,000.00	885,143,000.00
Other non-current provisions	491,566,000.00	576,132,000.00
Total non-current provisions	1,306,318,000.00	1,461,275,000.00
Deferred tax liabilities	1,466,116,000.00	1,306,945,000.00
Total non-current liabilities	20,029,716,000.00	20,090,583,000.00
Total liabilities	35,782,615,000.00	34,842,845,000.00
Equity [abstract]		
Issued capital	5,248,104,000.00	5,363,595,000.00
Share premium	0	0
Treasury shares	0	0
Retained earnings	19,558,565,000.00	18,506,958,000.00
Other reserves	1,221,280,000.00	2,113,128,000.00
Total equity attributable to owners of parent	26,027,949,000.00	25,983,681,000.00
Non-controlling interests	(11,593,000.00)	(5,763,000.00)
Total equity	26,016,356,000.00	25,977,918,000.00
Total equity and liabilities	61,798,971,000.00	60,820,763,000.00

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

Concept	Accumulated Current Year 2018-01-01 - 2018-12-31	Accumulated Previous Year 2017-01-01 - 2017-12-31	Quarter Current Year 2018-10-01 - 2018-12-31	Quarter Previous Year 2017-10-01 - 2017-12-31
Profit or loss [abstract]				
Profit (loss) [abstract]				
Revenue	74,041,088,000.00	70,580,518,000.00	19,079,536,000.00	18,331,072,000.00
Cost of sales	46,347,137,000.00	43,802,989,000.00	12,050,212,000.00	11,343,733,000.00
Gross profit	27,693,951,000.00	26,777,529,000.00	7,029,324,000.00	6,987,339,000.00
Distribution costs	14,391,118,000.00	14,198,071,000.00	3,675,215,000.00	3,666,677,000.00
Administrative expenses	3,847,563,000.00	3,397,092,000.00	1,047,287,000.00	1,023,835,000.00
Other income	0	136,878,000.00	18,258,000.00	186,902,000.00
Other expense	29,788,000.00	0	0	0
Profit (loss) from operating activities	9,425,482,000.00	9,319,244,000.00	2,325,080,000.00	2,483,729,000.00
Finance income	81,873,000.00	143,732,000.00	24,350,000.00	(71,885,000.00)
Finance costs	1,646,699,000.00	1,406,963,000.00	537,651,000.00	338,287,000.00
Share of profit (loss) of associates and joint ventures accounted for using equity method	0	0	0	0
Profit (loss) before tax	7,860,656,000.00	8,056,013,000.00	1,811,779,000.00	2,073,557,000.00
Tax income (expense)	2,887,359,000.00	1,782,063,000.00	704,403,000.00	233,555,000.00
Profit (loss) from continuing operations	4,973,297,000.00	6,273,950,000.00	1,107,376,000.00	1,840,002,000.00
Profit (loss) from discontinued operations	(81,756,000.00)	0	(81,756,000.00)	0
Profit (loss)	4,891,541,000.00	6,273,950,000.00	1,025,620,000.00	1,840,002,000.00
Profit (loss), attributable to [abstract]				
Profit (loss), attributable to owners of parent	4,890,397,000.00	6,218,074,000.00	1,025,257,000.00	1,844,757,000.00
Profit (loss), attributable to non-controlling interests	1,144,000.00	55,876,000.00	363,000.00	(4,755,000.00)
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	11.58	14.37	2.58	4.26
Basic earnings (loss) per share from discontinued operations	(0.19)	0	(0.19)	0
Total basic earnings (loss) per share	11.39	14.37	2.39	4.26
Diluted earnings per share [abstract]				
Diluted earnings (loss) per share from continuing operations	11.58	14.37	2.58	4.26
Diluted earnings (loss) per share from discontinued operations	(0.19)	0	(0.19)	0
Total diluted earnings (loss) per share	11.39	14.37	2.39	4.26

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

Concept	Accumulated Current Year 2018-01-01 - 2018-12-31	Accumulated Previous Year 2017-01-01 - 2017-12-31	Quarter Current Year 2018-10-01 - 2018-12-31	Quarter Previous Year 2017-10-01 - 2017-12-31
Statement of comprehensive income [abstract]				
Profit (loss)	4,891,541,000.00	6,273,950,000.00	1,025,620,000.00	1,840,002,000.00
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	0	0
Other comprehensive income, net of tax, gains (losses) on revaluation	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	40,940,000.00	(92,849,000.00)	40,940,000.00	(92,849,000.00)
Other comprehensive income, net of tax, change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on hedging instruments that hedge investments in equity instruments	0	0	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	0	0
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	40,940,000.00	(92,849,000.00)	40,940,000.00	(92,849,000.00)
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	0	0
Reclassification adjustments on exchange differences on translation, net of tax	0	0	0	0
Other comprehensive income, net of tax, exchange differences on translation	0	0	0	0
Available-for-sale financial assets [abstract]				
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	0	0	0	0
Reclassification adjustments on available-for-sale financial assets, net of tax	0	0	0	0
Other comprehensive income, net of tax, available-for-sale financial assets	0	0	0	0
Cash flow hedges [abstract]				
Gains (losses) on cash flow hedges, net of tax	(197,521,000.00)	159,992,000.00	87,168,000.00	175,729,000.00
Reclassification adjustments on cash flow hedges, net of tax	0	0	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	0	0
Other comprehensive income, net of tax, cash flow hedges	(197,521,000.00)	159,992,000.00	87,168,000.00	175,729,000.00
Hedges of net investment in foreign operations [abstract]				
Gains (losses) on hedges of net investments in foreign operations, net of tax	(697,398,000.00)	(332,900,000.00)	1,290,897,000.00	488,018,000.00
Reclassification adjustments on hedges of net investments in foreign operations, net of tax	0	0	0	0
Other comprehensive income, net of tax, hedges of net investments in foreign operations	(697,398,000.00)	(332,900,000.00)	1,290,897,000.00	488,018,000.00
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	0	0
Reclassification adjustments on change in value of time value of options, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of time value of options	0	0	0	0
Change in value of forward elements of forward contracts [abstract]				
Gains (losses) on change in value of forward elements of forward contracts,	0	0	0	0

Concept	Accumulated Current Year 2018-01-01 - 2018-12-31	Accumulated Previous Year 2017-01-01 - 2017-12-31	Quarter Current Year 2018-10-01 - 2018-12-31	Quarter Previous Year 2017-10-01 - 2017-12-31
net of tax				
Reclassification adjustments on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of forward elements of forward contracts	0	0	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	0	0
Reclassification adjustments on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of foreign currency basis spreads	0	0	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	(89,935,000.00)	(91,252,000.00)	(82,908,000.00)	(61,185,000.00)
Total other comprehensive income that will be reclassified to profit or loss, net of tax	(984,854,000.00)	(264,160,000.00)	1,295,157,000.00	602,562,000.00
Total other comprehensive income	(943,914,000.00)	(357,009,000.00)	1,336,097,000.00	509,713,000.00
Total comprehensive income	3,947,627,000.00	5,916,941,000.00	2,361,717,000.00	2,349,715,000.00
Comprehensive income attributable to [abstract]				
Comprehensive income, attributable to owners of parent	3,953,457,000.00	5,874,463,000.00	3,671,355,000.00	3,793,199,000.00
Comprehensive income, attributable to non-controlling interests	(5,830,000.00)	42,478,000.00	(1,309,638,000.00)	(1,443,484,000.00)

[520000] Statement of cash flows, indirect method

Concept	Accumulated Current Year 2018-01-01 - 2018-12-31	Accumulated Previous Year 2017-01-01 - 2017-12-31
Statement of cash flows [abstract]		
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	4,891,541,000.00	6,273,950,000.00
Adjustments to reconcile profit (loss) [abstract]		
Discontinued operations	81,756,000.00	0
Adjustments for income tax expense	2,887,359,000.00	1,782,063,000.00
Adjustments for finance costs	0	0
Adjustments for depreciation and amortisation expense	2,312,383,000.00	2,008,675,000.00
Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	3,403,000.00	16,039,000.00
Adjustments for provisions	0	0
Adjustments for unrealised foreign exchange losses (gains)	233,335,000.00	(85,761,000.00)
Adjustments for share-based payments	0	0
Adjustments for fair value losses (gains)	11,223,000.00	673,208,000.00
Adjustments for undistributed profits of associates	0	0
Adjustments for losses (gains) on disposal of non-current assets	19,111,000.00	(25,631,000.00)
Participation in associates and joint ventures	0	0
Adjustments for decrease (increase) in inventories	(436,635,000.00)	(2,525,584,000.00)
Adjustments for decrease (increase) in trade accounts receivable	(983,312,000.00)	(1,726,522,000.00)
Adjustments for decrease (increase) in other operating receivables	(131,443,000.00)	(41,032,000.00)
Adjustments for increase (decrease) in trade accounts payable	(701,662,000.00)	1,301,409,000.00
Adjustments for increase (decrease) in other operating payables	359,565,000.00	(198,560,000.00)
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)	(2,116,852,000.00)	(3,225,476,000.00)
Total adjustments to reconcile profit (loss)	1,538,231,000.00	(2,047,172,000.00)
Net cash flows from (used in) operations	6,429,772,000.00	4,226,778,000.00
Dividends paid	0	0
Dividends received	0	0
Interest paid	(1,287,245,000.00)	(795,089,000.00)
Interest received	(51,084,000.00)	(23,974,000.00)
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	0	0
Net cash flows from (used in) operating activities	7,665,933,000.00	4,997,893,000.00
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	0
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	400,915,000.00	133,900,000.00
Purchase of property, plant and equipment	4,044,298,000.00	5,157,873,000.00
Proceeds from sales of intangible assets	0	0
Purchase of intangible assets	267,244,000.00	158,942,000.00
Proceeds from sales of other long-term assets	0	0
Purchase of other long-term assets	0	0

