

GRUPO HERDEZ REPORTS THIRD QUARTER 2014 RESULTS

Highlights from the quarter:

- Consolidated net sales rose at a double digit rate of 11.3%.
- EBIT and EBITDA margins expanded by 90 and 110 basis points to 14.2% and 16.5%, respectively.
- Net consolidated margin grew 150 basis points to 10.2% mainly reflecting gains registered at the gross margin level.

Mexico City, Mexico, October 23, 2014 – Grupo Herdez, S.A.B. de C.V. (“Grupo Herdez” or the “Company”) (MSE: HERDEZ, OTC: GUZBY), today announced its results for the third quarter ended September 30, 2014. It should be noted that starting this quarter, consolidated figures are fully comparable to the year ago period as Nutrisa’s results were consolidated as of May of last year.

“We are pleased to see that our commercial initiatives are successfully driving volume performance in this challenging environment. Strong execution and favorable comparables, give confidence that Grupo Herdez will meet its 2014 guidance”, said Héctor Hernández-Pons Torres, Chairman and Chief Executive Officer.

Net Sales

Net sales in the third quarter rose 11.3% from the year ago period, to Ps. 3,653 million, reflecting outstanding volume performance in core categories such as mayonnaise, mole, pasta, tomato puree and tuna, while export sales continued to grow at a double digit rate of 30.7%. This performance more than offset a decline of 8.6% at Nutrisa’s sales, which continue to reflect the portfolio rationalization process that began in the second quarter of the year whereby one third of the products comprising commercial sales were eliminated with the aim of strengthening Nutrisa’s brand positioning as the benchmark of health and wellness.

The information contained in this document is prepared in accordance with International Financial Reporting Standards (IFRS) applicable since January 1, 2013 and expressed in nominal Mexican pesos unless otherwise stated. As of 2Q 2014, the Company has expanded its segment reporting to include performance in the Mexico Core, Nutrisa and Exports businesses.

On a cumulative basis, total net sales rose 8.7% to Ps. 10,223 million, primarily driven by the 3.2% growth in Mexico Core and 22.7% in export sales. In addition, 2014 figures reflect an additional 4.5 months of Nutrisa's sales, which were consolidated as of mid-May 2013. On a comparable basis, Nutrisa's sales would have reported a decline of 3.2%, which is mainly explained by the aforementioned rationalization and a weak consumption environment that has affected traffic. It should be noted that the average customer ticket in the core category, frozen yogurt, has risen 10% since December of last year as a result of commercial efforts to drive store traffic.

Net Sales	3Q14	3Q13	% Change	9M14	9M13	% Change
Consolidated	3,653	3,283	11.3	10,223	9,401	8.7
Mexico Core	3,072	2,745	11.9	8,588	8,320	3.2
Nutrisa	285	312	(8.6)	899	481	87.1
Exports	296	227	30.7	736	600	22.7

Figures in million pesos

Gross Profit

Gross margin expanded 1.2 percentage points from the third quarter of last year, to 37.9%, while on a cumulative basis, the margin was 38.2%, 2.4 percentage points higher than in 2013. Both expansions are attributable to lower prices for key raw materials such as soybean oil and wheat, as well as a better sales mix. It should be noted that at Nutrisa, the cost of goods sold decreased 90 basis points as a proportion of sales, due to a better sales mix that was able to offset a write-off of Ps. 3 million related to obsolete inventories resulting from product rationalization.

Gross Profit	3Q14	3Q13	% Change	9M14	9M13	% Change
Consolidated	1,386	1,205	15.1	3,909	3,365	16.2
Mexico Core	1,170	975	20.1	3,258	2,995	8.8
Nutrisa	181	196	(7.4)	573	301	90.8
Exports	35	34	2.2	78	69	13.4

Figures in million pesos

Gross Margin	3Q14	3Q13	pp Chg	9M14	9M13	pp Chg
Consolidated	37.9	36.7	1.2	38.2	35.8	2.4
Mexico Core	38.1	35.5	2.6	37.9	36.0	1.9
Nutrisa	63.6	62.7	0.9	63.8	62.5	1.3
Exports	11.8	15.1	(3.3)	10.6	11.5	(0.9)

Operating Expenses

In the quarter, Sales, General and Administrative Expenses (SG&A) remained unchanged as a proportion of net sales at 23.4% due to higher fixed expense absorption. The above more than offset an increase in marketing and advertising expenses aimed at boosting top line growth at Mexico Core and Nutrisa, as well as Ps. 9 million of one-time charges mainly related to Nutrisa's organizational restructuring.

