

## GRUPO HERDEZ REPORTS FIRST QUARTER 2012 RESULTS

### Highlights from the quarter:

- Net sales rose 19.3% with strong performance across all markets
- Operating and EBITDA margins of 13.6% and 15.6%, respectively, reflected higher input costs and expenses allocated to increase efficiency and productivity
- Net majority income was Ps. 156 million

**Mexico City, Mexico, April 26, 2012 – Grupo Herdez, S.A.B. de C.V. (“Grupo Herdez” or the “Company”)** (BMV: HERDEZ), today announced its results for the first quarter ended March 30, 2012.<sup>1</sup>

“We begin 2012 with renewed confidence in the pace of global economic recovery. Although risks remain, we see signs of strength in the US and Mexican manufacturing sectors and positive economic indicators overall, including a better consumption environment as evidenced by healthy volume growth in our operations,” said Héctor Hernández-Pons Torres, Chairman and Chief Executive Officer.

It should be noted that the Company has begun reporting its results under International Financial Reporting Standards as of this quarter, with figures for the previous period restated accordingly.

### Net Sales

Net sales in the first quarter totaled Ps. 2,548 million, an increase of 19.3% over the 2011 figure, reflecting robust growth across all markets.

Net Sales	1Q12	1Q11	% Change
Consolidated	2,548	2,136	19.3
Domestic	2,019	1,803	12.0
International	529	332	59.1

*Figures in millions of pesos*

<sup>1</sup> All financial information contained in this document is prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in nominal Mexican pesos unless otherwise stated.

In Mexico, net sales rose 12.0% in the quarter to Ps. 2,019 million, signifying ongoing sequential recovery from the end of 2011. This reflected a combination of: i) the calendar effect of Holy Week falling in the first quarter, whereas it fell in the second quarter during 2011; ii) volume increases across the portfolio, particularly in the mayonnaise, pasta and tuna categories; and iii) higher average prices following a mid-single digit price increase implemented late in the quarter as well as the increase implemented at the end of the second quarter of 2011. It should be noted that the fastest growing categories during the quarter were mayonnaise, spices, mustard and sauces.

In the United States, net sales rose 59.1% over the year ago quarter, reflecting the incorporation of Fresherized Foods and growth in new categories such as frozen and refrigerated. Sales performance also reflected the 7.7% devaluation of the Mexican peso when compared to the first quarter of the previous year.

### Costs and Expenses

As expected, the cost of goods sold as a percentage of net sales in the quarter rose 1.2 percentage points from the 2011 figure, to 64.2%, due to: i) higher input costs, particularly soybean oil; ii) the effect of a weaker Mexican peso on dollar-denominated inputs; and iii) non-recurring expenses related to strategic reengineering of certain supply chain processes to improve execution and generate savings going forward.

On the operating side, sales, general and administrative expenses as a proportion of net sales increased 1.5 percentage points over the year ago quarter, to 22.2%, primarily due to extraordinary expenses allocated to reengineering projects in the finance, human resources and commercial areas, also aimed at improving execution going forward.

It should be noted that extraordinary costs and expenses related to the aforementioned reengineering processes will impact first and second quarter results in 2012, but do not alter forecast for the year.

### Operating Income

Operating income in the first quarter of the year was Ps. 347 million, unchanged from the same period of last year, while the margin decreased 2.7 percentage points to 13.6%. This reflects gross margin pressure, the aforementioned increase in SG&A, and higher depreciation costs reflecting the startup of the new distribution center in the State of Mexico (Mexico), and the incorporation of the Fresherized Foods assets in the United States.