Concept	Accumulated Current Year 2018-01-01 - 2018-12-31	Accumulated Previous Year 2017-01-01 - 2017-12-31
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	51,084,000.00	23,976,000.00
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	(3,954,000.00)	(27,402,000.00)
Net cash flows from (used in) investing activities	(3,863,497,000.00)	(5,186,341,000.00)
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	30,376,283,000.00	32,836,276,000.00
Repayments of borrowings	28,911,854,000.00	28,576,320,000.00
Payments of finance lease liabilities	0	0
Proceeds from government grants	0	0
Dividends paid	1,850,000,000.00	1,356,670,000.00
Interest paid	1,231,047,000.00	736,876,000.00
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	(2,019,246,000.00)	(4,363,026,000.00)
Net cash flows from (used in) financing activities	(3,635,864,000.00)	(2,196,616,000.00)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	166,572,000.00	(2,385,064,000.00)
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	39,170,000.00	148,514,000.00
Net increase (decrease) in cash and cash equivalents	205,742,000.00	(2,236,550,000.00)
Cash and cash equivalents at beginning of period	3,229,980,000.00	5,466,530,000.00
Cash and cash equivalents at end of period	3,435,722,000.00	3,229,980,000.00

[610000] Statement of changes in equity - Accumulated Current

	Components of equity [axis]								
Sheet 1 of 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]
Statement of changes in equity [line items]									
Equity at beginning of period	5,363,595,000.00	0	0	18,506,958,000.00	0	1,872,713,000.00	240,415,000.00	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	4,890,397,000.00	0	0	0	0	0
Other comprehensive income	0	0	0	(45,092,000.00)	0	(694,519,000.00)	(197,329,000.00)	0	0
Total comprehensive income	0	0	0	4,845,305,000.00	0	(694,519,000.00)	(197,329,000.00)	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	1,852,166,000.00	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	(115,491,000.00)	0	0	(1,941,532,000.00)	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	(115,491,000.00)	0	0	1,051,607,000.00	0	(694,519,000.00)	(197,329,000.00)	0	0
Equity at end of period	5,248,104,000.00	0	0	19,558,565,000.00	0	1,178,194,000.00	43,086,000.00	0	0

	Components of equity [axis]								
Sheet 2 of 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]
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]						
Sheet 3 of 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]
Statement of changes in equity [line items]							
Equity at beginning of period	0	0	0	2,113,128,000.00	25,983,681,000.00	(5,763,000.00)	25,977,918,000.00
Changes in equity [abstract]							
Comprehensive income [abstract]							
Profit (loss)	0	0	0	0	4,890,397,000.00	1,144,000.00	4,891,541,000.00
Other comprehensive income	0	0	0	(891,848,000.00)	(936,940,000.00)	(6,974,000.00)	(943,914,000.00)
Total comprehensive income	0	0	0	(891,848,000.00)	3,953,457,000.00	(5,830,000.00)	3,947,627,000.00
Issue of equity	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	1,852,166,000.00	0	1,852,166,000.00
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	(2,057,023,000.00)	0	(2,057,023,000.00)
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	(891,848,000.00)	44,268,000.00	(5,830,000.00)	38,438,000.00
Equity at end of period	0	0	0	1,221,280,000.00	26,027,949,000.00	(11,593,000.00)	26,016,356,000.00

[610000] Statement of changes in equity - Accumulated Previous

	Components of equity [axis]								
Sheet 1 of 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]
Statement of changes in equity [line items]									
Equity at beginning of period	5,363,595,000.00	0	0	16,223,897,000.00	0	2,204,021,000.00	80,576,000.00	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	6,218,074,000.00	0	0	0	0	0
Other comprehensive income	0	0	0	(172,142,000.00)	0	(331,308,000.00)	159,839,000.00	0	0
Total comprehensive income	0	0	0	6,045,932,000.00	0	(331,308,000.00)	159,839,000.00	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	1,847,839,000.00	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	(1,915,032,000.00)	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	2,283,061,000.00	0	(331,308,000.00)	159,839,000.00	0	0
Equity at end of period	5,363,595,000.00	0	0	18,506,958,000.00	0	1,872,713,000.00	240,415,000.00	0	0

Sheet 2 of 3	Components of equity [axis]								
	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]
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]						
Sheet 3 of 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]
Statement of changes in equity [line items]							
Equity at beginning of period	0	0	0	2,284,597,000.00	23,872,089,000.00	1,828,177,000.00	25,700,266,000.00
Changes in equity [abstract]							
Comprehensive income [abstract]							
Profit (loss)	0	0	0	0	6,218,074,000.00	55,876,000.00	6,273,950,000.00
Other comprehensive income	0	0	0	(171,469,000.00)	(343,611,000.00)	(13,398,000.00)	(357,009,000.00)
Total comprehensive income	0	0	0	(171,469,000.00)	5,874,463,000.00	42,478,000.00	5,916,941,000.00
Issue of equity	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	1,847,839,000.00	0	1,847,839,000.00
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	(1,915,032,000.00)	(1,876,418,000.00)	(3,791,450,000.00)
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	(171,469,000.00)	2,111,592,000.00	(1,833,940,000.00)	277,652,000.00
Equity at end of period	0	0	0	2,113,128,000.00	25,983,681,000.00	(5,763,000.00)	25,977,918,000.00

[700000] Informative data about the Statement of financial position

Concept	Close Current Quarter 2018-12-31	Close Previous Exercise 2017-12-31
Informative data of the Statement of Financial Position [abstract]		
Capital stock (nominal)	5,248,104,000.00	5,363,595,000.00
Restatement of capital stock	0	0
Plan assets for pensions and seniority premiums	0	0
Number of executives	0	0
Number of employees	7,015	6,887
Number of workers	13,818	13,697
Outstanding shares	423,430,920	432,749,079
Repurchased shares	9,318,159	0
Restricted cash	0	0
Guaranteed debt of associated companies	0	0

[700002] Informative data about the Income statement

Concept	Accumulated Current Year 2018-01-01 - 2018-12-31	Accumulated Previous Year 2017-01-01 - 2017-12-31	Quarter Current Year 2018-10-01 - 2018-12-31	Quarter Previous Year 2017-10-01 - 2017-12-31
Informative data of the Income Statement [abstract]				
Operating depreciation and amortization	[1] 2,315,786,000.00	[2] 2,024,716,000.00	603,952,000.00	526,378,000.00

[700003] Informative data - Income statement for 12 months

Concept	Current Year 2018-01-01 - 2018-12-31	Previous Year 2017-01-01 - 2017-12-31
Informative data - Income Statement for 12 months [abstract]		
Revenue	74,041,088,000.00	70,580,518,000.00
Profit (loss) from operating activities	9,425,482,000.00	9,319,244,000.00
Profit (loss)	4,891,541,000.00	6,273,950,000.00
Profit (loss), attributable to owners of parent	4,890,397,000.00	6,218,074,000.00
Operating depreciation and amortization	[1] 2,315,786,000.00	[2] 2,024,716,000.00

