



## **Campofrio Food Group registra un beneficio neto de 15.7 millones de euros con un incremento de sus ventas del 5,0% en el año 2012**

- El crecimiento en ventas y las iniciativas para mejorar la productividad han permitido a CFG registrar un EBITDA normalizado de 150,5 millones €
- Las categorías de “salud”, “tradición” y “snacking” impulsan la facturación, con un crecimiento conjunto del 29,5%
- El Grupo refuerza su posición de caja y reduce su deuda financiera neta

**Madrid, 28 de febrero de 2013.-** Campofrio Food Group (CFG) ha registrado una facturación por ventas de 1.918,3 millones de euros en el año 2012, aumentando un 5,0% frente al 2011 gracias al crecimiento orgánico del grupo y a la aportación de Fiorucci.

Durante el ejercicio 2012, la apuesta del Grupo por la innovación ha sido un factor catalizador del crecimiento, como demuestra la evolución de las categorías de “salud”, “tradición” y “snacking”, que con un aumento conjunto del 29,5% han impulsado las ventas de la compañía, hasta representar, al cierre de diciembre, el 11,0% de la facturación. Asimismo, la fortaleza de las marcas de Campofrio Food Group y la estrategia llevada a cabo para reforzar su desarrollo en cada uno de los mercados y canales de venta han permitido superar la tendencia negativa de mercado, con un crecimiento de las ventas al canal de distribución de las marcas de CFG impulsado por el favorable comportamiento, entre otros, de *Aoste* en Francia (+10,1%) y Bélgica (+5,1%), de *Justin Bridou* en Francia (+6,7%), de *Stegeman* en Holanda (+5,0%) y de *Campofrío* en España (+2,0%).

Campofrio Food Group ha demostrado en un entorno económico muy adverso su capacidad para continuar fortaleciendo su posicionamiento competitivo. El reforzamiento del liderazgo de las marcas, la continua adaptación a las necesidades de los clientes y el incremento de la innovación en el portafolio de productos se han llevado a cabo incluso manteniendo las inversiones en marketing para cumplir con el objetivo de proteger las marcas. En un año caracterizado por el fuerte incremento en el coste de las materias primas, los precios de la carne han alcanzado nuevos máximos históricos. Esta fuerte presión inflacionista ha sido parcialmente compensada por las mejoras en productividad derivadas de la centralización y optimización de las actividades de compra de carne y otras materias primas. Por ello, el margen bruto operativo EBITDA normalizado se sitúa en 150,5 millones de euros y el beneficio neto alcanza los 15,7 millones de euros.

Campofrio Food Group, a lo largo del año 2012, ha continuado reforzando su sólida posición financiera y su capacidad de generación de caja. En 2012 el Grupo ha generado un flujo neto de caja operativo de 116,5 millones de euros, ha incrementado en 31,6 millones de euros su nivel de caja, hasta los 169,9 millones de euros, y ha reducido su deuda financiera neta en 37.1 millones de euros, hasta situarla en 441,8 millones de euros, con un ratio de apalancamiento de 2,9 veces EBITDA.

€ millones	Año 2012	Año 2011
Total ventas netas	1.918,3	1.827,2
EBITDA normalizado	150,5	169,4
Beneficio neto	15,7	-54,2
Deuda financiera neta	441,8	478,8

Para Robert A. Sharpe II, CEO de Campofrio Food Group: “Los resultados del año 2012 demuestran el sólido posicionamiento de nuestras marcas y la exitosa política comercial y de innovación del Grupo. En un entorno difícil, Campofrio Food Group está fortaleciendo su liderazgo en los mercados en los que opera. Nuestra estrategia de integración y transformación del grupo está dando sus frutos y nos permite desarrollar nuestras marcas y productos en los países donde estamos y entrar en nuevos mercados. La integración también nos está permitiendo optimizar la gestión de recursos, alinear los objetivos y establecer las mejores prácticas en todas las unidades de negocio. Ello ha permitido cumplir en el 2012 con los objetivos del plan de inversiones. CFG ha reforzado su posición financiera y la generación de caja lo que le permite continuar con el desarrollo del plan de inversiones para garantizar el crecimiento y la productividad de forma progresiva en los próximos años.”



## YEAR 2012 RESULTS (January – December)

### I. Highlights<sup>1</sup>

In year 2012 Campofrio Food Group has consolidated its position in Europe in the processed meat market. 2012 has been, once again, characterized by tough economic conditions and inflationary pressures, the latter driving raw material prices to new record highs, namely pig carcass. The strength of CFG brands, ongoing portfolio innovation and product mix improvement have been key success factors to support sales growth. Increased efficiency in the meat sourcing platform has helped to protect margins. Despite adverse market conditions, CFG margins have recovered in the second half of the year, reaching its highest level in the fourth quarter. Additionally, CFG has delivered strong cash generation, outstanding working capital management and a strengthened financial position.

