

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

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

HIGHLIGHTS:

- **Operating income grew 40.0%, while EBITDA rose 35.6%.**
- **Total net sales increased 13.8% and 18.6% during the quarter and the first nine months of the year, respectively.**
- **Net bank debt totaled \$671.6 million, a \$340.5 million decrease compared to the balance of the previous year.**

Net Sales Pesos

During the third quarter, net sales totaled \$2,017.6 million, a 13.8% growth over the same period of last year.

This behavior was caused by the strong performance of all segments, mainly "Vegetables", which grew 21.4% due to higher sales of Del Fuerte tomato puree and Herdez vegetables.

"Sauces and Dressings" and "Juices, Fruits and Desserts" both increased 15.3%, reflecting the high turnover of mayonnaise, ketchup and marmalades. It is worth noting the special support given to customers in the wholesale and supermarket channels for the summer and back to school promotions.

NET SALES (Nominal million pesos)										
Third Quarter					Segment	Nine months ended September 30				
2009	%	2008	%	% change		2009	%	2008	%	% change
1,023.9	50.7%	888.2	50.1%	15.3%	Sauces and Dressings	2,970.0	49.6%	2,495.2	49.5%	19.0%
126.4	6.3%	109.6	6.2%	15.3%	Juices, Fruits and Desserts	372.1	6.2%	338.3	6.7%	10.0%
254.6	12.6%	209.8	11.8%	21.4%	Vegetables	705.4	11.8%	604.8	12.0%	16.6%
167.8	8.3%	150.4	8.5%	11.5%	Meat and Seafood	553.0	9.2%	434.7	8.6%	27.2%
225.6	11.2%	208.8	11.8%	8.1%	Pasta	668.6	11.2%	579.1	11.5%	15.5%
7.5	0.4%	4.6	0.3%	62.9%	Other	42.5	0.7%	46.7	0.9%	-8.9%
1,805.7	89.5%	1,571.4	88.7%	14.9%	Domestic Sales	5,311.6	88.8%	4,498.7	89.2%	18.1%
211.8	10.5%	201.1	11.3%	5.3%	Foreign Sales	671.0	11.2%	544.6	10.8%	23.2%
2,017.6	100.0%	1,772.6	100.0%	13.8%	Total Sales	5,982.6	100.0%	5,043.3	100.0%	18.6%



Foreign sales rose 5.3% from July to September 2009 mainly driven by the average appreciation of the dollar.

Cumulatively, sales in peso terms reached \$ 5,982.6 million or 18.6% more than the same period last year.

Volume

Regarding unit sales, these reached 11.8 million cases during the 3Q09, a 6.1% increase generated by domestic sales where the following segments stood out:

"Sauces and Dressings" and "Vegetables" increased 14.3% and 11.5% respectively, for the reasons mentioned above.

Higher sales of tuna led the "Meat and Seafood" segment to grow 6.0%, while the "Pasta" volume recovered thanks to the promotional efforts of the brands, which offset the slow product turnover due to price increases during the quarter.

SALES VOLUME (Thousand Cases)										
Third Quarter					Segment	Nine months ended September 30				
2009	%	2008	%	% change		2009	%	2008	%	% change
4,900	41.5%	4,286	38.5%	14.3%	Sauces and Dressings	14,262	41.0%	13,153	39.6%	8.4%
751	6.4%	710	6.4%	5.8%	Juices, Fruits and Desserts	2,241	6.4%	2,224	6.7%	0.8%
1,962	16.6%	1,759	15.8%	11.5%	Vegetables	5,709	16.4%	5,103	15.3%	11.9%
477	4.0%	450	4.0%	6.0%	Meat and Seafood	1,516	4.4%	1,345	4.0%	12.7%
2,642	22.4%	2,577	23.2%	2.5%	Pasta	7,645	22.0%	7,745	23.3%	-1.3%
27	0.2%	32	0.3%	-16.4%	Other	91	0.3%	119	0.4%	-23.3%
10,759	91.1%	9,814	88.2%	9.6%	Domestic Sales	31,464	90.4%	29,688	89.3%	6.0%
1,049	8.9%	1,316	11.8%	-20.3%	Foreign Sales	3,358	9.6%	3,565	10.7%	-5.8%
11,808	100.0%	11,130	100.0%	6.1%	Total Sales	34,822	100.0%	33,254	100.0%	4.7%

Costs and Expenses

Costs decreased 0.9 percentage points during the 3Q09, from 64.9% to 64.0% of sales, driven by the greater stability in raw material prices, mainly vegetable oils and durum wheat.