[800001] Breakdown of credits

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
Banks [abstract]																
Foreign trade																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Banks - secured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Commercial banks																
1.BANCO BLADEX	SI	2018-12-20	2019-01-19	VAR. L+1.00%	0	0	0	0	0	0	0	157,463,000.00	0	0	0	0
2. BANCO BLADEX	SI	2018-12-07	2019-02-05	VAR. L+1.05%	0	0	0	0	0	0	0	157,463,000.00	0	0	0	0
3. BBVA ESPAÑA	SI	2015-06-30	2020-10-09	FIJO 1.2925%	0	0	0	0	0	0	0	9,155,000.00	6,944,000.00	0	0	0
4. REINDUS	SI	2015-06-30	2023-10-01	FIJO 3.950%	0	0	0	0	0	0	0	2,896,000.00	2,896,000.00	2,896,000.00	2,896,000.00	0
5. SANTANDER ESPAÑA	SI	2015-06-30	2021-12-15	VAR. EURIBOR+0.65%	0	0	0	0	0	0	0	5,502,000.00	5,521,000.00	5,538,000.00	0	0
6. BANCA INTESA SANPAOLO GROUP	SI	2015-12-24	2020-06-30	FIJO 1.190%	0	0	0	0	0	0	0	39,960,000.00	19,964,000.00	0	0	0
7. BANCO POPULAR	SI	2014-01-01	2020-03-25	FIJO 2.389%	0	0	0	0	0	0	0	670,000.00	170,000.00	0	0	0
8. BBVA ESPAÑA	SI	2017-07-24	2024-07-21	FIJO 1.53%	0	0	0	0	0	0	0	38,125,000.00	38,125,000.00	38,125,000.00	38,125,000.00	76,250,000.00
9. BONO 10Y2024	SI	2014-12-05	2024-12-01	FIJO 4.875%	0	0	0	0	0	0	0	0	0	0	0	7,829,290,000.00
10. RABOBANK REVOLVENTE	SI	2017-04-21	2022-04-21	VAR. L+1.00%	0	0	0	0	0	0	0	0	0	0	1,574,632,000.00	0
11. CEBURE GRUMA18	NO	2018-09-27	2023-09-23	VAR. TIIE + 0.38%	0	0	0	0	0	2,990,409,000.00	0	0	0	0	0	0
12. INBURSA	NO	2018-12-06	2019-01-03	VAR. TIIE + 0.13%	0	580,000,000.00	0	0	0	0	0	0	0	0	0	0
13. INBURSA	NO	2018-12-06	2019-01-03	VAR. TIIE + 0.13%	0	100,000,000.00	0	0	0	0	0	0	0	0	0	0
14. SANTANDER	NO	2018-12-27	2019-01-24	VAR. TIIE + 0.12%	0	1,620,000,000.00	0	0	0	0	0	0	0	0	0	0
15. CLUB LOAN PESOS	NO	2018-09-27	2021-09-24	VAR. TIIE + 0.55%	0	0	0	2,000,000,000.00	0	0	0	0	0	0	0	0
16. RABOBANK TERM LOAN	SI	2017-04-21	2022-04-21	VAR. L+1.00%	0	0	0	0	0	0	0	369,054,000.00	442,865,000.00	516,676,000.00	1,573,070,000.00	0
17. BANAMEX	NO	2018-12-13	2019-01-10	VAR. TIIE + 0.10%	0	750,000,000.00	0	0	0	0	0	0	0	0	0	0
18. BANAMEX	NO	2018-12-14	2019-01-10	VAR. TIIE + 0.10%	0	100,000,000.00	0	0	0	0	0	0	0	0	0	0
19. BANAMEX	NO	2018-12-20	2019-01-17	VAR. TIIE + 0.10%	0	300,000,000.00	0	0	0	0	0	0	0	0	0	0
20. INBURSA	NO	2018-12-07	2019-01-03	VAR. TIIE + 0.13%	0	100,000,000.00	0	0	0	0	0	0	0	0	0	0
TOTAL					0	3,550,000,000.00	0	2,000,000,000.00	0	2,990,409,000.00	0	780,288,000.00	516,485,000.00	563,235,000.00	3,188,723,000.00	7,905,540,000.00
Other banks																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total banks																
TOTAL					0	3,550,000,000.00	0	2,000,000,000.00	0	2,990,409,000.00	0	780,288,000.00	516,485,000.00	563,235,000.00	3,188,723,000.00	7,905,540,000.00
Stock market [abstract]																
Listed on stock exchange - unsecured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Listed on stock exchange - secured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
Private placements - unsecured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Private placements - secured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total listed on stock exchanges and private placements																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Other current and non-current liabilities with cost [abstract]																
Other current and non-current liabilities with cost																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total other current and non-current liabilities with cost																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Suppliers [abstract]																
Suppliers																
VARIOS	NO	2018-12-01	2019-12-31		0	1,916,207,000.00	0	0	0	0	0	0	0	0	0	0
VARIOS EXT	NO	2018-12-01	2019-12-31		0	0	0	0	0	0	0	3,817,828,000.00	0	0	0	0
TOTAL					0	1,916,207,000.00	0	0	0	0	0	3,817,828,000.00	0	0	0	0
Total suppliers																
TOTAL					0	1,916,207,000.00	0	0	0	0	0	3,817,828,000.00	0	0	0	0
Other current and non-current liabilities [abstract]																
Other current and non-current liabilities																
VARIOS CORTO PLAZO	NO				0	101,668,000.00	0	0	0	0	0	0	0	0	0	0
TOTAL					0	101,668,000.00	0	0	0	0	0	0	0	0	0	0
Total other current and non-current liabilities																
TOTAL					0	101,668,000.00	0	0	0	0	0	0	0	0	0	0
Total credits																
TOTAL					0	5,567,875,000.00	0	2,000,000,000.00	0	2,990,409,000.00	0	4,598,116,000.00	516,485,000.00	563,235,000.00	3,188,723,000.00	7,905,540,000.00

[800003] Annex - Monetary foreign currency position

Disclosure of monetary foreign currency position [text block]

The closing exchange rates used for preparing the financial information are as follows:

19.6829	Pesos per U.S. dollar
612.00	Costa Rica colons per U.S. dollar
1.4203	Australian dollars per U.S. dollar
6.8632	Chinese yuans per U.S. dollar
0.7878	Pound sterling per U.S. dollar
0.9849	Swiss franc per U.S. dollar
0.8738	Euro per U.S. dollar
4.1540	Malaysian ringgits per U.S. dollar
27.7125	Ukrainian hryvnias per U.S. dollar
69.4706	Russian rubles per U.S. dollar
5.2609	Turkish liras per U.S. dollar
1.3667	Singapore dollars per U.S. dollar

	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	270,772,000.00	5,329,580,000.00	211,837,000.00	4,169,561,000.00	9,499,141,000.00
Non-current monetary assets	868,000.00	17,084,000.00	1,124,000.00	22,117,000.00	39,201,000.00
Total monetary assets	271,640,000.00	5,346,664,000.00	212,961,000.00	4,191,678,000.00	9,538,342,000.00
Liabilities position [abstract]					
Current liabilities	299,810,000.00	5,901,136,000.00	95,988,000.00	1,889,325,000.00	7,790,461,000.00
Non-current liabilities	634,673,000.00	12,492,211,000.00	15,062,000.00	296,456,000.00	12,788,667,000.00
Total liabilities	934,483,000.00	18,393,347,000.00	111,050,000.00	2,185,781,000.00	20,579,128,000.00
Net monetary assets (liabilities)	(662,843,000.00)	(13,046,683,000.00)	101,911,000.00	2,005,897,000.00	(11,040,786,000.00)

[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	20,089,169,000.00	0	0	20,089,169,000.00
MASECA, MISSION, GUERRERO				
H. DE MAIZ, TORTILLAS, OTROS	0	0	53,951,919,000.00	53,951,919,000.00
TOTAL	20,089,169,000.00	0	53,951,919,000.00	74,041,088,000.00

[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]

- **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.

- **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.

- **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).

- **Allowed negotiation markets and eligible counterparties.**

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.

- **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.

- **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 $99,473 thousand pesos.

- **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.

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

  The procedures are reviewed in the external audit process performed by PricewaterhouseCoopers, S.C. annually.

- **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]

- **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.

- **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 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.

- **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.**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

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 December 31, 2018, 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]

- **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]

- **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.

- **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.

- **Include Influence on results or cash flow of the mentioned derivative transactions:**

As of December 31, 2018, 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 gain of $16,782 thousand pesos which was applied to other comprehensive income in equity.

The Company entered into hedge contracts for corn purchases of $2,638 thousand pesos, which were designated as fair value hedges. Therefore, the derivative financial instruments, as well as the assets being hedged, are recognized at fair value at the trade date. Changes in the fair value of the derivative financial instruments and the assets being hedged are recognized in income of the year. As of December 31, 2018, the effectiveness of these hedges was 100%.

As of December 31, 2018, the Company did not have open positions of corn financial instruments that did not qualify as hedges for accounting.

The open positions of fuels financial instruments that qualify as hedges for accounting purposes represented a gain of $16,898 thousand pesos which was applied to other comprehensive income in equity.

The open positions of fuels financial instruments that did not qualify as hedges for accounting purposes represented a gain of $14,930 thousand pesos which was applied to the income statement.

As of December 31, 2018, the foreign exchange derivative financial instruments were valuated at fair value. The open positions of these instruments that qualified as hedges for accounting

purposes represented a loss of approximately $91,450 thousand pesos was applied to other comprehensive income in equity.

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

As of December 31, 2018, the Company reclassified the amount of $29,266 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 $117,187 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 fourth quarter of 2018, for financial instruments of corn and fuels, recognized in income, represented a gain of $35,559 thousand pesos. As of December 31, 2018, the favorable effect in the results of the concluded transactions of these instruments is of $29,598 thousand pesos.

As of December 31, 2018, the favorable effect in the results of the concluded transactions of these instruments is of $37,778 thousand pesos.

- **Description and number of the margin calls presented during the quarter.**

As of December 31, 2018, the company has revolving funds denominated “margin calls” for $99,473 thousand pesos. The margin calls are required upon the variations in the prices of the underlying asset as collateral in favor of the counterparty to reduce the risk of non-payment in an event of default.

- **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.

