



Campofrio Food Group reports net sales rose of 13.6% in 2011

- *Net sales growth primarily was driven by branded sales, which increased 16.5%*
- *Growth, together with continued productivity measures, enabled Campofrio Food Group to deliver a normalized EBITDA of 169.4 million euros, despite a challenging market environment*
- *The Group maintained its conservative capital structure, improving its leverage to 2.8x EBITDA, while ending the year with a solid liquidity position, including 138 million euros in cash*
- *Continuing its long term strategy and reflecting the sustained challenging market environment, Campofrio Food Group announces a major investment program*
- *An exceptional net provision mainly related to this program of 88.3 million euros has been included in its 2011 accounts, resulting in a net loss of 54.2 million of euros*

Madrid, February 29th 2012. CAMPOFRIO FOOD GROUP, Europe's leading processed meats company, reported today consolidated turnover of 1,827.2 million euros for the year 2011, an increase of 13.6%. Excluding the impact of Fiorucci, acquired in April 2011, the Group's turnover grew 1.7%. A significant part of this growth was driven by branded products, which increased retail sales by 16.5% (2.8% excluding Fiorucci).

Reflecting both growth and continued productivity measures, Campofrio Food Group reported normalized EBITDA of 169.4 million euros, although market environment was challenging. After giving effect to an exceptional net provision of 88.3 million euros, mainly related to its investment program, the company reported a net loss of 54.2 million euros.

Campofrio Food Group has reinforced its financial strength in 2011, improving its leverage ratio, defined as net debt to EBITDA, to a level of 2.8x. The Group also maintains strong liquidity, including a year-end cash position of 138 million.

"The Group has had a positive performance in terms of sales and EBITDA despite the difficult macroeconomic context of 2011, which has seen a highly inflationary raw materials landscape, especially fresh meat, which reached the highest level of the last decade. We also see rapidly changing consumer habits in terms of purchasing preferences and price sensitivity. Our strategy and efforts on value creation, through mix improvement, innovation and pricing, together with continued productivity, enabled the Group to deliver a strong operational result in 2011", commented Mr. Robert A. Sharpe II, Chief Executive Officer of Campofrio Food Group.

Campofrio Food Group's ambition to become one of Europe's leading food companies is driven by a strategy which reflects current and anticipated consumer preferences and customer requirements. Based on these trends, the Group continues to adapt to the evolving market requirements. In this regard, Campofrio Food Group also announced today an important increase in its investments for the future. This program includes new investments in marketing, product and technologies development, channel and geographic expansion, productivity and customer service. The company anticipates funding this program, which is expected to be deployed over the next 3 years, from its operating cash flow.

In line with its strategy, the Group has announced today the decision to sell a majority of its French cooked products business to an operating partner, Foxlease. As a result, Campofrio Food Group has reclassified this business as discontinued operation as of January 1st 2011. This transaction, other than the effect reflected in the 2011 accounts is not expected to have a material impact on the Group's continued operations. Closing is expected in March 2012.

"We have accomplished many important milestones in previous years. Nevertheless, in response to both our vision and the extremely challenging market context, the company has decided these important next steps. By investing in growth and defending our competitiveness we believe we will continue creating sustainable value for all our stakeholders, including employees, consumers, customers, suppliers, investors and the communities where we operate", Mr. Sharpe concluded.

Further Information Contact

Hill + Knowlton Strategies (Campofrio Food Group press office)

Tel: +34 91 435 11 22/ Mov. +34 690 61 07 24

Juan Ignacio Moreno Arranz juan.ignaciomoreno@hkstrategies.com

Joan Ramón Vilamijana jrvilamitjana@hkstrategies.com