

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

Mexico City, July 22, 2009. Grupo Herdez, S.A.B de C.V. today announced its results for the second quarter of 2009. All financial information contained in this report is submitted in accordance to NIF dispositions issued by CINIF.

HIGHLIGHTS:

- Total net sales increased 12.2% and 21.2% during the quarter and the semester, respectively.
- Operating income expanded 20.6%, while EBITDA increased 19.2%.

Net Sales
Pesos

Sales rose 12.2% during the second quarter of 2009 reaching \$1,932.8 million, or \$210.7 million more than the same period last year as a consequence of higher domestic and foreign sales, as well as better price negotiations.

The double-digit growth in "Pastas" stood out, segment which increased 30.3% due to the dynamism shown by the Yemina and Vesta brands in the wholesaler and supermarket distribution channels.

The Lent season and extraordinary sales of tuna to keep supermarket shelves supplied during the swine-flu epidemic boosted the "Meat and Seafood" segment, which increased 25.5% during the quarter.

Likewise, "Vegetables," "Sauces and Dressings" and "Juices, Fruits and Desserts" posted strong increases of 7.3%, 5.6% and 5.1%, respectively.

| NET SALES (Nominal million pesos) | | | | | | | | | | |
|--------------------------------------|--------|---------|--------|----------|-----------------------------|--------------------------|--------|---------|--------|----------|
| Second Quarter | | | | | Segment | Six months ended June 30 | | | | |
| 2009 | % | 2008 | % | % change | | 2009 | % | 2008 | % | % change |
| 924.5 | 47.8% | 875.6 | 50.8% | 5.6% | Sauces and Dressings | 1,946.2 | 49.1% | 1,606.9 | 49.1% | 21.1% |
| 123.4 | 6.4% | 117.5 | 6.8% | 5.1% | Juices, Fruits and Desserts | 245.6 | 6.2% | 228.6 | 7.0% | 7.4% |
| 220.8 | 11.4% | 205.7 | 11.9% | 7.3% | Vegetables | 450.8 | 11.4% | 395.1 | 12.1% | 14.1% |
| 174.6 | 9.0% | 139.1 | 8.1% | 25.5% | Meat and Seafood | 385.2 | 9.7% | 284.2 | 8.7% | 35.5% |
| 244.0 | 12.6% | 187.2 | 10.9% | 30.3% | Pastas | 443.0 | 11.2% | 370.3 | 11.3% | 19.6% |
| 19.9 | 1.0% | 27.0 | 1.6% | -26.3% | Other | 35.1 | 0.9% | 42.1 | 1.3% | -16.7% |
| 1,707.2 | 88.3% | 1,552.1 | 90.1% | 10.0% | Domestic Sales | 3,505.9 | 88.4% | 2,927.3 | 89.5% | 19.8% |
| 225.7 | 11.7% | 170.0 | 9.9% | 32.7% | Foreign Sales | 459.2 | 11.6% | 343.4 | 10.5% | 33.7% |
| 1,932.8 | 100.0% | 1,722.1 | 100.0% | 12.2% | Total Sales | 3,965.0 | 100.0% | 3,270.7 | 100.0% | 21.2% |



With regards to foreign sales, this rose 32.7% from April to June 2009, primarily benefited from a stronger dollar.

Volume

In contrast, sales in units showed a slight decrease of 1.3%, from 11.5 million cases in the 2Q08 to 11.4 million cases in the 2Q09.

"Pastas", "Meat and Seafood" and "Vegetables" grew 12.7%, 4.8% and 5.1% respectively, due to the reasons mentioned above, as well as to promotional activities for consumer savings, which encouraged the purchase.