On a cumulative basis, SG&A as a percentage of net sales increased 2.0 percentage points as a percentage of sales to 24.1% resulting from low absorption of fixed expenses in the first six months of the year at Mexico Core, and Ps. 23 million of cumulative extraordinary expenses at Nutrisa.

Earnings Before Other Income and Expenses (EBIT Before Other Income and Expenses)

EBIT Before Other Expenses totaled Ps. 533 million in the quarter, 21.9% higher than in the same period of last year, while the margin expanded 1.3 percentage points to 14.6%. In Mexico Core, the margin grew 240 basis points to 16.6% as a result of gross margin expansion. In Nutrisa, the margin dropped to 3.4% due to the decline in net sales coupled with the aforementioned extraordinary charges.

For the year, consolidated EBIT Before Other Expenses rose at a double-digit rate of 12.0%, with a 14.1% margin, arising from the benefit of lower raw material costs when compared to last year.

Other Income and Expenses

The Company registered Ps. 16 million and Ps. 52 million of other expenses in the quarter and first nine months of the year, respectively. In addition to expenses related to the consolidation of production underway in Sinaloa, Mexico, these figures included Ps. 4 million and Ps. 5 million of one-time charges in Nutrisa, in the quarter and nine months, resulting from the closure of 13 and 33 underperforming points of sale, respectively.

EBIT (Earnings Before Interest and Taxes)

EBIT in the quarter totaled Ps. 517 million, 18.0% higher than in the same period of last year. EBIT margin in the quarter increased 90 basis points to 14.2%. This expansion is explained by the strong 16.2% margin registered in Mexico Core. At Nutrisa, the margin excluding one-time charges would have been 7.9%.

On a cumulative basis, EBIT rose 7.3% to Ps. 1,392 million, with a 20 basis point contraction in the margin to 13.6%. This is fully explained by the drop in profitability at Nutrisa, as Mexico Core registered an EBIT margin of 15.1%, 60 basis points higher than in the same period of 2013. On a comparable basis, Nutrisa's EBIT margin would have been 7.8%, while excluding one-time charges it would have been 11.4%; this is explained by the elimination of products accounting for approximately 10% of sales as well as a weaker than expected consumption environment.

EBIT	3Q14	3Q13	% Change	9M14	9M13	% Change
Consolidated	517	438	18.0	1,392	1,297	7.3
Mexico Core	498	388	28.4	1,293	1,210	6.9
Nutrisa	7	38	(82.5)	70	62	12.4
Exports	13	12	1.3	29	25	14.0

Figures in million pesos

EBIT Margin (%)	3Q14	3Q13	pp Chg	9M14	9M13	pp Chg
Consolidated	14.2	13.3	0.9	13.6	13.8	(0.2)
Mexico Core	16.2	14.1	2.1	15.1	14.5	0.6
Nutrisa	2.3	12.1	(9.8)	7.8	13.0	(5.2)
Exports	4.2	5.5	(1.3)	3.9	4.2	(0.3)

Comprehensive Financing Result

The Company registered a net financing cost of Ps. 71 million in the quarter, with net interest expense of Ps. 96 million partially offset by an exchange gain of Ps. 26 million, compared to an exchange loss in the year ago period. In the cumulative figure, net financing cost increased 54.2% primarily due to additional interest paid resulting from the Ps. 3 billion in debt secured in May of 2013 in relation to the Nutrisa acquisition.

Equity Investment in Associates

Starting in the second quarter of the year, as a result of IFRS adjustments, equity investment in associates reflects the pre-tax income of Herdez Del Fuerte's stake in MegaMex, while previously net income had been registered.

Under current accounting principles, equity investment in associates would have increased 87.3% in the quarter and 5.1% for the year. It is important to note that the increase registered in the quarter is the result of the Ps. 33 million earn out charge recorded in the same period of last year. Excluding this effect, equity investment in associates would have increased 10.0% mainly as a result of the recovery seen in the guacamole business.

Equity Investment in Associates	3Q14	3Q13	% Change	9M14	9M13	% Change
Equity Investment in Associates	89	45	99.5	290	222	30.8
MegaMex	79	32	144.7	261	194	34.5
Others	10	12	(19.8)	29	28	5.1

Net Income

Consolidated net income totaled Ps. 372 million in the quarter, 29.7% higher than in the same period of last year. This increase is mainly the result of solid top line growth as well as gross margin expansion. On a cumulative basis, net consolidated income rose 4.8% to Ps. 1,019 million, while the margin was nearly unchanged at 10.0%.