Operating Income	1Q12	1Q11	% Change
Consolidated	347	348	(0.0)
Domestic	274	310	(11.8)
International	74	37	98.6

Figures in millions of pesos

Operating Margin (%)	1Q12	1Q11	PP Chg
Consolidated	13.6	16.3	(2.7)
Domestic	13.6	17.2	(3.6)
International	13.9	11.2	2.7

### Comprehensive Result of Financing

The Company registered a Ps. 54 million cost in the quarter, compared to Ps. 30 million recorded in the same period of last year, as the result of: i) higher net interest expense reflecting the higher average debt position; and ii) non-cash FX losses resulting from the revaluation of the US dollar that impacted dollar denominated loans between affiliated companies at Herdez Del Fuerte.

### Net Majority Income

Net majority income in the first quarter totaled Ps. 156 million, in line with the year ago period, while the margin declined 1.2 percentage points to 6.1% due to a normalized effective tax rate during the period.

Net Majority Income	1Q12	1Q11	% Change
Consolidated Net Income	214	217	(1.7)
Minority Interest	57	62	(7.5)
Net Majority Income	156	155	0.7
Net Majority Margin (%)	6.1	7.3	(1.2) pp

Figures in millions of pesos

### EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

EBITDA in the quarter totaled Ps. 397 million, a 3.0% increase over the same period of last year, while the margin declined 2.4 percentage points to 15.6%. The aforementioned rise in depreciation costs accounts for the differential between this figure and the operating margin.

EBITDA	1Q12	1Q11	% Change
Consolidated	397	385	3.0
Domestic	306	340	(10.1)
International	91	45	101.6

Figures in millions of pesos

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Domestic	306	340	(10.1)
International	91	45	101.6

### Capital Expenditures

Net capex in the first quarter totaled Ps. 71 million, mainly allocated to transferring McCormick's marmalade capacity from the Mexico City plant to San Luis Potosi, and to ongoing construction of the new mayonnaise plant in the State of Mexico.

### Financial Structure

As of March 31, 2012 the Company's cash position was Ps. 890 million, 22.9% lower than in the fourth quarter of last year, while consolidated debt<sup>1</sup> decreased slightly to Ps. 2,189 million. As a result, consolidated net debt totaled Ps. 1,299 million, 21.5% higher than at the end of 2011.

Leverage ratios remain healthy, with net debt to consolidated stockholders' equity at 0.28 times compared to 0.22 times registered in December 2011.

### Adoption of IFRS

The Company has begun reporting its results under International Financial Reporting Standards (IFRS) as of this quarter, with figures for the previous period restated accordingly.

### Income Statement

The only impact to the P&L is the reclassification of profit sharing expenses above the operating line, to each line item, whereas previously they were aggregated as one item ("other expenses"), below the operating line.

### Balance Sheet

The combined impact of IFRS adoption on the various line items was recognized as of January 1, 2012 as a deduction against stockholders' equity. The main accounting changes were:

- Fixed assets – an adjustment in the value of certain assets to its reasonable value as of the date of transition
- Intangible assets - an adjustment in the value of some non-core brands
- Employee benefits – an increase related to the recognition of actuarial values as of the date of adoption

The aggregated impact to the balance sheet resulting from IFRS adoption is considered non-material as it represents only 1.1% of the Company's consolidated stockholders' equity.

<sup>1</sup> Consolidated debt excludes loans from holding companies to its associates.

### 1Q12 Earnings Conference Call Information

Date: Friday, April 27, 2012

Time: 12:00 pm ET / 11:00 am CT

Dial in:

- Toll Free Mexico: 001-866-675-4923
- Toll Free US: +1 (877) 317-6776
- From other countries: +1 (412) 317-6776

Conference ID#: 10012832

If you are unable to participate live, a replay of the conference call will be available through March 9, 2012. To access the replay, please dial domestic US +1 (877) 344-7529, from other countries +1 (412) 317-0088, conference ID#: 10012832

### For additional information:

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### About Grupo Herdez

Grupo Herdez is a leading producer of shelf-stable foods and beverages in Mexico, and a leader in the Mexican food category in the United States. The Company is engaged in the production, distribution and sale of a broad range of categories including *burritos*, catsup, coffee, guacamole, homemade salsas, honey, marmalade, mayonnaise, mole, mustard, pasta, spices, *taquitos*, tea, tomato puree, tuna and vegetables, among others. These products are sold through an exceptional portfolio of brands, including Aires de Campo, Chi-Chi's, Del Fuerte, Don Miguel, Doña María, Embasa, Herdez, La Victoria, McCormick, Wholly Guacamole and Yemina. Grupo Herdez has 13 plants, 7 distribution centers, 7 tuna vessels and more than 6,000 employees.