Moreover, expenditures represented 20.3% of sales or 2.1 percentage points less than the same quarter last year, reflecting the benefits of the Herdez Del Fuerte integration and the capitalization of synergies.



Operating Income and EBITDA¹

During the third quarter, operating income posted a 40.0% strong growth totaling \$315.1 million, which resulted in a 2.9 percentage point expansion in the margin. From January to September, operating income grew 34.8% reaching \$871.1 million.

Continuing the trend of recent quarters, EBITDA reached \$345.2 million in the 3Q09, or 35.6% more than the same period in 2008, while the margin improved 2.7 percentage points to 17.1%. These behaviors were attributed to the gross margin improvement and the control in operating expenses.

At the end of September, EBITDA grew 31.1% to \$956.9 million with a margin of 16.0%, equivalent to a 1.5 percentage point increase in comparison to 2008.

Comprehensive Financing Result

Although there have been lower net interest payments due to the decrease in the debt level and its cost, the recording of exchange losses caused the comprehensive financial cost to increase 10.1% during the quarter and 39.8% in cumulative terms.

Grupo Herdez, S.A.B de C.V. and Subsidiaries										
Consolidated Income Statement										
For the period ended September 30, 2009 and 2008 (Nominal million pesos)										
	Third Quarter					Nine months as of September 30				
	2009	%	2008	%	% Change	2009	%	2008	%	Cambio %
Net Sales	2,017.6	100.0%	1,772.6	100.0%	13.8%	5,982.6	100.0%	5,043.3	100.0%	18.6%
Cost of Goods Sold	1,292.1	64.0%	1,149.9	64.9%	12.4%	3,882.3	64.9%	3,266.2	64.8%	18.9%
Gross Profit	725.5	36.0%	622.7	35.1%	16.5%	2,100.3	35.1%	1,777.1	35.2%	18.2%
Operating Expenses	410.4	20.3%	397.7	22.4%	3.2%	1,229.2	20.5%	1,131.1	22.4%	8.7%
Operating Income	315.1	15.6%	225.0	12.7%	40.0%	871.1	14.6%	646.0	12.8%	34.8%
Comprehensive Financing Result	27.3	1.4%	24.8	1.4%	10.1%	109.1	1.8%	78.1	1.5%	39.8%
Other expenses (Income)	(2.7)	-0.1%	8.2	0.5%	-132.9%	-1.1	0.0%	-164.8	-3.3%	NC
Income before income taxes	290.5	14.4%	192.0	10.8%	51.3%	763.1	12.8%	732.7	14.5%	4.1%
Income tax provision	89.3	4.4%	50.9	2.9%	75.4%	203.1	3.4%	141.1	2.8%	44.0%
Income from unconsolidated affiliates	8.6	0.4%	10.8	0.6%	-20.4%	33.9	0.6%	25.5	0.5%	33.1%
Income before discontinued ops.	209.8	10.4%	151.9	8.6%	38.1%	593.9	9.9%	617.1	12.2%	-3.8%
Discontinued Operations	0.5	0.0%	-	0.0%	0.0%	6.1	0.1%	0.0	0.0%	NC
Consolidated net income	209.3	10.4%	151.9	8.6%	37.8%	587.8	9.8%	617.1	12.2%	-4.8%
Minority Interest	55.4	2.7%	51.5	2.9%	7.6%	149.7	2.5%	144.0	2.9%	4.0%
Net Income	153.9	7.6%	100.4	5.7%	53.3%	438.1	7.3%	473.1	9.4%	-7.4%
EBITDA	345.2	17.1%	254.6	14.4%	35.6%	959.6	16.0%	729.7	14.5%	31.5%

NC: Not comparable



Net Income

Before discontinued operations, net income totaled \$209.8 million, an amount significantly higher than the amount recorded in the same period of last year, which was \$151.9 million.