Net majority income totaled Ps. 195 million for the quarter and Ps. 546 million year to date, increases of 24.4% and 2.0%, respectively, when compared to the same periods of last year.

Net Income	3Q14	3Q13	% Change	9M14	9M13	% Change
Net Consolidated Income	372	287	29.7	1,019	972	4.8
Net Consolidated Margin (%)	10.2	8.7	1.5 pp	10.0	10.3	(0.3) pp
Minority Interest	177	130	36.2	473	437	8.2
Net Majority Income	195	157	24.4	546	535	2.0
Net Majority Margin (%)	5.3	4.8	0.5 pp	5.3	5.7	(0.4) pp

Figures in million pesos

EBITDA (Earnings Before Interests Taxes, Depreciation and Amortization)

EBITDA for the quarter totaled Ps. 602 million, 18.9% higher than in the previous year, while the margin expanded 110 basis points to 16.5%. This reflected strong top line growth, a better sales mix and gross margin expansion that more than offset extraordinary charges at Mexico Core and Nutrisa. On a cumulative basis, EBITDA margin was 15.9%, 30 basis points higher than in 2013.

EBITDA	3Q14	3Q13	% Change	9M14	9M13	% Change
Consolidated	602	506	18.9	1,629	1,468	11.0
Mexico Core	562	440	27.7	1,472	1,349	9.1
Nutrisa	18	47	(61.2)	104	76	37.5
Exports	22	19	13.7	53	43	23.8

Figures in million pesos

EBITDA Margin (%)	3Q14	3Q13	pp Chg	9M14	9M13	pp Chg
Consolidated	16.5	15.4	1.1	15.9	15.6	0.3
Mexico Core	18.3	16.0	2.3	17.1	16.2	0.9
Nutrisa	6.4	15.0	(8.6)	11.6	15.8	(4.2)
Exports	7.4	8.5	(1.1)	7.2	7.1	0.1

Capital Expenditures (CAPEX)

Net CAPEX in the third quarter and on a cumulative basis was Ps. 148 million and Ps. 378 million, respectively. As in previous quarters, the majority was allocated to the ongoing consolidation of production capacity in Sinaloa, Mexico. This project is expected to conclude by year-end, in line with plan.

Nutrisa Points of Sale

In the quarter, net openings were 2, with 414 total points of sale at period end.

Financial Structure

As of September 30, 2014, the Company's cash position was Ps. 1,314 million, Ps. 93 million higher than at the end of the second quarter of the year, while interest bearing debt totaled Ps. 5,000 million. Consequently, net debt at the end of the third quarter was Ps. 3,686 million, nearly unchanged from the previous quarter.

Leverage ratios remain healthy with net debt to consolidated EBITDA at 1.7 times, while net debt to total stockholders' equity were 0.3 times.

Sustainability Highlights

In the community engagement field, the Company donated 82,457 product cases to the Banco de Alimentos de México (Mexico's Food Bank) and 1,742 cases to victims of Hurricane Odile in Baja California.

On August 1st, during the annual Grupo Herdez Volunteer Day, 320 hours of volunteer work was contributed for a 5 acre reforestation project and the construction of five productive projects related to the Company's food security strategy.

3Q14 Earnings Conference Call Information

Date: Friday, October 24, 2014

Time: 12:00 p.m. E.T. / 11:00 a.m. C.T.

To participate, please dial:

Toll Free US and Canada: +1 (888) 572-7034

Toll International: +1 (719) 325-2393

Conference ID#: 1001076

To Access on the internet, follow the link available at: www.inversionistasgrupoherdez.com or go directly to: <http://public.viavid.com/index.php?id=111102>

If you are unable to participate live, a replay of the conference call will be available through October 24, 2014 to November 7, 2014. To access the replay, please dial domestic US and Canada +1 (877) 870-5176, or from other countries +1 (858) 384-5517; conference ID: 1001076.

