



GRUPO HERDEZ REPORTS SECOND QUARTER 2016 RESULTS

Highlights from the quarter:

- Consolidated net sales rose 12.3% primarily driven by strong performance in Mexico core and the high season at Helados Nestlé.
- EBIT and EBITDA margins were 12.2% and 14.9%, respectively, reflecting the expected sequential recovery from the first quarter.
- CAPEX in the quarter totaled Ps. 93 million, mainly allocated to the expansion of the frozen segment.

Mexico City, Mexico, July 21, 2016 – Grupo Herdez, S.A.B. de C.V. (“Grupo Herdez” or the “Company”) (MSE: HERDEZ, OTC: GUZBY) today announced results for the second quarter ended June 30, 2016.

“Despite the challenges experienced in the period, we are on track to deliver our annual guidance as ongoing execution of our commercial and operational strategies drive solid sales growth and will continue to mitigate cost pressures,” said Héctor Hernández-Pons Torres, Chairman and Chief Executive Officer.

NET SALES

Net sales in the second quarter rose 12.3% from the year ago period to Ps. 4,431 million, primarily driven by Mexico core and the start of the high season for Helados Nestlé.

Net sales in Mexico core grew a solid 12.4%, mainly on volume gains helped by promotional activities and pricing actions implemented in the first six months of the year. The outperforming sales channels were modern retail and wholesalers, while category leaders were jams, mayonnaise, mole, pasta and tomato purée.

The information contained in this document is prepared in accordance with International Financial Reporting Standards (IFRS) and expressed in nominal Mexican pesos unless otherwise stated.

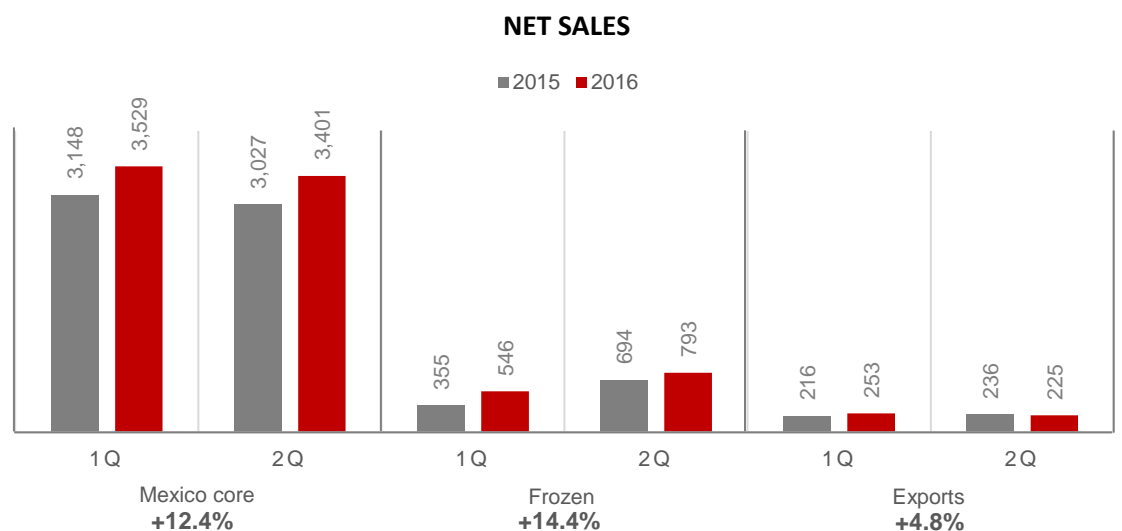
Grupo Herdez consolidates 100% of the Frozen division, Herdez Del Fuerte, Barilla Mexico and McCormick de Mexico in its financial statements. The proportional stake of Herdez Del Fuerte in MegaMex is registered in Equity Investment in Associates.

