



## **Campofrio Food Group reports a net sales growth of 9.0%, up to €910.4 million in H1 2012**

- Top line growth was mostly driven by Group's branded business, which has increased by 13.5%
- EBITDA reaches €65.5 million

**Madrid, July 27, 2012.** - Campofrio Food Group has recorded a consolidated turnover of €910.4 million in the first half of 2012, 9.0% higher than the €834.9 million achieved in the first six months of 2011. The acquisition of Fiorucci, in April 1, 2011, contributed 7.7% of this increase, while the remaining was motivated primarily by the positive performance of the Group's leading brands and the returns provided by optimizing the mix and the prices.

In an inflationary scenario which has impacted especially in raw materials meat prices, climbing 2.8% higher compared to the first half of 2011, Campofrio Food Group EBITDA stands at €65.5 million compared to €70.9 million for the same period of 2011. Reflecting both these higher raw material costs, as well as a stepped up marketing investments, Campofrio Food Group's EBITDA margin was moderated to 7.2%. The company posted a net income of €1.0 million for the semester, compared to €3.5 million in the first half of 2011, explained by the lower EBITDA and the increase in interest expenses following the Fiorucci acquisition.

A value focused strategy supported by strong innovation, mix improvements and price increases, continues to deliver good results, as evidenced by the positive branded sales development, increasing 13.5% (4.0% excluding the impact of Fiorucci), during the first half of 2012 versus the same period of prior year.

Similarly, during the first six months of the year, the Campofrio Food Group has continued to maintain its solid financial situation, with €136 million cash position and a net financial debt of €490 million, €19 million lower than at the end of the first semester of 2011, keeping the leverage ratio at 3x EBITDA, in line with the parameters established for the company.

Commenting on the results, Robert A. Sharpe II, CEO of Campofrio Food Group, stated, "In spite of a very challenging environment, we were able to deliver solid branded sales growth while achieving all important milestones established for our investment program during the first half of 2012. Looking forward, we expect both of these themes will continue to develop".