CAMPOFRIO FOOD GROUP

UNAUDITED INTERIM SELECTED
CONSOLIDATED FINANCIAL INFORMATION
THREE MONTH PERIOD ENDED 31st MARCH 2010

TABLE OF CONTENTS

INTRODUCTION

In November 2009, CAMPOFRIO FOOD GROUP, S.A. (the "Company"), incorporated as a public limited company (*sociedad anonima*) under the laws of Spain, issued € 500 million aggregate principal amount of its 8.250% Senior Notes due 2016 (the ''Notes'') at a price of 99.365 %. We will pay interest on the Notes semi-annually on each April 30 and October 31, commencing April 30, 2010. Prior to October 31, 2013, we will be entitled, at our option, to redeem all or a portion of the Notes by paying the relevant ''make-whole'' premium. At any time on or after October 31, 2013, we may redeem all or part of the Notes by paying a specified premium to the holders. In addition, prior to October 31, 2013, we may redeem at our option up to 35% of the Notes with the net proceeds from certain equity offerings. If we undergo a change of control or sell certain of our assets, we may be required to make an offer to purchase the Notes. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the Notes. We may from time to time seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

The Notes are senior debt of Campofrio Food Group and will rank *pari passu* in right of payment to all of Campofrio Food Group's existing and future senior indebtedness. The Notes are guaranteed on a senior basis by certain of our subsidiaries.

The Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market.

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the ''U.S. Securities Act''). The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act (''Rule 144A'') and to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act (''Regulation S''). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Following the issuance of the Notes, the Company redeemed all of the U.S Private Placement notes, prepaid all of the LBO facilities (multicurrency credit facilities with a limit of €415 million, arranged by Citigroup Global Markets Ltd and Royal Bank of Scotland plc.) and repaid all its short term borrowings under various lines of credit.

This Unaudited Interim Selected Consolidated Financial Information is provided to the holders of the notes pursuant to Section "Description of the notes - Reports (2)" of the indenture.

CONSOLIDATED INCOME STATEMENT

Campofrio Food Group
(*In Thousands of Euros*)

	Three month ended March 31,			
	2010		2009	
	Actual (unaudited)	% of total oper. revenues	**Actual (unaudited)**	% of total oper. revenues
Operating revenues				
Net sales and services	430,041	95%	431,795	98%
Increase in inventories of finished goods and work in progress	19,956	4%	4,132	1%
Capitalized expenses on Company's work on assets	42	0%	110	0%
Other operating revenue	2,334	1%	2,431	1%
Total operating revenues	452,373	100%	438,467	100%
Operating expenses				
Consumption of goods and other external charges	-241,611	-53%	-229,473	-52%
Employee benefits expense	-86,981	-19%	-91,831	-21%
Depreciation and amortization	-13,981	-3%	-14,464	-3%
Other operating expenses	-89,595	-20%	-90,196	-21%
Changes in trade provisions	-267	0%	-543	0%
Total operating expenses	-432,435	-96%	-426,506	-97%
Consolidated operating profit (EBIT)	**19,937**	**4%**	**11,962**	**3%**
Financial expenses, net	-14,560	-3%	-11,466	-3%
Other income and expenses	0	0%	-11	0%
Profit before tax	**5,378**	**1%**	**486**	**0%**
Income taxes	-1,445	0%	0	0%
Profit after tax from continuing operations	**3,933**	**1%**	**486**	**0%**
Profit for the year from discontinued operations				
Profit for the year	**3,933**	**1%**	**486**	**0%**
Attributable to minority interest	79	0%	97	0%
Attributable to equity holders of the parent company	3,855	1%	389	0%

The accompanying notes are an integral part of this consolidated financial information.

