



October 29, 2008.

Dear Board Members:

Over the past few months, we have witnessed unprecedented events and extreme volatility in global financial markets which, unfortunately, will translate into greater economic deterioration on a global basis.

However, it is important to mention that unlike other periods of economic slowdown, Mexico is better prepared, and in particular Grupo Herdez, which participates in a more defensive industry, is also better prepared to confront the obstacles mentioned.

Net sales of the Company during the third quarter of 2008 rose 7.6% totaling \$1,772.6 million, standing out an effective pricing policy which came into force in the middle of the quarter.

The operating income for the quarter rose 16.2%, from \$193.5 to \$225.0 million. This result was favored by the operational synergies resulting from the Herdez Del Fuerte integration, which have partially mitigated the adverse effects of higher production costs.

Likewise, operating cash flow EBITDA rose from \$223.3 to \$254.6 million, an increase of 14.0% with a slight expansion of 80 basis points in the margin.

Net income totaled \$100.4 million, increasing more than double with respect to the income registered in the same period of the prior year, which includes a charge for discontinued operations.

With regards to the cumulative results as of September 30, 2008, net sales registered an increase of 9.5%, breaking the barrier of five billion pesos.

The pressure on manufacturing costs was partially offset through the positive impact on the Group's results due to the creation of Herdez Del Fuerte, obtaining a 3.0% and 2.4% increase in the operating income and EBITDA, respectively.

As in the third quarter, cumulative majority net income doubled, rising from \$224.8 to \$473.1 million, figure which includes non-recurring gains in Herdez Del Fuerte's operations.

Bank-debt less available cash-on-hand totaled \$1,012.1 million, \$71 million less than the balance at June 30, 2008.

As of September 30, 2008, 97% of the bank-debt was denominated in local currency, while the short-term tranche represented 41% of total interest-bearing liabilities, and available credit lines were approximately an additional third of total bank-debt.

Our biggest challenge for the months to come will be to maintain the good sales performance that we have achieved so far, and continue increasing our service level with clients.

Additionally, we will take steps to reduce our working capital, accelerate to the extent possible the attainment of synergies in Herdez Del Fuerte, optimize costs and expenses as well as prioritize CAPEX investments for the following months.

Sincerely,

Héctor Hernández-Pons Torres  
President and CEO