

Stock Listing Information  
MSE or BMV: Herdez\*  
OTC: Guzby (ADR Level 1)

Mexico City, April 22, 2010. Grupo Herdez, S.A.B de C.V. today announced its results for the first quarter of 2010. All financial information contained in this report is submitted in accordance to NIF dispositions issued by CINIF.

### HIGHLIGHTS:

- Operating income grew 45.7% while EBITDA rose 41.2%
- Total net sales increased 5.1% in pesos and 2.8% in cases.
- Net bank-debt totaled \$468.6 million, a \$222.7 million decrease compared to the balance recorded in the 1Q09.

### Net Sales Pesos

Sales during the first quarter of 2010 posted a 5.1% growth reaching \$2,133.4 million pesos, or \$102.6 million more than the same period last year.

This was derived from a 5.4% increase in domestic sales, which rose from \$1,797.3 million in the 1Q09 to \$1,894.8 million during the 1Q10, showing gradual price increases and a different product mix.

The segments that stood out were "Vegetables", which grew 12.8% on higher sales of tomato puree, while "Sauces and Dressings" grew 8.4% driven by demand increase in the mayonnaise category.

NET SALES (Nominal million pesos)					
Segment	First Quarter				
	2010	%	2009	%	cambio %
Sauces and Dressings	1,106.9	51.9%	1,020.9	50.3%	8.4%
Juices, Fruits and Desserts	125.0	5.9%	122.1	6.0%	2.4%
Vegetables	259.2	12.2%	229.9	11.3%	12.8%
Meat and Seafood	188.4	8.8%	210.4	10.4%	-10.5%
Pasta	188.0	8.8%	198.9	9.8%	-5.5%
Other	27.3	1.3%	15.1	0.7%	80.7%
Domestic Sales	1,894.8	88.8%	1,797.3	88.5%	5.4%
Foreign Sales	238.5	11.2%	233.5	11.5%	2.2%
<b>Total Sales</b>	<b>2,133.4</b>	<b>100.0%</b>	<b>2,030.8</b>	<b>100.0%</b>	<b>5.1%</b>



### Volume

Unit sales showed a 1.5% growth, from 11.6 million cases in the 1Q09 to 11.8 million cases in the 1Q10.

The support given by MegaMex Foods LLC for the distribution of Chi-Chi's tortillas, as well as the Herdez and La Victoria homemade sauces, was reflected in the strong growth of 25.3% in international sales.

In domestic sales, a lower turnover of tuna and beverage cases in the retail channel impacted the sales of "Meat and Seafood" and "Juices, Fruits and Desserts" segments that decreased 18.8% and 7.7%, respectively.

SALES VOLUME (Thousand cases)					
Segment	First Quarter				
	2010	%	2009	%	cambio %
Sauces and Dressings	5,114	43.4%	4,942	42.5%	3.5%
Juices, Fruits and Desserts	715	6.1%	775	6.7%	-7.7%
Vegetables	1,882	16.0%	1,944	16.7%	-3.2%
Meat and Seafood	471	4.0%	580	5.0%	-18.8%
Pasta	2,197	18.6%	2,234	19.2%	-1.7%
Other	24	0.2%	30	0.3%	-17.8%
Domestic Sales	10,402	88.2%	10,504	90.4%	-1.0%
Foreign Sales	1,391	11.8%	1,110	9.6%	25.3%
<b>Total Sales</b>	<b>11,793</b>	<b>100.0%</b>	<b>11,614</b>	<b>100.0%</b>	<b>1.5%</b>

### Costs and Expenses

Lower prices of raw materials during the first quarter of 2010, generated a decline of 5.1 percentage points in the cost, which rose from 65.1% to 60.0% as a proportion of sales, while operating expenses accounted for 20.8% of sales or a reduction of 0.2 percentage points.