CONSOLIDATED BALANCE SHEET

Campofrio Food Group
(*In Thousands of Euros*)

	Three month period ended March 31, 2010 (unaudited)	2009 (unaudited)
ASSETS		
Property, plant and equipment	553,615	571,101
Goodwill	419,565	419,565
Other intangible assets	183,366	181,614
Non-current financial assets	6,150	6,667
Investments accounted for under the equity method	941	6
Deferred tax assets	68,645	63,391
Other non-current assets	135	183
Total non-current assets	**1,232,417**	**1,242,527**
Inventories	292,953	324,961
Trade and other receivables	192,750	234,625
Other current financial assets	1,176	1,758
Other current assets	4,631	4,371
Cash and cash equivalents	161,332	55,916
Total current assets	**652,842**	**621,631**
Assets classified as held for sale and discontinued operations	**1,555**	**1,555**
TOTAL ASSETS	**1,886,814**	**1,865,713**
EQUITY AND LIABILITES		
Equity attributable to equity holders of the parent	618,594	604,469
Equity attributable to minority interests	6,425	10,045
TOTAL EQUITY	**625,019**	**614,514**
Debentures	483,470	178,810
Interest-bearing loans and borrowings	0	142,834
Other financial liabilities	72,956	51,337
Deferred tax liabilities	127,335	125,376
Other non-current liabilities	20,531	20,188
Provisions	48,485	38,813
Total non-current liabilities	**752,777**	**557,358**
Debentures	17,073	57,420
Interest-bearing loans and borrowings	5,358	85,447
Trade and other payables	417,831	392,952
Other financial liabilities	496	14,475
Creditor for income tax	1,240	3,395
Provisions	9,020	18,998
Other current liabilities	58,000	121,154
Total current liabilities	**509,018**	**693,841**
TOTAL EQUITY AND LIABILITIES	**1,886,814**	**1,865,713**

The accompanying notes are an integral part of this consolidated financial information.

CONSOLIDATED CASH FLOW STATEMENT

Campofrio Food Group
(*In Thousands of Euros*)

	Three month period ended March 31,	
	2010	2009
	Actuals (unaudited)	Actuals (unaudited)
Operating flows before changes in working capital	**36,343**	**27,006**
Changes in working capital	-10,242	-57,605
Cash flows from operating activities	**26,101**	**-30,600**
Net interest expenses	-4,610	-13,141
Provision and pensions payment	-4,887	-4,363
Income tax paid	-1,881	-1,001
Net cash flows from operating activities	**14,722**	**-49,105**
Investments in property, plant and equipment	-5,360	-8,145
Other collections and investments	-3,128	199
Net cash flows from investing activities	**-8,488**	**-7,946**
Changes in financial liabilities	-1,692	-3,285
Other payments and Own share transactions	-3,369	-3,549
Net cash flows from financing activities	**-5,061**	**-6,834**
Net increase/(decrease) in cash and cash equivalents	1,173	-63,885
Cash and cash equivalents at beginning of period	160,158	119,801
Cash and cash equivalents at end of period	**161,331**	**55,916**

The accompanying notes are an integral part of this consolidated financial information.

OTHER SELECTED CONSOLIDATED FINANCIAL INFORMATION

Campofrio Food Group
(*In Thousands of Euros*)

Conciliation of Net Income to EBITDA adjusted	**Thee month ended March 31,**	
	2010	**2009**
	Actuals (unaudited)	**Actuals (unaudited)**
Net income Attributable to equity holders of the parent company	3,855	389
Net income Attributable to minority interest	79	97
Profit for the year from discontinued operations		
Income taxes	1,445	0
Other income and expenses	0	11
Financial expenses, net	14,560	11,466
Depreciation and amortization	13,981	14,464
EBITDA	**33,919**	**26,425**
Severance		6,251
Total Adjustments		6,251
EBITDA adjusted	33,919	32,676

The accompanying notes are an integral part of this consolidated financial information.