**Total net sales, reaching €1,918.3 million** increased by 5.0% due mainly to the outstanding performance of our brands and inorganic growth. Excluding Fiorucci's contribution<sup>2</sup>, sales grew by 1.8%, with branded retail up 3.8%. The key platforms that are driving growth are Snacking +30.9%, Heritage +29.9% and Health +26.2%.

**EBITDA “normalized” stands at €150.5 million** and Ebitda margin on sales at 7.8% impacted mainly by higher raw material expenses. If we include one-off expenses “reported EBITDA” amounts to €142.3 million.

**Net profit amounts to €15.7 million.** In year 2011 CFG posted a net loss of €54.2 million after having recorded a non-recurrent charge for “strategic redefinition” of €91.1 million.

**Net operating cash flow of €116.5 million** benefits from lower working capital needs (- € 64.7 million) thanks to effective working capital management.

**Net Financial Debt of €441.8 million** diminishes by €37.1 million on reduced indebtedness and increased cash position. The leverage ratio NFD/EBITDA normalized stands at 2.9x meeting the internal leverage targets set by the management.

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<sup>1</sup> Results for Campofrio Food Group corresponding to year 2012 include the 12 months 2012 results for Fiorucci, while in 2011 only for the period April-December.

<sup>2</sup> Excluding the contribution of 1Q2012 to allow like for like comparison with 2011.

## II. Consolidated Profit and Loss Account

### PROFIT & LOSS ACCOUNT

million €	2.012	2.011
Net sales and services	1.918.346	1.827.240
Increase in inventories of finished goods and work in progress	-3.616	4.454
Capitalized expenses of Company work on assets	6.584	4.116
Other operating revenues	10.463	9.272
<b>Operating revenues</b>	<b>1.931.777</b>	<b>1.845.082</b>
Consumption of goods and other external charges	-1.063.898	-999.305
Employee benefits expense	-351.261	-413.562
Depreciation and amortization	-60.719	-57.235
Changes in trade provisions	-4.493	-2.754
Other operating expenses	-369.826	-351.193
<b>Operating expenses</b>	<b>-1.850.197</b>	<b>-1.824.049</b>
Impairment of assets	-284	-18.468
<b>Consolidated operating profit</b>	<b>81.296</b>	<b>2.565</b>
Other interest and similar income	3.783	5.280
Exchange rate gains	430	311
Finance revenue	4.213	5.591
Finance costs	-58.648	-60.415
<b>Net finance costs</b>	<b>-54.435</b>	<b>-54.824</b>
Share of profit (loss) of investments accounted for using the equity method	-8.321	-2.314
<b>Profit before tax</b>	<b>18.540</b>	<b>-54.573</b>
Income taxes	4.176	30.204
Profit from continuing operations	22.716	-24.369
Loss from discontinued operations	-6.995	-29.879
<b>Profit / (Loss) for the year</b>	<b>15.721</b>	<b>-54.248</b>
Depreciations	-60.719	-57.235
Impairment of assets	-284	-18.468
<b>EBITDA normalized</b>	<b>150.506</b>	<b>169.354</b>
One-off charges	-8.206	-91.086
<b>EBITDA reported</b>	<b>142.300</b>	<b>78.268</b>
EBITDA normalized/Net sales	7,8%	9,2%
EBITDA reported/Net sales	7,4%	4,3%

**Total net sales** of €1,918.3 million grow by 5.0% backed by the contribution of Fiorucci and the good performance of the Group's brands. Excluding Fiorucci<sup>3</sup>, branded retail sales increase by 3.8% and some key product platforms record outstanding growth: Snacking, Heritage and Health product platforms grew by 30.9%, 29.9% and 26.1% respectively. These three categories, called "growth accelerators" contributed with 11.0% to total sales of the Group.

<sup>3</sup> Excluding the contribution of 12M 2012 and 9M 2011.

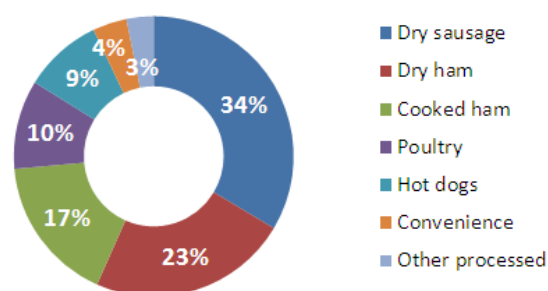
Considering a like for like comparison in sales by product type for the Group, excluding the contribution of Fiorucci<sup>4</sup>, Carnes Selectas, Export and traditional channel sales, it is worth noting the good performance of the categories “dry sausage” (+5.7%), “poultry” (+3.3%), “dry ham” (+2.5%), “cooked products” (cold cuts, pate) (+8.0%) and “convenience” (pizzas, ready meals) (+20.4%).