Lower inventory rotation affected the segments "Sauces and Dressings" and "Juices, Fruits and Desserts" which fell 10.1% and 7.3% respectively.

| SALES VOLUME (Thousand Cases) | | | | | | | | | | |
|----------------------------------|--------|--------|--------|----------|-----------------------------|--------------------------|--------|--------|--------|----------|
| Second Quarter | | | | | Segment | Six months ended June 30 | | | | |
| 2009 | % | 2008 | % | % change | | 2009 | % | 2008 | % | % change |
| 4,420 | 38.8% | 4,916 | 42.6% | -10.1% | Sauces and Dressings | 9,361 | 40.7% | 8,867 | 40.1% | 5.6% |
| 715 | 6.3% | 771 | 6.7% | -7.2% | Juices, Fruits and Desserts | 1,490 | 6.5% | 1,514 | 6.8% | -1.6% |
| 1,803 | 15.8% | 1,715 | 14.8% | 5.1% | Vegetables | 3,747 | 16.3% | 3,344 | 15.1% | 12.1% |
| 459 | 4.0% | 438 | 3.8% | 4.8% | Meat and Seafood | 1,039 | 4.5% | 895 | 4.0% | 16.1% |
| 2,770 | 24.3% | 2,457 | 21.3% | 12.7% | Pastas | 5,003 | 21.7% | 5,168 | 23.4% | -3.2% |
| 34 | 0.3% | 38 | 0.3% | -10.5% | Other | 64 | 0.3% | 87 | 0.4% | -26.1% |
| 10,201 | 89.5% | 10,335 | 89.5% | -1.3% | Domestic Sales | 20,705 | 90.0% | 19,875 | 89.8% | 4.2% |
| 1,199 | 10.5% | 1,214 | 10.5% | -1.2% | Foreign Sales | 2,309 | 10.0% | 2,249 | 10.2% | 2.7% |
| 11,400 | 100.0% | 11,549 | 100.0% | -1.3% | Total Sales | 23,014 | 100.0% | 22,124 | 100.0% | 4.0% |

Costs and Expenses

From April to June 2009, costs slightly increased by 0.7 percentage points, from 64.9% to 65.6% as a proportion of sales, while operating expenses accounted for 20.3% of sales, or 1.7 percentage points less than the same period of the previous year. This can be explained by scale savings in fixed costs and expenses due to centralized manufacturing operations in Herdez Del Fuerte's plants, which offset raw material price increases.

Operating Income and EBITDA¹

In the second quarter, operating income was \$273.1 million, a 20.6% growth over the same period last year. Similarly, operating margin was 14.1% or 0.90 percentage points more than in 2008.

Both behaviors were attributed to increased capacity utilization as well as synergies in logistics and distribution, and were also reflected in the EBITDA cash flow, which increased 19.2% from \$253.8 million during the 2Q08 to \$302.6 million during the 2Q09, a one percentage point margin increase.



| Grupo Herdez, S.A.B de C.V. and Subsidiaries | | | | | | | | | | |
|---------------------------------------------------------------------|----------------|--------|---------|--------|----------|--------------------------|--------|---------|--------|----------|
| Consolidated Income Statement | | | | | | | | | | |
| For the period ended June 30, 2009 and 2008 (Nominal million pesos) | | | | | | | | | | |
| | Second Quarter | | | | | Six months as of June 30 | | | | |
| | 2009 | % | 2008 | % | % Change | 2009 | % | 2008 | % | Cambio % |
| Net Sales | 1,932.8 | 100.0% | 1,722.1 | 100.0% | 12.2% | 3,965.0 | 100.0% | 3,270.7 | 100.0% | 21.2% |
| Cost of Goods Sold | 1,268.0 | 65.6% | 1,116.8 | 64.9% | 13.5% | 2,590.1 | 65.3% | 2,116.3 | 64.7% | 22.4% |
| Gross Profit | 664.8 | 34.4% | 605.3 | 35.1% | 9.8% | 1,374.9 | 34.7% | 1,154.4 | 35.3% | 19.1% |
| Operating Expenses | 391.7 | 20.3% | 378.8 | 22.0% | 3.4% | 818.8 | 20.7% | 733.4 | 22.4% | 11.6% |
| Operating Income | 273.1 | 14.1% | 226.5 | 13.2% | 20.6% | 556.1 | 14.0% | 421.0 | 12.9% | 32.1% |
| Comprehensive Financing Result | 52.4 | 2.7% | 27.6 | 1.6% | 89.9% | 81.8 | 2.1% | 53.3 | 1.6% | 53.5% |
| Other expenses (Income) | (3.0) | -0.2% | 22.6 | 1.3% | -113.3% | 1.6 | 0.0% | -172.9 | -5.3% | NC |
| Income before income taxes | 223.7 | 11.6% | 176.3 | 10.2% | 26.9% | 472.7 | 11.9% | 540.6 | 16.5% | -12.6% |
| Income tax provision | 50.9 | 2.6% | 46.6 | 2.7% | 9.2% | 113.8 | 2.9% | 90.1 | 2.8% | 26.3% |
| Income from unconsolidated affiliates | 10.9 | 0.6% | 8.5 | 0.5% | 28.2% | 25.3 | 0.6% | 14.7 | 0.4% | 72.1% |
| Income before discontinued ops. | 183.7 | 9.5% | 138.2 | 8.0% | 32.9% | 384.2 | 9.7% | 465.2 | 14.2% | -17.4% |
| Discontinued Operations | 5.6 | 0.3% | - | 0.0% | 0.0% | 0.0 | 0.0% | 0.0 | 0.0% | NC |
| Consolidated net income | 178.1 | 9.2% | 138.2 | 8.0% | 28.9% | 384.2 | 9.7% | 465.2 | 14.2% | -17.4% |
| Minority Interest | 44.8 | 2.3% | 46.6 | 2.7% | -3.9% | 94.3 | 2.4% | 92.5 | 2.8% | 1.9% |
| Net Income | 133.3 | 6.9% | 91.6 | 5.3% | 45.5% | 289.9 | 7.3% | 372.7 | 11.4% | -22.2% |
| EBITDA | 302.6 | 15.7% | 253.8 | 14.7% | 19.2% | 614.4 | 15.5% | 475.1 | 14.5% | 29.3% |