EXPLANATORY NOTES TO THE UNAUDITED INTERIM SELECTED CONSOLIDATED FINANCIAL INFORMATION

Corporate Information

Campofrío Food Group, S.A. (the Parent Company), with registered office at Avda. de Europa, Parque Empresarial la Moraleja in Alcobendas (Madrid), was incorporated as a private 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 Alimentación, S.A. and on December 30, 2008, it was changed to its current name, Campofrío Food Group, S.A.

Campofrío Food Group, S.A. is the parent of a Group of companies consolidated under the full and equity consolidation methods.

The Parent Company manufactures and sells products mainly for human consumption. The principal activities of the Parent Company and the Group companies are to manufacture, sell and distribute processed and canned meat and derivatives from pork and beef by-products and other food products.

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

Basis of preparation

The amounts of the consolidated income, balance sheet and cash flow statement, were prepared in accordance with International Financial Reporting Standards, adopted by the European Union (EU-IFRS), in conformity with EU Regulation no. 1606/2002 of the European Parliament and Council. The rest of information and disclosures that are necessary in financial statements elaborated under EU-IFRS are not included since they are not applicable for the purpose of this document.

In any case, this selected financial information here presented and the explanatory notes should be read in conjunction with the Campofrío Food Group, S.A. and subsidiaries Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2009.

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

Detailed information regarding our accounting policies is provided in Note 2 to our consolidated financial statements for the year ended December 31, 2009.

Non-IFRS-EU Financial Measures

This unaudited interim selected consolidated financial information could contain non-IFRS-EU measures and ratios, including EBITDA, adjusted EBITDA, net debt and leverage and coverage ratios that are not required by, or presented in accordance with, IFRS-EU. We present non-IFRS-EU measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS-EU measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS-EU. Non-IFRS-EU measures and ratios such as EBITDA, adjusted EBITDA, net debt and leverage and coverage ratios are not measurements of our performance or liquidity under IFRS-EU and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS-EU or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Operating Segment Reporting

We report our results in accordance with the following strategic reporting segments:

- Southern Europe: includes the operating activities managed in Spain & Portugal
- Northern Europe: includes the operating activities managed primarily in France, the Netherlands, Belgium & Germany.
- Others: includes operating activities managed primarily in Romania (with regards to EBITDA this line includes also the Group Headquarters)

Note: Elimination on our Net Sales and Services segment reporting refer to the elimination of inter-segment sales (i.e.: sales between Southern and Northern Europe) eliminated at consolidated level. Segment information is presented net of intra-segment sales (i.e.: sales between Spain and Portugal)

Net Financial Debt, Liquidity and Capital Resources

The following charts set our debt position as of March 31, 2010 and March 30, 2009.

NET FINANCIAL DEBT	**Period Ended March 31,**	
	2010	**2009**
Non-current financial debt		
Debentures	483,470	178,810
Interest-bearing loans and borrowings	-	142,834
Other financial liabilities	72,956	51,337
Current financial debt		
Debentures	17,073	57,420
Interest-bearing loans and borrowings	5,358	85,447
Other financial liabilities	496	14,476
Current financial assets		
Other current financial assets	-1,176	-1,758
Cash and cash equivalents	-161,332	-55,916
Total Net Financial Debt	**416,845**	**472,650**

The company's debt structure has significantly changed during the last quarter of 2009 with the completion of the issue of the Notes, whose proceeds were mainly used to repay both the USPP Notes and the LBO Facilities.

The resulting debt structure is primarily comprised of the Notes which account for €483.5 million significantly reducing the current portion of the total debt. Besides the Notes, the only remaining financial liabilities are basically the €68.8 million in derivatives classified as held for trading. (See "Description of certain Financing Arrangements" in the Notes Offering Memorandum (OM)).

Our net financial debt of €416.8 million as of March 31, 2010 is substantially lower than at the end of March 2009, despite the 2009 merger-related payments, as a result of our combined actions in terms of reducing Capital Expenditures and Working capital. Net financial debt is stable compared to the end of the fourth quarter ending December 31, 2009, where it was €410.2 million, despite the fact that the first quarter is traditionally the weakest in terms of cash generation due to seasonality.

