

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

Mexico City, February 26, 2009. Grupo Herdez, S.A.B de C.V. today announced its results for the fourth quarter of 2008. All financial information contained in this report is submitted in accordance to NIF dispositions issued by CINIF.

HIGHLIGHTS:

- Since the 1Q08 Herdez Del Fuerte has been registered as a 50% joint venture, therefore sales charts in units and values are not comparable in its entirety.

Net Sales

Volume

Volume sold increased 3.8% in the 4Q08 reaching a total of 13.2 million cases, or 482 thousand cases more than the same quarter last year. It is important to notice that several Herdez Del Fuerte's product lines consolidate proportionately at a 50% making the segments not completely comparable.

Higher sales in lines such as mole sauces, mayonnaise, home-style sauces and ketchup, caused "Sauces and Dressings" to grow 6.5% in the October-December period of 2008, while "Vegetables" doubled its sales driven by the implementation of effective rotation plans in the Supermarket channel.

It is important to mention that even though sales of tuna in chunks and flakes rose in the quarter, the "Meat and Seafood" segment decreased 17.5% due to the effect of the proportional consolidation.

Annual sales in volume accumulated a 4.4% growth from 44.5 million cases in 2007 to 46.5 million cases in 2008.

SALES VOLUME (Thousand Cases)										
Fourth Quarter					Segment	Twelve months ended December 31				
2008	%	2007	%	cambio %		2008	%	2007	%	cambio %
5,613	42.4%	5,271	41.3%	6.5%	Sauces and Dressings	18,766	40.4%	18,277	41.0%	2.7%
857	6.5%	1,501	11.8%	-42.9%	Juices, Fruits and Desserts	3,081	6.6%	5,387	12.1%	-42.8%
2,174	16.4%	1,087	8.5%	100.0%	Vegetables	7,277	15.6%	3,809	8.6%	91.0%
566	4.3%	686	5.4%	-17.5%	Meat and Seafood	1,911	4.1%	2,347	5.3%	-18.6%
2,971	22.4%	3,047	23.9%	-2.5%	Pastas	10,716	23.0%	10,771	24.2%	-0.5%
40	0.3%	46	0.4%	-12.1%	Other	159	0.3%	148	0.3%	7.4%
12,221	92.3%	11,638	91.2%	5.0%	Domestic Sales	41,910	90.1%	40,739	91.5%	2.9%
1,026	7.7%	1,127	8.8%	-9.0%	Foreign Sales	4,591	9.9%	3,792	8.5%	21.1%
13,247	100.0%	12,765	100.0%	3.8%	Total Sales	46,501	100.0%	44,531	100.0%	4.4%



Pesos

The creation of Herdez Del Fuerte and the execution of an effective pricing policy were the main factors that positively influenced both domestic and foreign sales, registering in total an 18.3% robust growth, reaching \$2,203.9 million pesos in the last quarter of the year.

This increase was caused by the good performance of the segments "Vegetables" and "Sauces and Dressings," which rose 55.5% and 20.3% respectively, for the aforementioned reasons; while price increases undertaken early in the quarter benefited the "Pasta" segment, which rose 29.2%.

As for foreign sales, they showed a significant growth of 55.1% during the 4Q08 due to the incorporation of the "Embasa" and "La Victoria" brands in the United States, and to the strengthening of the dollar.

On an annual basis, sales growth in pesos accumulated a 12.0% growth, from \$6.4 billion in 2007 to \$ 7.2 billion in 2008.

NET SALES (Nominal million pesos)										
Fourth Quarter					Segment	Twelve months ended December 31				
2008	%	2007	%	cambio %		2008	%	2007	%	cambio %
1,113.2	50.5%	925.3	49.7%	20.3%	Sauces and Dressings	3,608.4	49.8%	3,270.1	50.5%	10.3%
147.6	6.7%	197.7	10.6%	-25.3%	Juices, Fruits and Desserts	485.9	6.7%	698.6	10.8%	-30.4%
260.5	11.8%	167.5	9.0%	55.5%	Vegetables	865.3	11.9%	574.0	8.9%	50.7%
202.2	9.2%	186.4	10.0%	8.5%	Meat and Seafood	636.8	8.8%	655.2	10.1%	-2.8%
267.1	12.1%	206.8	11.1%	29.2%	Pastas	846.2	11.7%	695.8	10.8%	21.6%
13.8	0.6%	50.9	2.7%	-72.9%	Other	60.5	0.8%	124.3	1.9%	-51.3%
2,004.4	90.9%	1,734.6	93.1%	15.6%	Domestic Sales	6,503.1	89.7%	6,018.0	93.0%	8.1%
199.5	9.1%	128.6	6.9%	55.1%	Foreign Sales	744.1	10.3%	452.1	7.0%	64.6%
2,203.9	100.0%	1,863.2	100.0%	18.3%	Total Sales	7,247.2	100.0%	6,470.1	100.0%	12.0%