INCOME STATEMENT	First Quarter					
	2012	%	2011	%	% Chg	
Net Sales	2,548	100.0	2,136	100.0	19.3	
Cost of Goods Sold	1,636	64.2	1,346	63.0	21.6	
Gross Profit	912	35.8	790	37.0	15.5	
Operating Expenses	564	22.2	442	20.7	27.7	
Operating Income	347	13.6	348	16.3	(0.0)	
Other expenses (Income)	0	0.0	6	0.3	(96.5)	
Comprehensive Financing Result	54	2.1	30	1.4	80.6	
Income from unconsolidated affiliates	11	0.4	8	0.4	38.3	
Income before income taxes	304	11.9	320	15.0	(4.9)	
Income tax provision	90	3.5	102	4.8	(11.4)	
Income before discontinued ops.	214	8.4	218	10.2	(1.9)	
Discontinued Operations	0	0.0	1	0.0	(100.0)	
Consolidated Net income	214	8.4	217	10.2	(1.7)	
Minority Interest	57	2.3	62	2.9	(7.5)	
Net Majority Income	156	6.1	155	7.3	0.7	
EBITDA	397	15.6	385	18.0	3.0	

Figures expressed in millions of nominal Mexican pesos

BALANCE SHEET	1Q12	%	1Q11	%	Change	
					\$	%
<b>TOTAL ASSETS</b>	<b>8,865</b>	<b>100.0</b>	<b>7,629</b>	<b>100.0</b>	<b>1,236</b>	<b>16.2</b>
Current Assets	4,612	52.0	4,266	55.9	347	8.1
Cash and Equivalents	890	10.0	1,322	17.3	-432	(32.7)
Accounts Receivable	800	9.0	655	8.6	145	22.1
Other Accounts Receivable	1,500	16.9	1,094	14.3	406	37.1
Inventories	1,306	14.7	1,021	13.4	285	27.9
Other Current Assets	116	1.3	173	2.3	-57	(32.9)
Property, Plant and Equipment, Net	2,182	24.6	1,800	23.6	382	21.2
Investment In Subsidiaries	88	1.0	92	1.2	(4)	(4.2)
Intangible Assets	1,971	22.2	1,457	19.1	514	35.2
Other Assets	12	0.1	14	0.2	-3	(18.0)
<b>TOTAL LIABILITIES</b>	<b>4,258</b>	<b>48.0</b>	<b>3,198</b>	<b>41.9</b>	<b>1,060</b>	<b>33.2</b>
Current Liabilities	1,048	11.8	929	12.2	119	12.8
Accounts Payable	772	8.7	570	7.5	202	35.4
Short-Term Debt	3	0.0	4	0.1	-1	(25.0)
Other Short-Term Liabilities	272	3.1	354	4.6	-82	(23.1)
Long-Term Liabilities	3,210	36.2	2,269	29.7	941	41.5
Long-Term Debt	2,176	24.5	1,795	23.5	381	21.2
Other Liabilities	556	6.3	325	4.3	231	70.9
Other Long-Term Liabilities w/o Cost	478	5.4	149	2.0	329	221.0
Minority Stockholder's Equity	980	11.1	999	13.1	-19	(1.9)
Majority Stockholder's Equity	3,627	40.9	3,432	45.0	195	5.7
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>4,607</b>	<b>52.0</b>	<b>4,431</b>	<b>58.1</b>	<b>176</b>	<b>4.0</b>

Figures expressed in millions of nominal Mexican pesos