Our liquidity position remains very solid and amounts to €396 million at the end of March 2010, consisting of €161 million in cash and cash equivalents and €235 million in undrawn bank lines (€180 million in bilateral facilities and €55 million under the Revolving Credit Facility) versus just €120 million bank lines available at the end of March 2009.

The following tables set forth the situation of our two main financing sources as of March 31, 2010 and March 31, 2009.

Debentures	Period Ended March 31,	
	2010	2009
Non-current debentures	483,470	178,810
Current debentures	17,073	57,420
Principal	0	56,357
Accrued interest	17,073	1,063
Total debentures	**500,543**	**236,230**

Interest-bearing loans and borrowings	Period Ended March 31,	
	2010	2009
Bank loans and credit facilities	2,317	224,509
Credit lines	2,317	15,160
Multicurrency credit line	0	209,349
Discounted bills payable	2,265	2,107
Interest payable	777	1,665
Total	**5,358**	**228,281**

The following tables set forth the situation of our current and non-current other financial liabilities as of March 31, 2010 and March 31, 2009.

Other financial liabilities	Period Ended March 31, 2010			Period Ended March 31, 2009		
	Non-current	Current	Total	Non-current	Current	Total
Financial leases	1,702	496	2,198	1,150	773	1,923
Other financial liabilities	2,424	-	2,424	1,956	14	1,970
Derivatives	68,830	-	68,830	48,231	13,689	61,920
Total	**72,956**	**496**	**73,452**	**51,337**	**14,476**	**65,813**

The following tables set forth the situation of our financial derivatives as of March 31, 2010 and March 31, 2009.

Fair value situation	FV at Mar, 2010	FV at Mar, 2009	Notional	2010	2013	2015
Cash flow hedge	1	-36,688	5,476	5,476	-	-
Fair value hedge	-	-13,103	-	-	-	-
Derivatives held for trading						
Swaps	-55,139	-16,347	473,856	-	436,990	36,866
Reverse swaps	-13,692	4,217	257,906	-	244,379	13,527
Total	**-68,830**	**-61,920**				

Following the repayment of the underlying indebtedness (USPP Notes and the LBO Facilities) from the Notes issue the related outstanding derivatives (i.e. €69 million), previously used to hedge our currency and rate exposures, have been reclassified for accounting purposes as held for trading. In order to minimize the mark-to-market volatility in our financial statements and lock in our related payment obligations, we have contracted reverse swaps obligations for €54 million pertaining to our cross-currency interest rate derivatives. Therefore, only €15 million in interest rate derivatives out of the total are subject to mark-to-market volatility. We closely monitor these outstanding derivatives, whose related mark-to-market variation in the Income Statement may be considered as relatively minor although we are analyzing the possibility to further reduce this exposure by unwinding wholly or partially the outstanding position.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are the largest European producer of processed meat products based on net sales. Our products, which are sold under well established and leading brands, cover a broad range of processed meat categories, including cooked ham, dry sausages, dry ham, hot dogs, poultry products, cold cuts and pâtés. We were founded in 1944 in Burgos, Spain and have expanded to achieve a direct presence in eight European countries, Spain, France, Portugal, The Netherlands, Belgium, Italy, Romania and Germany, and sales in over 80 countries worldwide through independent distributors. Our market leading brands include *Campofrío* and *Navidul* in Spain, *Aoste, Justin Bridou* and *Cochonou* in France, *Nobre* in Portugal and *Marcassou* in Belgium. For the three month period ended March 31, 2010, we had operating revenues and adjusted EBITDA of €452.3 million and €33.9 million, respectively. We generate substantially all of our revenues in Europe. We are headquartered in Madrid, Spain and our shares have been listed on the Madrid stock exchange since 1988 and on the Barcelona stock exchange since 1990, and now trade under the symbol ''CFG.'' As of April 30, 2010, we had a market capitalization of €705 million.