In the Frozen division, sales grew 14.4% with the benefit of the start of the high season at Helados Nestlé, and the continued improvement of Nutrisa's average ticket. Notably, performance at Helados Nestlé was the result of additional freezers and product innovations aimed at leveraging high season demand. Exports sales rose 4.8% and were affected by the completion of a contract for the Frozen division.

On a cumulative basis, consolidated net sales rose 14.3% to Ps. 8,758 million, primarily driven by solid performance in Mexico core and growth at Helados Nestlé.

NET SALES	2Q16	2Q15	% Change	1H16	1H15	% Change
Consolidated	4,431	3,946	12.3	8,758	7,665	14.3
Mexico Core	3,401	3,027	12.4	6,931	6,175	12.2
Frozen	793	694	14.4	1,339	1,049	27.7
Exports	236	225	4.8	488	441	10.6

Figures in million pesos



GROSS PROFIT

Consolidated gross margin in the quarter was 39.6%, a decline of 3.8 percentage points compared to the same period of 2015, mainly due to: i) the impact of higher dollar-denominated costs in Mexico core and the Frozen division; ii) certain shortages of raw materials; iii) higher costs at the tuna operation due to lower catching levels; and iv) extraordinary charges of Ps. 19 million at Nutrisa related to inventory adjustments. Excluding the extraordinary charges, gross margin would have been 40.1%.

It is important to note that on a sequential basis, gross margin net of extraordinary charges improved by 2.7 percentage points from the first quarter figures as a result of pricing actions implemented during the first six months of the year.

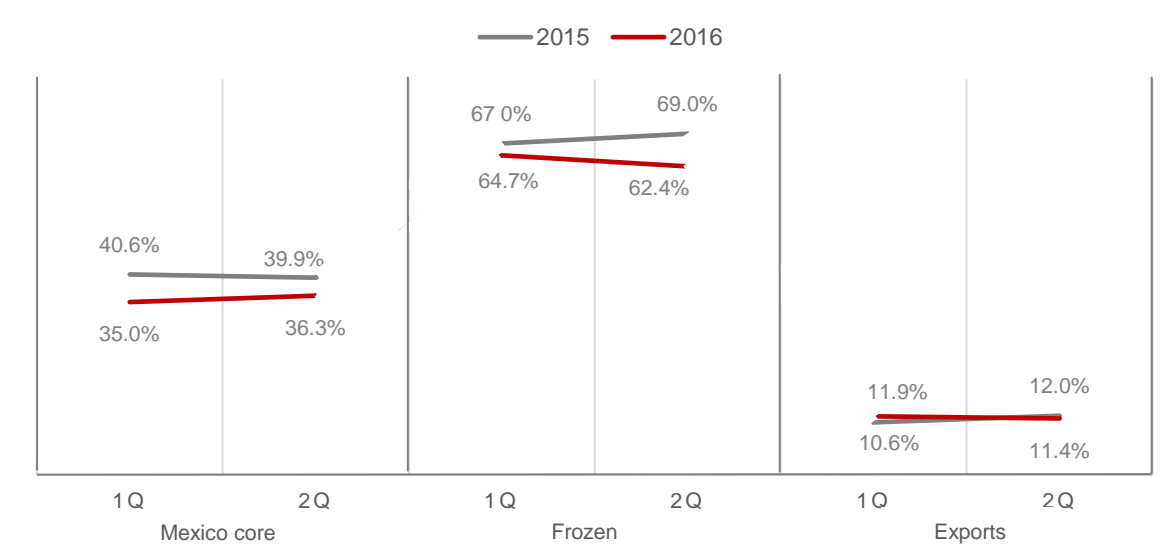
On a cumulative basis, the margin was 38.5%, while excluding the extraordinary charges, it would have been 38.7%.

