

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

Mexico City, July 25, 2008. Grupo Herdez, S.A.B de C.V. today announced its results for the second quarter of 2008. All financial information contained in this report is submitted in accordance to NIF dispositions issued by CINIF.

### Net Sales

#### Pesos

In the second quarter of 2008 domestic and export sales maintained a strong growth reaching \$1.72 billion, or 12.5% more than the same period last year. This increase is explained by the creation of Herdez Del Fuerte, as well as by an effective pricing policy carried out by the Group.

"Vegetables" "Meat and Seafood" and "Sauces and Dressings" stood out, segments that grew 75.2%, 10.7% and 8.0% respectively, due to volume and price increases in lines such as tomato puree, vegetable oil, ketchup-style sauce, vegetables, tuna and mayonnaise.

In Exports, a 33.9% increase was recorded due to the inclusion of the "Embasa" and "La Victoria" brands, as well as to price increases in the United States and Canada.

| NET SALES               |        |         |        |          |                             |                          |        |         |        |          |
|-------------------------|--------|---------|--------|----------|-----------------------------|--------------------------|--------|---------|--------|----------|
| (Nominal million pesos) |        |         |        |          |                             |                          |        |         |        |          |
| Second Quarter          |        |         |        |          | Segment                     | Six months ended June 30 |        |         |        |          |
| 2008                    | %      | 2007    | %      | cambio % |                             | 2008                     | %      | 2007    | %      | cambio % |
| 875.6                   | 50.8%  | 810.9   | 53.0%  | 8.0%     | Sauces and Dressings        | 1,606.9                  | 49.1%  | 1,500.4 | 50.7%  | 7.1%     |
| 117.5                   | 6.8%   | 157.3   | 10.3%  | -25.3%   | Juices, Fruits and Desserts | 228.6                    | 7.0%   | 310.6   | 10.5%  | -26.4%   |
| 205.7                   | 11.9%  | 117.4   | 7.7%   | 75.2%    | Vegetables                  | 395.1                    | 12.1%  | 261.2   | 8.8%   | 51.3%    |
| 139.1                   | 8.1%   | 125.7   | 8.2%   | 10.7%    | Meat and Seafood            | 284.2                    | 8.7%   | 303.5   | 10.3%  | -6.4%    |
| 187.2                   | 10.9%  | 179.0   | 11.7%  | 4.6%     | Pastas                      | 370.3                    | 11.3%  | 315.0   | 10.6%  | 17.6%    |
| 27.0                    | 1.6%   | 13.7    | 0.9%   | 97.1%    | Other                       | 42.1                     | 1.3%   | 29.5    | 1.0%   | 42.7%    |
| 1,552.1                 | 90.1%  | 1,404.0 | 91.7%  | 10.5%    | Domestic Sales              | 2,927.3                  | 89.5%  | 2,720.2 | 91.9%  | 7.6%     |
| 170.0                   | 9.9%   | 127.0   | 8.3%   | 33.9%    | Exports                     | 343.4                    | 10.5%  | 239.9   | 8.1%   | 43.1%    |
| 1,722.1                 | 100.0% | 1,531.0 | 100.0% | 12.5%    | Total Sales                 | 3,270.7                  | 100.0% | 2,960.1 | 100.0% | 10.5%    |

On a cumulative basis, sales grew 10.5% in pesos, comprised of a robust growth of 43.1% in exports and a 7.6% growth in domestic sales.



### Volume

At the end of June 2008 unit sales increased 12.1% from 11.0 million cases during the 2Q07 to 12.3 million cases during 2Q08.

The most remarkable increases were observed in "Vegetables" and "Sauces and Dressings", which rose 216.5% and 8.5% respectively, offsetting other segments' reductions.

