CAMPOFRÍO FOOD GROUP, S.A.
AND SUBSIDIARIES

Non-Audited
Interim Condensed Consolidated Financial Statements
for the six-month period ended June 30, 2010,
prepared in accordance with International
Accounting Standard (IAS) 34, Interim Financial Reporting

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES

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CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES

Interim consolidated statement of financial position at June 30, 2010 and December 31, 2009
(Thousand euros)

Assets	Note	06.30.10	12.31.09
		(Unaudited)	(Audited)
Property, plant and equipment	6	533,190	564,407
Goodwill	7	417,857	419,565
Other intangible assets	8	183,841	183,010
Non-current financial assets		6,233	6,111
Investments accounted for using the equity method		938	941
Biological assets		155	127
Deferred tax assets	24	69,568	65,948
Non-current assets		1,211,782	1,240,109
Biological assets		798	1,707
Inventories	9	303,363	273,900
Trade and other receivables	10	185,352	231,797
Other current financial assets	26	1,176	1,173
Other current assets		6,021	3,848
Cash and cash equivalents	11	167,272	160,159
Current assets		663,982	672,584
Assets classified as held for sale and from discontinued operations	12	20,566	1,555
TOTAL ASSETS		1,896,330	1,914,248

Equity and Liabilities	Note	06.30.10	12.31.09
		(Unaudited)	(Audited)
Issued capital		102,221	102,221
Share premium		411,129	424,967
Other reserves		102,509	83,020
Foreign currency translation reserve		(1,415)	(1,420)
Treasury shares		(8,930)	(6,736)
Profit (loss) attributable to equity holders of the parent		10,723	13,965
Equity attributable to equity holders of the parent		616,237	616,017
Non-controlling interests		5,815	10,014
Equity	13	622,052	626,031
Debentures	14	484,067	482,888
Other financial liabilities	16	60,957	73,009
Deferred tax liabilities	24	127,727	126,110
Other non-current liabilities	17	18,742	21,240
Provisions	18	49,763	51,312
Non-current liabilities		741,256	754,559
Debentures	14	6,990	6,760
Interest-bearing loans and borrowings	15	6,321	6,783
Trade and other payables	19	450,733	449,720
Other financial liabilities	21	556	2,105
Income tax payable	24	957	462
Provisions	18	6,218	9,318
Other current liabilities	20	55,879	58,510
Current liabilities		527,654	533,658
Liabilities directly associated with the assets classified as held for sale and from discontinued operations	12	5,368	-
Total liabilities		1,274,278	1,288,217
TOTAL EQUITY AND LIABILITIES		1,896,330	1,914,248

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES
Interim consolidated income statement
for the six-month periods ended June 30, 2010 and June 30, 2009
(Thousand euros)

	Note	06.30.10	06.30.09
		(Unaudited)	(Unaudited) Restated
Operating revenues			
Net sales and services	4	863,742	871,587
Increase in inventories of finished goods and work in progress		28,047	1,883
Capitalized expenses of Company work on assets		86	152
Other operating revenues		2,844	4,269
		894,719	877,891
Operating expenses			
Consumption of goods and other external charges		476,500	462,180
Employee benefits expense		167,144	175,535
Depreciation and amortization	6 y 8	27,509	27,824
Changes in trade provisions		247	1,342
Other operating expenses		178,043	179,258
		849,443	846,139
EARNINGS BEFORE INTERESTS AND TAXES (EBIT)		45,276	31,721
Finance revenue			
Other interest and similar income		5,526	1,878
Exchange rate gains		-	1,804
Change in fair value of financial instruments		-	117
		5,526	3,799
Finance costs			
Interest-bearing loans and borrowings		30,503	19,279
Other finance costs		2,241	771
Change in fair value of financial instruments		1,032	-
Exchange losses		67	1,914
		33,843	21,964
NET FINANCE COST		(28,317)	(18,165)
Share of profit (loss) of investments accounted for using the equity method		(3)	(11)
Other results		(231)	-
PROFIT BEFORE TAX	4	16,725	13,576
Income taxes	24	(2,734)	(2,828)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		13,991	10,748
LOSS AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	12	(3,152)	(788)
PROFIT FOR THE PERIOD		10,839	9,960
Attributable to:			
Non-controlling interests		116	200
Equity holders of the parent		10,723	9,760
Earnings per share for continuing operations:			
- basic, for profit for the year attributable to equity holders of the parent		0.138	0.106
- diluted, for profit for the year attributable to equity holders of the parent		0.138	0.106
Earnings per share:			
- basic, for profit for the year attributable to equity holders of the parent		0.106	0.096
- diluted, for profit for the year attributable to equity holders of the parent		0.106	0.096

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES
Interim consolidated statement of comprehensive income
for the six-month periods ended June 30, 2010 and June 30, 2009
(Thousand euros)

	Note	06.30.10	06.30.09
		(Unaudited)	(Unaudited)
CONSOLIDATED PROFIT FOR THE PERIOD		10,839	9,960
Exchange differences on translation of foreign operations		-	(504)
Gains (losses) on cash flow hedges	28	(435)	(4,990)
Corporate income tax		147	1,437
		(288)	(3,553)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		(288)	(4,057)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10,551	5,903
Attributable to:			
Non-controlling interests		111	186
Equity holders of the parent		10,440	5,717

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES
Interim consolidated statement of changes in equity
for the six-month period ended June 30, 2010
(Thousand euros)

	Equity attributable to equity holders of the parent								
	Issued capital (Note 13)	*Share premium*	*Other reserves*	*Foreign currency translation reserve*	*Profit for the period attributable to equity holders of the parent*	*Treasury shares (Note 13)*	*Total*	*Non-controlling interests*	*Total equity*
Balance at December 31, 2009 (Audited)	102,221	424,967	83,020	(1,420)	13,965	(6,736)	616,017	10,014	626,031
Profit for the period	-	-	-	-	10,723	-	10,723	116	10,839
Other comprehensive income for the period	-	-	(288)	5	-	-	(283)	(5)	(288)
Total comprehensive income for the period	-	-	(288)	5	10,723	-	10,440	111	10,551
Distribution of 2009 profit:					(13,965)	-	(13,965)		(13,965)
To voluntary reserves	-	-	(5,236)	-		-	(5,236)	-	(5,236)
To reserves at consolidated companies	-	-	19,201	-		-	19,201	-	19,201
Dividends paid at June 22, 2010		(7,000)	-	-	-	-	(7,000)	-	(7,000)
Other changes in equity	-	(6,838)	6,838	-	-	-	-	-	-
Transactions with treasury shares (net)	-	-	(160)	-	-	(2,194)	(2,354)	-	(2,354)
Dividends of subsidiaries	-	-			-	-	-	(308)	(308)
Acquisition of non-controlling interests	-	-	(866)	-	-	-	(866)	(4,002)	(4,868)
Balance at June 30, 2010 (Unaudited)	102,221	411,129	102,509	(1,415)	10,723	(8,930)	616,237	5,815	622,052

CAMPOFRÍO FOOD GROUP, S.A. Y SOCIEDADES DEPENDIENTES
Interim consolidated statement of changes in equity
for the six-month period ended June 30, 2009
(Thousand euros)

	Equity attributable to equity holders of the parent								
	Issued capital (Note 13)	*Share premium*	*Other reserves*	*Foreign currency translation reserve*	*Profit for the period attributable to equity holders of the parent*	*Treasury shares (Note 13)*	*Total*	*Non-controlling interests*	*Total equity*
Balance at December 31, 2008 (Restated) (Audited)	102,221	429,719	89,783	(840)	(5,849)	(6,741)	608,293	9,965	618,258
Profit for the period	-	-	-	-	9,760	-	9,760	200	9,960
Other comprehensive income for the period	-	-	(3,553)	(490)	-	-	(4,043)	(14)	(4,057)
Total comprehensive income for the period	-	-	(3,553)	(490)	9,760	-	5,717	186	5,903
Distribution of 2008 profit:									
To voluntary reserves	-	-	(20,365)	-	20,365	-	-	-	-
To reserves at consolidated companies	-	-	14,516	-	(14,516)	-	-	-	-
Other changes in equity	-	(4,752)	4,752	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	2,477	2,477	-	2,477
Purchase of treasury shares	-	-	-	-	-	(2,474)	(2,474)	-	(2,474)
Measurement of other own equity instruments	-	-	(373)	-	-	-	(373)	-	(373)
Balance at June 30, 2009 (Unaudited)	102,221	424,967	84,760	(1,330)	9,760	(6,738)	613,640	10,151	623,791

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES
Interim consolidated statement of cash flows
for the six-month periods ended June 30, 2010 and June 30, 2009
(Thousand euros)

