

# GRUMA and Banorte ring opening bell in the BMV, after successful share placement

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Mexico, D. F., March 29th, 2011. After successfully concluding the sale of their shares in Grupo Financiero BANORTE (GFNorte), GRUMA S.A.B de C.V. becomes a company wholly dedicated to the food products sector, "making it more attractive to investors," asserted CEO Raul Peláez Cano, who together with the CEO of Grupo Financiero Banorte, Dr. Alejandro Valenzuela del Río, rang the traditional opening bell of the Mexican Stock Exchange.

The placement of 177.5 million shares of Grupo Financiero BANORTE at Ps 52.00 per share, provided GRUMA with a collected total of Ps 9.232 billion before commissions and expenses, which was applied to the pre-payment of the unpaid balance of 12 loans for a total of \$817 US million, allowing the Mexican multinational corporation to reduce its debt by 50% and liberate all of its guarantees.

With this transaction, the more globalized Mexican food company also strengthened its financial structure by reducing its debt /EBITDA leverage ratio to approximately 2.3 times, which puts the company on the road to recovery for its investment grade.

"GRUMA's situation is now the same as before the financial crisis, that is to say, when we had investment grade ratings. For example, just a few days ago Fitch Ratings improved our rating from B+ to BB and Standard & Poor's raised us from B+ to BB-, both with a positive perspective, as a consequence of having paid half of our debt in advance," added Peláez Cano.

It should be mentioned that the rating companies took into account the company's leadership in corn flour and tortilla sales in the US, Central American, Mexican and Venezuelan markets, as well as the strong positioning of their trademarks on a global level.

Both Fitch Ratings and Standard & Poor's anticipate that GRUMA will reduce the risk of global volatility in input prices through early purchases and hedging strategies in the corn market, and trust that GRUMA will limit its costs and expenses, which will allow the company to further improve profitability.

After the stock placement, GRUMA once again has a solid financial profile which will facilitate better loan conditions, such as that obtained last week which is a syndicated chirographic loan (without guarantees) for \$225 million US coordinated by BBVA Bancomer, for a term of 5 years, with a rate that is equivalent today to just 2.06% annually.

"GRUMA's new, vastly strengthened financial structure, as well as an important reduction in our annual financial expenses, will allow us to continue with our strategy of global growth in regions where we are already have presence as well as in new regions, and to enlarge our portfolio of products in the branch of food products" stated Raul Peláez during the traditional opening bell.

CEO of Grupo Financiero Banorte, Dr. Alejandro Valenzuela del Río commented that "the Strong Bank of Mexico is proud to have participated in the first important placement of shares of a Mexican financial group in the Mexican Stock Exchange in almost a decade."

"We hope this placement sets an example so that more companies and financial institutions take advantage of the options that exist in the Mexican market and finance their capital needs in our market which continues to have greater depth and liquidity", remarked the Dr. Valenzuela del Río.