"Pastas" decreased 15.6% in cases, but increased 4.6% in peso terms –considering that pasta sales were very high during the 1Q08- while "Juices, Fruits and Desserts" decreased 39.1% due to the proportional consolidation of some of its lines.

| SALES VOLUME<br>(Thousand Cases) |        |        |        |          |                             |                          |        |        |        |          |
|----------------------------------|--------|--------|--------|----------|-----------------------------|--------------------------|--------|--------|--------|----------|
| Second Quarter                   |        |        |        |          | Segment                     | Six months ended June 30 |        |        |        |          |
| 2008                             | %      | 2007   | %      | cambio % |                             | 2008                     | %      | 2007   | %      | cambio % |
| 4,916                            | 39.8%  | 4,529  | 41.1%  | 8.5%     | Sauces and Dressings        | 8,867                    | 38.6%  | 8,267  | 39.9%  | 7.3%     |
| 771                              | 6.2%   | 1,267  | 11.5%  | -39.1%   | Juices, Fruits and Desserts | 1,514                    | 6.6%   | 2,451  | 11.8%  | -38.2%   |
| 2,519                            | 20.4%  | 796    | 7.2%   | 216.5%   | Vegetables                  | 4,164                    | 18.1%  | 1,738  | 8.4%   | 139.6%   |
| 438                              | 3.5%   | 434    | 3.9%   | 0.9%     | Meat and Seafood            | 895                      | 3.9%   | 1,062  | 5.1%   | -15.7%   |
| 2,457                            | 19.9%  | 2,911  | 26.4%  | -15.6%   | Pastas                      | 5,168                    | 22.5%  | 5,176  | 25.0%  | -0.2%    |
| 38                               | 0.3%   | 34     | 0.3%   | 11.8%    | Other                       | 87                       | 0.4%   | 66     | 0.3%   | 31.8%    |
| 11,139                           | 90.2%  | 9,971  | 90.5%  | 11.7%    | Domestic Sales              | 20,695                   | 90.2%  | 18,760 | 90.6%  | 10.3%    |
| 1,214                            | 9.8%   | 1,052  | 9.5%   | 15.4%    | Exports                     | 2,249                    | 9.8%   | 1,945  | 9.4%   | 15.6%    |
| 12,353                           | 100.0% | 11,023 | 100.0% | 12.1%    | Total Sales                 | 22,944                   | 100.0% | 20,705 | 100.0% | 10.8%    |

### Costs and Expenses

During 2Q08, price increases in raw materials utilized by the Group such as vegetable oils, metal packaging and tuna, triggered a 2.7 percentage point increase in the cost as percentage of sales.

On the contrary, operating expenses for the quarter represented 22.0% of sales, that is, 2.4 percentage points less than the same period last year. This decrease was mostly due to Herdez Del Fuerte's proportional consolidation.

On a cumulative basis, operating expenses decreased 1.3 percentage points from 23.7% during 2007 to 22.4% during 2008.



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

The reduction in operating expenses offset packaging and raw material price increases, resulting in a 9.3% growth in operating income.

Likewise, EBITDA rose 6.6% reaching \$253.8 million despite a slight contraction of 0.9 percentage points in its margin.

