



Campofrio Food Group sees revenue rise by 20.5% in 1Q12

- Topline growth was driven importantly by the Group's branded business, which registered revenue growth of 5.0% excluding Fiorucci
 - Normalized EBITDA rose 3.3% to €33.9 million

Madrid, 11 May 2012. Campofrio Food Group generated revenues of €447.4 million in the first quarter of 2012, year-on-year growth of 20.5%. On a like-for-like basis, namely stripping out the contribution by the Fiorucci business acquired in April of last year, revenue growth was 3.1%, driven mainly by a strong performance by the Group's leading brands and the rewards reaped from the company's product mix and price optimisation strategies.

In a still-challenging consumer spending environment and faced with higher-than-forecast input inflation - with raw material prices climbing 3.9% higher compared to the first three months of 2011 - Campofrio Food Group managed to gain competitiveness and drive growth in normalized EBITDA of 3.3% to €33.9 million. The normalized EBITDA margin was 7.6% (8.4% excluding Fiorucci). The company posted a net loss of €0.6 million for the quarter, compared to net profit of €2.8 million in 1Q11, due mainly to the increase in interest expense following the Fiorucci acquisition.

This operating earnings performance, despite the adverse business climate, was largely powered by the Group's brands. Revenues from the sale of branded products, excluding Fiorucci, rose by 5.0% in the first quarter. All this, coupled with a strong take-up for the new products launched, enabled the company to consolidate profitability in the first quarter and to partially offset the adverse impact of raw material price inflation with an enhanced product mix, innovation and price increases.

In parallel, during these three months Campofrio Food Group continued to reinforce its financial strength. The cash position rose 9.4% year-on-year to €151 million, while the leverage ratio tracked within the company's guidance, specifically at 2.8x EBITDA, despite the recent acquisition of Fiorucci, which left net debt at the first-quarter close at €482.5 million.

According to Robert A. Sharpe II, CEO of Campofrio Food Group, "the company's revenue and earnings performance in the first three months of the year, framed by a still-challenging operating backdrop, highlights the fact that our business strategy, focused on creating value by enhancing the product mix, innovating, continuing to boost productivity and defending our brands, is beginning to deliver solid and profitable growth. Fuelled by our investment program announced in the first quarter of this year, we expect these trends to continue".