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About Grupo Herdez

Grupo Herdez is a leading producer of shelf-stable foods and frozen yogurt in Mexico, and a leader in the Mexican food category in the United States. The Company participates in a wide range of categories including burritos, coffee, guacamole, frozen yogurt, gelatins, homemade salsas, honey, jam, ketchup, mayonnaise, mini tacos, mole, mustard, organic foods, pasta, spices, tea, tomato puree, tuna and vegetables, among others. These products are commercialized through an exceptional portfolio of brands, including Aires de Campo®, Barilla®, Chi-Chi's®, Del Fuerte®, Don Miguel®, Doña María®, Embasa®, Herdez®, La Victoria®, McCormick®, Nutrisa®, Wholly Guacamole® and Yemina®. In addition, the Company has distribution agreements for the Herdez GoGo Squeeze®, Kikkoman®, Ocean Spray®, Reynolds® and Truvía® products in Mexico. Grupo Herdez has 14 plants, 9 distribution centers, 7 tuna vessels, 414 points of sale of Grupo Nutrisa and a workforce of more than 8,000 associates. The Company was founded in 1914 and has been listed in the Mexican Stock Exchange since 1991 and in the OTC market since 1997. For more information, visit www.grupoherdez.com.mx

Forward-Looking Statement

The information herein contained ("Information") has been prepared by Grupo Herdez, S.A.B. de C.V., its associates, subsidiaries and/or affiliates companies ("Grupo Herdez") and may contain forward-looking statements that reflects Grupo Herdez current expectations and views which could differ materially due to different factors, risks and uncertainties. Therefore, Grupo Herdez or any of their respective officers, employees or agents, have no responsibility or liability for such differences in the Information. In particular, but without prejudice to the generality of the foregoing, no warranty is given as to the achievement or success of any future variation of such Information or other written or oral Information. This Information has been delivered only for informative purposes. The issue of this Information shall not be taken as any form of commitment on the part of Grupo Herdez to proceed with any transaction.

FINANCIAL STATEMENT	Third Quarter					As of September 30				
	2014	%	2013	%	% Chg	2014	%	2013	%	% Chg
Net Sales	3,653	100.0	3,283	100.0	11.3	10,223	100.0	9,401	100.0	8.7
Mexico Core	3,072	100.0	2,745	100.0	11.9	8,588	100.0	8,320	100.0	3.2
Nutrisa	285	100.0	312	100.0	(8.6)	899	100.0	481	100.0	87.1
Exports	296	100.0	227	100.0	30.7	736	100.0	600	100.0	22.7
Cost of Goods Sold	2,267	62.1	2,079	63.3	9.1	6,313	61.8	6,037	64.2	4.6
Mexico Core	1,902	61.9	1,770	64.5	7.5	5,330	62.1	5,326	64.0	0.1
Nutrisa	104	36.4	116	37.3	(10.7)	326	36.2	180	37.5	80.8
Exports	261	88.2	192	84.9	35.8	658	89.4	531	88.5	23.9
Gross Profit	1,386	37.9	1,205	36.7	15.1	3,909	38.2	3,365	35.8	16.2
Mexico Core	1,170	38.1	975	35.5	20.1	3,258	37.9	2,995	36.0	8.8
Nutrisa	181	63.6	196	62.7	(7.4)	573	63.8	301	62.5	90.8
Exports	35	11.8	34	15.1	2.2	78	10.6	69	11.5	13.4
Operating Expenses	853	23.4	767	23.4	11.2	2,465	24.1	2,076	22.1	18.8
Mexico Core	660	21.5	586	21.3	12.6	1,911	22.3	1,788	21.5	6.9
Nutrisa	171	60.2	159	51.1	7.5	504	56.1	244	50.8	106.6
Exports	22	7.6	22	9.6	2.7	50	6.7	44	7.3	13.1
O. Profit before Other Income and Expenses	533	14.6	437	13.3	21.9	1,444	14.1	1,289	13.7	12.0
Mexico Core	511	16.6	389	14.2	31.4	1,347	15.7	1,208	14.5	11.5
Nutrisa	10	3.4	36	11.6	(73.3)	69	7.7	56	11.7	22.4
Exports	13	4.2	12	5.5	1.3	29	3.9	25	4.2	13.9
Other Income/Expenses, Net	16	0.4	-1	(0.0)	N.A.	52	0.5	-9	(0.1)	N.A.
Operating Income	517	14.2	438	13.3	18.0	1,392	13.6	1,297	13.8	7.3
Mexico Core	498	16.2	388	14.1	28.4	1,293	15.1	1,210	14.5	6.9
Nutrisa	7	2.3	38	12.1	(82.5)	70	7.8	62	13.0	12.4
Exports	13	4.2	12	5.5	1.3	29	3.9	25	4.2	14.0
Comprehensive Financing Result	71	1.9	75	2.3	(6.5)	254	2.5	165	1.8	54.2
Interest Earned and Paid, Net	96	2.6	82	2.5	17.6	282	2.8	194	2.1	45.5
Exchange Loss (Gain)	-26	(0.7)	-6	(0.2)	(296.7)	-28	(0.3)	-29	(0.3)	4.0
Others Loss (Gain)	0	0.0	0	0.0	-	0	0.0	0	0.0	-
Equity Investment in Associates	89	2.4	45	1.4	99.5	290	2.8	222	2.4	30.8
MegaMex	79	2.2	32	1.0	144.7	261	2.6	194	2.1	34.5
Others	10	0.3	12	0.4	(19.8)	29	0.3	28	0.3	5.1
Income Before Income Taxes	536	14.7	408	12.4	31.5	1,428	14.0	1,354	14.4	5.4
Income Tax Provision	164	4.5	121	3.7	35.8	409	4.0	383	4.1	6.9
Income Before Discontinued Operations	372	10.2	287	8.7	29.7	1,019	10.0	972	10.3	4.8
Discontinued Operations	0	0.0	0	0.0	-	0	0.0	0	0.0	-
Consolidated Net income	372	10.2	287	8.7	29.7	1,019	10.0	972	10.3	4.8
Minority Interest	177	4.9	130	4.0	36.2	473	4.6	437	4.7	8.2
Net Majority Income	195	5.3	157	4.8	24.4	546	5.3	535	5.7	2.0
EBITDA	602	16.5	506	15.4	18.9	1,629	15.9	1,468	15.6	11.0
Mexico Core	562	18.3	440	16.0	27.7	1,472	17.1	1,349	16.2	9.1
Nutrisa	18	6.4	47	15.0	(61.2)	104	11.6	76	15.8	37.5
Exports	22	7.4	19	8.5	13.7	53	7.2	43	7.1	23.8