	Note	06.30.10	06.30.09
		(Unaudited)	(Unaudited) Restated
Profit after tax from continuing operations		13,991	10,748
Loss after tax from discontinued operations		(3,152)	(788)
Depreciation/amortization of property, plant and equipment and intangible assets	6 and 8	28,140	28,468
Adjustment to reconcile profit before tax to net cash flows		33,789	24,829
Operating profit before changes in working capital		72,768	63,257
Changes in working capital		8,095	(13,176)
Cash flows from operating activities		80,863	50,081
Net interest paid		(23,911)	(16,087)
Other collections/ (payments) from operating activities		(7,986)	(11,381)
Income tax paid		(2,741)	(4,223)
Receipt of government grants		-	6,642
Net cash flows from operating activities		46,225	25,032
Purchase of property, plant and equipment and other intangible assets		(12,043)	(17,465)
Proceeds from sale of property, plant and equipment		-	981
Proceeds from and payments on investments in other financial assets		(51)	(984)
Non-controlling interests acquisitions		(3,163)	-
Payments on other assets		-	114
Net cash flows used in investing activities		(15,257)	(17,354)
Change in financial liabilities		(17,020)	21,673
Purchase of treasury shares		(2,353)	(371)
Dividends paid	5	-	(47,150)
Financial assets investments		(28)	-
Payments on other debts		(3,000)	-
Net cash flows used in financing activities		(22,401)	(25,848)
		8,567	(18,170)
Net variation in cash and cash equivalents			
Cash and cash equivalents at January 1	11	160,159	119,801
Cash and cash equivalents at June 30	11	168,726	101,631
		8,567	(18,170)

1. CORPORATE INFORMATION

Campofrío Food Group, S.A. (the parent), with registered office at Avda. de Europa, 24, Parque Empresarial la Moraleja in Alcobendas (Madrid), was incorporated as a limited company in Spain on September 1, 1944, under the registered name Conservera Campofrío, S.A. On June 26, 1996 the Company's name was changed to Campofrío Food Group, S.A. and on December 30, 2008, it was changed to its current name, Campofrío Food Group, S.A.

Campofrío Food Group, S.A. (hereinafter the Group or Campofrio Food Group) is the parent of a Group of companies consolidated under the full and equity consolidation methods. Appendix I provides the breakdown of the companies included in the Group consolidation scope, along with their activities, registered addresses and the percentage of ownership.

The principal activity of the parent and the Group companies are to manufacture, sell and distribute processed and canned meat and derivatives from pork and beef and other food products.

The Group operates throughout Spain from factories in Burgos, Villaverde (Madrid), Torrijos (Toledo), Ólvega (Soria), Torrente (Valencia) and Trujillo (Cáceres) and through its subsidiaries in France, Belgium, the Netherlands, Portugal, Germany, Italy and Romania (Note 7).

Additionally, on March 4, 2010, the parent signed an agreement with Caroli Foods Group, a Romanian meat processing company, to integrate operations between this group and the Romanian subsidiary of Campofrio Food Group, S.A. (Tabco Campofrío S.A.), and develop its business in that country and surrounding areas (Note 7).

2. BASIS OF PRESENTATION AND COMPARABILITY OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

a) *Basis of presentation*

The directors of the parent have prepared the interim condensed consolidated financial statements for the six-month period ended June 30, 2010 in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007.

The interim condensed consolidated financial statements for the six-month period ended June 30, 2010 do not include all the information and disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2009. In addition, these interim condensed consolidated financial statements have been prepared from the accounting records of the parent and its subsidiaries, applying all required accounting principles and standards and measurement bases which have a significant effect on the interim condensed consolidated financial statements, as well as allowable alternatives, which have been specified in the condensed explanatory notes.

The figures contained in the documents which make up the interim condensed consolidated financial statements are expressed in thousands of euros, unless otherwise indicated.

b) Comparison of information

For comparative purposes, the figures contained in the interim condensed consolidated financial statements for the six-month period ended June 30, 2010 are presented together with the figures from the consolidated statement of financial position for 2009, whereas the comparative figures from the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash-flows are presented with the figures from the same interim period of the previous year.

In addition, the condensed explanatory notes relating to the interim consolidated statement of financial position include comparative figures from 2009. However, the condensed explanatory notes relating to interim consolidated income statement items include comparative figures from the same interim period of the previous year. The condensed explanatory notes which provide figures relating to movements in balances of interim consolidated statement of financial position headings include comparative figures for the same six-month interim period of the previous year.

As mentioned in Note 12.b), the Group has classified all assets and liabilities related to its business in Romania as "Assets classified as held for sale and from discontinued operations" and "Liabilities directly associated with the assets classified as held for sale and from discontinued operations" due to the agreement to integrate its operations with those of a third party. In compliance with IFRS 5, the results from the activity of the Group in Romania have been reclassified in the income statement corresponding to the six-month period ending June 30, 2009 to "Loss for the period from discontinued operations".

c) Accounting policies

The accompanying interim condensed consolidated financial statements for the six-month period ended June 30, 2010 consist of the interim consolidated statement of financial position, the interim consolidated income statement, the interim consolidated statement of comprehensive income and expense, the interim consolidated statement of cash flows and the interim consolidated statement of changes in equity and the notes, which form an integral part of the interim condensed consolidated financial statements. These condensed interim consolidated financial statements are presented in accordance with historical cost principles except for financial instruments held for trading and available-for-sale financial assets that have been measured at fair value.

Accounting policies have been applied in a consistent manner by all Group companies.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2009, except for the adoption of new standards and interpretations as of January 1, 2010, noted below:

- IFRS 2 "Share-based Payment" (Amended)
- Revised IFRS 3 "Business combinations" and IAS 27 "Consolidated and Separate Financial Statements" (Amended)
- IAS 39 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items"
- IFRIC 12 "Service Concession Arrangements"

- IFRIC 15 "Agreements for the Construction of Real Estate"
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"
- IFRIC 17 "Distributions of Non-Cash Assets to Owners"
- IFRIC 18 "Transfers of Assets from Customers"
- Amedments to the IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" resulting from Improvements to IFRSs issued in May 2008.
- Improvements to IFRS issued in April 2009.

Adopting these standards, interpretations, and modifications had no significant impact on the Group's financial position or results.

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

The Group is evaluating the effect that the following non-mandatory standard published by IASB and approved by the European Union might have on its accounting policies, financial situation, or results:

- IAS 32 "Financial Instruments: Presentation - Classification of Rights Issues": Mandatory in financial years beginning on or after February 1, 2010.

d) Responsibility for information and estimates

The information contained in the interim condensed consolidated financial statements is the responsibility of the directors of the parent.

The preparation of the interim condensed consolidated financial statements under EU-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the reporting date. The related estimates and assumptions are consistent with those used by the parent's directors in the preparation of the 2009 consolidated financial statements which were described in the notes to the 2009 consolidated financial statements.

e) Basis of consolidation

The interim condensed consolidated financial statements encompass the interim financial statements of Campofrío Food Group, S.A. and subsidiaries. The interim financial statements of subsidiaries have been prepared for the same accounting period as for the parent using the same accounting standards. Any restatements necessary due to differences in accounting criteria have been made.

The information on subsidiaries and associates is given in accompanying appendix 1 (Breakdown of Group Companies), which is an integral part of this note.

The consolidation bases used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the 2009 consolidated financial statements which were described in the notes to 2009 consolidated financial statements.

f) Changes in consolidation perimeter

The following changes were made in the six-month period ended June 30, 2010:

- On June 17, 2010, the subsidiary Campofrío International Finance S.A.R.L was liquidated.

The following changes were made in the six-month period ended June 30, 2009:

- The Romanian subsidiary S.C. Camporom Productie, S.R.L. was included in the consolidation scope as of January 1, 2009.

- On March 2, 2009 the subsidiary Carnes Selectas 2000, S.A.U. (Sole Shareholder Company) acquired a 42% interest in the Spanish company, Desarrollos Porcinos de Castilla y León, S.L.

3. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the Group's operations, higher revenues and profit are expected in the second half of the year. Higher sales in the last quarter of the year are principally due to the increase in demand for the Group's products during the Christmas holiday season.

4. SEGMENT INFORMATION

As regards segment reporting, the Group is organized into the following operating segments:

- Southern Europe: Includes operating activities managed in Spain and Portugal.

- Northern Europe: Includes operating activities managed primarily in France, Belgium, the Netherlands and Germany.

- Other: This mainly includes corporate activities.

The Group made this classification based on the following factors:

- Group management policy.

- Similar economic features of the businesses

- To enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

The Group classified the products producing ordinary income within its operating segments in the following categories:

- Short cycle products: Includes processed meat products such as sausage, cooked ham, bacon and other innovative products, all based on the Group's guiding principle of *"Health, Flavor and Convenience."* These products combine a global vision with adaptation to local specificities and customs in the countries where the Group operates. These types of products are included in all of the Group's operating segments.

- Long cycle products: This category includes mainly cured ham, adapted to various local characteristics in Spain, with varieties ranging from white bodega-style cured ham to the excellence of acorn-cured ham including the highly selective Lampriño brand cured hams, as well the excellence of French cured hams.

Group management monitors operating results from operating segments separately for the purpose of making decisions related to resource distribution and the evaluation of profits and performance. The evaluation of operating segments is based on operating profits.