We are primarily engaged in the production and sale of processed meat products with a focus on cooked ham, dry sausages, dry ham, hot dogs and poultry products. We source meat primarily from third party suppliers which we monitor on a regular basis to ensure that high-quality and hygienic standards are maintained. The meat is then processed in one, or a combination, of our 30 facilities and the final products are sold directly to our customers, which include some of the largest retailers in Europe, including Carrefour, Ahold, Auchan, Delhaize, Casino and Lidl, as well as directly or through wholesalers to a large number of food service specialists and traditional retail outlets. As a result of our strong relationships with our retail and food specialist customers, we have also developed a strong private label or retailer brand business.

Factors Affecting Our Results of Operations

Raw Material Prices

Pig carcass average price	Twelve month ended December 31st 2008	Twelve month ended December 31st 2009	Three month period ended March 31st 2009	Three month period ended March 31st 2010	% Increase (decrease) over prior period 2009 vs 2008	% Increase (decrease) over prior period 2010 vs 2009
	(price in €/kg)					
Spain Mercolleida	1.47	1.41	1.34	1.37	-4.0%	2.2%
France MPB	1.27	1.15	1.27	1.21	-9.4%	-4.7%
Netherlands Monfoort	1.49	1.36	1.30	1.27	-8.9%	-2.3%
Belgium Danis	1.42	1.29	1.24	1.19	-9.2%	-4.0%
Germany AIM	1.57	1.42	1.37	1.33	-9.5%	-2.9%
Denmark DC	1.28	1.21	1.13	1.13	-5.6%	0.2%

During the first quarter of 2010, pork prices for the main European pig producers reflected various supply and demand situations. In the group composed of Germany, Belgium, Holland, and France, pork carcass prices dropped between -2.5% and -4.5% as slaughter activity picked up significantly (+3.2%, +1%, +5.5% and +0.2% respectively), a direct consequence of improving farm profitability and increasing breeding herds during the first semester of 2009.

In Spain, 2009 pork production decreased -6%, and year to date data points to a further reduction (between -2% and -3%), in line with the evolution of the pig population survey in the Iberian Peninsula. Lower supplies resulted in a 2.2% increase in carcass prices during Q1 2010. The price strength is expected to ease, as the large North EU supplies of pork meat will weight down on the local Spanish market. Finally in Denmark, the stronger production has been offset by significantly improving export flows. Indeed, Denmark produces 600% of its needs, and benefited from much higher pork prices in the USA (its main competitor in Russia, Japan and South Korea) and more favourable Euro - USD exchange rate. Overall, 2010 EU27 pork meat production is forecasted to increase by +1.0%, to 22.2 million tons, while EU exports to third countries should remain soft.

In the poultry market, chicken meat production is rising in both Europe and Brazil. As a result, prices have decreased up to -3%, depending on the piece considered. The Real - USD is viewed as the main price risk for European buyers of Brazil chicken. On the other hand, the EU27 turkey market is suffering from a decade long drop in production. Brazilian and European turkey have been more expensive during the first quarter of 2010, up +2% to +3% from the low Q1 2009 price levels.

Our raw material cost is only indirectly impacted by the above mentioned trends. We purchase a basket of meat elements which usually follow different supply and demand dynamics. Moreover, the cost of goods sold of our long-cycle products (cured products) reflects evolutions in raw material prices with a lag time which can vary between 6 and 24 months. Taking into account these factors, our meat costs were broadly flat during the first quarter of 2010.

Results of Operations

Comparison of the Three Month Period Ended March 31, 2010 and the Three Month Period Ended March 31, 2009

Operating Revenues

The following table sets forth a detailed breakdown of our operating revenues for the three month period ended March 31, 2010 and March 31, 2009.