NC: Not comparable

Comprehensive Financing Result

A greater exchange loss caused an increase of \$24.8 million in the comprehensive financial result of the quarter, versus the same period of the previous year. On a cumulative basis, the comprehensive financial result grew 53.5% for the same reason.

Net Income

Before tax provisions, consolidated net income increased 26.9%, from \$176.3 million in the 2Q08 to \$223.7 million in the 2Q09. For the first six months of the year, consolidated net income decreased 12.6% derived from the recording of a (\$172.9) million non-recurring net gain related to the contribution of the shares of several companies during 2008 for the creation of Herdez Del Fuerte.

Majority net income reached \$133.3 million, increasing 45.5% during the second quarter, while net margin rose 1.6 percentage points from 5.3% in the 2Q08 to 6.9% in the 2Q09.

CapEx

Net capital expenditures at June 30, 2009 totaled \$69.0 million pesos, being the most remarkable investment the purchase of a tuna vessel, as well as the construction in process undertaken to revamp the Chiapas plant.



Grupo Herdez, S.A.B de C.V. and Subsidiaries
Consolidated Balance Sheet
At June 30, 2009 and 2008 (Nominal million pesos)

| | 2009 | % | 2008 | % | Change | |
|-------------------------------------------|----------------|---------------|----------------|---------------|----------------|--------------|
| | | | | | \$ | % |
| TOTAL ASSETS | 5,287.6 | 100.0% | 4,990.9 | 100.0% | 296.7 | 5.9% |
| Current Assets | 2,730.4 | 51.6% | 2,467.2 | 49.4% | 263.2 | 10.7% |
| Cash and cash equivalents | 302.2 | 5.7% | 228.0 | 4.6% | 74.2 | 32.5% |
| Accounts receivable, net | 1,383.2 | 26.2% | 1,162.0 | 23.3% | 221.2 | 19.0% |
| Inventories | 1,003.2 | 19.0% | 1,009.1 | 20.2% | (5.9) | -0.6% |
| Other current assets | 41.8 | 0.8% | 68.1 | 1.4% | (26.3) | -38.6% |
| Property, Plant and Equipment, net | 1,628.4 | 30.8% | 1,564.7 | 31.4% | 63.7 | 4.1% |
| Intangible Assets | 928.8 | 17.6% | 959.0 | 19.2% | (30.2) | -3.1% |
| TOTAL LIABILITIES | 2,179.1 | 41.2% | 2,233.2 | 44.7% | (54.1) | -2.4% |
| Current Liabilities | 1,229.9 | 23.3% | 1,336.2 | 26.8% | (106.3) | -8.0% |
| Accounts payable | 559.7 | 10.6% | 615.8 | 12.3% | (56.1) | -9.1% |
| Short-Term Debt | 398.1 | 7.5% | 533.2 | 10.7% | (135.1) | -25.3% |
| Other Short-Term liabilities | 272.1 | 5.1% | 187.2 | 3.8% | 84.9 | 45.4% |
| Non-Current Liabilities | 949.2 | 18.0% | 897.0 | 18.0% | 52.2 | 5.8% |
| Long-Term Debt | 700.8 | 13.3% | 778.1 | 15.6% | (77.3) | -9.9% |
| Other Debt with cost | 134.3 | 2.5% | - | 0.0% | 134.3 | NC |
| Deferred Credits | 95.3 | 1.8% | 102.8 | 2.1% | (7.5) | -7.3% |
| Other Liabilities | 18.8 | 0.4% | 16.1 | 0.3% | 2.7 | 16.8% |
| Minority Stockholder's equity | 647.3 | 12.2% | 605.3 | 12.1% | 42.0 | 6.9% |
| Majority Stockholder's equity | 2,461.2 | 46.5% | 2,152.4 | 43.1% | 308.8 | 14.3% |
| TOTAL STOCKHOLDER'S EQUITY | 3,108.5 | 58.8% | 2,757.7 | 55.3% | 350.8 | 12.7% |