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 December 31, 2018
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
		4th Quarter 2018		3rd Quarter 2018		4th Quarter 2018	3rd Quarter 2018	4th Quarter 2018	3rd Quarter 2018	2019	2020		
Corn futures	Hedge	(110,000)	Bushels	5,600,000	Bushels	77.4030	68.1230	3,237	94,218	3,222	15	18,311	Short
Wheat futures	Hedge	2,885,000	Bushels	2,560,000	Bushels	99.9727	100.6912	(7,383)	5,948	(7,383)	-	n.a.	Long
Swap corn	Hedge	19,100,000	Bushels	13,805,000	Bushels	75.4719	70.2275	30,984	8,876	30,984	-	n.a.	Long
Corn option	Hedge	12,890,000	Bushels	16,295,000	Bushels	15.7956	49.9230	(7,154)	8,135	(7,154)	-	n.a.	Long
Swap wheat	Negotioation*	55,000	Bushels			100.0052		(307)	-	(307)	-	n.a.	Long
Swap gas	Negotioation*	8,540,000	Mmbtu	9,760,000	Mmbtu	54.6004	53.2115	14,930	6,948	7,281	7,649	n.a.	Long
Swap gas	Hedge	6,940,000	Mmbtu	8,090,000	Mmbtu	55.2490	53.0947	16,898	4,832	15,705	1,193	81,162	Long
								51,205	128,957	42,348	8,857	99,473	

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
				4th Quarter 2018	3rd Quarter 2018	4th Quarter 2018	3rd Quarter 2018	4th Quarter 2018	3rd Quarter 2018	2019	2020		
Forwards	Purchase	Hedge	USD-MXN	36,000	-	20.2951		(19,699)	-	(19,699)	-	n.a.	Long
Forwards	Purchase	Hedge	USD-MXN	12,500	-	20.2362		(5,418)	-	(5,418)	-	n.a.	Long
Forwards	Purchase	Hedge	USD-MXN	22,500	-	20.4812		(16,512)	-	(16,512)	-	n.a.	Long
Forwards	Purchase	Hedge	USD-MXN	42,500	-	20.4021		(28,154)	-	(28,154)	-	n.a.	Long
Forwards	Sell	Hedge	USD-MXN	14,414	5,949	20.1344	19.0022	(3,709)	3,481	(3,709)	-	n.a.	Short
Forwards	Purchase	Hedge	USD-MXN	7,000	-	20.4021		(3,977)	-	(3,977)	-	n.a.	Long
Forwards	Purchase	Hedge	USD-MXN	-	7,400		19.0808	-	684	-	-	n.a.	Long
Forwards	Purchase	Hedge	USD-MXN	22,500	-	20.3651		(13,982)	-	(13,982)	-	n.a.	Long
Forwards	Purchase	Negotiation*	USD-MXN	31,500	-	20.2034		(12,547)	-	(12,547)	-	n.a.	Long
				188,914	13,349			(103,998)	4,165	(103,998)	-		

- As of December 31, 2018, the financial instruments transactions of corn and fuels in long positions represented a gain of $47,968 thousand pesos and for short positions represented a gain of $3,237. The financial instruments transactions of exchange rate represented a loss of $100,289 thousand pesos in long positions and for short positions, represented a loss of $3,709 thousand pesos.

- As of December 31, 2018 the Company has revolving funds denominated “margin calls” for $99,473 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 December 31, 2018, the Company reclassified the amount of $29,266 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 $117,187 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 fourth quarter of 2018, for financial instruments of corn and fuels, recognized in income, represented a gain of $35,559 thousand pesos. As of December 31, 2018, the favorable effect in the results of the concluded transactions of these instruments is of $29,598 thousand pesos.

As of December 31, 2018, the favorable effect in the results of the concluded transactions of these instruments is of $37,778 thousand pesos.

II. Sensitivity analysis

Corn and Fuels Derivative Financial Instruments:

According to the position as of December 31, 2018, a hypothetical 10 percent loss of the fuels value would result in an additional adverse effect of $47,064 thousand pesos (for non-qualifying contracts). This sensitivity analysis is determined based on the underlying assets' values obtained from the valuation performed as of December 31, 2018.

Type of Derivative	Hedging / Negotiation purpouse	Notional Amount		As of December 31, 2018		Potential Loss (Thousands of pesos)		
				Underlying Asset (pesos)	Fair Value (Thousands of pesos)	Variation 10%	Variation 25%	Variation 50%
Swap wheat	Negotioation*	55,000	Bushels	100.0052	(307)	(550)	(1,375)	(2,750)
Swap gas	Negotioation*	8,540,000	Mmbtu	54.6004	14,930	(46,514)	(116,284)	(232,568)
					14,623	(47,064)	(117,659)	(235,318)

Exchange Rate Derivative Financial Instruments:

Based on our position as of December 31, 2018, a hypothetical appreciation of 10% of the Mexican peso against the United States dollar would result in an additional unfavorable effect of $63,641 thousand pesos (for non-qualifying contracts). This sensitivity analysis is based in the value of the underlying assets given in the valuation made by the counterparty as of December 31, 2018, 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 December 31, 2018		Potential Loss (Thousands of pesos)		
					Underlying Asset (pesos)	Fair Value (Thousands of pesos)	Variation 10%	Variation 25%	Variation 50%
Forwards	Purchase	Negotiation*	USD-MXN	$ 31,500	20.2034	(12,547)	(63,641)	(159,102)	(318,204)
				$ 31,500		(12,547)	(63,641)	(159,102)	(318,204)

- 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.

- 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.

- 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.

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

  For the derivative financial instruments of grain and fuels, based on our position as of December 31, 2018, 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 $47,064, $117,659 and $235,318 thousands of pesos, respectively.

  For the foreign exchange financial instruments, based on our position as of December 31, 2018, 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 $63,641, $159,102 and $318,204 thousand pesos, respectively.

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

  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. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

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

Concept	Close Current Quarter 2018-12-31	Close Previous Exercise 2017-12-31
Subclassifications of assets, liabilities and equities [abstract]		
Cash and cash equivalents [abstract]		
Cash [abstract]		
Cash on hand	0	0
Balances with banks	3,256,874,000.00	3,130,860,000.00
Total cash	3,256,874,000.00	3,130,860,000.00
Cash equivalents [abstract]		
Short-term deposits, classified as cash equivalents	0	0
Short-term investments, classified as cash equivalents	178,848,000.00	99,120,000.00
Other banking arrangements, classified as cash equivalents	0	0
Total cash equivalents	178,848,000.00	99,120,000.00
Other cash and cash equivalents	0	0
Total cash and cash equivalents	3,435,722,000.00	3,229,980,000.00
Trade and other current receivables [abstract]		
Current trade receivables	7,588,738,000.00	7,171,922,000.00
Current receivables due from related parties	0	0
Current prepayments [abstract]		
Current advances to suppliers	0	0
Current prepaid expenses	449,544,000.00	336,614,000.00
Total current prepayments	449,544,000.00	336,614,000.00
Current receivables from taxes other than income tax	1,597,755,000.00	1,320,817,000.00
Current value added tax receivables	1,597,755,000.00	1,320,817,000.00
Current receivables from sale of properties	0	0
Current receivables from rental of properties	0	0
Other current receivables	226,036,000.00	688,211,000.00
Total trade and other current receivables	9,862,073,000.00	9,517,564,000.00
Classes of current inventories [abstract]		
Current raw materials and current production supplies [abstract]		
Current raw materials	8,460,545,000.00	8,354,909,000.00
Current production supplies	0	0
Total current raw materials and current production supplies	8,460,545,000.00	8,354,909,000.00
Current merchandise	0	0
Current work in progress	130,505,000.00	209,980,000.00
Current finished goods	1,399,881,000.00	1,229,294,000.00
Current spare parts	744,879,000.00	692,925,000.00
Property intended for sale in ordinary course of business	0	0
Other current inventories	380,157,000.00	302,566,000.00
Total current inventories	11,115,967,000.00	10,789,674,000.00
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	212,259,000.00	198,559,000.00
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
Non-current value added tax receivables	0	0

Concept	Close Current Quarter 2018-12-31	Close Previous Exercise 2017-12-31
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	590,000.00	2,824,000.00
Total trade and other non-current receivables	212,849,000.00	201,383,000.00
Investments in subsidiaries, joint ventures and associates [abstract]		
Investments in subsidiaries	6,485,000.00	6,576,000.00
Investments in joint ventures	0	0
Investments in associates	0	0
Total investments in subsidiaries, joint ventures and associates	6,485,000.00	6,576,000.00
Property, plant and equipment [abstract]		
Land and buildings [abstract]		
Land	2,249,376,000.00	2,299,960,000.00
Buildings	6,364,290,000.00	6,453,493,000.00
Total land and buildings	8,613,666,000.00	8,753,453,000.00
Machinery	16,009,461,000.00	15,036,525,000.00
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	5,067,616,000.00	5,016,328,000.00
Construction prepayments	0	0
Other property, plant and equipment	463,917,000.00	520,598,000.00
Total property, plant and equipment	30,154,660,000.00	29,326,904,000.00
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	85,540,000.00	93,481,000.00
Intangible exploration and evaluation assets	0	0
Mastheads and publishing titles	0	0
Computer software	413,271,000.00	233,464,000.00
Licences and franchises	985,000.00	1,993,000.00
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	147,998,000.00	186,069,000.00
Total intangible assets other than goodwill	647,794,000.00	515,007,000.00
Goodwill	3,670,715,000.00	3,707,696,000.00
Total intangible assets and goodwill	4,318,509,000.00	4,222,703,000.00
Trade and other current payables [abstract]		
Current trade payables	5,734,035,000.00	6,512,239,000.00
Current payables to related parties	0	0
Accruals and deferred income classified as current [abstract]		