Figures expressed in millions of Mexican pesos

The proportions of COGS, Gross Profit, Operating Income and EBITDA of the segments are calculated accordingly

BALANCE SHEET	Sep 30 2014	%	Jun 30 2014	%	Change \$	%
TOTAL ASSETS	21,559	100.0	21,412	100.0	147	0.7
Domestic	20,134	93.4	20,084	93.2	49	0.2
USA	1,425	6.6	1,328	6.2	98	7.3
Current Assets	5,711	26.5	5,757	26.9	-46	(0.8)
Cash and Equivalents	1,314	6.1	1,221	5.7	93	7.6
Accounts Receivable	1,426	6.6	1,441	6.7	-15	(1.1)
Other Accounts Receivable	697	3.2	779	3.6	-82	(10.5)
Inventories	2,180	10.1	2,193	10.2	-13	(0.6)
Other Current Assets	95	0.4	124	0.6	-29	(23.4)
Non-Current Assets	15,848	73.5	15,655	73.1	193	1.2
Property, Plant and Equipment, Net	4,114	19.1	4,126	19.3	-12	(0.3)
Investment In Subsidiaries	4,826	22.4	4,636	21.7	190	4.1
Intangible Assets	6,613	30.7	6,613	30.9	1	0.0
Other Assets	294	1.4	280	1.3	15	5.2
TOTAL LIABILITIES	8,623	40.0	8,740	40.8	-117	(1.3)
Domestic	8,020	37.2	8,701	40.6	-682	(7.8)
USA	603	2.8	38	0.2	565	NA
Current Liabilities	2,330	10.8	2,404	11.2	-75	(3.1)
Accounts Payable	1,020	4.7	1,167	5.4	-147	(12.6)
Short-Term Debt	800	3.7	800	3.7	0	0.0
Other Short-Term Liabilities	510	2.4	438	2.0	72	16.5
Long-Term Liabilities	6,293	29.2	6,335	29.6	-42	(0.7)
Long-Term Debt	4,200	19.5	4,200	19.6	0	0.0
Other Liabilities	992	4.6	965	4.5	27	2.8
Other Long-Term Liabilities w/o Cost	1,101	5.1	1,170	5.5	-69	(5.9)
TOTAL STOCKHOLDERS' EQUITY	12,936	60.0	12,672	59.2	264	2.1
Minority Stockholder's Equity	6,801	31.5	6,665	31.1	136	2.0
Majority Stockholder's Equity	6,135	28.5	6,007	28.1	128	2.1

Figures expressed in millions of Mexican pesos