

EARNINGS RELEASE

First Quarter of 2007

Mexico City, April 25, 2007. Grupo Herdez, S.A.B. de C.V. today announced its results for the first quarter of 2007. The results have been prepared in accordance to Mexican GAAP and are adjusted in millions of Mexican pesos of purchasing power as of March 31, 2007.

Highlights:

- Sales grew 1.3% in tons, surpassing the historical records registered in 1Q06.
- Operating income increased 1.4% while the margin expanded by 0.4 percentage points.

Net Sales

From January to March 2007, sales volume registered an increase of 1.3%, reaching a total of 80,884.0 tons, or 1,015 tons more than those registered in the same period of last year, a period in which the highest sales levels in several categories had been recorded.

Domestic performance contributed in large part to this growth, rising from 71,567.9 tons in 1Q06 to 72,928.5 tons in 1Q07, with the following segments standing out:

"Vegetables" increased 22.7% as a result of higher sales of vegetables, tomato puree, mushrooms and olives, lines that benefited from marketing support in all the distribution channels.

"Juices, Fruits and Desserts" demonstrated solid performance, growing 11.0% thanks to the favorable trend in recently launched beverages.

In terms of exports, these decreased 4.2% in tons from January to March 2007; nonetheless, sales to end clients were not affected thanks to high levels of security stock maintained by our partners and distributors.

SALES VOLUME

(In Tons)

Segment	First Quarter				
	2007	%	2006	%	% change
Sauces and Dressings	34,896.1	43.1%	35,989.1	45.1%	-3.0%
Juices, Fruits and Desserts	10,729.8	13.3%	9,665.8	12.1%	11.0%
Vegetables	7,958.7	9.8%	6,486.6	8.1%	22.7%
Meat and Seafood	7,269.6	9.0%	7,808.7	9.8%	-6.9%
Pastas	11,753.3	14.5%	11,241.4	14.1%	4.6%
Other	321.0	0.4%	376.3	0.5%	-14.7%
Domestic Sales	72,928.5	90.2%	71,567.9	89.6%	1.9%
Exports	7,955.5	9.8%	8,301.1	10.4%	-4.2%
Total Sales	80,884.0	100.0%	79,869.0	100.0%	1.3%

HERDEZ

McCORMICK

Grupo Herdez is listed on:
BMV: Herdez*
OTC: Guzby

Total shares outstanding as of 04/24/07
428'142,763

Donna Maria

festin

CARLOTA

Bufalo

Yavaros

Solo

KIKKOMAN

YEMINA

Ocean Spray

Sales figures totaled \$1,418.6 million, 1.1% less than in the same quarter of last year.

NET SALES
(Million pesos as of March 31, 2007)

Segment	First Quarter				
	2007	%	2006	%	% change
Sauces and Dressings	685.6	48.3%	711.5	49.6%	-3.6%
Juices, Fruits and Desserts	152.5	10.8%	139.6	9.7%	9.2%
Vegetables	143.0	10.1%	119.8	8.3%	19.4%
Meat and Seafood	176.9	12.5%	198.7	13.8%	-11.0%
Pastas	135.2	9.5%	131.2	9.1%	3.0%
Other	15.6	1.1%	19.3	1.3%	-19.2%
Domestic Sales	1,308.8	92.3%	1,320.1	92.0%	-0.9%
Exports	109.8	7.7%	115.0	8.0%	-4.5%
Total Sales	1,418.6	100.0%	1,435.1	100.0%	-1.1%

Costs and Expenses

Costs as a percentage of sales decreased 1.5 percentage points from 59.6% in 1Q06 to 58.1% in 1Q07. This reduction was mainly the result of operating efficiencies obtained in Empresas Herdez, a business unit that rationalized its product portfolio and centralized some production processes, among other measures.

Operating expenses in the quarter represented 26.4% of sales, 1.2 percentage points more than in the same period of last year due to increases in "Promotion and Advertising" expenses, which were partially offset by lower "General and Administration" expenses.

Operating Income and EBITDA¹

Operating income in 1Q07 rose to \$220.6 million, which represented an increase of 1.4% with respect to the same quarter of the year before. Similarly, the operating margin rose from 15.2% to 15.6% sales, that is, an increase of 0.4 percentage points.

These changes are attributable to the improvement in the gross margin, which was 41.9%; however, this margin will not be sustainable for the rest of the year due to cost increases that have been registered in some of the Company's key raw materials.

EBITDA was \$252.5 million, improving 1.7% during the first quarter of the year, while the EBITDA margin rose 0.5 percentage points from 17.3% in 1Q06 to 17.8% in 1Q07.



HERDEZ

McCORMICK

Barilla

Hormel

Doña Maria

festin

CARLOTA

Bufalo

Yavaros

Solo

KIKKOMAN

YEMINA

Ocean Spray

Comprehensive Cost of Financing

Due to a lower monetary gain registered in 1Q07, the comprehensive cost of financing increased \$1.2 million with respect to the same period of last year.

Net Income

As a result of better operating performance, consolidated income before extraordinary items rose 2.1%, from \$135.3 million in 1Q06 to \$138.1 million in 1Q07, with a slight increase of 0.3 percentage points in the margin.

Similarly, net majority income totaled \$88.2 million as of March 31, 2007, which was an increase of 1.4% compared to the income registered in the same period of last year.

