

EARNINGS RELEASE

Fourth Quarter 2007

Mexico City, February 22, 2008. Grupo Herdez, S.A.B. de C.V. today announced its results for the fourth quarter of 2007. The results have been prepared in accordance to Mexican GAAP and are adjusted in millions of Mexican pesos of purchasing power as of December 31, 2007.

Net Sales

Figures

Sales totaled \$1,910.2 million in the fourth quarter of the year, a 4.6% increase in real terms compared to the same quarter of last year.

This was originated in part by an increase in tuna sales in "Meat and Seafood", segment that grew 9.5% during the quarter, as well as "Juices, Fruits and Desserts" which rose 3.3% driven by the introduction of new flavors in the lines of beverages.

Marketing plans at the modern channel caused "Pastas" to grow 1.5% in the October-December period, while "Sauces and Dressings" registered a 1.4% increase, reflecting the good performance of mayonnaise, dressings and hot sauces.

In terms of export sales, these increased 9.2% during the 4Q07, due to the reestablishment of inventory levels by our partners and distributors in the United States.

On an annual basis, sales accumulated a 3.9% growth from \$6,350.0 million in 2006 to \$6,597.2 million in 2007.

NET SALES

(Million pesos as of December 31, 2007)

Fourth Quarter					Twelve months ended December 31					
2007	%	2006	%	% change	Segment	2007	%	2006	%	% change
947.5	49.6%	934.2	51.1%	1.4%	Sauces and Dressings	3,339.3	50.6%	3,248.7	51.2%	2.8%
206.9	10.8%	200.2	11.0%	3.3%	Juices, Fruits and Desserts	718.9	10.9%	656.3	10.3%	9.5%
173.4	9.1%	174.8	9.6%	-0.8%	Vegetables	589.0	8.9%	546.1	8.6%	7.9%
191.1	10.0%	174.5	9.6%	9.5%	Meat and Seafood	668.3	10.1%	616.9	9.7%	8.3%
211.4	11.1%	208.2	11.4%	1.5%	Pastas	703.9	10.7%	661.7	10.4%	6.4%
51.1	2.7%	17.1	0.9%	198.8%	Other	124.7	1.9%	82.5	1.3%	51.2%
1,781.4	93.3%	1,709.0	93.5%	4.2%	Domestic Sales	6,144.1	93.1%	5,812.2	91.5%	5.7%
128.8	6.7%	118.0	6.5%	9.2%	Exports	453.1	6.9%	537.8	8.5%	-15.7%
1,910.2	100.0%	1,827.0	100.0%	4.6%	Total Sales	6,597.2	100.0%	6,350.0	100.0%	3.9%

Volume

In comparison with the year before, sales in volume registered an increase of 4.0% in the 4Q07 totaling 107,201.2 tons, or 4,085.5 more tons than in the same quarter of last year.

This increase resulted from the good performance of "Meat and Seafood", "Juices, Fruits and Desserts" and "Sauces and Dressings" segments, which rose 14.4%, 10.7% and 2.6% respectively, for the abovementioned reasons.

Grupo Herdez is
listed on:
BMV: Herdez*
OTC: Guzby

Total shares
outstanding as of
02/21/08
428'373,763

SALES VOLUME

(In Tons)

Fourth Quarter					Segment	Twelve months ended December 31				
2007	%	2006	%	% change		2007	%	2006	%	% change
48,877.5	45.6%	47,628.1	46.2%	2.6%	Sauces and Dressings	169,900.2	45.7%	164,626.1	45.8%	3.2%
15,010.9	14.0%	13,558.8	13.1%	10.7%	Juices, Fruits and Desserts	51,978.3	14.0%	46,919.5	13.0%	10.8%
9,179.1	8.6%	9,477.9	9.2%	-3.2%	Vegetables	32,509.7	8.7%	30,381.3	8.4%	7.0%
7,219.7	6.7%	6,310.2	6.1%	14.4%	Meat and Seafood	25,520.2	6.9%	22,396.4	6.2%	13.9%
16,529.6	15.4%	17,621.9	17.1%	-6.2%	Pastas	56,908.7	15.3%	56,326.7	15.7%	1.0%
400.9	0.4%	352.5	0.3%	13.7%	Other	1,439.3	0.4%	1,375.3	0.4%	4.7%
97,217.7	90.7%	94,949.4	92.1%	2.4%	Domestic Sales	338,256.4	91.0%	322,025.3	89.6%	5.0%
9,983.5	9.3%	8,166.3	7.9%	22.3%	Exports	33,363.6	9.0%	37,555.4	10.4%	-11.2%
107,201.2	100.0%	103,115.7	100.0%	4.0%	Total Sales	371,620.0	100.0%	359,580.7	100.0%	3.3%