| Grupo Herdez, S.A.B de C.V. and Subsidiaries                        |                |        |         |        |          |                          |        |         |        |          |
|---------------------------------------------------------------------|----------------|--------|---------|--------|----------|--------------------------|--------|---------|--------|----------|
| Consolidated Income Statement                                       |                |        |         |        |          |                          |        |         |        |          |
| For the period ended June 30, 2008 and 2007 (Nominal million pesos) |                |        |         |        |          |                          |        |         |        |          |
|                                                                     | Second Quarter |        |         |        |          | Six months as of June 30 |        |         |        |          |
|                                                                     | 2008           | %      | 2007    | %      | % Change | 2008                     | %      | 2007    | %      | Cambio % |
| Net Sales                                                           | 1,722.1        | 100.0% | 1,531.1 | 100.0% | 12.5%    | 3,270.7                  | 100.0% | 2,960.1 | 100.0% | 10.5%    |
| Cost of Goods Sold                                                  | 1,116.8        | 64.8%  | 950.2   | 62.1%  | 17.5%    | 2,116.3                  | 64.7%  | 1,825.9 | 61.7%  | 15.9%    |
| Gross Profit                                                        | 605.3          | 35.2%  | 580.8   | 37.9%  | 4.2%     | 1,154.5                  | 35.3%  | 1,134.3 | 38.3%  | 1.8%     |
| Operating Expenses                                                  | 378.8          | 22.0%  | 373.5   | 24.4%  | 1.4%     | 733.4                    | 22.4%  | 700.4   | 23.7%  | 4.7%     |
| Operating Income                                                    | 226.5          | 13.2%  | 207.3   | 13.5%  | 9.3%     | 421.1                    | 12.9%  | 433.9   | 14.7%  | -3.0%    |
| Comprehensive Financing Cost                                        | 27.6           | 1.6%   | 27.2    | 1.8%   | 1.5%     | 53.3                     | 1.6%   | 50.4    | 1.7%   | 5.7%     |
| Other expenses (Income)                                             | 22.6           | 1.3%   | 18.9    | 1.2%   | 19.5%    | (172.9)                  | -5.3%  | 19.5    | 0.7%   | NC       |
| Income before income taxes                                          | 176.3          | 10.2%  | 161.2   | 10.5%  | 9.4%     | 540.7                    | 16.5%  | 363.9   | 12.3%  | 48.6%    |
| Income tax provision                                                | 46.6           | 2.7%   | 29.6    | 1.9%   | 57.6%    | 90.1                     | 2.8%   | 88.0    | 3.0%   | 2.5%     |
| Income from unconsolidated affiliates                               | 8.4            | 0.5%   | 9.5     | 0.6%   | -11.5%   | 14.7                     | 0.4%   | 6.9     | 0.2%   | 112.0%   |
| Income before discontinued ops.                                     | 138.1          | 8.0%   | 141.1   | 9.2%   | -2.1%    | 465.2                    | 14.2%  | 282.9   | 9.6%   | 64.5%    |
| Discontinued Operations                                             | -              | 0.0%   | -       | 0.0%   | NC       | 0.0                      | 0.0%   | 0.0     | 0.0%   | NC       |
| Consolidated net income                                             | 138.1          | 8.0%   | 141.1   | 9.2%   | -2.1%    | 465.2                    | 14.2%  | 282.9   | 9.6%   | 64.5%    |
| Minority Interest                                                   | 46.6           | 2.7%   | 53.9    | 3.5%   | -13.5%   | 92.5                     | 2.8%   | 105.1   | 3.6%   | -12.0%   |
| Net Income                                                          | 91.5           | 5.3%   | 87.2    | 5.7%   | 5.0%     | 372.8                    | 11.4%  | 177.8   | 6.0%   | 109.7%   |
| EBITDA                                                              | 253.8          | 14.7%  | 238.2   | 15.6%  | 6.6%     | 475.1                    | 14.5%  | 498.7   | 16.8%  | -4.7%    |

NC: Not comparable

### Comprehensive Financing Cost

The comprehensive financing cost for the 2Q08 was of \$27.6 million, remaining constant over the same period last year. It is worth noting that according to the implementation of NIF B-10, which came into effect in 2008, the accountability of inflation effects has been eliminated from the monetary position line item.

On a cumulative basis, the comprehensive cost of financing rose \$2.9 million due to a lower exchange gain obtained during the first half of 2008.



### Net Income

Before provisions for taxes, consolidated net income grew 9.4% during the quarter, and 48.6% on a cumulative basis as a consequence of the recording of non-recurring items in "other expenses (income)" as follows:

- i) \$22.6 million in 2Q08 arising from the integration of Herdez Del Fuerte.
- ii) (\$195.6) million in the 1S08 as extraordinary items.

Similarly, majority net income reached \$91.5 during the second quarter of 2008, which meant an increase of 5.0% compared to the amount recorded during the same quarter last year.

### Cash Flow

Resources provided by operation during the first six months of the year totaled \$228.5 million, which include an increase in working capital derived from the integration of Herdez Del Fuerte's operations. Of these resources, 18.9% was allocated to investments in fixed assets and the remainder was allocated to the payment of dividends.