#### Net sales\* by product type

Million, €	2011	2012	Growth %
Dry sausage	470.815	497.497	5.7%
Dry ham	323.792	331.990	2.5%
Cooked ham	229.685	227.258	-1.1%
Poultry	154.902	159.963	3.3%
Hot dogs	132.173	132.775	0.5%
Cold cuts, pate, etc.	112.314	121.298	8.0%
Pizzas and ready meals	45.553	54.852	20.4%
Other	35.702	31.620	n.a.
<b>TOTAL</b>	<b>1.504.936</b>	<b>1.557.253</b>	<b>3,5%</b>

\*Sales without Fiorucci, Carnes Selectas, Export and traditional channel.

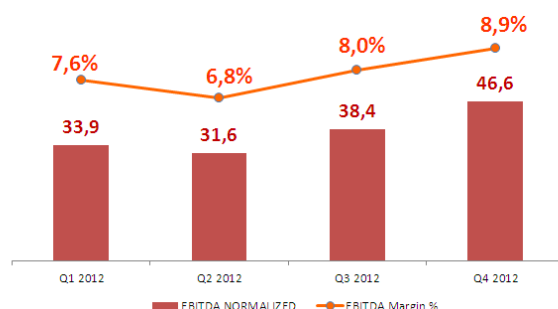
#### 2012 Sales by product type with Fiorucci



**Total operating expenses of € 1,850.2 million** grow mainly as a consequence of higher raw material prices. The later was partially offset by lower personnel expenses. Other operating expenses grow with higher freight costs and taxes on utilities.

The **consolidated operating profit reaches € 81.3 million**, well above last year figure of €2.6 million on lower growth in operating expenses as well as lower impairments.

**EBITDA “normalized” amounts to € 150.5 million**. If we take into account one-off charges of €8.2 million, EBITDA “reported” stands at €142.3 million.



EBITDA normalized (M€ and % of net sales), Quarterly evolution in year 2012

<sup>4</sup> Excluding the contribution of 12M 2012 and 9M 2011

The net **financial result** amounts to € -54.4 million slightly below last year's level with decreased debt.

The **result from discontinued operations** of € -6.995 million corresponds mainly to losses in the French cooked ham operation of Jean Caby.

**Net profit** for the year 2012 reaches €15.7 million while in 2011 it posted a negative figure of €54.2 million after a provision for restructuring measures of € 91.1 million was recorded.

### III. Balance Sheet

BALANCE SHEET, million €

Assets	2012	2011	Equity and Liabilities	2012	2011
		(Restated)			(Restated)
Property, plant and equipment	576.083	579.938	Issued capital	102.221	102.221
Goodwill	458.978	459.105	Share premium	411.129	411.129
Other intangible assets	272.316	259.687	Other reserves	73.976	130.972
Non-current financial assets	15.019	4.901	translation differences	3.170	3.672
Investments accounted for under the equity method	28.921	28.972	Traesary shares	-18.685	-14.338
Deferred tax assets	135.829	120.705	Profit (loss) attributable to equity holders of the parent	15.721	-54.248
<b>Non-current assets</b>	<b>1.487.146</b>	<b>1.453.308</b>	Equity attributable to equity holders of the parent	587.532	579.408
			<b>Equity</b>	<b>587.532</b>	<b>579.408</b>
Inventories	339.962	333.941	Debentures	490.733	488.394
Trade and other receivables	217.153	239.283	Interest-bearing loans and borrowings	59.819	90.409
Other current financial assets	390	924	Other financial liabilities	4.207	3.314
Other current assets	6.283	7.335	Deferred tax liabilities	169.154	169.559
Cash and cash equivalents	169.910	138.274	Other non-current liabilities	15.524	17.643
<b>Current assets</b>	<b>733.698</b>	<b>719.757</b>	Provisions	108.877	114.680
			<b>Non-current liabilities</b>	<b>848.314</b>	<b>883.999</b>
Assets classified as held for sale and discontinued operations	1.270	75.428			
			Debentures	6.875	6.875
			Interes-bearing loans and borrowings	42.921	26.257
			Trade and other payables	607.765	571.992
			Other financial liabilities	7.500	2.760
			Income tax payables	4.847	7.989
			Provisions	36.545	39.942
			Other current liabilities	79.724	71.074
			<b>Current liabilities</b>	<b>786.177</b>	<b>726.889</b>
			Liabilities clasifed as held for sale and discontinued operations	91	58.197
			<b>Total liabilities</b>	<b>1.634.582</b>	<b>1.669.085</b>
<b>TOTAL ASSETS</b>	<b>2.222.114</b>	<b>2.248.493</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2.222.114</b>	<b>2.248.493</b>