The following tables present interim consolidated income statement information regarding the Group's operating segments for the six-month periods ended June 30, 2010 and 2009 (thousand euros):

Six-month period ended June 30, 2010 *(Unaudited)*	Continuing operations Southern Europe	Northern Europe	Other regions	Adjustments	Total
Revenue					
Sales to external customers	393,219	470,523	-	-	863,742
Inter-segment sales (1)	6,358	1,724	-	(8,082)	-
	399,577	472,247	-	(8,082)	863,742
Profit (Loss)					
Segment profit/(loss) before tax	7,519	20,004	(10,798)	-	16,725

Six-month period ended June 30, 2009 *(Unaudited)*	Continuing operations Southern Europe	Northern Europe	Other regions	Adjustments	Total
Revenue					
Sales to external customers	395,227	476,360	-	-	871,587
Inter-segment sales (1)	2,575	1,943	-	(4,517)	-
	397,802	478,303	-	(4,517)	871,587
Profit (Loss)					
Segment profit/(loss) before tax	13,413	4,815	(4,652)	-	13,576

(1) Inter-segment revenues are eliminated on consolidation

There were no external customers in the six-month periods ended June 30, 2010 and 2009 with which the Group conducted transactions that represented 10% or more of its operating revenue.

The following table provides a breakdown of assets relating to the Group's business segments at June 30, 2010 and December 31, 2009 (thousand euros):

	Continuing operations Southern Europe	Northern Europe	Other regions (1)	Adjustments	Total
Assets					
At June 30, 2010	1,044,038	827,656	5,625	-	1,877,319
At December 31, 2009	1,073,530	865,718	25,000	-	1,914,248

(1) The portion of the "Other regions" corresponding to Romanian operations is classified as available for sale during the first half of 2010.

5. DIVIDENDS PAID AND PROPOSED

In their extraordinary general meeting held on October 24, 2008, the shareholders agreed, inter alia, to distribute an extraordinary dividend amounting to 47,150,000 euros. This dividend was charged to the share premium, and was applied only to issued outstanding capital at the time of the merger with Groupe Smithfield Holding, S.L. On June 30, 2009 this dividend was paid in full.

During their general meeting on June 22, 2010, the shareholders agreed, inter alia, to distribute a cash dividend amounting to 7 million euros (0.0684 euros per share), with a charge to the share premium arising from the 49,577,099 nominal capital increase, approved by the shareholders in general meeting on October 24, 2008, and notarized on December 17, 2008. This amount will be subject to any adjustment required for the increase in the amount attributable to any treasury shares held at the time of payment (Note 20). On July 14, 2010, this dividend was paid in full.

6. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended June 30, 2010 investments were made in property, plant and equipment amounting to 9,560 thousand euros (six-month period ended June 30, 2009: 15,896 thousand euros) and net disposals totaled 2,609 thousand euros (six-month period ended June 30, 2009: 1,468 thousand euros). At June 30, 2010, no additions were recognized due to the inclusion of new companies in the consolidation scope (six-month period ended June 30, 2009: 1,783 thousand euros).

In addition, transfers were made to "Assets classified as held for sale and from discontinued operations" for a net amount of 10,185 thousand euros (Note 12) (six-month period ended June 30, 2009: 1,555 thousand euros).

Depreciation for the six-month period ended June 30, 2010 amounted to 26,277 thousand euros (six-month period ended June 30, 2009: 26,999 thousand euros).

At June 30, 2010 property, plant and equipment is presented net of impairment of 3,234 thousand euros (December 31, 2009: 3,070 thousand euros).

7. GOODWILL AND BUSINESS COMBINATIONS

Goodwill

The breakdown of the movement in goodwill by cash-generating unit or group of cash-generating units to which goodwill is allocated for the six-month periods ended June 30, 2010 and 2009 is as follows:

a) For the six-month period ended June 30, 2009:

	Thousand euros			
	12.31.08	Additions	Disposals	06.30.09
	(Audited) Restated			(Unaudited) Restated
Portugal	28,847	-	-	28,847
Romania	1,708	-	-	1,708
Spain	268,599	-	-	268,599
Belgium	98,463	-	-	98,463
The Netherlands	14,289	-	-	14,289
Germany	7,659	-	-	7,659
	419,565	-	-	419,565

b) For the six-month period ended June 30, 2010:

	Thousand euros				
	12.31.09	Discontinued operations (Note12)	Additions	Disposals	06.30.10
	(Audited)				(Unaudited)
Portugal	28,847	-	-	-	28,847
Romania	1,708	(1,708)	-	-	-
Spain	268,599	-	-	-	268,599
Belgium	98,463	-	-	-	98,463
The Netherlands	14,289	-	-	-	14,289
Germany	7,659	-	-	-	7,659
	419,565	(1,708)	-	-	417,857

Parent management assess goodwill and assets with indefinite useful lives for any excess of cost over recoverable amount. This assessment is carried out for each of the cash-generating units to which the goodwill or the assets with indefinite useful lives is allocated. The recoverable amount is the price at which the cash-generating units could be sold to independent parties less any related transaction costs provided fair value can be estimated reliably. When fair value cannot be estimated reliably or there is indication of an impairment loss, the carrying amount of the cash-generating units is compared to the value in use obtained from discounted cash flow analysis.

For all the cash-generating units these calculations are made using cash flow projections for the cash-generating units based on current operating results and business plans covering a five-year period. The main assumptions used in these calculations were disclosed in the notes to the 2009 consolidated financial statements.

According to the judgments and estimates made by the parent's directors, the expected future cash flows attributable to each cash-generating units or groups of cash-generating units to which goodwill is allocated indicate that the carrying amount of each goodwill allocated at December 31, 2009 and June 30, 2010 may be recovered.

In addition, a sensitivity analysis is performed for all goodwill, especially to the discount and terminal growth rates used, in order to ensure that any changes in these estimates do not affect the recoverability of the goodwill recognized. At June 30, 2010 there were no significant changes in respect of the sensitivity analysis performed at December 31, 2009, the disclosure of which can be found in the notes to the 2009 consolidated financial statements.

Based on the outcome of these analyses, parent management considered that in no case was the carrying amount of the goodwill and the remaining assets of each cash-generating unit identified higher than the amount of the valuation made.

Business combinations

No business combinations occurred in the six-month periods ended June 30, 2010 and 2009.

However, on March 4, 2010, the parent signed an agreement with Caroli Foods Group, a Romanian meat processing company, in order to integrate their operations with the Romanian subsidiary of Campofrío Food Group, S.A. (Tabco Campofrío S.A.), and develop its business in that country and surrounding areas. Campofrío Food Group will hold a 49% of the resulting group in exchange of the contribution of its Romanian subsidiary's meat processing activities, and of the payment of a cash amount subject to final price adjustments.

The parties have agreed that, once the transaction has finalized, the relevant resolution of the General Shareholders Meeting shall go into effect to regulate the aspects related to the governance of the emerging company, including the establishment of majorities necessary for adopting certain resolutions, as well as the regulation of certain of the parties' rights and obligations regarding the transfer of their respective shares.

At June 30, 2010, the transaction was subject to the termination of associated processes, as well as fulfillment of certain conditions customary in this type of transaction. Finally, on July 20, 2010, the parent Company and Caroli Foods Group have formalized this agreement (see Note 29).

As a result of this transaction, the parent has transferred all of the assets and liabilities related to their Business in Romania to "Assets classified as held for sale and from discontinued operations" and "Liabilities directly associated with the assets classified as held for sale and from discontinued operations" (see Note 12).

8. OTHER INTANGIBLE ASSETS

During the six-month period ended June 30, 2010 investments were made in intangible assets amounting to 2,371 thousand euros (six-month period ended June 30, 2009: 1,756 thousand euros) and no disposals have occurred (six-month period ended June 30, 2009: 25 thousand euros).

In addition, during the six-month period ended June 30, 2009 transfers were made to "Assets classified as held for sale and from discontinued operations" amounting to 55 thousand euros (six-month period ended June 30, 2009: nil) (Note 12).

Amortization for the six-month period ended June 30, 2010 amounted to 1,485 thousand euros (six-month period ended June 30, 2009: 1,469 thousand euros).

9. INVENTORIES

The breakdown of Inventories at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Goods for resale	509	277
Raw materials and other consumables	57,859	56,647
Work in progress	176,885	150,599
Finished goods	72,687	70,926
Prepayments	-	31
Provisions	(4,577)	(4,580)
	303,363	273,900

10. TRADE AND OTHER RECEIVABLES

The breakdown of this heading at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Trade receivables	143,778	209,181
Associates (Note 26)	2,603	2,030
Other accounts receivable	22,256	23,240
Tax receivables (Note 24)	27,716	26,074
	196,353	260,525
Provisions	(11,001)	(28,728)
	185,352	231,797

a) Trade receivables

At June 30, 2010 Trade receivables includes 2,079 thousand euros in bills discounted at banks pending maturity (December 31, 2009: 1,431 thousand euros).