| Grupo Herdez, S.A.B de C.V. and Subsidiaries      |                |               |                |               |                |               |
|---------------------------------------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Consolidated Balance Sheet                        |                |               |                |               |                |               |
| At June 30, 2008 and 2007 (Nominal million pesos) |                |               |                |               |                |               |
|                                                   | 2008           | %             | 2007           | %             | Change         |               |
|                                                   |                |               |                |               | \$             | %             |
| <b>TOTAL ASSETS</b>                               | <b>4,990.9</b> | <b>100.0%</b> | <b>4,679.6</b> | <b>100.0%</b> | <b>311.3</b>   | <b>6.7%</b>   |
| <b>Current Assets</b>                             | <b>2,467.2</b> | <b>49.4%</b>  | <b>2,207.0</b> | <b>47.2%</b>  | <b>260.2</b>   | <b>11.8%</b>  |
| Cash and cash equivalents                         | 228.0          | 4.6%          | 74.1           | 1.6%          | 153.9          | 207.6%        |
| Accounts receivable, net                          | 1,162.0        | 23.3%         | 937.5          | 20.0%         | 224.5          | 23.9%         |
| Inventories                                       | 1,009.1        | 20.2%         | 1,140.5        | 24.4%         | (131.4)        | -11.5%        |
| Other current assets                              | 68.1           | 1.4%          | 54.9           | 1.2%          | 13.2           | 24.1%         |
| <b>Property, Plant and Equipment, net</b>         | <b>1,564.7</b> | <b>31.4%</b>  | <b>2,193.0</b> | <b>46.9%</b>  | <b>(628.2)</b> | <b>-28.6%</b> |
| <b>Intangible Assets</b>                          | <b>959.0</b>   | <b>19.2%</b>  | <b>279.6</b>   | <b>6.0%</b>   | <b>679.4</b>   | <b>243.0%</b> |
| <b>TOTAL LIABILITIES</b>                          | <b>2,233.2</b> | <b>44.7%</b>  | <b>2,058.4</b> | <b>44.0%</b>  | <b>174.7</b>   | <b>8.5%</b>   |
| <b>Current Liabilities</b>                        | <b>1,336.3</b> | <b>26.8%</b>  | <b>1,247.1</b> | <b>26.6%</b>  | <b>89.2</b>    | <b>7.1%</b>   |
| Accounts payable                                  | 615.8          | 12.3%         | 499.5          | 10.7%         | 116.3          | 23.3%         |
| Short-Term Debt                                   | 533.2          | 10.7%         | 454.6          | 9.7%          | 78.6           | 17.3%         |
| Other Short-Term liabilities                      | 187.3          | 3.8%          | 293.1          | 6.3%          | (105.8)        | -36.1%        |
| <b>Non-Current Liabilities</b>                    | <b>896.9</b>   | <b>18.0%</b>  | <b>811.3</b>   | <b>17.3%</b>  | <b>85.6</b>    | <b>10.5%</b>  |
| Long-Term Debt                                    | 778.1          | 15.6%         | 616.1          | 13.2%         | 161.9          | 26.3%         |
| Other liabilities and Deferred taxes              | 118.8          | 2.4%          | 195.2          | 4.2%          | (76.4)         | -39.1%        |
| <b>Minority Stockholder's equity</b>              | <b>605.3</b>   | <b>12.1%</b>  | <b>666.6</b>   | <b>14.2%</b>  | <b>(61.3)</b>  | <b>-9.2%</b>  |
| <b>Majority Stockholder's equity</b>              | <b>2,152.4</b> | <b>43.1%</b>  | <b>1,954.6</b> | <b>41.8%</b>  | <b>197.9</b>   | <b>10.1%</b>  |
| <b>TOTAL STOCKHOLDER'S EQUITY</b>                 | <b>2,757.7</b> | <b>55.3%</b>  | <b>2,621.1</b> | <b>56.0%</b>  | <b>136.6</b>   | <b>5.2%</b>   |

### Interest-bearing Liabilities

At June 30, 2008 bank debt was \$1.3 billion, registering an increase of \$273.3 nominal million or 26.3% over the balance recorded during the same period last year. Net debt-to stockholder's-equity ratio was 0.39 times, which meant a slight increase from 0.38 times recorded during 2Q07.

Lastly, 59.3% of bank loans have long-term maturities, 96.1% are denominated in local currency (Mexican pesos) and 97.1% of the debt is at variable rates.

### Recent Events:

- **On April 24**, Grupo Herdez announced that from January 1st 2008, the Company changed some concepts that were presented within the operating expenses line item in the Income Statement, and with this change are currently presented within the cost of goods sold or as a reduction to sales. This change addresses homologation needs with different partners in joint ventures in which the Company participates. From the first quarter of 2007 the Income Statement presented for comparative purposes includes the reclassification of these concepts.
- **On April 30, 2008** Grupo Herdez announced that during the day prior, the Annual Shareholders Ordinary Meeting approved the payment of a dividend based on profits from previous fiscal periods and the current figures to date, from the net profit line, at the rate of \$0.50 (zero pesos 50/100 M.N.) for each of the only series of shares outstanding on April 30, 2008. This dividend was paid on June 19, 2008 at the Society's treasury offices, according to the percentage of shares held by each shareholder and against delivery of coupon number two.

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