Costs and Expenses

During the 4Q08, cost of sales increased 25.6% mainly derived from the record of a \$49.4 million charge for the detriment in the financial derivatives position in raw materials, and to a lesser extent, to the increase in prices of other inputs and packaging.

On a cumulative basis, cost of sales increased 2.8 percentage points, rising from 63.8% in 2007 to 66.6% during 2008 as percentage of sales.

The procurement of synergies in operations and distribution led to lower quarterly and cumulative operating expenses, which fell one and 0.1 percentage points respectively, compared with the same period last year, and helped to partially offset higher manufacturing costs.



Operating Income and EBITDA¹

The item recorded in the cost of sales generated an operating income of \$217.2 million during the 4Q08, a 15.7% decrease over the same period last year.

The operating margin accounted for 9.9% of sales, being 3.9 percentage points lower than in the same quarter of 2007.

Similarly, EBITDA decreased 12.4%, from \$282.1 million during the 4Q07 to \$247.2 million during the 4Q08, which meant a 3.9 percentage points reduction in the margin.

Annual operating Income totaled \$863.2 million, a decrease of only 2.5% due exclusively to the derivatives item. Moreover, the operating margin was 11.9%, 1.8 percentage points lower than the margin reported in 2007.

Grupo Herdez, S.A.B de C.V. and Subsidiaries										
Consolidated Income Statement										
For the period ended December 31, 2008 and 2007 (Nominal million pesos)										
	Fourth Quarter					Twelve months as of December 31				
	2008	%	2007	%	% Change	2008	%	2007	%	% Change
Net Sales	2,203.9	100.0%	1,863.2	100.0%	18.3%	7,247.2	100.0%	6,470.1	100.0%	12.0%
Cost of Goods Sold	1,557.2	70.7%	1,240.3	66.6%	25.6%	4,823.4	66.6%	4,129.4	63.8%	16.8%
Gross Profit	646.7	29.3%	622.9	33.4%	3.8%	2,423.8	33.4%	2,340.7	36.2%	3.6%
Operating Expenses	429.5	19.5%	365.2	19.6%	17.6%	1,560.6	21.5%	1,455.6	22.5%	7.2%
Operating Income	217.2	9.9%	257.7	13.8%	-15.7%	863.2	11.9%	885.1	13.7%	-2.5%
Comprehensive Financing Cost	35.4	1.6%	26.9	1.4%	31.6%	113.5	1.6%	95.9	1.5%	18.4%
Other expenses (Income)	7.2	0.3%	(2.5)	-0.1%	-388.0%	(157.5)	-2.2%	3.7	0.1%	NC
Income before income taxes	174.6	7.9%	233.3	12.5%	-25.2%	907.2	12.5%	785.5	12.1%	15.5%
Income tax provision	36.9	1.7%	45.4	2.4%	-18.7%	177.9	2.5%	181.9	2.8%	-2.2%
Income from unconsolidated affiliates	(1.3)	-0.1%	6.6	0.4%	-119.7%	24.2	0.3%	18.5	0.3%	30.8%
Income before discontinued ops.	136.4	6.2%	194.5	10.4%	-29.9%	753.4	10.4%	622.1	9.6%	21.1%
Discontinued Operations	2.8	0.1%	57.3	3.1%	NC	2.8	0.0%	105.1	1.6%	NC
Consolidated net income	133.6	6.1%	137.2	7.4%	-2.6%	750.6	10.4%	517.0	8.0%	45.2%
Minority Interest	24.1	1.1%	56.9	3.1%	-57.6%	168.2	2.3%	211.8	3.3%	-20.6%
Net Income	109.5	5.0%	80.3	4.3%	36.4%	582.5	8.0%	305.2	4.7%	90.9%
EBITDA	247.2	11.2%	282.1	15.1%	-12.4%	976.9	13.5%	1,004.0	15.5%	-2.7%

NC: Not comparable

Comprehensive Financing Cost

Due to the elimination of the inflationary accounting in accordance to NIF B-10, the comprehensive financing cost increased \$8.5% from \$26.9 million in the 4Q07 to \$35.4 million in the 4Q08.