### Operating Income and EBITDA<sup>1</sup>

As a consequence of the reduction in costs and expenses, operating income showed a strong growth of 45.7%, from \$281.5 million during the 1Q09 to \$410.0 million during the 1Q10. Therefore, the operating margin increased from 13.9% to 19.2% of sales, or an expansion of 5.3 percentage points.

Similarly, EBITDA reached \$438.3 million, showing a robust growth of 41.2% in the first quarter, while EBITDA margin expanded by 5.2 percentage points from 15.3% in the 1Q09 to 20.5% in the 1Q10.



### Comprehensive Financing Result

A foreign exchange loss due to the recording of mark-to-market derivative hedging instruments bought before October 2009, resulted in an 11.1% increase in the comprehensive financing cost during the first quarter.

Grupo Herdez, S.A.B. de C.V. and Subsidiaries					
Consolidated Income Statement					
For the period ended December 31, 2010 and 2009 (Nominal million pesos)					
	First Quarter				
	2010	%	2009	%	% Change
Net Sales	2,133.4	100.0%	2,030.8	100.0%	5.1%
Cost of Goods Sold	1,280.6	60.0%	1,322.1	65.1%	-3.1%
Gross Profit	852.8	40.0%	708.7	34.9%	20.3%
Operating Expenses	442.8	20.8%	427.2	21.0%	3.7%
Operating Income	410.0	19.2%	281.5	13.9%	45.7%
Comprehensive Financing Result	31.0	1.5%	27.9	1.4%	11.1%
Other expenses (Income)	(1.0)	0.0%	3.1	0.2%	-132.0%
Income before income taxes	380.0	17.8%	250.5	12.3%	51.7%
Income tax provision	94.5	4.4%	62.9	3.1%	50.2%
Income from unconsolidated affiliates	7.4	0.3%	14.4	0.7%	-48.5%
Income before discontinued ops.	293.0	13.7%	202.1	9.9%	45.0%
Discontinued Operations	3.5	0.2%	1.5	0.1%	142.8%
Consolidated net income	289.4	13.6%	200.6	9.9%	44.3%
Minority Interest	75.0	3.5%	49.5	2.4%	51.5%
Net Income	214.4	10.1%	151.1	7.4%	41.9%
EBITDA	438.3	20.5%	310.4	15.3%	41.2%

NC: Not comparable

### Net Income

Before tax provisions, consolidated net income reached \$380.0 million, a figure significantly higher than \$250.5 million, the net income recorded during the same period of last year.

Likewise, majority net income reached \$214.4 million, increasing 41.9% during the first quarter, while net margin increased 2.6 percentage points from 7.4% in the 1Q09 to 10.1% in the 1Q10.

### CAPEX

Net capital expenditures at March 31, 2010 totaled \$62.6 million pesos, being the most remarkable investments the ongoing construction of the Teoloyucan distribution center and installation of machinery in the Santa Rosa plant.



Grupo Herdez, S.A.B. de C.V. and Subsidiaries  
Consolidated Balance Sheet  
At December 31, 2010 and 2009 (Nominal million pesos)