Costs and Expenses

Cost of sales in the fourth quarter increased 8.5% accumulating a 5.5% increase during the year, due to the tendency to rise of raw materials' prices. Cumulative cost as a percentage of sales increased 1.0 percentage points from 59.3% in 2006 to 60.3% in 2007.

Higher investments in "Advertising and Promotions" caused quarterly and cumulative operating expenses to grow marginally in 0.30 and 0.20 percentage points in comparison to the same periods of the prior year.

Operating Income and EBITDA¹

During 4Q07, the gross margin reduction caused operating income to be \$257.7 million, which represented a 12.0% decline with respect to the same period of the year before. Similarly, operating margin was 13.5% of sales, or 2.5 percentage points less than in the same quarter of 2006.

Likewise, operating cash-flow or EBITDA decreased 11.6% from \$319.0 during 4Q06 to \$282.1 million during 4Q07, which represented a 2.7 percentage point decrease in the margin.

Even when risks for main raw materials were managed during the whole year, operating expenses and a higher cost of sales led to a 4.0% decrease in operating income. Operating margin was 13.4%, 1.1 percentage points less than the figure reported during 2006.

Comprehensive Cost of Financing

During the last quarter of the year higher net-interest payments were registered due to the restructuring of the debt with cost. As a consequence of these one-time charges, comprehensive cost of financing increased \$11.1 million versus 4Q06.

On a cumulative basis, comprehensive cost of financing grew 13.5% for the same reason.

Net Income

Before discontinued operations, consolidated net income rose 8.7% during the quarter from \$178.9 to \$194.5 million. For the full year 2007, net income totaled \$622.1 million, or a 7.5% increase with respect to 2006.

Majority net income showed an opposite behavior by decreasing 19.5% during the quarter, due to the transfer of production lines to Ensenada as well as the sale of assets of "Yavaros Industrial S.A. de C.V.", events that were recorded as "discontinued operations".

These non-cash items resulted in a charge to results of \$57.3 million net of tax. In a cumulative basis, net majority income totaled \$305.1 million, or a decline of 11.6% with respect to the same period of last year.

Grupo Herdez, S.A.B de C.V. y Subsidiarias
Consolidated Income Statement
For the period ended December 31, 2007 and 2006 (Million Pesos)

	Fourth Quarter					Twelve months as of December 31				
	2007	%	2006	%	% Change	2007	%	2006	%	% Change
Net Sales	1,910.2	100.0%	1,827.1	100.0%	4.6%	6,597.2	100.0%	6,350.0	100.0%	3.9%
Cost of Goods Sold	1,194.9	62.6%	1,101.4	60.3%	8.5%	3,975.5	60.3%	3,767.9	59.3%	5.5%
Gross Profit	715.3	37.4%	725.7	39.7%	-1.4%	2,621.7	39.7%	2,582.1	40.7%	1.5%
Operating Expenses	457.6	24.0%	432.8	23.7%	5.7%	1,736.6	26.3%	1,660.3	26.1%	4.6%
Operating Income	257.7	13.5%	292.8	16.0%	-12.0%	885.1	13.4%	921.8	14.5%	-4.0%
Comprehensive Financing Cost	26.9	1.4%	15.8	0.9%	70.2%	95.9	1.5%	84.5	1.3%	13.5%
Other expenses (Income)	(2.5)	-0.1%	10.7	0.6%	NC	3.7	0.1%	19.7	0.3%	-81.2%
Income before income taxes	233.3	12.2%	266.3	14.6%	-12.4%	785.5	11.9%	817.5	12.9%	-3.9%
Income tax provision	45.4	2.4%	85.2	4.7%	-46.7%	181.9	2.8%	248.8	3.9%	-26.9%
Income from unconsolidated affiliates	6.6	0.3%	(2.1)	-0.1%	NC	18.5	0.3%	9.9	0.2%	87.4%
Income before discontinued ops.	194.5	10.2%	178.9	9.8%	8.7%	622.1	9.4%	578.6	9.1%	7.5%
Discontinued operations	57.3	3.0%	7.8	0.4%	634.3%	105.1	1.6%	19.0	0.3%	452.2%
Consolidated net income	137.2	7.2%	171.1	9.4%	-19.8%	516.9	7.8%	559.5	8.8%	-7.6%
Minority Interest	56.9	3.0%	71.3	3.9%	-20.2%	211.8	3.2%	214.3	3.4%	-1.2%
Net Income	80.3	4.2%	99.7	5.5%	-19.5%	305.1	4.6%	345.2	5.4%	-11.6%
	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
EBITDA	282.1	14.8%	319.0	17.5%	-11.6%	1,004.0	15.2%	1,045.9	16.5%	-4.0%