GROSS PROFIT	2Q16	2Q15	% Change	2016	2015	% Change
Consolidated	1,757	1,713	2.5	3,373	3,252	3.7
Mexico Core	1,234	1,208	2.2	2,469	2,485	(0.6)
Frozen	495	479	3.4	848	717	18.3
Exports	27	27	1.8	56	50	12.5

Figures in million pesos

GROSS MARGIN	2Q16	2Q15	pp Chg	2016	2015	pp Chg
Consolidated	39.6	43.4	(3.8)	38.5	42.4	(3.9)
Mexico Core	36.3	39.9	(3.6)	35.6	40.2	(4.6)
Frozen	62.4	69.0	(6.6)	63.3	68.4	(5.1)
Exports	11.6	11.9	(0.3)	11.5	11.3	0.2

GROSS MARGIN



SALES, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

At the consolidated level, SG&A as a proportion of net sales decreased 30 basis points to 27.8%. In Mexico core SG&A decreased 80 basis points due to a higher absorption of fixed expenses.

At the Frozen division, SG&A increased 90 basis points as a percentage of net sales due to Ps. 14 million at Nutrisa arising from the standardization of certain accounting criteria following its integration with Grupo Herdez. Excluding this item, SG&A would have decreased 80 basis points to 56.6% with the higher absorption of fixed expenses due to strong top line growth.

For the first six months of the year, SG&A represented 26.9% of net sales, nearly unchanged from the year ago figure.

OTHER INCOME AND EXPENSES

The Company registered other income of Ps. 15 million in the second quarter, while for the first six months of the year it was Ps. 23 million.

EARNINGS BEFORE INTEREST AND TAXES (EBIT)

EBIT in the quarter totaled Ps. 539 million, with a margin of 12.2%, or 3.1 percentage points lower compared to the same period of 2015. This was attributable to gross margin pressure and the aforementioned extraordinary charges. Excluding those charges, EBIT would have been Ps. 572 million, with a margin of 12.9%.

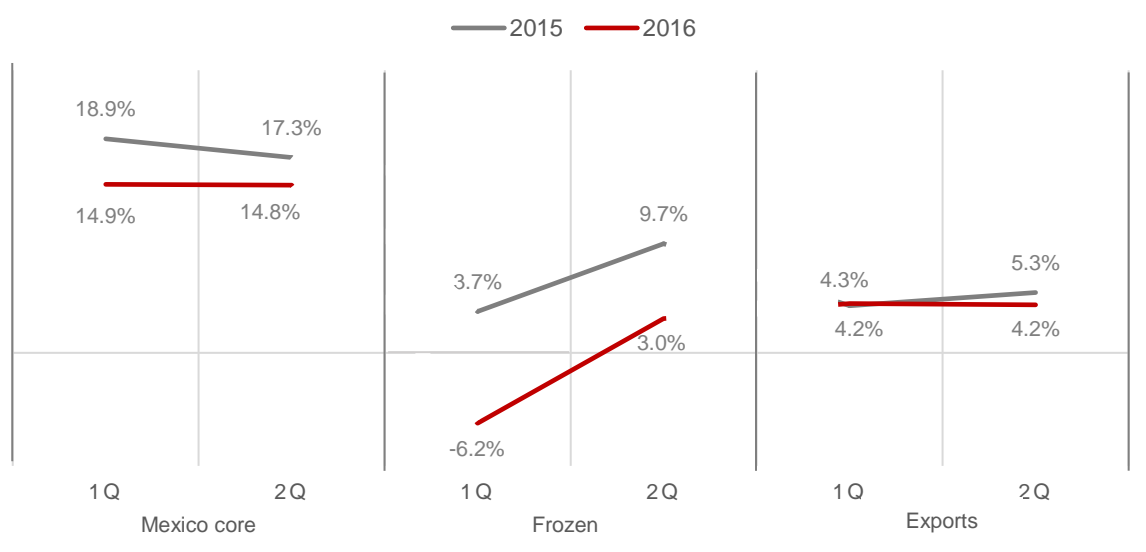
For the first half of the year EBIT totaled Ps. 1,041 million with a margin of 11.9%, 4.0 percentage points lower than in 2015. Excluding the extraordinary charges registered in the second quarter, EBIT would have been Ps. 1,074 million, with a margin of 12.3%