Likewise, the accumulated cost was \$113.5 million, 18.4% higher than the comprehensive financing cost registered during 2007.



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

	2008	%	2007	%	Change	
					\$	%
TOTAL ASSETS	5,471.0	100.0%	4,628.3	100.0%	842.6	18.2%
Current Assets	2,939.2	53.7%	2,309.3	49.9%	629.9	27.3%
Cash and cash equivalents	211.6	3.9%	125.8	2.7%	85.8	68.2%
Accounts receivable, net	1,662.8	30.4%	1,185.6	25.6%	477.2	40.2%
Inventories	972.6	17.8%	930.8	20.1%	41.8	4.5%
Other current assets	92.2	1.7%	67.1	1.4%	25.1	37.4%
Property, Plant and Equipment, net	1,599.9	29.2%	2,009.3	43.4%	(409.4)	-20.4%
Intangible Assets	931.9	17.0%	309.7	6.7%	622.2	200.9%
TOTAL LIABILITIES	2,361.5	43.2%	2,003.9	43.3%	357.6	17.8%
Current Liabilities	1,390.9	25.4%	1,073.1	23.2%	317.8	29.6%
Accounts payable	595.6	10.9%	470.8	10.2%	124.8	26.5%
Short-Term Debt	544.7	10.0%	318.3	6.9%	226.4	71.1%
Other Short-Term liabilities	250.6	4.6%	284.0	6.1%	(33.4)	-11.8%
Non-Current Liabilities	970.6	17.7%	930.8	20.1%	39.8	4.3%
Long-Term Debt	739.4	13.5%	668.3	14.4%	71.1	10.6%
Other Debt with cost	134.3	2.5%	-	0.0%	134.3	NC
Deferred Credits	81.5	1.5%	211.7	4.6%	(130.2)	-61.5%
Other Liabilities	15.4	0.3%	50.8	1.1%	(35.4)	-69.7%
Minority Stockholder's equity	702.0	12.8%	610.7	13.2%	91.3	15.0%
Majority Stockholder's equity	2,407.4	44.0%	2,013.6	43.5%	393.8	19.6%
TOTAL STOCKHOLDER'S EQUITY	3,109.5	56.8%	2,624.3	56.7%	485.1	18.5%

Net Income

Before discontinued operations, consolidated net income decreased 29.9% from \$194.5 million during the 4Q07 to \$136.4 million during the 4Q08.

On the contrary, majority net income registered a 36.4% increase during the quarter, due to the recording of \$54.5 million less in discontinued operations than the amount recorded in 2007.

On a cumulative basis, both income before discontinued operations and majority net income showed significant growth, increasing 21.1% and 90.9% respectively, due to a charge of \$157.5 million recorded under "Other expenses (income)" according to items related to the integration of Herdez Del Fuerte and the non-recurring net gain for contributing shares of several companies for the creation of this society.

CAPEX

Net capital expenditures during 2008 totaled \$48.6 million pesos, being the most remarkable investments the building of food storage facilities and the expansion of the production, distribution and logistics capacity.



Cash Flow

Resources provided by operation at year end were \$130.8 million, amount which includes an increase in working capital. Of these resources 41.3% was invested in fixed assets for the Herdez Del Fuerte operations strategy, and the remainder was allocated to other corporate purposes.

Interest-bearing Liabilities

Consolidated bank-debt net of cash at December 31, 2008 totaled \$1,072.5 million, registering an increase of \$211.7 million, or 24.6% more than the balance recorded during the same period last year. The Company reported a Net debt-to stockholder's equity ratio of 0.34 times compared to 0.33 times attained during 2007.

Lastly, 57.6% of bank loans have long maturities, 95.5% are denominated in local currency (Mexican pesos) and 97.8% of the debt is contracted at variable rates

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 11 plants and 8 distribution centers with a workforce of over 5,000 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 UAFIDA: Utilidad antes de gastos/productos financieros, impuestos, depreciación y amortización.