Concept	Close Current Quarter 2018-12-31	Close Previous Exercise 2017-12-31
Deferred income classified as current	0	0
Rent deferred income classified as current	0	0
Accruals classified as current	62,504,000.00	61,417,000.00
Short-term employee benefits accruals	62,504,000.00	61,417,000.00
Total accruals and deferred income classified as current	62,504,000.00	61,417,000.00
Current payables on social security and taxes other than income tax	109,359,000.00	74,804,000.00
Current value added tax payables	109,359,000.00	74,804,000.00
Current retention payables	0	0
Other current payables	4,510,155,000.00	4,545,910,000.00
Total trade and other current payables	10,416,053,000.00	11,194,370,000.00
Other current financial liabilities [abstract]		
Bank loans current	4,330,288,000.00	2,896,675,000.00
Stock market loans current	0	0
Other current iabilities at cost	0	0
Other current liabilities no cost	101,668,000.00	81,034,000.00
Other current financial liabilities	345,282,000.00	74,235,000.00
Total Other current financial liabilities	4,777,238,000.00	3,051,944,000.00
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	92,890,000.00	12,318,000.00
Total trade and other non-current payables	92,890,000.00	12,318,000.00
Other non-current financial liabilities [abstract]		
Bank loans non-current	17,164,392,000.00	17,310,045,000.00
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	17,164,392,000.00	17,310,045,000.00
Other provisions [abstract]		
Other non-current provisions	491,566,000.00	576,132,000.00
Other current provisions	148,271,000.00	105,466,000.00
Total other provisions	639,837,000.00	681,598,000.00
Other reserves [abstract]		
Revaluation surplus	0	0
Reserve of exchange differences on translation	1,178,194,000.00	1,872,713,000.00
Reserve of cash flow hedges	43,086,000.00	240,415,000.00
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
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	0	0

Concept	Close Current Quarter 2018-12-31	Close Previous Exercise 2017-12-31
disposal groups held for sale		
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	1,221,280,000.00	2,113,128,000.00
Net assets (liabilities) [abstract]		
Assets	61,798,971,000.00	60,820,763,000.00
Liabilities	35,782,615,000.00	34,842,845,000.00
Net assets (liabilities)	26,016,356,000.00	25,977,918,000.00
Net current assets (liabilities) [abstract]		
Current assets	25,028,204,000.00	24,707,830,000.00
Current liabilities	15,752,899,000.00	14,752,262,000.00
Net current assets (liabilities)	9,275,305,000.00	9,955,568,000.00

[800200] Notes - Analysis of income and expense

Concept	Accumulated Current Year 2018-01-01 - 2018-12-31	Accumulated Previous Year 2017-01-01 - 2017-12-31	Quarter Current Year 2018-10-01 - 2018-12-31	Quarter Previous Year 2017-10-01 - 2017-12-31
Analysis of income and expense [abstract]				
Revenue [abstract]				
Revenue from rendering of services	0	0	0	0
Revenue from sale of goods	74,041,088,000.00	70,580,518,000.00	19,079,536,000.00	18,331,072,000.00
Interest income	0	0	0	0
Royalty income	0	0	0	0
Dividend income	0	0	0	0
Rental income	0	0	0	0
Revenue from construction contracts	0	0	0	0
Other revenue	0	0	0	0
Total revenue	74,041,088,000.00	70,580,518,000.00	19,079,536,000.00	18,331,072,000.00
Finance income [abstract]				
Interest income	70,147,000.00	42,842,000.00	19,112,000.00	12,484,000.00
Net gain on foreign exchange	0	85,761,000.00	0	0
Gains on change in fair value of derivatives	0	0	0	86,395,000.00
Gain on change in fair value of financial instruments	0	0	0	0
Other finance income	11,726,000.00	15,129,000.00	5,238,000.00	(170,764,000.00)
Total finance income	81,873,000.00	143,732,000.00	24,350,000.00	(71,885,000.00)
Finance costs [abstract]				
Interest expense	1,239,337,000.00	762,024,000.00	364,593,000.00	242,610,000.00
Net loss on foreign exchange	233,336,000.00	0	95,878,000.00	86,556,000.00
Losses on change in fair value of derivatives	66,561,000.00	614,147,000.00	12,547,000.00	0
Loss on change in fair value of financial instruments	0	0	0	0
Other finance cost	107,465,000.00	30,792,000.00	64,633,000.00	9,121,000.00
Total finance costs	1,646,699,000.00	1,406,963,000.00	537,651,000.00	338,287,000.00
Tax income (expense)				
Current tax	2,360,466,000.00	2,746,127,000.00	593,232,000.00	735,917,000.00
Deferred tax	526,893,000.00	(964,064,000.00)	111,171,000.00	(502,362,000.00)
Total tax income (expense)	2,887,359,000.00	1,782,063,000.00	704,403,000.00	233,555,000.00

[800500] Notes - List of notes

Disclosure of notes and other explanatory information [text block]

Since the information presented herein refers to interim financial information, the Company opted to prepare its information according to IAS 34 (Option 1).

Disclosure of accrued expenses and other liabilities [text block]

Other liabilities mainly includes: Employee benefits payable and promotion and advertising payable.

Disclosure of associates [text block]

The Company has no investment in associated companies.

Disclosure of auditors' remuneration [text block]

Audit fees are disclosed at the end of the period.

Disclosure of authorisation of financial statements [text block]

The consolidated financial statements were authorized by the Chief Administrative Office of the Company on February 20, 2019.

Disclosure of available-for-sale financial assets [text block]

As of December 31, 2018, the Company does not have assets held for sale.

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 biological assets, agriculture produce at point of harvest and government grants related to biological assets [text block]

The Company does not have this type of assets.

Disclosure of borrowings [text block]

See section [800001] - Breakdown of credits.

Disclosure of business combinations [text block]

See section [800600] Accounting policy for Business combinations.

Disclosure of cash and cash equivalents [text block]

See section [800100] Cash and cash equivalents entry.

Disclosure of changes in accounting policies [text block]

Financial Standards issued and effective for fiscal years 2018 and 2019

- **IFRS 9 - Financial instruments**

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and presents a new impairment model for financial assets.

Effects in the Company's financial statements:

The Company has reviewed its financial assets and financial liabilities and the adoption of this new standard does not have an impact in the classification and measurement of such assets and liabilities.

Regarding hedge accounting for derivative financial instruments, the application of the new standard enables the Company to comply with the requirements in order to qualify this type of operations as hedge accounting. The Company's management considers that the application of the new hedge accounting standards does not have a significant impact on its financial statements.

With respect to the impairment of financial assets, the expected credit loss model is used in the calculation of the allowance for doubtful accounts. The application of this new methodology represented an impact of Ps.21,302 thousand, which is not significant in the Company's accounts receivable and its financial statements and was recorded as retained earnings as of January 1, 2018 and had no impact in the Company's basic and diluted earnings per share.

Date of adoption of the standard:

The Company applies this new standard retrospectively beginning January 1, 2018.

- **IFRS 15 - Revenue from contracts with customers**

IFRS 15, "Revenue from contracts with customers", establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This new standard will supersede the current revenue recognition guidance, including IAS 18 for contracts of goods and services, and IAS 11 for construction contracts. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard is based on the principle that revenue is recognized when control of the goods or services is transferred to the customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 introduces a five-step model framework:
a)Identify the contract(s) with a customer
b)Identify the performance obligations in the contract
c)Determine the transaction price
d)Allocate the transaction price to the performance obligations in the contract
e)Recognize revenue when (or as) the entity satisfies a performance obligation.

Effects in the Company's financial statements:

The Company's management considers that the adoption of IFRS 15 does not have a significant impact in its financial position and operating results, except for enhanced disclosures for revenue transactions as required by the new standard and that some payments made to customers as part of the ordinary course of business are presented as a decrease of sales in the income statement and have no impact in the Company's basic and diluted earnings per share.

As of December 31, 2018, the effect in the Company's net income is as follows:

	December 2018 (thousands)	
Net income before adoption of IFRS 15…….	Ps.	74,804,214
Effect of the year for the adoption of IFRS 15…...		(763,126)
Net Income……..	Ps.	74,041,088

Date of adoption of the standard:

The Company adopted IFRS 15 retrospectively with the cumulative effect of initially adopting the standard recognized in retained earnings at January 1, 2018. As a result, the Company will not apply the requirements of IFRS 15 to the comparative period presented.

- **IFRS 16 - Leases**

IFRS 16 introduces a comprehensive model for the identification of lease agreements and accounting treatments for both lessors and lessees. This new standard will supersede IAS 17. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees, except for short-term leases and leases of low value assets.

Effects in the Company's financial statements:

The new standard will mainly affect the accounting of the Company's operating leases. As of December 31, 2017, the Company had operating lease commitments of Ps.5,377,691. The Company's management estimates that approximately 17% are contracts related with short-term leases and low value assets, which will be recognized as expense. The Company is currently assessing the rest of the requirements established by the new standard, if applicable. Therefore, it is not yet possible to estimate the amount of right-of-use assets and liabilities that will be recognized and their effect in the financial position and operating results of the Company, upon the adoption of IFRS 16.

