

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



HERDEZ

Mexico City, April 24, 2008. Grupo Herdez, S.A.B de C.V. today announced its results for the first quarter of 2008. All financial information contained in this report is submitted in accordance to NIF dispositions issued by CINIF.

HIGHLIGHTS:

- Starting in 1Q08, Herdez Del Fuerte will be registered as a 50% joint venture.

Net Sales

Pesos

Sales during the first quarter of 2008 increased 8.4% reaching \$1,548.6 million, or \$119.5 million more than the same period last year due to the operations of Herdez Del Fuerte, as well as from a solid growth in domestic sales.

"Pastas" showed a significant growth of 34.6% derived to some extent, from price increases made earlier in the year, while "Vegetables" rose 31.6% reflecting Herdez Del Fuerte's sales.

Likewise, "Sauces and Dressings" grew 6.1% during the quarter driven by the good performance of all the product lines that comprise the segment.

Although Herdez and Nair tuna sales showed increases, the segment "Meat and Seafood" fell 18.4% due to sardine sales, a business recently divested. It is worth mentioning that quarterly comparisons in sales in this segment will continue to be affected by this reason.

From January to March 2008, export sales reached \$173.4 million or, 53.7% more than the same period last year due to the incorporation of "La Victoria" brand in the United States.

Volume

For the time being, due to integration, volume will be reported in cases instead of in tons.



NET SALES (Million pesos as of March 31, 2008)					
Segment	First Quarter				
	2008	%	2007	%	% change
Sauces and Dressings	731.3	47.2%	689.5	48.2%	6.1%
Juices, Fruits and Desserts	111.2	7.2%	153.3	10.7%	-27.5%
Vegetables	189.3	12.2%	143.8	10.1%	31.6%
Meat and Seafood	145.1	9.4%	177.9	12.4%	-18.4%
Pastas	183.1	11.8%	136.0	9.5%	34.6%
Other	15.2	1.0%	15.7	1.1%	-3.6%
Domestic Sales	1,375.2	88.8%	1,316.3	92.1%	4.5%
Exports	173.4	11.2%	112.8	7.9%	53.7%
Total Sales	1,548.6	100.0%	1,429.1	100.0%	8.4%

At the end of March 2008 sales grew 9.4%, from 9.7 million cases in 1Q07 to 10.6 million cases in 1Q08.

“Vegetables” and “Pastas” stood out with double-digit growths, surging 74.6% and 19.7% respectively, as well as the segment “Other”, which grew 53.1% as a result of coffee’s good performance and the increase in industrial sales.

SALES VOLUME (in Thousand Cases)					
Segment	First Quarter				
	2008	%	2007	%	% change
Sauces and Dressings	3,951	37.3%	3,738	38.6%	5.7%
Juices, Fruits and Desserts	743	7.0%	1,184	12.2%	-37.2%
Vegetables	1,645	15.5%	942	9.7%	74.6%
Meat and Seafood	457	4.3%	628	6.5%	-27.2%
Pastas	2,711	25.6%	2,265	23.4%	19.7%
Other	49	0.5%	32	0.3%	53.1%
Domestic Sales	9,556	90.2%	8,789	90.8%	8.7%
Exports	1,035	9.8%	893	9.2%	15.9%
Total Sales	10,591	100.0%	9,682	100.0%	9.4%

Costs and Expenses

From January to March 2008 cost of sales rose 14.1% due to a different product mix and higher raw materials’ prices, mainly vegetable oils and tuna. As a proportion of sales, cost increased 3.2 percentage points from 61.3% in 1Q07 to 64.5% in 1Q08.



Operating expenses during the quarter remained constant at 22.9% of sales, offsetting higher promotional expenses in the United States.

Operating Income and EBITDA¹

As of March 31, the pressure in gross margin resulted in a 14.1% decrease in operating income. Likewise, operating margin rose from 15.9% to 12.6% of sales, or a 3.3 percentage point decrease.

Likewise, EBITDA totaled \$221.3 million, decreasing 15.0% during the first quarter of the year, while EBITDA margin fell 3.9 percentage points from 18.2% in 1Q07 to 14.3% in 1Q08.