Grupo Herdez, S.A.B de C.V. y Subsidiarias Consolidated Income Statement

For the period ended March 31, 2007 and 2006 (Million Pesos)

	First Quarter				
	2007	%	2006	%	% Change
Net Sales	1,418.6	100.0%	1,435.1	100.0%	-1.1%
Cost of Goods Sold	823.6	58.1%	855.5	59.6%	-3.7%
Gross Profit	595.0	41.9%	579.6	40.4%	2.7%
Operating Expenses	374.4	26.4%	362.1	25.2%	3.4%
Operating Income	220.6	15.6%	217.5	15.2%	1.4%
Comprehensive Financing Cost	22.6	1.6%	21.4	1.5%	5.6%
Other expenses (Income)	0.6	0.0%	3.5	0.2%	-82.9%
Income before income taxes	197.4	13.9%	192.6	13.4%	2.5%
Income tax provision	56.8	4.0%	58.5	4.1%	-2.9%
Income from unconsolidated affiliates	(2.5)	-0.2%	1.2	0.1%	NC
Income before extraordinary items	138.1	9.7%	135.3	9.4%	2.1%
Extraordinary items, net	-	0.0%	-	0.0%	NC
Consolidated net income	138.1	9.7%	135.3	9.4%	2.1%
Minority Interest	49.9	3.5%	48.3	3.4%	3.3%
Net Income	88.2	6.2%	87.0	6.1%	1.4%
EBITDA	252.5	17.8%	248.3	17.3%	1.7%

NC: Not comparable

Cash Flow

Resources generated by the operation in the first three months of the year totaled \$90.0 million, of which 89.9% was allocated to paying bank debt.

Interest-bearing Liabilities

As of March 31, 2007, bank debt totaled \$1,038.4 million, registering a nominal increase of \$70.2 million, or an additional 7.2% with respect to the balance registered in the same quarter of last year

68.9% of the bank debt is long-term, and 89.7% of the liabilities are denominated in domestic currency. Finally, more than 50.0% of the total debt is contracted under fixed interest rates.

Grupo Herdez, S.A.B de C.V. and Subsidiaries
Consolidated Balance Sheet

At March 31, 2007 and 2006 (Million pesos)

	2007	%	2006	%	Change	
					\$	%
TOTAL ASSETS	4,580.5	100.0%	4,703.8	100.0%	(123.3)	-2.6%
Current Assets	2,187.9	47.8%	2,158.7	45.9%	29.2	1.4%
Cash and cash equivalents	74.8	1.6%	174.8	3.7%	(100.0)	-57.2%
Accounts receivable, net	1,056.4	23.1%	995.6	21.2%	60.8	6.1%
Inventories	966.5	21.1%	907.6	19.3%	58.9	6.5%
Other current assets	90.2	2.0%	80.7	1.7%	9.5	11.8%
Property, Plant and Equipment, net	2,132.5	46.6%	2,300.0	48.9%	(167.5)	-7.3%
Intangible Assets	260.1	5.7%	245.1	5.2%	15.0	6.1%
TOTAL LIABILITIES	1,970.2	43.0%	1,805.5	38.4%	164.7	9.1%
Current Liabilities	1,050.7	22.9%	819.7	17.4%	231.0	28.2%
Accounts payable	501.5	10.9%	320.0	6.8%	181.5	56.7%
Short-Term Debt	322.9	7.0%	237.7	5.1%	85.2	35.8%
Other Short-Term liabilities	226.3	4.9%	262.0	5.6%	(35.7)	-13.6%
Non-Current Liabilities	919.5	20.1%	985.8	21.0%	(66.3)	-6.7%
Long-Term Debt	715.5	15.6%	771.1	16.4%	(55.6)	-7.2%
Other liabilities and Deferred taxes	204.0	4.5%	214.7	4.6%	(10.7)	-5.0%
Minority Stockholder's equity	695.6	15.2%	719.6	15.3%	(24.0)	-3.3%
Majority Stockholder's equity	1,914.7	41.8%	2,178.7	46.3%	(264.0)	-12.1%
TOTAL STOCKHOLDER'S EQUITY	2,610.3	57.0%	2,898.3	61.6%	(288.0)	-9.9%

HERDEZ is a leader in the food industry, with more than 90 years of experience. The company manufactures and distributes products under brands such as Herdez, McCormick, Búfalo, Doña María, Barilla, Yemina, Carlota, Solo and Yavaros, among others. Through its subsidiaries, HERDEZ operates eight plants and eight distribution centers with a workforce of over 5,000 people.

Note: The statements contained in this report regarding the financial and operating performance of Grupo Herdez, S.A.B de C.V. and its subsidiaries ("The Company") are based on financial information, operating levels and market conditions as of today's date. The Company's results may vary from those expressed in this report due to a number of factors beyond the Company's control, such as: price adjustments, changes in raw material costs, legal and regulatory changes, or unanticipated economic and political conditions of countries where the Company operates. The Company does not assume responsibility for changes in information and recommends that readers view such statements with caution. Furthermore, the Company is not obligated to publicly release revisions to these statements arising from any such factors after the publication date of this document.

¹ EBITDA: Earnings before interest, taxes, depreciation and amortization.



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