Date of adoption of the standard:

The Company will apply this new standard beginning January 1, 2019.

Disclosure of commitments [text block]

The Company has commitments to purchase commodities, raw material and machinery and equipment that are disclosed at the end of the year.

Disclosure of contingent liabilities [text block]

As of December 31, 2018, the Company does not have contingent liabilities to be disclosed.

Disclosure of cost of sales [text block]

See Disclosure of results of operations and prospects in section [105000].

Disclosure of credit risk [text block]

The Company's management establishes the maximum credit risk according to its policies. The Company assures the compliance of the credit limits established and, therefore, no important losses from trade accounts receivable are expected.

Disclosure of debt instruments [text block]

Debt Profile

GRUMA's debt was US$1.1 billion, US$13 million less than as of September 2018. Approximately 59% of GRUMA's debt was dollar-denominated.

Debt

(US$ millions)

		Var vs Dec'17			Var vs Sep'18	
Dec'18	Dec'17	($)	(%)	Sep'18	($)	(%)
1,097	1,030	68	7%	1,110	(13)	(1)%

Debt Maturity Profile

(US$ millions)

	Rate	2019	2020	2021	2022	2023	2024	2025	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%				80.0				80.0
CEBURES 2023 (MXN $3,000)	TIIE + 0.38%					152.4			152.4
Scotiabank Syndicated Term Loan (MXN $2,000)	TIIE + 0.55%			101.6					101.6
Other:									
MXN	8.57%	180.4							180.4
USD	3.53%	16.0							16.0
EUR	1.50%	4.9	3.7	2.4	2.1	1.9	1.9		17.0
TOTAL	6.05% (avg.)	220.0	26.2	130.2	164.6	154.4	401.9	0.0	1,097.3

Disclosure of derivative financial instruments [text block]

See [800007] Annex - Financial derivate instruments.

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, 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").

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, the Company ceased the consolidation of the financial information of MONACA and DEMASECA as of this date.

B) IMPAIRMENT OF THE INVESTMENT IN VENEZUELA

At December 31, 2015 and 2014, GRUMA performed impairment tests on the investments in MONACA and DEMASECA to determine a potential recoverable amount.

The impairment test performed in the fourth quarter of 2015, resulted in an impairment loss of Ps.4,362,108, which was recognized in consolidated income for the year ended December 31, 2015 as "Loss from discontinued operations". As of December 31, 2018, the circumstances for which the investment in these subsidiaries was impaired have not changed.

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, 2017 and 2016, certain subsidiaries of GRUMA had accounts receivable with the Venezuelan companies for a total amount of Ps.1,494,352 and Ps.1,564,665, respectively, which were fully impaired and are included as part of the impairment loss recognized in income as of this dates.

Disclosure of dividends [text block]

The General Ordinary Shareholders' Meeting held on April 28, 2017, among other matters, approved the following:

- To pay a cash dividend in the amount of Ps.1,847'838,567.00, equivalent to Ps.4.27 for each of the 432'749,079 issued and outstanding shares, with voting rights, which aggregate amount will be paid from the Taxable Net Income for dividends and income generated as of December 31, 2013.

  This payment will be made in cash in four installments, each for Ps.1.0675, on July 18 and October 17, 2017, January 16 and April 17, 2018.

The General Ordinary Shareholders' Meeting held on April 27, 2018, among other matters, approved the following:

- To pay a cash dividend in the amount of Ps.1,852'166,058.12, equivalent to Ps.4.28 for each of the 432'749,079 issued and outstanding shares, with voting rights, which aggregate amount will be paid from the Taxable Net Income for dividends and income generated as of December 31, 2013.

  This payment will be made in cash in four installments, each for Ps.1.07, on July 17 and October 16, 2018, January 15 and April 16, 2019.

Disclosure of expenses [text block]

See Disclosure of results of operations and prospects in section [105000].

Disclosure of fair value of financial instruments [text block]

See [800007] Annex - Financial derivate instruments.

Disclosure of finance income (cost) [text block]

See Disclosure of results of operations and prospects in section [105000].

Disclosure of impairment of assets [text block]

For the year ended December 31, 2018, the Company recognized an impairment loss of fixed assets of Ps.3,402 thousand.

Disclosure of information about employees [text block]

See section [700000] Informative data about the Statement of financial position.

Disclosure of issued capital [text block]

The Company's outstanding common stock consists of 423,430,920 Series "B" shares, amounting to Ps.5,248,104 thousand.

Disclosure of other operating income (expense) [text block]

See Disclosure of results of operations and prospects in section [105000].

Disclosure of property, plant and equipment [text block]

See Financial position, liquidity and capital resources in section [105000].

Disclosure of related party [text block]

-RELATED PARTIES

As of December 31, 2018, the Company did not carry out any transaction with nor had balances with related parties.

Disclosure of summary of significant accounting policies [text block]

Since the information presented herein refers to interim financial information, the Company opted to prepare its information according to IAS 34 (Option 1).

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, 2018, with no significant impact on its financial statements.

Financial Standards issued and effective for fiscal years 2018 and 2019

- **IFRS 9 - Financial instruments**

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and presents a new impairment model for financial assets.

Effects in the Company's financial statements:

The Company has reviewed its financial assets and financial liabilities and the adoption of this new standard does not have an impact in the classification and measurement of such assets and liabilities.

Regarding hedge accounting for derivative financial instruments, the application of the new standard enables the Company to comply with the requirements in order to qualify this type of operations as hedge accounting. The Company's management considers that the application of the new hedge accounting standards does not have a significant impact on its financial statements.

With respect to the impairment of financial assets, the expected credit loss model is used in the calculation of the allowance for doubtful accounts. The application of this new methodology represented an impact of Ps.21,302 thousand, which is not significant in the Company's accounts receivable and its financial statements and was recorded as retained earnings as of January 1, 2018 and had no impact in the Company's basic and diluted earnings per share.

Date of adoption of the standard:

The Company applies this new standard retrospectively beginning January 1, 2018.

- **IFRS 15 - Revenue from contracts with customers**

IFRS 15, "Revenue from contracts with customers", establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This new standard will supersede the current revenue recognition guidance, including IAS 18 for contracts of goods and services, and IAS 11 for construction contracts. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard is based on the principle that revenue is recognized when control of the goods or services is transferred to the customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 introduces a five-step model framework:
k)Identify the contract(s) with a customer
l)Identify the performance obligations in the contract
m)Determine the transaction price
n)Allocate the transaction price to the performance obligations in the contract
o)Recognize revenue when (or as) the entity satisfies a performance obligation.

Effects in the Company's financial statements:

The Company's management considers that the adoption of IFRS 15 does not have a significant impact in its financial position and operating results, except for enhanced disclosures for revenue transactions as required by the new standard and that some payments made to customers as part of the ordinary course of business are presented as a decrease of sales in the income statement and have no impact in the Company's basic and diluted earnings per share.

As of December 31, 2018, the effect in the Company's net income is as follows:

	December 2018 (thousands)
Net income before adoption of IFRS 15…….	Ps. 74,804,214
Effect of the year for the adoption of IFRS 15…...	(763,126)
Net Income……..	Ps. 74,041,088

Date of adoption of the standard:

The Company adopted IFRS 15 retrospectively with the cumulative effect of initially adopting the standard recognized in retained earnings at January 1, 2018. As a result, the Company will not apply the requirements of IFRS 15 to the comparative period presented.

- **IFRS 16 - Leases**

IFRS 16 introduces a comprehensive model for the identification of lease agreements and accounting treatments for both lessors and lessees. This new standard will supersede IAS 17. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees, except for short-term leases and leases of low value assets.

Effects in the Company's financial statements:

The new standard will mainly affect the accounting of the Company's operating leases. As of December 31, 2017, the Company had operating lease commitments of Ps.5,377,691. The Company's management estimates that approximately 17% are contracts related with short-term leases and low value assets, which will be recognized as expense. The Company is currently assessing the rest of the requirements established by the new standard, if applicable. Therefore, it is not yet possible to estimate the amount of right-of-use assets and liabilities that will be recognized and their effect in the financial position and operating results of the Company, upon the adoption of IFRS 16.

Date of adoption of the standard:

The Company will apply this new standard beginning January 1, 2019.

[800600] Notes - List of accounting policies

Disclosure of summary of significant accounting policies [text block]

Since the information presented herein refers to interim financial information, the Company opted to prepare its information according to IAS 34 (Option 1).

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, 2018, with no significant impact on its financial statements.

Financial Standards issued and effective for fiscal years 2018 and 2019

- **IFRS 9 - Financial instruments**

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and presents a new impairment model for financial assets.

Effects in the Company's financial statements:

The Company has reviewed its financial assets and financial liabilities and the adoption of this new standard does not have an impact in the classification and measurement of such assets and liabilities.

Regarding hedge accounting for derivative financial instruments, the application of the new standard enables the Company to comply with the requirements in order to qualify this type of operations as hedge accounting. The Company's management considers that the application of the new hedge accounting standards does not have a significant impact on its financial statements.