At June 30, 2010, the amount of the collection rights waived by the parent pursuant to the contract signed October 30, 2009 between the parent and BBVA Factoring E.F.C., S.A., as the agent, and other financial institutions for a term of five years was 67,780 thousand euros (81,684 thousand euros at December 31, 2009). In addition, in December 2009, various group companies in France and Belgium signed non-recourse factoring agreements with BNP Paribas; the total transferred receivables amounted to 37,283 thousand euros at June 30, 2010 (2009: 19,886 thousand euros). Additionally, a non-recurrent factoring agreement has been signed in Portugal amounting to 5,000 thousand euros. The Group considers that it has substantially transferred the risks and rewards intrinsic to these receivables to the banks and has accordingly proceeded to derecognize them.

b) Other accounts receivable

This heading at June 30, 2010 and December 31, 2009 includes a receivable from insurance companies of 3,683 thousand euros. This debt arose out of a claim for damages resulting from an accident that occurred in 2001 in the production center that the Group owned at Rivas (Madrid). Information on the abovementioned claim is disclosed in the notes to the 2009 consolidated financial statements.

The parent's directors, in agreement with the conclusions reached by their legal advisors, consider that there is a minimal risk of non-payment of the aforementioned indemnities.

11. CASH AND CASH EQUIVALENTS

The breakdown of this heading at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Assets acquired under repurchase agreements	62,497	59,827
Bank deposits	56,701	68,706
Cash at banks and in hand	48,074	31,626
	167,272	160,159

At June 30, 2010 and December 31, 2009, the balance of "Assets acquired under repurchase agreements" mainly includes investments with maturities of less than three months from the arrangement date and which mature in the following period. The average annual interest rate on these assets in the six-month period ended June 30, 2010 ranges from 0.15% to 3.11% (2009: from 0.02% to 2.631%).

"Bank deposits" at June 30, 2010 and December 31, 2009 basically includes deposits at financial institutions which mature in under three months from the date arranged. The average interest rate earned by the deposits in the six-month period ended June 30, 2010 is 0.316% (2009: 0.77%).

On the interim consolidated statement of cash flows, "Cash and cash equivalents" includes:

	Thousand euros	
	06.30.10	06.30.09
	(Unaudited)	(Unaudited)
Assets acquired under repurchase agreements	62,497	40,472
Bank deposits	56,701	43,620
Cash at banks and in hand	48,074	17,539
	167,272	101,631
Cash at banks and in hand from discontinued operations (Note 12)	1,454	-
	168,726	101,631

12. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Changes in this heading for the interim periods ended June 30, 2010 and 2009 are as follows:

a) *For the six-month period ended June 30, 2009:*

In the six-month period ended June 30, 2009, the Group classified one of the buildings of a subsidiary in Holland (Stegeman CV) as an "Asset classified as held for sale" and transferred the 1,555 thousand euro carrying amount of the asset (Note 6), which was not significantly different to its market value, from "Property, plant and equipment." This building remains classified as held for sale at June 30, 2010.

b) *For the six-month period ended June 30, 2010:*

On March 4, 2010, the parent signed an agreement with Caroli Foods Group, a Romanian meat processing company, in order to integrate their operations with the Romanian subsidiary of Campofrio Food Group, S.A. (Tabco Campofrío S.A.). At June 30, 2010, the transaction was subject to the termination of associated processes, as well as fulfillment of certain conditions customary in this type of transaction. On July 20, 2010, the parent Company and Caroli Foods Group have formalized this agreement (Note 7). In addition, the Group decided to discontinue the activities of the remaining Group companies in Romania (Total Meat Marketing S.R.L., Degaro S.R.L. Tulcea and S.C. Camporom Productie S.R.L.), which are primarily engaged in the breeding and fattening of pigs.

As a result of this transaction, the Group reclassified all assets and liabilities related to its business in Romania to "Assets classified as held for sale and from discontinued operations" and "Liabilities directly associated with the assets classified as held for sale and from discontinued operations".

The results of the Group's business in Romania for the six-month periods ended June 30, 2010 and 2009 are as follows:

	Thousand euros	
	06.30.10	06.30.09
Operating revenues	10,599	12,336
Operating expenses (1)	(13,443)	(12,366)
OPERATING PROFIT	(2,844)	(30)
Finance revenue	304	367
Finance costs (2)	(764)	(1,062)
NET FINANCE COST	(460)	(695)
Impairment loss recognized on the remeasurement to fair value less costs to sell (3)	(1,747)	-
LOSS BEFORE TAX	(5,051)	(725)
Income taxes	1,899	(63)
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	(3,152)	(788)

(1) Includes operating expenses for transactions with the Group amounting to 1,503 thousand euros (2009: 1,530 thousand euros) .

(2) Includes finance expenses for transactions with the Group amounting to 202 thousand euros (2009: 131 thousand euros).

(3) This impairment loss mainly corresponds to the aforementioned discontinued breeding and fattening activities in Romania. No impairment losses are expected with respect to the activities of Tabco Campofrío S.A. at the date of preparation of these interim financial statements.

The major classes of assets and liabilities of the Group's business in Romania classified as held for sale as at June 30, 2010 are as follows:

	Thousand euros
ASSETS	06.30.10
Non-current assets	12,012
Current assets	6,999
ASSETS CLASSIFIED AS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	19,011
LIABILITIES	
Non-current liabilities	2,535
Current liabilities	2,833
LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	5,368

The cumulative income or expense recognized in other comprehensive income relating to the Group's business in Romania as of June 30, 2010 is as follows:

	Thousand euros
	06.30.10
Exchange differences on translation of foreign operations	(1,633)
RESERVES FOR DISCONTINUED OPERATIONS	(1,633)

The net cash flow statements of the Group's business in Romania for the six-month periods ended June 30, 2010 and 2009, are as follows:

	Thousand euros	
	06.30.10	06.30.09
Net cash flows used in / from operating activities	(340)	64
Net cash flows used in / from investing activities	(50)	(1,868)
Net cash flows used in / from financing activities	908	-
TOTAL NET CASH FLOWS	518	(1,804)

The basic and diluted loss per share from discontinued activities, for the six-month periods ended June 30, 2010 and 2009 are:

	Thousand euros	
	06.30.10	06.30.10
Basic earnings per share, for profit for the period attributable to equity holders of the parent	(0.031)	(0.008)
Diluted earnings per share, for profit for the period attributable to equity holders of the parent	(0.031)	(0.008)

13. EQUITY

The breakdown of the movement in capital and reserves for the six-month periods ended June 30, 2010 and 2009 is given in the "Interim Consolidated Statement of Changes in Equity."

a) Issued capital

At June 30, 2010 and December 31, 2009, share capital consists of 102,220,823 ordinary shares with a par value of one euro each. All shares are subscribed, fully paid and bear the same rights and obligations. All are represented by book entries and are listed on the Madrid and Barcelona stock exchanges.

Direct or indirect shareholdings equal to 10% or more in the share capital held by corporate investors at June 30, 2010 and December 31, 2009 are as follows:

Company	Percentage of shareholding	
	06.30.10 (Unaudited)	12.31.09 (Audited)
Carbal, S.A. (*)	12.84%	12.84%
Smithfield Foods, Inc (**)	36.99%	36.99%
OCM European Principal Opportunities Fund LP (***)	16.64%	16.64%

(*) 5.704% of this shareholding is held by Carbal S.A. through Bitonce, S.L.

(**) 24.25% of this shareholding is held by SDFS Global Holdings BV, 11.371% through Cold Field Investments, LLC and 1.369% through Smithfield Insurance Co. Ltd.

(***) 16.641% is held by OCM European Principal Opportunities Fund LP through OCM Luxembourg Epof Metas Holdings Sarl.

Share capital increase:

In their general meeting held on June 24, 2009, the shareholders of the parent resolved, inter alia, to authorize the parent's Board of Directors to arrange a capital increase up to a maximum nominal amount of 51,110,411 euro and to have the right to suppress pre-emptive subscription rights in conformity with article 159.2 of Spanish Corporation Law.

b) Treasury shares

At the general shareholders' meeting of June 22, 2010, the shareholders approved several motions which included authorizing the Company or its subsidiaries to acquire, during a period of five years, shares of Campofrío Food Group, S.A. for treasury shares representing up to 10% of the share capital at a price no greater than 5% of the share price.

At June 30, 2010, the Group had 1,260,557 treasury shares, equivalent to 1.22% of share capital. At December 31, 2009, the Group held 905,728 treasury shares, equivalent to 0.89% of share capital.

In the six-month period ended June 30, 2009, the Company bought and sold treasury shares amounting to 3,122 and 928 thousand euros, respectively. In the same period in 2009, the Company bought and sold treasury shares amounting to 2,474 and 2,477 thousand euros, respectively.

b) Other

At their general meeting held on June 22, 2010 the parent's shareholders agreed to authorize the Board of Directors to issue, within a maximum period of five years, debentures, bonds and warrants and/or other securities which constitute or recognize a liability. Regarding the unused amount, the agreement invalidates the authorization to issue non-convertible debentures, bonds, warrants and/or other debt securities granted to the Board of Directors in its general shareholders meeting held on June 24, 2009.

At their general meeting held on June 24, 2009, the shareholders of the parent resolved, inter alia, to authorize the Board of Directors to award share options as part of an incentive plan to the parent's board members and management and those of the consolidated group subsidiaries, consisting of up to 1,300,000 options on shares of the parent, which was officially arranged within the framework of and as part of a long-term incentive plan (Note 26).

