



April 22, 2010.

Dear Board Members:

We began 2010 with further evidence of a widespread economic recovery worldwide, especially in manufacturing sectors, and even though gradual, it encourages us to return to a path of sustained growth.

However, the consumption, particularly in the domestic market has remained cautious, reflecting a slower sales growth in the company during the first months of the year.

In the first quarter, Grupo Herdez's net sales reached \$2,133 million pesos, 5.1% over the same period last year.

In this period, mayonnaise, teas, mustard, tomato puree, mole sauce and corn oil stood out in the domestic market, while tuna sales decreased due to unsatisfactory price negotiations for the company with certain retail customers.

Regarding our U.S. operation, MegaMex sales have performed well in the modern channel, while the institutional channel -mainly restaurants- continues posting significant challenges due to the lack of jobs in this country.

The cost as percentage of sales registered a decrease of more than 5 percentage points driven by lower commodity prices as well as greater efficiencies in the manufacturing plants of the Group, versus the same period last year.

Gross profit grew by more than 20%, causing a significant increase in operating margin, while EBITDA margin represented 20.5% of net income, a record in the

Company's history. However, there were some very positive factors in this period such as the strengthening of the peso and reductions in the cost of some inputs, a situation that could be different in the coming quarters.

Thus, operating income and EBITDA reached \$410 and \$438 million, equivalent to a 45.7 and 41.2 percent increase, respectively.

Net income for the period totaled \$214 million, 41.9 percent higher than the figure obtained during the same period last year, representing 10.1% of sales.

Regarding the financial situation of the company during the first three months of the year, bank-debt less cash on hand fell \$289 million, from \$758 to \$469 million pesos, or 38 percent less than the net bank-debt at December 31, 2009.

Our investment plan for 2010 comprises the ongoing construction of the Teoloyucan distribution center, the relocation of certain manufacturing lines from Mexico to San Luis Potosi, and the replacement of a tuna vessel.

Additionally, we will increase market-oriented resources through higher advertising and promotional investments, as well as innovation.

In other areas, in this quarter the Herdez Nutre program began activities in San Luis Potosi, supporting 12 communities and benefitting more than 1,200 undernourished children. Additionally, through the Herdez Foundation the company sent eight thousand cases to our brothers in Haiti.

Sincerely,

Hector Hernandez-Pons Torres.
Chairman and CEO