Cash Flow

During the first six months of the year, resources provided by operation totaled \$790.9 million, representing \$562.4 million more than the resources generated in the same period of 2008. Of this amount, 68.8% was allocated for both dividend and bank-debt payments, while the rest was allocated for CapEx and other corporate activities.

Interest-bearing Liabilities

At June 30, 2009, consolidated net bank-debt totaled \$796.7 million, representing 26.5% less than the debt recorded during the same period last year. This was the combined effect of a significant 32.5% increase in the level of cash and a 16.2% decrease in the consolidated debt of the Group. Therefore, the net-debt-to-stockholder's-equity ratio was of 0.26 times, compared with 0.39 times reported in June 2008.

Of bank loans, 63.8% have long-term maturities, 97.2% are denominated in local currency (Mexican pesos) and 98.3% of such debt is at variable rates.



Recent Events:

- **On April 23, 2009** Grupo Herdez announced that during the prior day, the Annual Stockholders Ordinary Meeting approved the payment of a dividend based on profits from previous fiscal periods, at the rate of \$0.50 (zero pesos 50/100 M.N.) for each of the only series of shares outstanding. This dividend was paid on June 09, 2009 at the Society's treasury offices, according to the percentage of shares held by each shareholder and against delivery of coupon number three.
- **On May 27, 2009** Grupo Herdez announced that its associated company Herdez Del Fuerte purchased with its own resources a tuna vessel with a capacity of 1,000 tonnes, a 16% increase in the degree of self-supply of this raw material.
- **On June 19, 2009** Grupo Herdez announced the definitive agreement signed between its associated company Herdez Del Fuerte S.A. de C.V. and Hormel Foods Corp. for the creation of MegaMex Foods LLC., a 50/50 joint venture to market processed foods in the United States. Estimated revenue for the new company will be of \$200 million dollars and the comprehensive portfolio will include brands and products such as Herdez, Del Fuerte, Doña María, La Victoria, EMBASA, and Chi-Chi's, among others, which resonate with Mexican-American and mainstream consumers of Mexican Foods. Operations of MegaMex Foods are estimated to initiate in the fourth quarter of this year.

About the Company:

GRUPO HERDEZ is a leading manufacturer, marketer and distributor of processed foods and beverages, as well as pasta, with a comprehensive portfolio comprising high-quality brands such as Herdez, Del Fuerte, McCormick, Búfalo, Doña María, Búfalo, Nair, Barilla, Yemina, La Gloria, Embasa, La Victoria, Carlota and Blasón, among others, which have a high degree of recognition and market value. The infrastructure of the Group consists of ten plants, and nine distribution centers, employing over 6,500 people. For additional information visit: www.grupoherdez.com.mx

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