With respect to the impairment of financial assets, the expected credit loss model is used in the calculation of the allowance for doubtful accounts. The application of this new methodology represented an impact of Ps.21,302 thousand, which is not significant in the Company's accounts receivable and its financial statements and was recorded as retained earnings as of January 1, 2018 and had no impact in the Company's basic and diluted earnings per share.

Date of adoption of the standard:

The Company applies this new standard retrospectively beginning January 1, 2018.

- **IFRS 15 - Revenue from contracts with customers**

IFRS 15, "Revenue from contracts with customers", establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This new standard will supersede the current revenue recognition guidance, including IAS 18 for contracts of goods and services, and IAS 11 for construction contracts. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard is based on the principle that revenue is recognized when control of the goods or services is transferred to the customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 introduces a five-step model framework:
k)Identify the contract(s) with a customer
l)Identify the performance obligations in the contract
m)Determine the transaction price
n)Allocate the transaction price to the performance obligations in the contract
o)Recognize revenue when (or as) the entity satisfies a performance obligation.

Effects in the Company's financial statements:

The Company's management considers that the adoption of IFRS 15 does not have a significant impact in its financial position and operating results, except for enhanced disclosures for revenue transactions as required by the new standard and that some payments made to customers as part of the ordinary course of business are presented as a decrease of sales in the income statement and have no impact in the Company's basic and diluted earnings per share.

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Date of adoption of the standard:

The Company adopted IFRS 15 retrospectively with the cumulative effect of initially adopting the standard recognized in retained earnings at January 1, 2018. As a result, the Company will not apply the requirements of IFRS 15 to the comparative period presented.

- **IFRS 16 - Leases**

IFRS 16 introduces a comprehensive model for the identification of lease agreements and accounting treatments for both lessors and lessees. This new standard will supersede IAS 17. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and are replaced by a model where a

right-of-use asset and a corresponding liability have to be recognized for all leases by lessees, except for short-term leases and leases of low value assets.

Effects in the Company's financial statements:

The new standard will mainly affect the accounting of the Company's operating leases. As of December 31, 2017, the Company had operating lease commitments of Ps.5,377,691. The Company's management estimates that approximately 17% are contracts related with short-term leases and low value assets, which will be recognized as expense. The Company is currently assessing the rest of the requirements established by the new standard, if applicable. Therefore, it is not yet possible to estimate the amount of right-of-use assets and liabilities that will be recognized and their effect in the financial position and operating results of the Company, upon the adoption of IFRS 16.

Date of adoption of the standard:

The Company will apply this new standard beginning January 1, 2019.

Description of accounting policy for biological assets [text block]

The Company does not have this type of assets.

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.

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 earnings per share [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.

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 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 assets [text block]

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.

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.

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.

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 directly attributable to them; subsequently, these assets are recognized at amortized cost using the effective interest rate method.

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.

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.

Description of accounting policy for financial instruments at fair value through profit or loss [text block]

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.

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 financial liabilities [text block]

Financial liabilities

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.

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

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.

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 investment in associates [text block]

As of December 31, 2018, the Company has no investments in associated companies.

Description of accounting policy for investments in joint ventures [text block]

As of December 31, 2018, the Company has no investments in joint ventures.

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 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 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

Starting January 1, 2018, the Company adopted IFRS 15, Revenue from contracts with customers, using the modified retrospective method; accordingly, the comparative information has not been restated and is being presented under IAS 18.

The Company produces and sells corn flour, packaged tortilla and other related products such as flat bread, snacks and corn grits. The Company serves wholesale and retail markets, as well as institutional markets. Sales are

recognized when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the products, the risks of loss and obsolescence have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract.

Revenue from sales is recognized based on the price specified in the contract, net of discounts, volume rebates and returns. Volume rebates are estimated, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a short-term credit.

A receivable is recognized when the products are delivered as this is the point in time that the consideration is unconditional.

The payments made to customers, which represent a modification of the transaction price, are presented as a decrease of revenue.

Until December 31, 2017, sales were recognized upon shipment of products to, and acceptance by, the Company's customers or when the risk of ownership had passed to the customers. Revenue was 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 were recognized in the same period that the related sales were recorded and were 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.

As of December 31, 2018, the main subsidiaries included in the consolidation are:

	% of ownership
Gruma Corporation and subsidiaries……..……	100.00
Grupo Industrial Maseca, S.A. de C.V. and subsidiaries……	99.92
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.

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.

[813000] Notes - Interim financial reporting

Disclosure of interim financial reporting [text block]

HIGHLIGHTS

Consolidated **sales volume** declined 1% driven mainly by GIMSA and Gruma Europe, while the remaining subsidiaries continued to expand. **Net sales** grew 4% in connection with price increases at GIMSA along with the peso weakness effect, despite a negative impact of Ps.341 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.

While **EBITDA** rose at all subsidiaries other than Gruma Europe, consolidated EBITDA fell 3% primarily due to charges at corporate services related to information technology initiatives, and in particular a project called G+ ("G+"), and accounting eliminations. EBITDA margin decreased from 16.4% to 15.4%.

Majority net income declined 44% to Ps.1,025 million, affected by lower other income, higher interest expense, and higher taxes. Reductions in other income and higher taxes were mostly related to non-recurring events in 4Q17.

Sales and EBITDA from non-Mexican operations represented 73% and 77%, respectively, of consolidated figures. The company reported US$1.1 billion of **debt** at quarter-end, US$68 million more than at the end of 4Q17. **Net Debt/EBITDA** ratio was 1.5x.

Consolidated Financial Highlights

(Ps. millions)

	4Q18	4Q17	Var
Sales volume (thousand metric tons)	1,028	1,037	(1)%
Net sales	19,080	18,331	4%
Operating income	2,325	2,484	(6)%
Operating margin	12.2%	13.5%	(130) bp
EBITDA	2,929	3,010	(3)%
EBITDA margin	15.4%	16.4%	(100) bp
Majority net income	1,025	1,845	(44)%

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

	QUARTERS			YTD DECEMBER		
INCOME STATEMENT SUMMARY	**4Q18**	4Q17	VAR (%)	**2018**	2017	VAR (%)
NET SALES	**19,080**	18,331	4	**74,041**	70,581	5
COST OF SALES	**12,050**	11,344	6	**46,347**	43,803	6
GROSS PROFIT	**7,029**	6,987	1	**27,694**	26,778	3
GROSS MARGIN (%)	**36.8%**	38.1%		**37.4%**	37.9%	
SELLING AND ADMINISTRATIVE EXPENSES	**4,723**	4,691		**18,239**	17,595	
OTHER EXPENSE (INCOME) , NET	**(18)**	(187)		**30**	(137)	
OPERATING INCOME	**2,325**	2,484	(6)	**9,425**	9,319	1
OPERATING MARGIN (%)	**12.2%**	13.5%		**12.7%**	13.2%	
NET COMPREHENSIVE FINANCING COST	**513**	410		**1,565**	1,263	
INTEREST EXPENSE	**429**	252		**1,347**	793	
INTEREST INCOME	**(24)**	158		**(82)**	(58)	
(GAIN) LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS	**13**	(86)		**67**	614	
FOREIGN EXCHANGE LOSS (GAIN)	**96**	87		**233**	(86)	
INCOME TAXES	**704**	234		**2,887**	1,782	
NET INCOME	**1,026**	1,840	(44)	**4,892**	6,274	(22)
MAJORITY NET INCOME	**1,025**	1,845	(44)	**4,890**	6,218	(21)
EARNINGS PER SHARE[1]	**2.42**	4.26	(43)	**11.55**	14.37	(20)
DEPRECIATION AND AMORTIZATION	**624**	515		**2,312**	**2,009**	
IMPAIRMENT OF LONG LIVED ASSETS	**(20)**	11		**3**	16	
EBITDA[2]	**2,929**	3,010	(3)	**11,741**	11,344	4
EBITDA MARGIN (%)	**15.4%**	16.4%		**15.9%**	16.1%	
CAPITAL EXPENDITURES (MILLION US$)	**81**	61		**209**	275	

BALANCE SHEET SUMMARY	**Dec-18**	Dec-17	VAR (%)	Sep-18	VAR (%)
CASH AND CASH EQUIVALENTS	**3,436**	3,230	6	3,747	(8)
TRADE ACCOUNTS RECEIVABLE	**7,589**	7,172	6	7,224	5
OTHER ACCOUNTS RECEIVABLE	**2,342**	2,940	(20)	2,722	(14)
INVENTORIES	**11,116**	10,790	3	11,594	(4)
CURRENT ASSETS	**25,028**	24,708	1	25,959	(4)
PROPERTY, PLANT, AND EQUIPMENT, NET	**30,155**	29,327	3	28,797	5
TOTAL ASSETS	**61,799**	60,821	2	61,003	1
SHORT-TERM DEBT	**4,330**	2,897	49	2,421	79
CURRENT LIABILITIES	**15,753**	14,752	7	14,181	11
LONG-TERM DEBT	**17,164**	17,310	(1)	18,379	(7)
TOTAL LIABILITIES	**35,783**	34,843	3	35,422	1
MAJORITY SHAREHOLDERS' EQUITY	**26,028**	25,984	0	25,593	2
SHAREHOLDERS' EQUITY	**26,016**	25,978	0	25,581	2
CURRENT ASSETS/CURRENT LIABILITIES	**1.59**	1.67		1.83	
TOTAL LIABILITIES/SHAREHOLDERS' EQUITY	**1.38**	1.34		1.38	
DEBT/EBITDA[3]	**1.83**	1.78		1.76	
EBITDA/INTERES EXPENSE[3]	**8.74**	14.31		10.11	
BOOK VALUE PER SHARE[1]	**61.47**	60.04		59.73	

[1] On the basis of 423,430,920 shares as of December 31, 2018, 432,749,079 shares as of December 31, 2017, and 428,490,992 shares as of September 30, 2018.

