



February 25, 2010.

Dear Board Members:

At Grupo Herdez, 2009 was a record year.

We decided to actively cope with economic crisis and as a result of our actions, we grew, we obtained efficiencies, we invested in assets and even increased the number of employees working in the company.

I am very satisfied with the results of the company, and the achievements obtained in all the companies that comprise the group, encouraging us to set higher goals.

During the fourth quarter of 2009, the sales of Grupo Herdez totaled \$2,283.0 million, an increase of 3.6 percent, standing out in the domestic market the sales of mayonnaise, tomato puree, pasta, ketchup and salsas, among others.

Operating profit and EBITDA increased 90.3 and 80.1 percent respectively, compared with the results obtained in the fourth quarter of 2008, which include a \$49.3 million pesos charge in the cost of sales due to the valuation of commodities hedging instruments. Without this charge, operating income and EBITDA increased 55.0 and 50.0 percent respectively.

In the October to December 2009 period, an extraordinary gain of \$87.0 million was recorded for contributing Herdez Corp. shares to the newly created MegaMex Foods, LLC., which, coupled with excellent operating results, caused net income to increase to \$308.0 million, almost twice the profit obtained in the same period of 2008.

Throughout 2009, the company's sales totaled \$ 8,265.6 million or 14.1% higher than the sales recorded in 2008.

The cost as a percentage of sales decreased by more than two percentage points due to stable commodity prices during the second half of the year as well as an effective pricing policy. Thus, gross profit totaled \$ 2,978.1 million or 22.9% higher than the figure obtained in 2008.

The substantial improvement in gross margins with greater efficiency in operating expenses, led to an expansion in operating margins of more than three percentage points.

Operating income and EBITDA increased 48.8% and 43.8% respectively, with EBITDA reaching \$1,405.0 million.

Net majority income considering the extraordinary items mentioned above totaled \$746.1 million, or 28.1% higher than that obtained in 2008.

The financial situation of the company is the best in recent years. Bank loans less cash available as of December 31, 2009 was \$757.8 million, 29.3 percent lower than the net bank-debt in 2008, after having invested \$371.0 million in capital expenditures and paying dividends of \$359.0 million.

Net bank-debt represented 0.54 times the EBITDA generated in 2009, the lowest ratio in the history of the company.

The returns to shareholders -without considering non-recurring benefits- was 24.4% compared with 19.2% achieved in 2008. Likewise, the return on capital employed before taxes increased from 21.6 to 27.6 percent due to better operating results.

The most significant activities carried out in 2009 were the consolidation of the tuna operations in Puerto Chiapas, the creation of MegaMex Foods, LLC as a platform for growth, the ongoing construction of the distribution center in Teoloyucan, the acquisition of Litoplas, the label manufacturing plant, the specialization of the supply chain -and considering the current environment- a 10 percent increase in our workforce.

Furthermore, we increase our commitment with society and our environment through the expansion of the Herdez Nutre program to two more states of the republic. Now our goal is to reduce malnutrition in the states of Chiapas and San Luis Potosi. I invite you to learn more about our involvement with the community in our next corporate social responsibility (CRS) report.

Over the past five years, the transformation of Grupo Herdez has been of such magnitude that it has allowed the company to undertake extensive alliances and develop a marketing strategy with emphasis on innovation, actions which surely will take us to continue delivering higher results.

Sincerely,

Hector Hernandez-Pons Torres
Chairman and CEO