14. DEBENTURES

The breakdown of debentures issued at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Non-current debentures	484,067	482,888
Current debentures		
Unmatured accrued interest	6,990	6,760
	6,990	6,760
	491,057	489,648

On November 2, 2009, the Company issued non-convertible bonds for the nominal value of 500,000 thousand euros. The bonds earn an 8.250% interest rate and mature on October 31, 2016. They are quoted on the Luxembourg stock exchange.

As a result of this issue, the Company is required to comply with standard restrictions for these types of transactions in order to assume senior debt above certain limits. It must also stay within the standard limits established for such transactions when granting guaranties, making certain disbursements, paying dividends, disposing of assets, conducting transactions with subsidiaries and effecting changes in the control of shareholders, up to certain levels and with certain exceptions.

15. CURRENT INTEREST-BEARING LOANS AND BORROWINGS

The breakdown of these heading at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Bank loans and credit facilities	3,270	4,771
Discounted bills payable	2,079	1,431
Interest payable	972	581
	6,321	6,783

Annual interest rates applicable to the loan balances drawn down at June 30, 2010 range from 1.97% to 2.22% (1.95% to 2.31% in 2009).

Furthermore, in October 2009, the parent arranged two long-term credit facilities of 15,000 thousand euros and 55,000 thousand euros which mature on April 30, 2011 and October 19, 2011, respectively. Additionally, during the first quarter of 2010, a large portion of its facilities previously classified as current were renewed for a longer period, and therefore the total of long-term credit facilities amounts to 158,000 thousand euros as compared to 70,000 thousand euros at year-end 2009. On June 30, 2010, a non-recurring distribution was made amounting to 2,116 thousand euros, and therefore almost all the facilities are available (2009: the amounts remained unused).

The information on these loans is disclosed in the notes to the 2009 consolidated financial statements.

Also, on June 30, 2010, the Group had credit facilities amounting to 71,000 thousand euros, of which 70,956 thousand were unused (2009: 165,000 euros, of which 162,732 thousand were unused). This decrease was the result of renewing a portion of these current facilities, and their reclassification as non-current. Consequently, the total amount of available bank borrowings was 241,840 thousand euros.

16. OTHER NON-CURRENT FINANCIAL LIABILITIES

The breakdown of this heading at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Finance leases	1,470	1,763
Other non current financial liabilities	2,343	2,363
Financial assets measured at fair value (Note 23)	57,144	68,883
	60,957	73,009

17. OTHER NON-CURRENT LIABILITIES

The breakdown of "Other non-current liabilities" at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Non-repayable grants	18,308	20,632
Other liabilities	434	608
	18,742	21,240

"Non-repayable grants" mainly includes non-refundable government grants given by Public Institutions to various Group companies related to specific property, plant and equipment investment projects. The parent's directors consider that all the requirements of the capital grants received are being met.

During the six-month period ended June 30, 2010, the Group has received no additional grants (2009: 6,642 thousand euros).

18. CURRENT AND NON-CURRENT PROVISIONS

The breakdown of these headings at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Non-current		
Commitments with employees	5,380	5,380
Pension obligations	25,009	24,739
Non-current financial assets	188	188
Taxes (Note 24)	15,192	14,758
Commitment for sale of fixed assets	19	19
Other commitments	2,256	4,484
Provision for share-based payment transactions	666	666
Other	1,053	1,078
	49,763	51,312
Current		
Other	3,320	2,824
Reestucturing	2,898	6,494
	6,218	9,318

The information relating to the above provisions is provided in the notes to the 2009 consolidated financial statements.

Pension obligations

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Commitments for defined benefit pension plans	13,532	13,970
Other pension commitments	684	593
Profit-sharing plan	10,793	10,176
	25,009	24,739

a) Commitments for defined benefit pension plans

The Group has pension plan commitments to complete retirement benefit payments for certain employees in the Netherlands, France, Belgium and Italy.

The information relating to these commitments is provided in the notes to the 2009 consolidated financial statements.

b) Other pension commitments

The Group participates in two multi-employer defined benefit funds in the Netherlands and also has other pension commitments in Italy.

c) Profit-sharing plan

In accordance with prevailing French legislation, the subsidiaries of the Aoste Group have a profit-sharing plan to which they contribute proportionately according to their profit after tax to a fund to be distributed among the employees. The amounts payable from the plan will be available for distribution among the employees after a five-year period, unless a particular event has occurred affecting the life of an employee. The consolidated amounts deposited with the Group bear higher than market interest, as negotiated with the employees.

Provision for restructuring

This provision mainly corresponds to the costs related to the closing of the Saint-Etienne (France) cooked products manufacturing plant. Costs yet to be incurred for the plan at December 31, 2009 amounted to 6,071 thousand euros. At June 30, 2010, incurred expenses charged to the provision amounted to 3,013 thousand euros. In addition, at June 30, 2010, the costs yet to be incurred for the plan were re-estimated and the provision decreased by 419 thousand euros. Consequently, outstanding commitments provided for at June 30, 2010 amount to 2,639 thousand euros.

Provision for share-based payment transactions

At the general meeting held on June 24, 2009 the parent's shareholders resolved, inter alia, to authorize the Board of Directors to carry out the derivative acquisition of treasury shares or deliver up to 1,300,000 share options under the long-term incentive plan for executive directors and executive management of the parent and consolidated Group companies. The information relating to the principal terms and conditions of this plan is included in the notes to the 2009 consolidated financial statements.

The number of options and movements for the six-month period ended June 30, 2010 are as follows:

	12.31.09	Net Movement	06.30.10
Incentive plans	1,207,700	7,300	1,215,000

With regard to the assumptions and hypotheses used in their measurement, no significant variations arose with respect to the information disclosed in the notes to the 2009 consolidated financial statements.

19. TRADE AND OTHER PAYABLES

The breakdown of these headings at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Public bodies (Note 24)	35,869	42,521
Payable to related companies (Note 26)	1,807	1,543
Trade payables	413,057	405,656
	450,733	449,720

20. OTHER CURRENT LIABILITIES

The breakdown of this heading at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Payable to suppliers of property, plant and equipment	9,618	13,272
Wages and salaries payable	36,384	37,703
Other liabilities	2,877	4,535
Borrowings from related companies (Note 26)	-	3,000
Interim dividend payable (Note 5)	7,000	-
	55,879	58,510

21. OTHER CURRENT FINANCIAL LIABILITIES

The breakdown of this heading at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Finance leases	556	516
Financial assets measured at fair value (Note 23)	-	1,589
	556	2,105

22. RISK MANAGEMENT POLICY

a) Risk management policy

The Group's business activities and transactions expose it to foreign currency, interest rate and other risks, which are managed by head office. The Group's transactions are exposed to different basic financial risks: credit risk, market risk and liquidity risk.

The Management policies relating to these risks have been disclosed in the notes to the 2009 consolidated financial statements.

b) Capital management policy

The primary objective of the Group's capital management policy is to safeguard its capacity to continue managing its on-going activities and continue growing through new projects, while maintaining an optimal debt to equity ratio to create value for its owners.

The Group finances growth through:

- Internally generated cash flows from ongoing business activities.
- A financial leverage rate which enables it to rely on the generation of cash flows as well as alternative financing methods which may be used at any time to meet its investment needs.

In this regard, the Group endeavors to maintain moderate indebtedness as its optimum indebtedness level.

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's does not generally use financial instruments that expose it to negative market contingencies that could undermine its equity.

Only where the risk warrants, the Group uses derivatives or similar instruments in an attempt to achieve maximum effectiveness in the hedging relationship. It avoids speculative positions in the domestic and international financial markets.

The Group has designated the fair value, cash flow and other similar hedging relationships to which it wishes to apply hedge accounting, having complied with the documentation and other content required under IAS 32 and 39.

The breakdown of derivative financial instruments and related information at December 31, 2009 are provided in the notes to the 2009 consolidated financial statements.

The Group's outstanding derivatives, fair value and maturities at June 30, 2010 and December 31, 2009 are as follows (Thousand euros):

Situation at 12.31.09 and 06.30.10	Fair value at 06.30.10 (Unaudited)	Fair value at 12.31.09 (Audited)	Notional	Outstanding notional principle 2010	2013	2015
Cash flow hedges	(417)	(46)	4,454 (*)	4,454	-	-
Derivatives held for trading						
Swaps	(23,318)	(68,587)	330,089	-	293,223	36,866
Reverse swaps	(33,409)	(1,839)	257,906	-	244,379	13,527
TOTAL (Notes 16 and 21)	(57,144)	(70,472)				

(*) The notional amount of these derivatives at December 31, 2009 was 905,340 thousand euros.

In line with our debt reduction policy, during the first half of 2010, derivatives with a notional amount of 312,891 thousand euros were canceled; this should also diminish the volatility of the income statement relating to this item. No new derivative contracts were signed.

The notional amount of derivative contracts entered into relates to the amount at which future settlement of the derivative is made.

Nature of risks hedged

- Cash flow hedges: The risk hedged is the foreign currency risk on the EUR/GBP exchange rate associated with the Group's trade receivables, and interest rate risk on the multicurrency borrowing facility.

