



GRUMA

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San Pedro Garza García, N.L., Mexico; July 27, 2017

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## GRUMA PROVIDES INFORMATION ABOUT THE DECISION IN THE ARBITRATION OF ITS SPANISH SUBSIDIARIES AGAINST VENEZUELA

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**San Pedro Garza García, N.L., Mexico; July 27, 2017** – GRUMA, S.A.B. de C.V. ("GRUMA") (BMV: GRUMAB) informs that, on July 25, 2017, an arbitral tribunal established under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States ("ICSID Convention") has ruled in favor of its Spanish subsidiaries Valores Mundiales, S.L. and Consorcio Andino, S.L. in the arbitration initiated by those subsidiaries against the Bolivarian Republic of Venezuela (the "Republic") for breach of the bilateral investment treaty between Spain and Venezuela (the "Treaty").

Pursuant to the Award issued by the arbitral tribunal, the Republic must pay to Valores Mundiales, S.L. and Consorcio Andino, S.L. (collectively, the "Claimants") US\$430.4 million in damages for violating certain provisions of the Treaty, plus compound interest at LIBOR + 2% as from January 22, 2013 and until the effective date of payment of the Award. As of today, the amount of compensation owed under the Award plus interest equals approximately USD \$ 484 million. The tribunal also ordered the Republic to pay more than USD \$ 5.9 million in legal expenses and costs incurred by the Claimants in the course of the arbitration.

As previously informed, in May 2013, the Claimants commenced the arbitration seeking compensation for damages caused by various measures imposed by the Republic, including, *inter alia*, the adoption of an Expropriation Decree in 2010, which affected the investments of the Claimants in their respective Venezuelan subsidiaries Molinos Nacionales, C.A. and Derivados de Maíz Seleccionado, DEMASECA, C.A.

In the Award, the tribunal granted most of the Claimants' claims and concluded that the Republic breached the Treaty by (i) failing to grant fair and equitable treatment to the Claimants' investments; (ii) having taken arbitrary measures that impeded the management and development of Claimants' investments; and (iii) having impeded the free transfer of funds related to the Claimants' investments. The Tribunal dismissed the claim for indirect expropriation made by the Claimants.



Venezuela may seek annulment of the Award (as well as other post-award relief under the ICSID Convention) and the stay of enforcement of the Award while those proceedings are pending. Even if the execution of the Award is not suspended, its execution may still present significant challenges. Accordingly, the impact of the Award on the Company cannot reasonably be estimated at this time.

The Claimants and their legal counselors are evaluating the scope of the Award and will take appropriate steps to enforce and collect the Award, and to pursue their legal interests.

## ABOUT GRUMA

Since 1949, GRUMA, S.A.B. de C.V., is one of the world's leading tortilla and corn flour producers. With leading brands in most of its markets, GRUMA has operations in the United States, Mexico, Central America, Europe, Asia and Oceania. GRUMA is headquartered in San Pedro Garza García, Mexico, and has approximately 20,000 employees and 73 plants. In 2016, GRUMA had net sales of US\$3.6 billion, of which 75% came from non-Mexican operations. For further information, please visit [www.gruma.com](http://www.gruma.com).