NC: Not comparable

Cash Flow

Resources generated by the operation during 2007 totaled \$593.7 million, compared to \$744.2 million recorded during 2006. This change is mainly attributable to a higher requirement of cash in the working capital.

CapEx

Net investments in fixed assets carried out during 2007 totaled \$43.0 million, deducting the Yavaros business sale. This amount includes an investment in land for the expansion of the distribution and logistics capacity.

Grupo Herdez, S.A. de C.V. and Subsidiaries
Consolidated Balance Sheet

At December 31, 2007 and 2006 (Million pesos)

	2007	%	2006	%	Change	
					\$	%
TOTAL ASSETS	4,606.5	100.0%	4,697.8	100.0%	(91.3)	-1.9%
Current Assets	2,304.9	50.0%	2,184.7	46.5%	120.2	5.5%
Cash and cash equivalents	125.7	2.7%	73.3	1.6%	52.4	71.5%
Accounts receivable, net	1,181.3	25.6%	1,184.0	25.2%	(2.7)	-0.2%
Inventories	930.8	20.2%	801.1	17.1%	129.7	16.2%
Other current assets	67.1	1.5%	126.3	2.7%	(59.2)	-46.9%
Property, Plant and Equipment, net	2,013.2	43.7%	2,256.7	48.0%	(243.5)	-10.8%
Intangible Assets	288.4	6.3%	256.4	5.5%	32.0	12.5%
TOTAL LIABILITIES	1,982.2	43.0%	2,115.3	45.0%	(133.1)	-6.3%
Current Liabilities	1,068.8	23.2%	1,101.0	23.4%	(32.2)	-2.9%
Accounts payable	470.8	10.2%	445.5	9.5%	25.3	5.7%
Short-Term Debt	318.3	6.9%	333.8	7.1%	(15.5)	-4.6%
Other Short-Term liabilities	279.7	6.1%	321.7	6.8%	(42.0)	-13.1%
Non-Current Liabilities	913.4	19.8%	1,014.3	21.6%	(100.9)	-9.9%
Long-Term Debt	668.3	14.5%	815.9	17.4%	(147.6)	-18.1%
Other liabilities and Deferred taxes	245.1	5.3%	198.4	4.2%	46.7	23.5%
Minority Stockholder's equity	610.7	13.3%	666.1	14.2%	(55.4)	-8.3%
Majority Stockholder's equity	2,013.6	43.7%	1,916.4	40.8%	97.2	5.1%
TOTAL STOCKHOLDER'S EQUITY	2,624.3	57.0%	2,582.5	55.0%	41.8	1.6%

Interest-bearing Debt

Consolidated interest-bearing debt as of December 31, 2007 was of \$986.6 million, reducing \$121.5 nominal million pesos, or 10.9% with respect to the amount registered during the same quarter of the year before. The Company reported a 12M debt-to-EBITDA ratio of 0.9 times, compared to 1.1 times in 4Q06.

Lastly, 67.7% of the debt mix corresponds to long-term maturities, while 92.6% of debt is peso denominated and 19.0% is at a fixed rate.

About the Company:

GRUPO HERDEZ is a leader in the food industry, with more than 90 years of experience. Through its affiliates, 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, Solo and Yavaros, 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.

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

HERDEZ
McCORMICK



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CARLOTA

Búfalo

Yavaros

Solo

KIKKOMAN

YEMINA

Ocean Spray