	2010	%	2009	%	Change	
					\$	%
<b>TOTAL ASSETS</b>	<b>6,355.9</b>	<b>100.0%</b>	<b>5,519.8</b>	<b>100.0%</b>	<b>836.1</b>	<b>15.1%</b>
<b>Current Assets</b>	<b>3,582.7</b>	<b>56.4%</b>	<b>3,029.3</b>	<b>54.9%</b>	<b>553.4</b>	<b>18.3%</b>
Cash and cash equivalents	863.1	13.6%	332.2	6.0%	530.9	159.8%
Accounts receivable, net	1,731.0	27.2%	1,617.6	29.3%	113.4	7.0%
Inventories	988.7	15.6%	1,079.5	19.6%	(90.8)	-8.4%
Property, Plant and Equipment, net	1,755.6	27.6%	1,560.8	28.3%	194.8	12.5%
Intangible Assets	1,017.6	16.0%	929.7	16.8%	87.9	9.5%
<b>TOTAL LIABILITIES</b>	<b>2,445.8</b>	<b>38.5%</b>	<b>2,254.3</b>	<b>40.8%</b>	<b>191.5</b>	<b>8.5%</b>
<b>Current Liabilities</b>	<b>1,527.2</b>	<b>24.0%</b>	<b>1,269.7</b>	<b>23.0%</b>	<b>257.5</b>	<b>20.3%</b>
Accounts payable	564.2	8.9%	756.1	13.7%	(191.9)	-25.4%
Short-Term Debt	724.3	11.4%	303.5	5.5%	420.8	138.7%
Other Short-Term liabilities	238.6	3.8%	210.1	3.8%	28.5	13.6%
<b>Non-Current Liabilities</b>	<b>918.6</b>	<b>14.5%</b>	<b>984.6</b>	<b>17.8%</b>	<b>(66.0)</b>	<b>-6.7%</b>
Long-Term Debt	607.4	9.6%	720.1	13.0%	(112.7)	-15.7%
Other Debt with cost	125.0	2.0%	134.3	2.4%	(9.3)	NC
Deferred Credits	149.6	2.4%	112.7	2.0%	36.9	32.7%
Other Liabilities	36.7	0.6%	17.5	0.3%	19.2	109.7%
Minority Stockholder's equity	878.0	13.8%	702.5	12.7%	175.5	25.0%
Majority Stockholder's equity	3,032.2	47.7%	2,563.0	46.4%	469.2	18.3%
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>3,910.2</b>	<b>61.5%</b>	<b>3,265.5</b>	<b>59.2%</b>	<b>644.7</b>	<b>19.7%</b>

### Cash Flow

The resources provided by operations during the first three months of the year totaled \$441.0 million, representing \$37.3 million less than the resources generated during the same period of 2009. Of this amount 40.7% was allocated to capital expenditures and the rest for other corporate activities.

### Interest-bearing Liabilities

At March 31, 2010, net consolidated bank-debt totaled \$467.7 million, a decrease of 32.2% versus the 1Q09 and again, the lowest level in the last five years. This decline reflected a higher level of cash and consequently, the Company reported a net debt to equity ratio of 0.12 times from 0.21 times obtained during 2009.

All debt is denominated in local currency and at variable rates, while 54.4% of the debt has short-term maturities.



### Recent Events:

- **On March 03, 2010** Grupo Herdez announced that some of the transactions carried out the prior day were due to a partial reduction of the direct and indirect holding of shares of certain related parties of the Company, without thereby ceasing them from maintaining a significant influence. This was done in order to increase the marketability of the stocks representing the share capital of Grupo Herdez.
- **On March 11, 2010** Grupo Herdez announced that in the Expo ANTAD -event organized by the industry, government and representatives of national and international trade- the members of the National Association of Retail and Department Stores A.C. granted the Company the "Excellence in Business 2010" award.

### 1Q10 Earnings Conference Call:

**Date:** Monday, April 26, 2010  
**Time:** 11:00 a.m. Eastern Time / 0:00 a.m. Mexico City Time  
**To participate, please dial:** 888-335-5539 (From within the U.S.)  
973-582-2857 (From outside the U.S.)  
001-800-514-0821 (Mexico Toll-Free)  
**Conference Id:** 70442510

### About the Company:

GRUPO HERDEZ is a leader in the food industry, with more than 90 years of experience. Through its associates, manufactures and distributes products under brands such as Herdez, Del Fuerte, McCormick, Búfalo, Doña María, Nair, Barilla, Yemina, La Gloria, Embasa, La Victoria, Carlota, Blasón and Solo, among others. GRUPO HERDEZ operates 10 plants and 9 distribution centers with a workforce of over 6,400 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 affiliates ("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.

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<sup>1</sup> EBITDA: Earnings before interest, taxes, depreciation and amortization.