EBIT	2Q16	2Q15	% Change	1H16	1H15	% Change
Consolidated	539	602	(10.4)	1,041	1,219	(14.6)
Mexico Core	505	523	(3.4)	1,032	1,119	(7.8)
Frozen	24	67	(64.8)	(11)	80	N.A.
Exports	10	12	(12.0)	20	21	(3.1)

Figures in million pesos

EBIT MARGIN (%)	2Q16	2Q15	pp Chg	1H16	1H15	pp Chg
Consolidated	12.2	15.3	(3.1)	11.9	15.9	(4.0)
Mexico Core	14.9	17.3	(2.4)	14.9	18.1	(3.2)
Frozen	3.0	9.7	(6.7)	-0.8	7.6	(8.4)
Exports	4.3	5.1	(0.8)	4.1	4.7	(0.6)

EBIT MARGIN



COMPREHENSIVE FINANCING RESULT

The Company registered a net financing cost of Ps. 94 million in the quarter, 19.0% lower than in the same period of last year. This decline is explained by a net exchange gain of Ps. 17 million compared to a loss of Ps. 23 million in the same quarter of 2015, which mitigated higher net interest payments of Ps. 111 million arising from the Company's dollar-denominated debt.

EQUITY INVESTMENT IN ASSOCIATES

In the quarter, equity investment in associates totaled Ps. 146 million, 30.0% higher than the year ago figure driven by the operating profit recovery at MegaMex since the beginning of the year in combination with the strengthening of the US dollar.

On a cumulative basis, equity investment in associates was Ps. 296 million, 28.8% higher than in 2015.

EQUITY INVESTMENT IN ASSOCIATES	2Q16	2Q15	% Change	1H16	1H15	% Change
Consolidated	146	112	30.0	296	230	28.8
MegaMex	138	105	31.3	282	213	32.2
Others	8	7	10.6	14	17	(15.3)

Figures in million pesos

CONSOLIDATED NET INCOME

Consolidated net income totaled Ps. 373 million in the quarter, a 7.8% decline compared to the same period of 2015, while the margin contracted from 10.2% to 8.4%. It should be noted that in the quarter, the Company registered Ps.15 million of additional taxes arising from a fiscal liability valuation update.

On a cumulative basis, consolidated net income was Ps. 734 million with a margin of 8.4%.

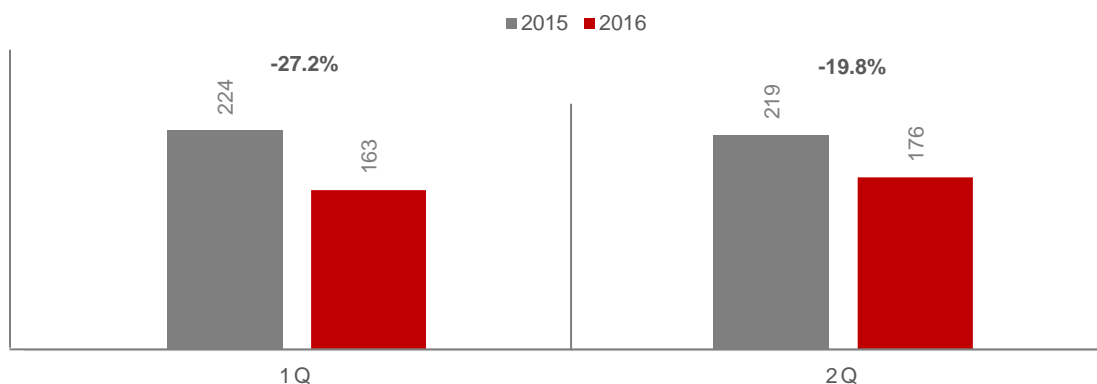
MAJORITY NET INCOME

Majority net income was Ps.176 million in the quarter, while the margin was 4.0%. On a cumulative basis, majority net income was Ps. 339 million with a margin of 3.9%.