During the first nine months of the year, consolidated net income before discontinued operations decreased 3.8%. This was derived from the recording of a (\$164.8) million non-recurring net gain related to the contribution of the shares of several companies during 2008 for the creation of Herdez Del Fuerte.

Moreover, majority net income reached \$153.9 million, rising 53.3% during the third quarter, while net margin increased 1.9 percentage points from 5.7% in the 3Q08 to 7.6% in the 3Q09.

Grupo Herdez, S.A.B de C.V. and Subsidiaries						
Consolidated Balance Sheet						
At September 30, 2009 and 2008 (Nominal million pesos)						
	2009	%	2008	%	Change	
					\$	%
TOTAL ASSETS	5,685.5	100.0%	5,198.2	100.0%	487.4	9.4%
Current Assets	3,114.0	54.8%	2,689.6	51.7%	424.4	15.8%
Cash and cash equivalents	495.2	8.7%	266.4	5.1%	228.8	85.9%
Accounts receivable, net	1,559.3	27.4%	1,302.3	25.1%	257.0	19.7%
Inventories	1,059.5	18.6%	1,120.9	21.6%	(61.4)	-5.5%
Property, Plant and Equipment, net	1,647.8	29.0%	1,570.9	30.2%	76.9	4.9%
Intangible Assets	923.8	16.2%	937.7	18.0%	(13.9)	-1.5%
TOTAL LIABILITIES	2,364.3	41.6%	2,313.1	44.5%	51.2	2.2%
Current Liabilities	1,455.5	25.6%	1,333.4	25.7%	122.1	9.2%
Accounts payable	633.6	11.1%	582.9	11.2%	50.7	8.7%
Short-Term Debt	480.5	8.5%	519.7	10.0%	(39.2)	-7.5%
Other Short-Term liabilities	341.4	6.0%	230.8	4.4%	110.6	47.9%
Non-Current Liabilities	908.8	16.0%	979.7	18.8%	(70.9)	-7.2%
Long-Term Debt	686.3	12.1%	758.8	14.6%	(72.5)	-9.6%
Other Debt with cost	125.0	2.2%	134.2	2.6%	(9.2)	NC
Deferred Credits	80.8	1.4%	71.7	1.4%	9.1	12.6%
Other Liabilities	16.8	0.3%	15.0	0.3%	1.8	11.9%
Minority Stockholder's equity	702.7	12.4%	631.4	12.1%	71.3	11.3%
Majority Stockholder's equity	2,618.5	46.1%	2,253.7	43.4%	364.8	16.2%
TOTAL STOCKHOLDER'S EQUITY	3,321.2	58.4%	2,885.1	55.5%	436.1	15.1%

Cash Flow

Thanks to the efficient management in working capital during the first nine months of the year, the resources provided by operations totaled \$964.9 million, representing \$213.5 million more than the resources generated in the same period of 2008. Of this amount, 50.3% was allocated to bank-debt and dividend payments, and 22.7% was allocated for CapEx.



CapEx

Net investments in fixed assets at September 30, 2009 totaled \$132.5 million, standing out the construction of "Teoloyucan", a new distribution center that aims to optimize execution times, transport costs and inventory turnover. With this investment, Herdez Del Fuerte will improve service to customers like supermarket chains and regional warehouses and will cover the logistical requirements of coming years. Additionally, the renovations in the Chiapas Plant for concentrating tuna operations continued

Interest-bearing Liabilities

At September 30, consolidated net bank-debt totaled \$671.6 million, representing 33.6% less than the debt recorded during the same period last year due to increases in the level of cash. Therefore, the net-debt-to-stockholder's-equity ratio decreased from 0.35 times in the third quarter of 2008 to 0.20 times in September of this year.

The entirety of bank loans is denominated in local currency while 58.8% have long-term maturities and 84.4% of such debt is at variable rates.

Recent Events:

- **On July 09, 2009** Grupo Herdez announced the fire occurred at the Arkos II tuna vessel, owned by Herdez Del Fuerte. The company carried out the necessary procedures and arrangements relating to such accidents and ensured that all 23 crew rescued by the Navy of Mexico were in good physical condition and health.

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.

