

## Grupo Herdez announces the creation of MegaMex Foods



HERDEZ

Mexico City, June 19, 2009. Grupo HERDEZ, S.A.B de C.V. (MSE:HERDEZ\* OTC:GUZBY) announces the definitive agreement signed today between its associated company Herdez Del Fuerte, S.A. de C.V. and Hormel Foods Corp. (NYSE:HRL) for the creation of MegaMex Foods LLC, a 50/50 joint venture to market Mexican foods in the United States.

Estimated revenue for the new company will be of \$200 million dollars and the comprehensive portfolio will include brands and products such as HERDEZ®, DEL FUERTE®, DOÑA MARÍA®, LA VICTORIA®, EMBASA® and CHI-CHI'S®, among others, which resonate with Mexican-American and mainstream consumers of Mexican foods.

### Stock Listing Information:

**MSE: Herdez\***

**OTC: Guzby (ADR  
Level 1)**

"MegaMex Foods will contribute to our profitable growth target, positioning us as a strong competitor in the processed food market in the United States of America" said Héctor Hernández-Pons Torres, chairman and chief executive officer of Grupo Herdez.

**Total shares  
outstanding as of  
06/18/09:  
427,479,463**

At the same time, Enrique Hernández-Pons Torres, chairman of the Board of MegaMex Foods declared: "This strategic joint venture –which combines leading brands of Herdez Del Fuerte with the strength in manufacturing and distribution of Hormel- will increase significantly our scope in foreign markets".

Jeffrey M. Ettinger, chairman of the board, president and chief executive officer at Hormel Foods added: "This expanded, long-term agreement with Herdez Del Fuerte is an example of how we continue to look to diversify our product portfolio. MegaMex Foods will have the scale and skill set to establish leadership in Mexican foods and grow the category. The collaboration should allow us to better serve both the growing U.S. Hispanic population and the vast numbers of the general population who love Mexican food".

In order to provide focus to the business, MegaMex Foods will be a free-standing entity with an independent management team based in Chino, California. MegaMex will optimize efficiencies by leveraging core competencies of the parent companies, such as manufacturing, research and development and the supply chain.

Atlas Strategic Advisors LLC, the New York investment banking firm, acted as exclusive advisor to Herdez Del Fuerte and Hormel Foods in the transaction.

Operations for MegaMex Foods will initiate around October 26, 2009, which coincides with the start of fiscal year 2010 for Hormel Foods.



**About Grupo Herdez:**

*Grupo Herdez is leader in the manufacturing, marketing and distribution of processed food and drinks, as well as pasta. The Group has a solid portfolio of the highest quality products sold under brand names such as Herdez, Del Fuerte, McCormick, Búfalo, Doña María, Nair, Barilla, Yemina, La Gloria, Embasa, La Victoria, Carlota and Blasón, among others, all of which are highly recognized and valued in the market. The Group has five strategic alliances with leading corporations worldwide: one with McCormick and Company, Inc., two with Hormel Foods Corp., one with Barilla GeR Fratelli S.p.A., and the most recent with Grupo Kuo S.A.B. de C.V., for the creation of Herdez Del Fuerte. The infrastructure is comprised of ten plants and nine distribution centers in Mexico, employing more than 6,500 people. For more information, please visit <http://www.grupoherdez.com.mx>*

**About Hormel Foods:**

*Hormel Foods Corporation, based in Austin, Minn., is a multinational manufacturer and marketer of consumer-branded food and meat products, many of which are among the best known and trusted in the food industry. The company leverages its extensive expertise, innovation and high competencies in pork and turkey processing and marketing to bring quality, value-added brands to the global marketplace. The company is a member of the Standard & Poor's 500 Index, and in each of the past ten years, Hormel Foods was named one of "The 400 Best Big Companies in America" by Forbes magazine. The company enjoys a strong reputation among consumers, retail grocers, foodservice and industrial customers for products highly regarded for quality, taste, nutrition, convenience and value. For more information, visit <http://www.hormelfoods.com> <http://www.hormelfoods.com>.*

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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**For additional information:**

**Gerardo Canavati Miguel**  
CFO and Planning Director  
(5255) 5201-5655 Xt. 1230  
[gcanavati@herdezdel fuerte.com](mailto:gcanavati@herdezdel fuerte.com)

**Angelica Piña Garnica**  
Investor Relations Manager  
(5255) 5201-5655 Xt. 1085  
[apg@herdezdel fuerte.com](mailto:apg@herdezdel fuerte.com)

**Media Inquiries:**

**Lydia Fresnedo**  
IC&M Comunicación & Marketing  
(5255) 5251-7999 ext. 112  
[lydia@icmmexico.com](mailto:lydia@icmmexico.com)