NET INCOME	2Q16	2Q15	% Change	1H16	1H15	% Change
Consolidated Net Income	373	404	(7.8)	734	840	(12.6)
Consolidated Net Mg (%)	8.4	10.2	(1.8) pp	8.4	11.0	(2.6) pp
Minority Interest	197	185	6.4	395	397	(0.5)
Majority Net Income	176	219	(19.8)	339	443	(23.5)
Majority Net Mg (%)	4.0	5.6	(1.6) pp	3.9	5.8	(1.9) pp

Figures in million pesos

MAJORITY NET INCOME



EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AMORTIZATION AND OTHER NON-CASH CHARGES (EBITDA)

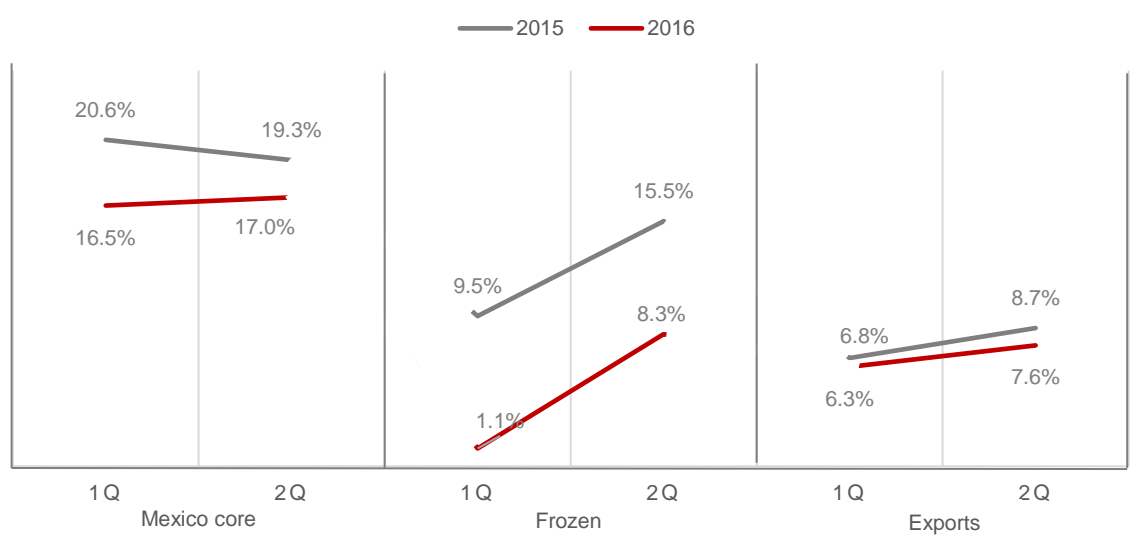
EBITDA in the quarter totaled Ps. 662 million, 7.1% less than in the year ago period, while on a cumulative basis it declined 10.3% to Ps. 1,265 million. In both cases this reflected consolidated gross margin pressure and the impact of the integration process at Nutrisa. Excluding extraordinary charges derived from the above, EBITDA margin would have been 15.7% in the quarter, while for the first half it would have been 14.8%.

EBITDA	2Q16	2Q15	% Change	1H16	1H15	% Change
Consolidated	662	713	(7.1)	1,265	1,410	(10.3)
Mexico Core	578	586	(1.3)	1,159	1,235	(6.1)
Frozen	66	107	(38.5)	72	141	(49.0)
Exports	18	20	(8.4)	34	34	(1.3)

Figures in million pesos

EBITDA MARGIN (%)	2Q16	2Q15	pp Chg	1H16	1H15	pp Chg
Consolidated	14.9	18.1	(3.2)	14.4	18.4	(4.0)
Mexico Core	17.0	19.3	(2.3)	16.7	20.0	(3.3)
Frozen	8.3	15.5	(7.2)	5.4	13.5	(8.1)
Exports	7.6	8.7	(1.1)	7.0	7.8	(0.8)

EBITDA MARGIN



CAPITAL EXPENDITURES (CAPEX)

Net CAPEX in the quarter was Ps. 93 million. These funds were mainly allocated to new freezers for Helados Nestlé, new stores at Nutrisa and ongoing investments in the Company's clean energy co-generation project.