Grupo Herdez, S.A.B de C.V. and Subsidiaries					
Consolidated Income Statement					
For the period ended March 31, 2008 and 2007 (Million Pesos)					
	First Quarter				
	2008	%	2007	%	% Change
Net Sales	1,548.6	100.0%	1,429.1	100.0%	8.4%
Cost of Goods Sold	999.5	64.5%	875.7	61.3%	14.1%
Gross Profit	549.1	35.5%	553.4	38.7%	-0.8%
Operating Expenses	354.6	22.9%	326.8	22.9%	8.5%
Operating Income	194.6	12.6%	226.6	15.9%	-14.1%
Comprehensive Financing Cost	25.7	1.7%	23.2	1.6%	10.6%
Other expenses (Income)	(195.6)	-12.6%	0.6	0.0%	NC
Income before income taxes	364.4	23.5%	202.8	14.2%	79.7%
Income tax provision	43.5	2.8%	58.4	4.1%	-25.5%
Income from unconsolidated affiliates	6.2	0.4%	(2.6)	-0.2%	NC
Income before discontinued ops.	327.1	21.1%	141.8	9.9%	130.6%
Discontinued Operations	-	0.0%	-	0.0%	NC
Consolidated net income	327.1	21.1%	141.8	9.9%	130.6%
Minority Interest	45.8	3.0%	51.2	3.6%	-10.5%
Net Income	281.3	18.2%	90.6	6.3%	210.5%
	-	0.0%	-	0.0%	0.0%
EBITDA	221.3	14.3%	260.5	18.2%	-15.0%

NC: Not comparable

Comprehensive Cost of Financing

Due to the adoption of the new NIF B-10 guidelines which took effect from January 1st 2008, as well as to a smaller exchange gain, comprehensive cost of financing increased \$2.5 million from \$23.2 million to \$25.7 million during 1Q08.



Net Income

During the first quarter of the year \$195.6 million were recorded as "other (income)" derived from the creation of Herdez Del Fuerte, and other provisions. As a result of this non-recurring item that did not generate cash flow, net majority income rose 210.5% from \$90.6 million in 1Q07 to \$281.3 million in 1Q08.

Cash Flow

Virtually all resources generated by the operation during the first three months of the year were used to reduce interest-bearing liabilities.

Grupo Herdez, S.A.B de C.V. and Subsidiaries Consolidated Balance Sheet At March 31, 2008 and 2007 (Million pesos)

	2008	%	2007	%	Change	
					\$	%
TOTAL ASSETS	4,738.8	100.0%	4,704.5	100.0%	34.4	0.7%
Current Assets	2,195.4	46.3%	2,247.1	47.8%	(51.7)	-2.3%
Cash and cash equivalents	132.3	2.8%	76.8	1.6%	55.5	72.2%
Accounts receivable, net	1,074.2	22.7%	1,085.0	23.1%	(10.8)	-1.0%
Inventories	902.7	19.0%	992.7	21.1%	(90.0)	-9.1%
Other current assets	86.3	1.8%	92.6	2.0%	(6.4)	-6.9%
Property, Plant and Equipment, net	1,562.7	33.0%	2,190.2	46.6%	(627.5)	-28.7%
Intangible Assets	980.7	20.7%	267.1	5.7%	713.6	267.1%
TOTAL LIABILITIES	1,782.9	37.6%	2,023.5	43.0%	(240.6)	-11.9%
Current Liabilities	862.8	18.2%	1,080.7	23.0%	(217.9)	-20.2%
Accounts payable	525.4	11.1%	515.1	10.9%	10.3	2.0%
Short-Term Debt	155.1	3.3%	331.6	7.0%	(176.5)	-53.2%
Other Short-Term liabilities	182.3	3.8%	234.0	5.0%	(51.7)	-22.1%
Non-Current Liabilities	920.1	19.4%	942.8	20.0%	(22.7)	-2.4%
Long-Term Debt	797.4	16.8%	734.9	15.6%	62.5	8.5%
Other liabilities and Deferred taxes	122.7	2.6%	207.9	4.4%	(85.2)	-41.0%
Minority Stockholder's equity	669.3	14.1%	714.4	15.2%	(45.1)	-6.3%
Majority Stockholder's equity	2,286.7	48.3%	1,966.6	41.8%	320.1	16.3%
TOTAL STOCKHOLDER'S EQUITY	2,956.0	62.4%	2,681.0	57.0%	275.0	10.3%

Interest-bearing Liabilities

As of March 31, 2008 bank debt totaled \$952.5 million, registering a nominal decrease of \$85.9 million, or 8.3% with respect to the same quarter of last year.



The Company reported a 12m debt-to-EBITDA ratio of one time (1x), which remained the same as the ratio obtained during the 1Q07.

Lastly, 83.7% of the debt mix is long-term, while 94.4% of that debt is denominated in local currency and 95.5% is at a variable interest rate.

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 12 plants and 13 distribution centers with a workforce of over 6,700 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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¹ EBITDA: Earnings before interest, taxes, depreciation and amortization.