24. TAX SITUATION

The breakdown of amounts due from public bodies at June 30, 2010 and December 31, 2009 is as follows:

Current	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Sundry taxes receivable from the Treasury	3,141	1,274
Recoverable VAT	24,575	24,800
Taxes receivable (Note 10)	27,716	26,074

Deferred tax assets	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Deferred tax assets	69,568	65,984

The breakdown of credit balances with public bodies is as follows:

Current	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Taxes payable to the Treasury	2,403	10,376
Amounts payable to Social Security Agencies	19,447	23,618
Other	14,019	8,527
Taxes payable (Note 19)	35,869	42,521
Current tax liabilities	957	462

Deferred tax liabilities	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Deferred tax liabilities	127,727	126,110

Taxable profits, determined in keeping with prevailing tax legislation, are subject to a 30% tax for companies located in Spain and a tax that varies from 16% to 34% for foreign subsidiaries. Nevertheless, the resulting taxable income may be reduced by certain allowable deductions.

Campofrío Food Group, S,A, files taxes under the consolidated tax scheme, as the parent of Group 54/97 and Gecalial, S.L.U, Valpro Alimentación, S.A.U., La Montanera, S.A.U., Carnes Selectas 2000, S.A.U. ., Campofrio Food Group Holding, S.L., Navidul Extremadura, S.A., Aoste España, S.A. and Industrias de Desarrollo y Alimentación, S.L.as subsidiaries.

Company income tax expense for the six-month periods ended June 30, 2010 and 2009 is as follows:

	Thousand euros	
	06.30.10	06.30.09
	(Unaudited)	(Unaudited) Restated
Income tax for the period	2,492	1,496
Deferred taxes (Income and expenses)	242	1,332
Income tax expense	2,734	2,828
Effective tax rate	16.3%	20.8%

In accordance with current Spanish legislation, taxes cannot be considered definitive until they have been inspected by the tax authorities or the inspection period of four years has elapsed. At June 30, 2010 the Group companies' tax situation has not changed from that reported in the consolidated financial statements for 2009.

In addition, several tax assessments were issued to the parent. The information relating to these assessments is provided in the notes to the 2009 consolidated financial statements.

In relation to the tax assessments signed in disagreement and appealed by the parent due generally to varying interpretations of tax legislation, notwithstanding the uncertainty inherent to all administrative or judicial processes, the parent's external advisors consider that the final outcome of the appeals filed will be favorable for the Group. Although the parent's Directors are confident that the ruling on the appeals will be in the Group's favor, they have decided to record a provision in the statement of financial position in order to cover the risk of an adverse ruling (Note 18).

The notes to the 2009 consolidated financial statements include information on the tax credit deductions for reinvestment of extraordinary profit and other prior year reinvestment tax credits, as well as the Group's unused tax loss carryforwards.

25. AVERAGE NUMBER OF GROUP EMPLOYEES

The average number of employees in the Group in the six-month periods ended June 30, 2010 and 2009, by professional category, is as follows:

	06.30.10	06.30.09
	(Unaudited)	(Unaudited)
Senior executives	55	61
Directors, engineers and technical staff	755	797
Administrative staff	546	533
Production staff	6,205	6,090
Sales and distribution staff	1,080	1,165
	8,641	8,646

The breakdown of the Group's workforce by gender at June 30, 2010 is as follows: 5,755 men (2009: 5,689) and 2,888 women (2009: 3,024).

26. RELATED-PARTY TRANSACTIONS AND BALANCES

Transactions between the parent and its subsidiaries, which are related parties, have been carried out in the ordinary course of business and have been eliminated on consolidation. The breakdown is not disclosed in this note.

Significant shareholders

Transactions carried out in the six-month periods ended June 30, 2010 and 2009 with significant shareholders, all on an arms' length basis, were the following:

Significant shareholder	Group company	Nature of the relationship	Type of transaction	Thousand euros 06.30.10	Thousand euros 06.30.09
				(Unaudited)	(Unaudited)
Pedro Ballvé Lantero	Campofrío Food Group, S.A.	Contractual with Telepizza Group	Sale of raw materials	-	97
Pedro Ballvé Lantero	Campofrío Food Group, S.A.	Contractual with Luxtor	Purchase of goods	-	14
Smithfield Foods, Inc.	Campofrío Food Group, S.A.	Contractual Smithfield Global Products Inc	Sale of goods	-	116
Smithfield Foods, Inc.	Campofrío Food Group, S.A.	Contractual Smithfield Global Products Inc	Services received	-	41
Smithfield Foods, Inc.	Campofrío Food Group, S.A.	Contractual Smithfield Europe Products	Services received	-	49
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Agroibéricos de Raza, S.L.	Purchase of goods	7,101	6,825
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Agroibéricos de Raza, S.L.	Sale of goods	81	-
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Agroibéricos de Raza, S.L.	Services received	54	72
Caja de Burgos	Campofrío Food Group, S.A.	Contractual	Services received	-	68
Caja de Burgos	Campofrío Food Group, S.A.	Contractual	Sale of goods	1	-
Pedro Ballvé Lantero y Fernando Ballvé Lantero	Campofrío Food Group, S.A.	Contractual Desarrollo Ganadero Español, S.A.	Purchase of goods	209	539
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Casa del Arminiño, S.A.	Sale of goods	-	54
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Casa del Arminiño, S.A.	Rental	36	-
Juan José Guibelalde Iñurritegui	Campofrío Food Group, S.A.	Contractual AECOC	Services received	18	-
Alfredo Sanfeliz Mezquita	Campofrío Food Group, S.A.	Contractual with Fullstep	Services received	12	-
Alfredo Sanfeliz Mezquita	Campofrío Food Group, S.A.	Contractual with Fullstep	Purchase of goods	1	-
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Grupo Leche Pascual	Services received	4	-
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Grupo Leche Pascual	Purchase of goods	3	-
Luis Serrano Martín	Campofrío Food Group, S.A.	Contractual Grupo Leche Pascual	Sale of goods	28	-
Caja Burgos	Campofrío Food Group, S.A.	Contractual Centro Regional de Servicios Avanzados	Sale of goods	1	-
Caja Burgos	Campofrío Food Group, S.A.	Contractual Centro Regional de Servicios Avanzados	Purchase of goods	3	-

Significant shareholder	Group company	Nature of the relationship	Type of transaction	Thousand euros 06.30.10	06.30.09
Campofrío Food Group, S.A.	Campofrío Food Group, S.A.	Contractual SC Tabco Campofrío, S.A.	Services rendered	423	-
Campofrío Food Group, S.A.	Campofrío Food Group, S.A.	Contractual SC Tabco Campofrío, S.A.	Sale of goods	1,013	-
Smithfield Foods, Inc.	Groupe Aoste	Contractual with Smithfield Food Ltd	Sale of goods	-	2,111
Smithfield Foods, Inc.	Groupe Aoste	Contractual with Smithfield Global Products Inc	Services received	59	477
Smithfield Foods, Inc.	Groupe Aoste	Contractual with Smithfield Global Products Inc	Sale of goods	1,280	40
Smithfield Foods, Inc.	Groupe Aoste	Contractual	Sale of goods	-	106
Campofrío Food Group, S.A.	Groupe Aoste	Contractual SC Tabco Campofrío, S.A.	Sale of goods	17	-
Smithfield Foods, Inc.	Groupe Aoste	Contractual Foods Inc	Purchase of goods	55	-
Smithfield Foods, Inc.	Groupe Aoste	Contractual Foods Inc	Services rendered	105	-
Smithfield Foods, Inc.	Groupe Aoste	Contractual Smithfield Foods Limited	Services received	96	42
Smithfield Foods, Inc.	Groupe Aoste	Contractual Smithfield Foods Limited	Purchase of goods	62	-
Smithfield Foods, Inc.	Imperial Meat Products VOF	Contractual with Smithfield Food UK	Sale of goods	4,333	4,959
Smithfield Foods, Inc.	Imperial Meat Products VOF	Contractual with Animex	Purchase of goods	-	1,169
D. Pedro Ballvé Lantero	Industrias de Carnes Nobre, S.A.	Contractual Grupo Telepizza	Sale of goods	15	-
Smithfield Foods, Inc.	Industrias de Carnes Nobre, S.A.	Contractual with Smithfield Food Ltd	Sale of goods	1	-
Caja Burgos	Industrias de Carnes Nobre, S.A.	Contractual Centro Regional de Servicios Avanzados	Services received	6	-
Campofrio Food Group, S.A.	Industrias de Carnes Nobre, S.A.	Contractual SC Tabco Campofrio, S.A.	Sale of goods	50	-
D. Luis Serrano Martin	La Montanera, S.A.	Contractual Agroibéricos de Raza, S.L.	Sale of raw materials	2,607	2,630
D. Luis Serrano Martin	La Montanera, S.A.	Contractual Bañuste	Sale of raw materials	356	407
D. Luis Serrano Martin	La Montanera, S.A.	Contractual Agroibéricos de Raza, S.L.	Services received	8	2,630
D. Luis Serrano Martin	La Montanera, S.A.	Contractual Agroibéricos de Raza, S.L.	Purchase of goods	1,131	6,825
Smithfield Foods, Inc.	SC Tabco Campofrio, S.A.	Contractual with Agroalim Distribución, S.R.L.	Purchase of goods	1	2
Smithfield Foods, Inc.	SC Tabco Campofrío, S.A.	Contractual with Agroalim Distribución, S.R.L.	Services received	56	-
Smithfield Foods, Inc.	SC Tabco Campofrío, S.A.	Contractual with Agroalim Distribución, S.R.L.	Sale of goods	46	9
Smithfield Foods, Inc.	SC Tabco Campofrío, S.A.	Contractual with Smithfield Products, SRL	Sale of goods	4	-
Smithfield Foods, Inc.	SC Tabco Campofrio, S.A.	Contractual with Smithfield Products, SRL	Services rendered	5	6
Smithfield Foods, Inc.	SC Tabco Campofrío, S.A.	Contractual with Animex	Purchase of goods	-	6
Smithfield Foods, Inc.	SC Tabco Campofrío, S.A.	Contractual with Smithfield Procesare, SRL	Purchase of goods	353	494
Smithfield Foods, Inc.	SC Tabco Campofrío, S.A.	Contractual with Frigorifer, S.A.	Services received	3	40

