Report of Independent Auditors

(Translated from original issued in Spanish)

Tlalnepantla, Mex., February 17, 2011

To the Stockholders of
Grupo Herdez, S. A. B. de C. V. and subsidiaries

We have audited the consolidated balance sheets of Grupo Herdez, S. A. B. de C. V. and subsidiaries at December 31, 2010 and 2009, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement and that they were prepared in accordance with Mexican Financial Reporting Standards (NIF for their acronym in Spanish). An audit consists of examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the financial reporting standards used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the consolidated financial position of Grupo Herdez, S. A. B. de C. V. and subsidiaries at December 31, 2010 and 2009, and the consolidated results of its operations, the changes in its stockholders' equity and its cash flows for the years then ended, in conformity with NIF.

PricewaterhouseCoopers

JOSÉ IGNACIO TOUSSAINT PURÓN

Audit Partner

Consolidated Balance Sheets

Grupo Herdez, S. A. B. de C. V. and subsidiaries

(amounts stated in thousands of Mexican pesos)

	December 31,	
Assets	2010	2009
CURRENT ASSETS:		
Cash and cash equivalents	Ps 805,507	Ps 424,197
Trade accounts receivable, net of allowance for doubtful accounts of Ps42,770 in 2010 and Ps19,065 in 2009	772,612	744,628
Other accounts receivable	17,788	20,627
Value added tax and income tax recoverable	186,985	145,227
Related parties (Note 5)	983,312	888,120
	1,960,697	1,798,602
Inventories (Note 6)	963,664	936,094
Other current assets (Note 4)	200,348	98,816
Total current assets	3,930,216	3,257,709
PROPERTY, MACHINERY AND EQUIPMENT - Net (Note 7)	1,826,233	1,634,576
INVESTMENT IN ASSOCIATED COMPANIES (Note 9)	84,461	98,895
INTANGIBLE ASSETS (Note 8)	1,463,975	1,017,952
Total assets	Ps 7,304,885	Ps 6,009,132
Liabilities and Stockholders' Equity		
CURRENT LIABILITIES:		
Notes payable (Note 10)	Ps 313,743	Ps 1,173,644
Suppliers	596,860	463,534
Other accounts payable and accrued expenses	213,858	162,911
Income tax payable	58,078	149,414
Employees' statutory profit sharing payable	13,517	12,654
Total current liabilities	1,196,056	1,962,157
LONG-TERM LIABILITIES:		
Notes payable (Note 10)	1,204,200	8,400
Long-term debt (Note 10)	293,691	125,000
Deferred taxes (Note 14)	252,117	164,997
Employees' benefits (Note 12)	21,443	19,719
Total long-term liabilities	1,771,451	318,116
Total liabilities	2,967,507	2,280,273
STOCKHOLDERS' EQUITY (Note 13):		
Capital stock	965,541	961,048
Reserve for purchase of shares	400,000	219,504
Retained earnings	1,779,221	1,501,510
Premium on the subscription of shares	220,959	220,959
Financial instruments	12,850	
Cumulative translation adjustment	5,540	18,195
Majority stockholders' investment in the controlling equity	3,384,111	2,921,216
Non controlling equity	953,267	807,643
	4,337,378	3,728,859
Total liabilities and stockholders' equity	Ps 7,304,885	Ps 6,009,132

The accompanying eighteen notes are an integral part of these consolidated financial statements, which were authorized for issuance on February 17, 2011 by the undersigned officers.

HÉCTOR HERNÁNDEZ-PONS TORRES
General Director

ERNESTO RAMOS ORTÍZ
Administration and Corporate Practices Director

Consolidated Statement of Income

Grupo Herdez, S. A. B. de C. V. and subsidiaries

(amounts stated in thousands of Mexican pesos)

	Year ended December 31,			
		2010		2009
Net sales	Ps	8,871,260	Ps	8,265,640
Cost of sales		5,409,699		5,287,533
Gross profit		3,461,561		2,978,107
Operating expenses:				
Selling		1,205,292		1,151,468
Management		221,082		218,878
Advertising		403,174		323,354
		1,829,548		1,693,700
Operating income		1,632,013		1,284,407
Other (expenses) income - Net (Note 15)		(20,799)		96,855
Comprehensive financing result:				
Interest paid - Net		76,116		95,958
Exchange loss - Net		18,915		19,712
		95,031		115,670
Equity share in earnings of associated companies (Note 9)		24,452		43,810
Earnings before income tax		1,540,635		1,309,402
Income tax (Note 14)		424,897		300,431
Earnings before discontinued operations		1,115,738		1,008,971
Net discontinued operations (Note 17)		(12,024)		(9,153)
Consolidated net income for the year	Ps	1,103,714	Ps	999,818
Net income corresponding to non controlling equity	Ps	313,493	Ps	253,691
Net income corresponding to holding company stockholders	Ps	790,221	Ps	746,127
Basic income per common share (Note 2s.)	Ps	1.854	Ps	1.745

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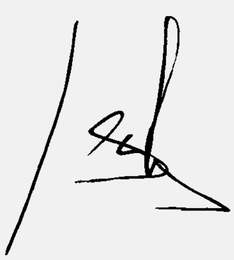

HÉCTOR HERNÁNDEZ-PONS TORRES
General Director

ERNESTO RAMOS ORTÍZ
Administration and Corporate Practices Director