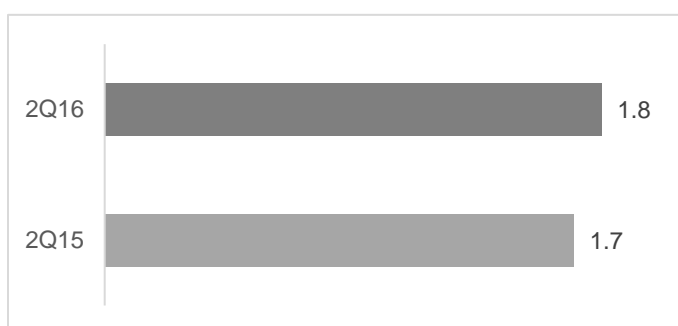


FINANCIAL STRUCTURE

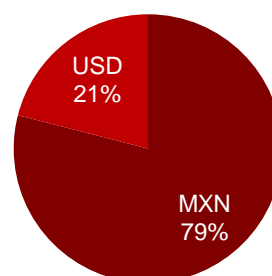
At June 30, 2016, the Company's consolidated cash position totaled Ps.1,119 million. Interest-bearing liabilities, excluding corporate debt¹, was Ps. 6,149 million, Ps. 91 million higher than in March 2016 resulting from the FX impact on the 21% of the Company's debt that is US dollar denominated.

Net debt to consolidated EBITDA was 1.8 times while net debt to consolidated stockholder's equity was 0.37 times.

NET DEBT / EBITDA



CURRENCY MIX



NUTRISA STORES

As of June 30, 2016, Nutrisa had 496 stores.

¹ Corporate debt includes interest-bearing liabilities of the associated company Herdez Del Fuerte that cannot be eliminated since its results are consolidated fully into Grupo Herdez financial statements. It is important to note that in the Consolidated Statement of Financial Position, Grupo Herdez recognizes an account receivable of the same amount.



2Q16 EARNINGS CONFERENCE CALL INFORMATION

Date: Friday, July 22, 2016

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

To participate, please dial:

- Toll-Free US and Canada: +1 (888) 430 8709
- Toll International: +1 (719) 325 2491
- Conference ID#: 3433043

To access the call online, follow the link at <http://grupoherdez.mx/investors/?lang=en> or go directly to <http://public.viavid.com/index.php?id=119972>

If you are unable to participate live, a replay of the conference call will be available from July 22 until August 5, 2016. To access the replay, please dial domestic US and Canada +1 (877) 870 5176, or from other countries +1 (858) 384 5517; conference ID: 3433043.

Contact information:

Andrea Amozurrutia Casillas

+52 (55) 5201-5636

Grecia Domínguez Leyva

+52 (55) 5201-5602

invrel@herdez.com

About Grupo Herdez

Grupo Herdez is the leading producer of shelf-stable foods and one of the main players in the ice cream category in Mexico, as well as one of the leaders in the Mexican food category in the United States. The Company participates in a wide range of categories including burritos, canned vegetables, frozen yogurt, guacamole, home style salsas, honey, ice cream, jam, ketchup, mayonnaise, mole, mustard, organic foods, pasta, spices, tea, tomato puree, and tuna fish, among others. These products are commercialized through an exceptional portfolio of brands, which include Aires de Campo®, Barilla®, Búfalo®, Chi-Chi's®, Del Fuerte®, Don Miguel®, Doña María®, Embasa®, Helados Nestlé®, Herdez®, La Victoria®, McCormick®, Nutrisa®, Wholly Guacamole® and Yemina®. Additionally, the Company has distribution agreements in Mexico for Herdez GoGo Squeeze®, Kikkoman®, Ocean Spray®, Reynolds® and Truvia®. Grupo Herdez has 15 plants, 9 distribution centers, 8 tuna vessels, 492 Nutrisa stores and a workforce of more than 8,500 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 <http://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 affiliated 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 and/or its respective officers, employees or agents, assume no responsibility or liability for any discrepancy in the Information. In particular, but without prejudice to the generality of the foregoing, no warranty is given as to the accuracy of the statements or the future variation of the Information or any other written or oral Information issued by Grupo Herdez. The Information has been delivered for informative purposes only. The issuance of this Information shall not be taken as any form of commitment on the part of Grupo Herdez to proceed with any transaction.

INCOME STATEMENT	Second Quarter					As of June 30				
	2016	%	2015	%	% Chg	2016	%	2015	%	% Chg
Net Sales	4,431	100.0	3,946	100.0	12.3	8,758	100.0	7,665	100.0	14.3
Mexico Core	3,401	100.0	3,027	100.0	12.4	6,931	100.0	6,175	100.0	12.2
Frozen	793	100.0	694	100.0	14.4	1,339	100.0	1,049	100.0	27.7
Exports	236	100.0	225	100.0	4.8	488	100.0	441	100.0	10.6
Cost of Goods Sold	2,674	60.4	2,232	56.6	19.8	5,385	61.5	4,413	57.6	22.0
Mexico Core	2,167	63.7	1,819	60.1	19.1	4,462	64.4	3,690	59.8	20.9
Frozen	298	37.6	215	31.0	39.0	491	36.7	332	31.6	48.0
Exports	209	88.4	198	88.1	5.2	432	88.5	392	88.7	10.3
Gross Profit	1,757	39.6	1,713	43.4	2.5	3,373	38.5	3,252	42.4	3.7
Mexico Core	1,234	36.3	1,208	39.9	2.2	2,469	35.6	2,485	40.2	(0.6)
Frozen	495	62.4	479	69.0	3.4	848	63.3	717	68.4	18.3
Exports	27	11.6	27	11.9	1.8	56	11.5	50	11.3	12.5
Operating Expenses	1,232	27.8	1,107	28.1	11.3	2,355	26.9	2,043	26.7	15.3
Mexico Core	753	22.1	694	22.9	8.5	1,471	21.2	1,388	22.5	6.0
Frozen	462	58.3	398	57.4	16.1	848	63.3	626	59.7	35.5
Exports	17	7.3	15	6.8	12.2	36	7.4	29	6.6	22.8
EBIT before Other Income and Expenses	524	11.8	606	15.4	(13.5)	1,018	11.6	1,209	15.8	(15.8)
Mexico Core	482	14.2	514	17.0	(6.3)	998	14.4	1,097	17.8	(9.0)
Frozen	33	4.1	81	11.6	(59.4)	0	0.0	91	8.7	N.A.
Exports	10	4.3	12	5.1	(12.0)	20	4.1	20	4.6	(2.1)
Other Income/Expenses, Net	(15)	(0.3)	4	0.1	N.A.	(23)	(0.3)	(11)	(0.1)	N.A.
EBIT	539	12.2	602	15.3	(10.4)	1,041	11.9	1,219	15.9	(14.6)
Mexico Core	505	14.9	523	17.3	(3.4)	1,032	14.9	1,119	18.1	(7.8)
Frozen	24	3.0	67	9.7	(64.8)	(11.0)	(0.8)	80	7.6	N.A.
Exports	10	4.3	12	5.1	(12.0)	20	4.1	21	4.7	(3.1)
Comprehensive Financing Result	94	2.1	116	2.9	(19.0)	219	2.4	212	2.8	(0.9)
Interest Earned and Paid, Net	111	2.5	94	2.4	18.1	210	2.4	180	2.4	(95.0)
Exchange Loss (Gain)	(17)	(0.4)	23	0.6	-	9	0.1	31	0.4	-
Equity Investment in Associates	146	3.3	112	2.8	30.0	296	3.4	230	3.0	28.8
MegaMex	138	3.1	105	2.7	31.3	282	3.2	213	2.8	32.2
Others	8	0.2	7	0.2	10.6	14	0.2	17	0.2	(15.3)
Income Before Income Taxes	591	13.3	598	15.1	(1.1)	1,118	12.8	1,237	16.1	(9.6)
Income Tax Provision	218	4.9	193	4.9	12.8	384	4.4	397	5.2	(3.3)
Consolidated Net income	373	8.4	404	10.2	(7.8)	734	8.4	840	11.0	(12.6)
Minority Interest	197	4.4	185	4.7	6.4	395	4.5	397	5.2	(0.5)
Majority Net Income	176	4.0	219	5.6	(19.8)	339	3.9	443	5.8	(23.5)
EBITDA	662	14.9	713	18.1	(7.1)	1,265	14.4	1,410	18.4	(10.3)
Mexico Core	578	17.0	586	19.3	(1.3)	1,159	16.7	1,235	20.0	(6.1)
Frozen	66	8.3	107	15.5	(38.5)	72	5.4	141	13.5	(49.0)
Exports	18	7.6	20	8.7	(8.4)	34	7.0	34	7.8	(1.3)