[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 DECEMBER					
		4Q18	%	4Q17	%	VAR ($)	VAR (%)	2018	%	2017	%	VAR ($)	VAR (%)
GRUMA USA[1]	SALES VOLUME[2]	**352**		346		6	2	**1,397**		1,367		30	2
Corn flour, tortillas, and other	NET SALES	**10,187**		10,133		54	1	**41,305**		40,363		942	2
	COST OF SALES	**5,793**	56.9	5,623	55.5	170	3	**23,716**	57.4	22,734	56.3	983	4
	GROSS PROFIT	**4,394**	43.1	4,510	44.5	(116)	(3)	**17,589**	42.6	17,629	43.7	(41)	(0)
	SG&A	**2,938**	28.8	3,053	30.1	(115)	(4)	**11,677**	28.3	11,880	29.4	(203)	(2)
	OPERATING INCOME	**1,440**	14.1	1,435	14.2	5	0	**5,890**	14.3	5,681	14.1	209	4
	EBITDA	**1,824**	17.9	1,763	17.4	61	3	**7,329**	17.7	6,922	17.2	406	6
GIMSA	SALES VOLUME	**531**		540		(9)	(2)	**2,064**		2,039		25	1
Corn flour and other	NET SALES	**5,383**		5,117		266	5	**20,508**		19,508		1,000	5
	COST OF SALES	**3,776**	70.2	3,673	71.8	103	3	**14,692**	71.6	14,173	72.7	519	4
	GROSS PROFIT	**1,606**	29.8	1,444	28.2	162	11	**5,815**	28.4	5,335	27.3	480	9
	SG&A	**965**	17.9	867	17.0	98	11	**3,407**	16.6	3,103	15.9	304	10
	OPERATING INCOME	**657**	12.2	536	10.5	121	23	**2,404**	11.7	2,293	11.8	111	5
	EBITDA	**867**	16.1	742	14.5	125	17	**3,297**	16.1	3,084	15.8	213	7
GRUMA EUROPE[1]	SALES VOLUME[2]	**82**		85		(4)	(4)	**340**		374		(34)	(9)
Corn flour, tortillas, and other	NET SALES	**1,299**		1,307		(8)	(1)	**5,528**		5,358		170	3
	COST OF SALES	**1,001**	77.1	966	73.9	35	4	**4,229**	76.5	4,030	75.2	198	5
	GROSS PROFIT	**297**	22.9	341	26.1	(43)	(13)	**1,300**	23.5	1,328	24.8	(28)	(2)
	SG&A	**283**	21.8	299	22.8	(15)	(5)	**1,120**	20.3	1,146	21.4	(26)	(2)
	OPERATING INCOME	**21**	1.6	45	3.5	(24)	(53)	**192**	3.5	194	3.6	(2)	(1)
	EBITDA	**95**	7.3	106	8.1	(12)	(11)	**451**	8.2	414	7.7	37	9
GRUMA CENTROAMÉRICA	SALES VOLUME	**56**		55		1	2	**210**		195		14	7
Corn flour and other	NET SALES	**1,261**		1,282		(21)	(2)	**4,596**		4,533		63	1
	COST OF SALES	**836**	66.3	801	62.5	35	4	**2,996**	65.2	2,829	62.4	167	6
	GROSS PROFIT	**425**	33.7	481	37.5	(56)	(12)	**1,601**	34.8	1,704	37.6	(104)	(6)
	SG&A	**315**	25.0	380	29.6	(64)	(17)	**1,224**	26.6	1,382	30.5	(158)	(11)
	OPERATING INCOME	**109**	8.7	100	7.8	10	10	**378**	8.2	320	7.1	58	18
	EBITDA	**147**	11.7	134	10.4	14	10	**523**	11.4	446	9.8	77	17
OTHER SUBSIDIARIES & ELIMINATIONS	SALES VOLUME	**7**		10		(3)	(34)	**43**		34		10	29
	NET SALES	**796**		779		17	2	**3,260**		2,799		461	16
	COST OF SALES	**532**	66.8	435	55.8	97	22	**1,353**	41.5	1,135	40.6	218	19
	GROSS PROFIT	**263**	33.0	344	44.2	(81)	(24)	**1,907**	58.5	1,665	59.5	242	15
	SG&A	**177**	22.2	173	22.2	4	2	**1,124**	34.5	633	22.6	491	78
	OPERATING INCOME	**98**	12.3	417	53.5	(319)	(76)	**767**	23.5	1,167	41.7	(400)	(34)
	EBITDA	**(31)**	(3.9)	308	39.5	(339)	(110)	**330**	10.1	811	29.0	(481)	(59)
CONVENIENCE TRANSLATION EFFECT[3]	NET SALES	**155**		(286)		441	154	**(1,156)**		(1,981)		825	42
	COST OF SALES	**112**		(154)		266	172	**(639)**		(1,097)		459	42
	GROSS PROFIT	**43**		(132)		176	133	**(518)**		(884)		366	41
	SG&A	**44**		(82)		126	154	**(312)**		(548)		236	43
	OPERATING INCOME	**(1)**		(50)		49	99	**(205)**		(335)		130	39
	EBITDA	**28**		(42)		70	166	**(188)**		(334)		146	44
CONSOLIDATED	SALES VOLUME	**1,028**		1,037		(9)	(1)	**4,055**		4,009		46	1
	NET SALES	**19,080**		18,331		748	4	**74,041**		70,581		3,461	5
	COST OF SALES	**12,050**	63.2	11,344	61.9	706	6	**46,347**	62.6	43,803	62.1	2,544	6
	GROSS PROFIT	**7,029**	36.8	6,987	38.1	42	1	**27,694**	37.4	26,778	37.9	916	3
	SG&A	**4,723**	24.8	4,691	25.6	32	1	**18,239**	24.6	17,595	24.9	644	4
	OTHER EXP. (INC.) , NET	**(18)**		(187)		169	90	**30**		(137)		167	122
	OPERATING INCOME	**2,325**	12.2	2,484	13.5	(159)	(6)	**9,425**	12.7	9,319	13.2	106	1
	EBITDA	**2,929**	15.4	3,010	16.4	(81)	(3)	**11,741**	15.9	11,344	16.1	397	4

[1] Convenience translation at the exchange rate of Ps19.6829/dollar as of December 31, 2018. For further details see "Accounting Procedures".

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

[3] The difference between the use of convenience translation and the historical exchange rate is recorded under "Convenience Translation Effect".

-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.

-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.

Description of significant events and transactions

Public Offering of Debt Securities

On September 26, 2018, the Company launched a public offering of long-term Debt Securities in the local debt market for Ps.3,000 million, with a 5-year maturity and accruing interest at an annual rate of 28-day TIIE plus 38 basis points.

The proceeds from this public offering will be used to refinance the Company's short-term debt.

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.

Description of accounting policies and methods of computation followed in interim financial statements [text block]

See section [800600 – Notes – List of accounting policies] for accounting policies and methods of computation.

Explanation of seasonality or cyclicality of interim operations

See 'Disclosure of results of operations and prospects' in section [105000 – Management commentary].

Explanation of nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature size or incidence

There are no significant effects on assets, liabilities, equity, net income or cash flows that are unusual because of their nature, value or incidence.

Explanation of nature and amount of changes in estimates of amounts reported in prior interim periods or prior financial years

There are no changes in estimates. See section [800500 – Notes – List of Notes].

Explanation of issues, repurchases and repayments of debt and equity securities

The Company does not have repayments of debt and equity securities. As of December 31, 2018, the Company repurchased 9,318,159 shares.

Dividends paid, ordinary shares:	1,850,000,000.00
Dividends paid, other shares:	0
Dividends paid, ordinary shares per share:	4.275
Dividends paid, other shares per share:	0

Explanation of events after interim period that have not been reflected

There are no subsequent events that need to be disclosed.

Explanation of effect of changes in composition of entity during interim period

There are no changes in the Company's composition.

Description of compliance with IFRSs if applied for interim financial report

-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, 2018, with no significant impact on its financial statements.

Description of nature and amount of change in estimate during final interim period

There are no changes in estimates.

Footnotes

[1] ↑

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The difference between depreciation and amortization expense in 2018 presented in this section and the one disclosed in the Statement of cash flows [520000], is given by an impairment loss of fixed assets of Ps.3.4 million in the Corporate division.

[2] ↑

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The difference between depreciation and amortization expense in 2017 presented in this section and the one disclosed in the Statement of cash flows [520000], is given by the Cost of written-down fixed assets of approximately Ps.15.3 million in the Mexico division and an impairment loss of Ps.0.7 million in the Central America division.