**Non-current debentures** of €490.7 million correspond to the book value of the group's financial liability corresponding to non-convertible bonds for the nominal value of € 500,0 million issued on November 2<sup>nd</sup> 2009.

Regarding the €100.0 million "club deal" arrangement signed in April 2011 to finance the acquisition of Fiorucci S.p.a. the group has amortized € 10.0 million in year 2012.

At 31 December 2012, the CFG does not have any bank borrowings other than unused and fully available borrowing facilities amounting to € 170.0 million.

**Net financial debt** of € 441.8 million is reduced by €37.0 million due to lower debt and higher cash position. Therefore the leverage ratio on normalized EBITDA stands at 2.9 times.

<b>CAMPOFRIO FOOD GROUP</b>		
<b><u>Net Financial Debt</u></b>	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>
Debentures and Bonds	497.608	495.269
Debts with credit entities	102.738	116.666
Other current financial liabilities	11.708	6.149
Financial derivatives instruments	-	(74)
Other current financial assets	(390)	(924)
Cash and cash equivalents	(169.910)	(138.274)
<b><u>Total Net Debt</u></b>	<b><u>441.754</u></b>	<b><u>478.812</u></b>
<b>EBITDA normalized</b>	<b>150.506</b>	<b>169.383</b>
<b>NFD / EBITDA normalized</b>	<b>2.9x</b>	<b>2.8x</b>

#### **IV. Investments**

CFG investments (“capex”) in year 2012 amounted to € 71.4 million of which € 55.3 million is related to tangible assets and the remaining € 16.1 million to intangible assets, mainly investments in software / information systems for the integration of all IT systems of the Group.

#### **V. Cash flow**

Operating cash flow reaches € 208.8 million with a positive evolution of working capital contributing with € 64.7 million thanks mainly to increased trade payables. Working capital management continues generating value for CFG.

#### CASH FLOW STATEMENT

million €	2012	2011
<b>Profit before tax from continuing operations</b>	<b>18.540</b>	<b>-54.573</b>
<b>Loss before tax from discontinued operations</b>	<b>-8.670</b>	<b>-29.845</b>
Depreciation/amortization of assets	61.815	63.918
Impairment of assets	284	29.839
Financial result	54.413	56.264
Investments accounted for under the equity method	8.321	2.314
Government grants	-3.887	-3.312
Provision for process of strategic redefinition	-137	82.978
Provision for restructuring	8.273	-
Adjustment to reconcile profit before tax to net cash flows	5.103	7.699
<b>Operating profit before changes in working capital</b>	<b>144.055</b>	<b>155.282</b>
Working capital adjustments	64.708	54.933
<b>Cash flows from operating activities</b>	<b>208.763</b>	<b>210.215</b>

<b>Cash flows from operating activities</b>	<b>208.763</b>	<b>210.215</b>
Interest paid	-52.613	-52.812
Interest received	1.147	1.703
Provisions and pensions	-28.276	-6.125
Income tax paid	-15.880	-11.703
Government grants received	3.404	3.751
<b>Net cash flows from operating activities</b>	<b>116.545</b>	<b>145.029</b>
Income from sale of group companies	-	2.221
Purchase of property, plant and equipment	-71.397	-59.892
Proceeds from sale of property, plant and equipment	4.017	3.403
Investments in group companies	-1.970	-24.416
Payments related to acquisitions of affiliates	-342	-69
<b>Net cash flows used in investing activities</b>	<b>-69.692</b>	<b>-78.753</b>
Proceeds from financing	-	98.364
Payment of financial debt	-11.429	-166.164
Change in current financial liabilities	2.963	8.965
Cancelled of financial instruments	-	-19.040
Long-term loans Group's companies	-3.400	-
Purchase of treasury shares	-4.494	-2.281
Dividend paid	-	-10.222
Acquisition of minority interest	-	-5.755
<b>Net cash flows used in financing activities</b>	<b>-16.360</b>	<b>-96.133</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>30.493</b>	<b>-29.857</b>
Cash and cash equivalents at January 1st	139.417	169.274
Cash and cash equivalents at December 31st	169.910	139.417