



GRUMA, S.A.B. de C.V.
Calzada del Valle No. 407, Col. Del Valle, San Pedro Garza García, C.P. 66220, Monterrey, N.L.,
Tel.(81)8399 3300

INFORMATION ON DERIVATIVE AND FINANCIAL INSTRUMENTS

I. Qualitative and Quantitative Information.

A. *Management's Discussion of the Policies for the use of Derivative Financial Instruments, and the Purposes of the Same.*

Gruma has entered into raw materials derivative financial instruments for products such as corn, wheat, natural gas and diesel, and it has also entered into financial instruments such as interest rate swaps and foreign exchange financial instruments (F/X).

Gruma's policies regarding derivative financial instruments generally allow commodity swaps for hedging purposes. In order to minimize the counterparty solvency risk, the Company enters into financial derivative instruments only with major national and international financial institutions using standard International Swaps and Derivatives Association, Inc. ("ISDA") forms and agreements.

B. *Generic Description of Valuation Techniques.*

Derivative financial instruments that are not reported as hedging instruments for accounting purposes are initially recorded at the value of consideration exchanged upfront, and at the end of each reporting period they are measured at a reasonable estimate of their market 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 market value of such derivative financial instrument are recognized in comprehensive income within stockholders equity, based on an evaluation of such instruments as effective hedges. Such changes in the fair market value are reclassified to income in the period when the firm commitment or forecasted transaction affects them. Hedging agreements other than cash flow hedges are measured at a fair value and the effects of these valuation changes are recognized in the income statement.

For the valuation of the derivative financial instruments of corn, wheat, natural gas and diesel futures we take as reference the market values of the US Chicago, Kansas and New York futures exchanges, through the specialized Financial Institutions engaged for such purposes. These valuations are made periodically.

Effectiveness of hedges are determined when the changes in fair market value or cash flows of the underlying operation are offset by changes in fair market value or cash flows of the hedging instrument in a ratio that falls within an inverse correlation range from 80% to 125%.



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When a hedge is no longer effective as well as when the hedge does not comply with the documentation requirements set forth in Bulletin C-10 “Derivative Financial Instruments” (*Boletín C-10 “Instrumentos Financieros Derivados”*)¹ the results of measuring the financial instruments at a reasonable value are recognized in the results of operations, within net comprehensive financing income.

C. *Management Discussion about the Sources of Liquidity that Could be Used to Deal with Requirements Derived from Derivative Financial Instruments.*

There are potential liquidity requirements under our financial derivative instruments described in Section E below. Gruma plans to use its available cash flow and other available sources of liquidity to satisfy such liquidity requirements.

D. *Description of the Changes in the Exposure to Major Identified Risks.*

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), global changes in the 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, wheat, natural gas, and diesel, risks that exist as an ordinary part of our business. As of March, 31st, 2010, the open positions of these instruments were valued at their fair market value and resulted in a loss of \$51,910 thousand pesos, which was applied to the 2009 fiscal year results. These financial instruments did not qualify as hedges for accounting purposes. The financial derivative instruments concluded during the first quarter of 2010 represented a gain of \$25,485 thousands of pesos.

The company has complied with all obligations under its derivative financial instruments.

E. *Quantitative Information.*

Corn Derivative Financial Instruments:

¹ Bulletin C-10 is part of the Mexican General Accepted Accounting Principles.

**Summary of Corn Financial Derivative
 Instruments March 31st, 2010
 Amounts in thousands of Pesos**

Derivate	Purchase Hedging/ Negotiation	Notional Amount (Bushels)		Underlying Asset Value (Ps)		Reasonable Value (Thousand of Ps)		Installments per year (Thousand of Ps)	Collateral/Lines of credit/ Guarantees (Thousand of Ps)
		1st Quarter 2010	4th Quarter 2009	1st Quarter 2010	4th Quarter 2009	1st Quarter 2010	4th Quarter 2009	2010	
Corn Futures	Hedging	2,520,000	2,520,000	45.7042	56.382	-12,322	6,934	-12,322	
Corn Options	Hedging	4,220,000	4,410,000	0.7336	1.6514	3,096	7,283	3,096	
		6,740,000	6,930,000			-9,226	14,217	-9,226	

The corn financial derivative instruments concluded during the first quarter of 2010 represented a gain of \$19,844 thousands of pesos.

II. Sensitivity Analysis

Corn Derivative Financial Instruments:

Based on our position as of March 31st, 2010, a hypothetical change of a 10% low in the Bushel value will result in an additional unfavorable effect of \$11,827 thousands of pesos. This sensitivity analysis is determined based on the values of the underlying assets given in an appraisal made as of March 31st, 2010.

**Sensitivity Analysis
 Raw Materials (Corn) Derivative Financial Instruments Position
 as of March 31st, 2010
 10%, 25% and 50% change in the Underlying Asset
 Amounts in Thousands of Pesos**

Derivate	Purchase Hedging/ Negotiation	Notional Amount Bushels	To March 31st, 2010		Potential Loss		
			Underlying Asset Value (pesos)	Reasonable Value	10% Scenario	25% Scenario	50% Scenario
Corn Futures	Hedging	2,520,000	45.7042	-12,322	-11,517	-28,794	-57,587
Call Options Corn Sale	Hedging	4,220,000	0.7336	3,096	-310	-774	-1,548
		6,740,000		-9,226	-11,827	-29,568	-59,135