Figures expressed in millions of Mexican pesos

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

STATEMENT OF FINANCIAL POSITION	June 30 2016	%	March 31 2016	%	Change \$	%
TOTAL ASSETS	25,707	100.0	25,263	100.0	444	1.8
Domestic	24,327	94.6	23,960	93.2	367	1.5
USA	1,380	5.4	1,304	5.1	77	5.9
Current Assets	6,879	26.8	6,776	26.8	103	1.5
Cash and Equivalents	1,119	4.4	1,607	6.4	-488	(30.4)
Accounts Receivable	1,844	7.2	1,584	6.3	260	16.4
Other Accounts Receivable	119	0.5	155	0.6	-36	(23.2)
Inventories	2,792	10.9	2,435	9.6	357	14.7
Other Current Assets	1,004	3.9	995	3.9	9	0.9
Non-Current Assets	18,828	73.2	18,487	73.2	341	1.8
Property, Plant and Equipment, Net	5,344	20.8	5,351	21.2	-7	(0.1)
Investment In Subsidiaries	5,995	23.3	5,675	22.5	320	5.6
Intangible Assets	6,812	26.5	6,813	27.0	-1	(0.0)
Other Assets	676	2.6	648	2.6	28	4.3
TOTAL LIABILITIES	11,787	45.9	11,377	45.0	410	3.6
Domestic	11,190	43.5	11,288	44.7	-98	(0.9)
USA	598	2.3	88	0.3	510	NA
Current Liabilities	3,456	13.4	3,164	12.5	292	9.2
Accounts Payable	1,683	6.5	1,532	6.1	151	9.9
Short-Term Debt	350	1.4	350	1.4	0	0.0
Other Short-Term Liabilities	1,423	5.5	1,282	5.1	141	11.0
Long-Term Liabilities	8,331	32.4	8,213	32.5	118	1.4
Long-Term Debt	5,799	22.6	5,708	22.6	91	1.6
Other Liabilities	1,336	5.2	1,296	5.1	40	3.1
Other Long-Term Liabilities w/o Cost	1,196	4.7	1,209	4.8	-13	(1.1)
TOTAL STOCKHOLDERS' EQUITY	13,920	54.1	13,887	55.0	33	0.2
Minority Stockholder's Equity	7,131	27.7	6,969	27.6	162	2.3
Majority Stockholder's Equity	6,789	26.4	6,918	27.4	-129	(1.9)

Figures expressed in millions of Mexican pesos