Associates

Transactions carried out with associates at June 30, 2010 and 2009 were as follows:

	Thousand euros	
	06.30.10	06.30.09
	(Unaudited)	(Unaudited)
Revenues		
Net sales	29	-
Finance revenue	4	16
Other operating revenues	8	79
	41	95
Expenses		
Operating expenses, external services	656	622
	656	622

The breakdown of current and non-current receivables from related parties at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Related companies (Trade and other receivables) (Note 10)		
Cogeneradora Burgalesa, S.A.	-	74
Smithfield Food Inc	957	-
Navidul Argentina, S.A.	868	868
Campofrío Brasil LTDA	741	741
Other	37	273
	2,603	2,030
Loans to related companies (Other current financial assets)		
Navidul Cogeneración, S.A.	1,176	1,173

The breakdown of payables to related companies at June 30, 2010 and December 31, 2009 is as follows:

	Thousand euros	
	06.30.09	12.31.09
	(Unaudited)	(Audited)
• Trade and other payables (Note 19)		
Cogeneradora Burgalesa, S.A.	337	303
Navidul Cogeneración, S.A.	995	1,010
Smithfield Foods Inc.	438	225
Other	37	4
	1,807	1,542
• Other current liabilities (Note 20)		
SFDS Global Holdings, B.V.	-	3,000
	-	3,000

Directors and Senior Management

Members of the Board of Directors and senior managers of the Group, as well as the people and companies they represent, were not involved in any extraordinary and/or relevant transactions to the Company in the six-month periods ended June 30, 2010 and 2009.

1. Compensation to directors in the six-month periods ended June 30, 2010 and 2009:

The breakdown of remuneration earned in the Group, by members of the parent's Board of Directors at June 30, is as follows:

	Thousand euros	
	06.30.10	06.30.09
	(Unaudited)	(Unaudited)
Expense allowance	747	612
Salaries executive directors	1,019	503
	1,766	1,115

At June 30, 2010, the Group had pension plan and life insurance policies for former or current members of the Board of Directors amounting to 44 thousand euros (2009: 0 euros). At June 30, 2010 and December 31, 2009, the Group had not given any guarantees on their behalf.

The abovementioned variation in the total remuneration paid to executive directors is mainly due to their not having received variable remuneration during 2009, since certain targets were not reached.

2. Identification of senior management and total compensation paid in the six-month periods ended June 30, 2010 and 2009:

Senior management	
Name	Position
Mr. Robert Sharpe (**)	Chief Executive Officer
Ms. Emmanuelle Bely (**)	SVP, Corporate Development / General Counsel
Mr. Eric Debarnot (**)	SVP, Business & Customer Development
Ms. Martine Gerow (**)	SVP, Finance and Information Systems
Mr. Dirk Jacxsens (**)	CEO Nothern Europe Division
Mr. Kart-Heinz Kiesel (**)	SVP, Operations
Mr. Alfredo Sanfeliz	SVP, Legal Affaires / General Counsel
Mr. Frédéric Sebban (**)	SVP, Strategic Sourcing
Mr. Paulo Soares (**)	CEO Industrias de Carnes Nobre, S.A., Portugal
Mr. Fernando Valdés	CEO Campofrío Spain
Ms. Heleen Van Benthem (**) (***)	CEO Stegeman BV, The Netherlands
Mr. Luc Van Gorp (*) (**)	CEO Groupe Aoste, France
Mr.Olivier Maes (*****)	CEO Groupe Aoste, France
Ms. Diana Walther (**) (****)	CEO CFG Deutschland, Germany
Mr. Ovidio Wencz (***)	CEO Tabco – Campofrío, Romania
Ms. Isabel Ropero	Investor Relations Director
Mr. Juan Carlos Peña	Internal Audit Manager
Mr. Javier Arroniz (**)	SVP, General Human Resources
Mr. Jesús de la Viuda Martínez (*)	General Financial Director
Mr. Miguel Ángel Ortega Bernal (******)	Fresh Meat General Managing Director
Mr.. Eduardo Miguel Orense (******)	General Human Resources Director

(*) Ceased providing services during the first half of 2009.
(**) Began providing corporate services in the first half of 2009.
(***) Ceased providing services during the first half of 2010.
(****) Ceased providing corporate services during the first half of 2010.
(*****) Began providing services in the first half of 2009.
(******) Ceased providing corporate services during the first half of 2009.

Compensation	Thousand euros	
	06.30.10	06.30.09
	(Unaudited)	(Unaudited)
Total compensation paid to senior management	4,627	2,888

The abovementioned variation in the total remuneration paid to senior management is mainly due to their not having received variable remuneration during 2009, since certain targets were not reached.

At June 30, 2009 there are 8 contracts with senior managers providing for compensation if employment was terminated during a defined period (December 31, 2009: ten contracts).

Similarly, at June 30, 2010, the Group had pensions or life insurance commitments with the Company's executive management amounting to 26 thousand euros.

In addition, at their general meeting held on June 24, 2009, the shareholders of the parent resolved, inter alia, to authorize the Board of Directors to acquire treasury shares and deliver up to 1,300,000 share options under the long-term incentive plan for executive directors and executive management of the parent and consolidated Group companies (Note 13).

The transactions with related parties have been carried out at arm's length.

There are nine directors on the parent's Board of Directors, all of whom are men.

27. COMMITMENTS AND OTHER CONTINGENCIES

a) Guarantees

	Thousand euros	
	06.30.10	12.31.09
	(Unaudited)	(Audited)
Guarantees and sureties provided to third parties	51,088	51,477

The information relating to the principal guarantees and sureties provided to third parties is included in the notes to the 2009 consolidated financial statements.

The Group has mainly provided and canceled the following guarantees and sureties during the six-month period ended June 30, 2010:

- Sureties amounting to 2,731 thousand euro were arranged to comply with obligations assumed in connection with several advertising agreements entered into in the six-month period ended June 30, 2010.

- Sureties arranged to comply with obligations assumed for advertising agreements entered into in 2009, amounting to 3,686 thousand euro, were canceled.

b) Share purchase commitments

On January 7, 2003, the parent signed an agreement with a financial entity and another company whereby it received a call option on all the shares of Jamones Burgaleses S.A. held by the abovementioned companies, to be exercised between the fourth year after the signing of the contract and January 31, 2011. The parent also granted a put option on the same shares to these companies.

c) Other commitments

1.- At June 30, 2010, the Group did not have firm commitments to purchase plant and equipment (December 31, 2009: 853 thousand euros).

2.- The Group is a party to several agreements by which it may be obliged to pay indemnities to third parties regarding certain matters. The obligations arise mainly from agreements signed by the Group, by which it agreed to pay indemnities to a third party for losses stemming from a breach of covenants and guarantees associated with property rights to assets sold, demands for payment of trade receivables, environmental issues, terms of leases, and certain tax matters.

3.- As a result of the business combination in 2006 of Sara Lee Foods Europe (SLFE) and Jean Caby, the Group assumed some of SLFE's declarations, guarantees and agreements associated with those matters.

4 - The companies of the Imperial Meat Products VOF Group, Aoste SNC, SEC SNC, Industrias de Carnes Nobre, S.A. and Campofrío Food Group France Holding SAS are guaranteeing the 500,000 thousand euro bond issue carried out by the parent. The planned maturity date of the bonds is 2016 (Note 14).

d) Contingencies

The information relating to the Group's contingencies is provided in the notes to the consolidated financial statements at December 31, 2009.

The Directors consider that any unforeseen liabilities at June 30, 2010 arising as a result of the abovementioned guarantees and commitments will not have a significant effect on the condensed interim consolidated financial statements.

