



April 23, 2008.

Dear Board Members:

This is Herdez Del Fuerte's first quarter of operation, a period in which we determined synergies without disruptions in our companies' daily processes.

Our goals at this stage were successfully completed despite the current challenging business environment, as we witnessed during the first three months of the year an unprecedented price increase in commodities globally, derived from a rising demand and the consequent inventory draw down.

Total consolidated net sales for the quarter ended March 31, 2008 totaled \$1,548 million, an increase of 8.4% due to strong performance in all categories, as well as the incorporation of Herdez Del Fuerte. In this period, domestic sales of pastas, coffee, mayonnaise, ketchup, tuna, tomato puree and home-style sauces stood out.

Exports reached \$173 million due to the inclusion of La Victoria in the United States, representing 11% of total sales in comparison with 8% obtained during the same period last year.

Cost of sales increased 14% resulting from higher raw materials' prices, mainly tuna and vegetable oils, as well as by a different sales mix. This, combined with a pricing policy that was effective at the end of the quarter, caused a gross margin erosion of approximately three percentage points.

Operating expenses as a percentage of net sales remained constant, representing 22.9 per cent. Operating income and EBITDA were \$195 and \$221 million respectively, 17% less than the prior year due to production costs' increases.

We recorded a \$196 million pesos non-recurring net gain in the quarter derived from the creation of Herdez Del Fuerte and other provisions. Considering this non-cash item, net income rose to \$281 million.

As of the Company's financial situation, net debt was \$820 million, \$41 million less than the amount recorded in December 31, 2007. As a result of the creation of Herdez Del Fuerte, the Company's net book value rose 16% from \$4.59 to \$5.33 pesos per share, while the debt-with-cost to total-shareholders'-equity ratio decreased from 0.40 to 0.32 times.

Without doubt, the creation of a great portfolio of brands in Mexico and the United States combined with a solid operating platform across Herdez Del Fuerte, gives us tools to thoroughly face the challenges that may arise.

Throughout the year, we will work quickly to capture part of the synergies from this integration in order to continue on the path of profitable growth.

In the lives of great companies there is a need to put long-term goals before short-term, referring in particular to the pressure in quarterly operating margins, situation that should decrease throughout the year via greater operating efficiencies and the effectiveness of our pricing policy.

Sincerely

Hector Hernandez-Pons Torres.  
Chairman and Chief Executive Officer