28. COMPONENTS OF OTHER COMPREHENSIVE INCOME

The breakdown of this heading at June 30, 2010 and 2009 is as follows:

	06.30.10	06.30.09
	(Unaudited)	(Unaudited)
Cash flow hedges entered into during the period:		
Profit/(loss) for the period	(665)	(6,883)
Less: Transfer to the income statement	230	1,893
	(435)	(4,990)

29. EVENTS AFTER THE BALANCE SHEET DATE

The joint venture agreement between Campofrio Food Group, S.A. and Caroli Foods Group, as described in Note 7, has become fully effective on July 20, 2010 after the Romanian Antitrust Authorities authorization and compliance with previous requirements.

30. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

These condensed interim consolidated financial statements are presented on the basis of International Financial Reporting Standards adopted by the European Union (EU-IFRS). Consequently, certain accounting practices applied by the Group may not conform with generally accepted principles in other countries.

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES

Breakdown of Group companies
June 30, 2010 and December 31, 2009

Company	Year of incorporation	Duration	Registered address	Principal activity	Percentage ownership Direct 2010	Direct 2009	Indirect 2010	Indirect 2009
Fully consolidated								
La Montanera, S.A.U.	1987	Indefinite	Toledo (Spain)	Iberian pig farm	100.00	100.00	-	-
Campofrio Portugal, S.A.	1996	Indefinite	Mem-Martins (Portugal)	Manufacture, processing and sale of food products.	100.00	100.00	-	-
SC Tabco Campofrio, .S.A.	1991	Indefinite	Tulcea (Romania)	Manufacture, processing and sale of food products.	97.92	97.92	-	-
Tenki International Holding, B.V.	1989	Indefinite	Haarlem (Netherlands)	Holding company	100.00	100.00	-	-
Valpro Alimentación, S.A.U.	1994	Indefinite	Valencia (Spain)	Sale and industrialization of beef, pork and lamb products.	100.00	100.00	-	-
Total Meat Marketing, S.R.L.	2001	Indefinite	Nicolae Balcescu (Romania)	Holding company	100.00	100.00	-	-
Navidul Extremadura, S.A.	1997	Indefinite	Madrid (Spain)	Manufacture of hams and shoulder hams.	100.00	77.48	-	-
Jamones Burgaleses, S.A.	1998	Indefinite	Burgos (Spain)	Processed food manufacturing services.	40.00	40.00	-	-
Degaro, S.R.L Tulcea	2002	Indefinite	Tulcea (Romania)	Livestock raising	-	-	100.00	100.00
S.C. Camporom Productie, S.R.L.	2006	Indefinite	Bucarest (Romania)	Manufacture, processing and sale of food products.	-	-	100.00	100.00
Carnes Selectas 2000, S.A.U.	1999	Indefinite	Burgos (Spain)	Operation of a slaughterhouse and production of meat products.	100.00	100.00	-	-
Gecalial, S.L.U.	1984	Indefinite	Madrid (Spain)	Activities related to marketing, sale, manufacture, processing and industrialization of livestock farming and meat products.	100.00	100.00	-	-
Campofrio Food Group Holding, S.L.	2006	Indefinite	Madrid (Spain)	Holding company	100.00	100.00	-	-
Campofrio Food Group Deutschland GMBH	1994	Indefinite	Essen (Germany)	Sales of processed meat products.	-	-	100.00	100.00
Campofrio Food Group Belgium BVBA	2006	Indefinite	Lovendegem (Belgium)	Holding company	-	-	100.00	100.00
Imperial Meat Products, VOF	1994	Indefinite	Lovendegem (Belgium)	Sale and production of processed meat products	-	-	100.00	100.00
Imperial Coordination Center BVBA	1998	Indefinite	Lovendegem (Belgium)	Coordination center	-	-	100.00	100.00
Groupe Smithfield Netherlands Holding B.V.	1999	Indefinite	Amsterdam (Netherlands)	Holding company	-	-	100.00	100.00
Campofrio Food Group Netherlands B.V.	1949	Indefinite	JD Hoofddorp (The Netherlands)	Holding company	-	-	100.00	100.00
Stegeman CV	2000	Indefinite	Deventer (The Netherlands)	Sale and production of processed meat products	-	-	100.00	100.00
Inter Food Services, Ltd.	1996	Indefinite	Kings Hill West Malling Kent (United Kingdom)	Dormant	-	-	100.00	100.00

This appendix is an integral part of the accompanying condensed explanatory Notes 1 and 2 and should be read with these notes.

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES

Breakdown of Group companies
June 30, 2010 and December 31, 2009

Company	Year of incorporation	Duration	Registered address	Principal activity	Percentage ownership			
					Direct		Indirect	
					2010	2009	2010	2009
Campofrio Food Group France Holding, SAS	1998	Indefinite	Priest (France)	Holding company	-	-	100.00	100.00
Aoste Belgique S.p.r.l.	1990	Indefinite	Brussels (Belgium)	Modern distribution sales and wholesale channel	-	-	100.00	100.00
Aoste Espana S.A.	1989	Indefinite	Santa Perpetua (Spain)	Modern distribution sales and wholesale channel	-	-	100.00	100.00
Aoste Food Service S.A.S.U.	1984	Indefinite	Priest (France)	Sales to restaurant markets	-	-	100.00	100.00
Aoste Libre Service Pretranche SNC	1992	Indefinite	Priest (France)	Production of sliced products for a modern distribution channel	-	-	100.00	100.00
Aoste Management S.A.S.U.	1995	Indefinite	Priest (France)	Management	-	-	100.00	100.00
Euragral B.V.	1991	Indefinite	Utrech (The Netherlands)	Holding company	-	-	100.00	100.00
Al Ponte Proscutti SRL	1986	Indefinite	Lesignano de Bagni Parma (Italy)	Cured ham and cold cuts production	-	-	100.00	100.00
Aoste Export SNC	1994	Indefinite	Aoste (France)	Exports	-	-	100.00	100.00
Aoste SNC	1992	Indefinite	Aoste (France)	Cured ham production and sales	-	-	100.00	100.00
Aoste Filiale Suisse SARL	2007	Indefinite	Geneva (Switzerland)	Sales of meat products.	-	-	100.00	100.00
Jean Caby SAS	2001	Indefinite	Lanavisisian (France)	Production and sales of pre-cooked and cured products	-	-	100.00	100.00
Dispranor SARL	1992	Indefinite	St André lez Lille (France)	Sale of various meat products to traditional markets / Leasing business	-	-	100.00	100.00
SEC SNC	1996	Indefinite	Priest (France)	Management of cured sausage plant and equipment / Sales through modern distribution channels	-	-	100.00	100.00
JB2C SASU	1994	Indefinite	Yssingeaux (France)	Cured products production and sales	-	-	100.00	100.00
G-SEC GIE	1998	Indefinite	Symphorien sur Coise (France)	Economic interest group	-	-	100.00	100.00
SFD Foods SGPS Sociedade Unipessoal LDA	2002	Indefinite	Rio Maior (Portugal)	Holding company	-	-	100.00	100.00
Industrias de Carnes Nobre S.A.	1962	Indefinite	Lisbon (Portugal)	Meat products production and sales	-	-	100.00	100.00

This appendix is an integral part of the accompanying condensed explanatory Notes 1 and 2 and should be read with these notes.

CAMPOFRÍO FOOD GROUP, S.A. AND SUBSIDIARIES

Breakdown of Group companies
June 30, 2010 and December 31, 2009

Company	Year of incorporation	Duration	Registered address	Principal activity	Percentage ownership			
					Direct		Indirect	
					2010	2009	2010	2009
Consolidated under the equity method								
Navidul Cogeneración, S.A.	1997	Indefinite	Madrid (Spain)	Implementation and operation of equipment and installations for the development of energy-related technologies.	35.00	35.00	-	-
Cogeneradora Burgalesa, S.L.	1996	Indefinite	Burgos (Spain)	Operation of a thermoelectric plant to optimize electricity consumption for industrial and services sector use.	50.00	50.00	-	-
Desarrollos Porcinos de Castilla y León, S.L	2008	Indefinite	Segovia (Spain)	Pig Breeding and fattening	-	-	42.00	42.00

This appendix is an integral part of the accompanying condensed explanatory Notes 1 and 2 and should be read with these notes.

On July 28, 2010, the members of the Board of Directors of Campofrío Food Group, S.A. (the parent) prepared the condensed interim consolidated financial statements and interim consolidated management report for the six-month period ended June 30, 2010, signed by each on this page, and by the Board Secretary on all the pages of these documents for identification.

(signed on the original in Spanish) Mr. Pedro Ballvé Lantero (Chairman)	(signed on the original in Spanish) Mr. Yiannis Petrides (Vice Chairman)
(signed on the original in Spanish) Mr. Charles Larry Pope (Board Member)	(signed on the original in Spanish) Mr. Caleb Samuel Kramer (Board Member)
(signed on the original in Spanish) Mr. Guillermo de la Dehesa Romero (Board Member)	(signed on the original in Spanish) Mr. Karim Michael Khairallah (Board Member)
(signed on the original in Spanish) Mr. Luis Serrano Martin (Board Member)	(signed on the original in Spanish) Mr. Juan José Guibelalde Iñurritegui (Board Member)
(signed on the original in Spanish) Mr. Joseph Williamson Luter IV (Board Member)	(signed on the original in Spanish) Mr. Alfredo Sanfeliz Mezquita (Secretary-Non-board member)