Operating revenues	**Thee month ended March 31,**			
	2010		**2009**	
	Actuals (unaudited)	% of total oper. revenues	**Actuals (unaudited)**	% of total oper. revenues
Net sales and services	430,041	95%	431,795	98%
% increase in Net Sales and Services	*-0.4%*			
Increase in inventories of finished goods and work in progress	19,956	4%	4,132	1%
Capitalized expenses on Company's work on assets	42	0%	110	0%
Other operating revenue	2,334	1%	2,431	1%
Total operating revenues	**452,373**	**100%**	**438,467**	**100%**
% increase in total operating revenues	*3.2%*			

Operating revenues increased by 3% to €452.4 million for the three month period ended March 31, 2010 from €438.5 million for the three month period ended March 31, 2009 due primarily to an increase in the inventories of finished goods and work in progress. This increase in inventories is seasonal as we build up dry ham inventories in anticipation of the year-end Christmas campaign. It should be noted however that inventories at the end of the first quarter of 2010 remained lower than in the first quarter of 2009 by €32 million. Net sales decreased by 0.4%, to €430.0 million for the three month period ended March 31, 2010 from €431.8 million for the three month period ended March 31, 2009. The 0.4% decline in Net sales is the result of a volume increase of 1.3% and a reduction in average selling price of 1.7%.

Operating Expenses

The following table sets forth a detailed breakdown of our operating expenses for the three month period ended March 31, 2010 and March 31, 2009.

Operating expenses	**Thee month ended March 31,**			
	2010		**2009**	
	Actuals (unaudited)	% of total oper. revenues	**Actuals (unaudited)**	% of total oper. revenues
Consumption of goods and other external charges	-241,611	-53%	-229,473	-52%
Employee benefits expense	-86,981	-19%	-91,831	-21%
Depreciation and amortization	-13,981	-3%	-14,464	-3%
Other operating expenses	-89,595	-20%	-90,196	-21%
Changes in trade provisions	-267	0%	-543	0%
Total operating expenses	**-432,435**	**-95.6%**	**-426,506**	**-97.3%**

Operating expenses increased by 1.4% to €432.4 million for the three month period ended March 31, 2010 from €426.5 million for the three month period ended March 31, 2009. Operating expenses constituted 95.6% and 97.3% as a percentage of total operating revenues for three month period ended March 31, 2010 and March 31, 2009, respectively. The increase in operating expenses was primarily attributable to a 5.3% increase in consumption of goods. This increase in consumption is offset by an increase in Inventories of finished goods and work in progress in Operating Revenues. Including this effect, consumption of goods and services declined by 1.6% for the three month period ended March 31, 2010. The decrease in consumption of goods and other external charges is derived from sourcing synergies and mix. Moreover, employee benefits expenses decreased by 3% primarily attributable to the restructuring costs incurred in 2009, which amounted to €6.3 million.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges increased by 5.3% to €241.6 million for the three month period ended March 31, 2010 from €229.5 million for the three month period ended March 31, 2009. Consumption of goods and other external charges constituted 53% and 52% as a percentage of total revenue for the three month period ended March 31, 2010 and March 31, 2009, respectively. The increase in Consumption of goods and other external charges, net of Increases in Inventories of finished goods and work in progress, decreased by 1.6%. The decrease in consumption of goods and other external charges is derived from sourcing synergies and mix, and were sufficient to offset a 1.3% increase in volume.

Employee Benefits Expenses

Employee benefits expenses decreased by 3% to €89.1 million for the three month period ended March 31, 2010 from €91.8 million for the three month period ended March 31, 2009. Employee benefits expenses constituted 19% and 21% of total revenue for the three month periods ended March 31, 2010 and 2009, respectively. The decrease is largely related to dismissal indemnities expenses relating to the restructuring projects, primarily in Spain during 2009, and which amounted to €6.3 million.

Depreciation and Amortization

Depreciation and amortization decreased by 3% to €14.0 million for the three month period ended March 31, 2010 from €14.5 million for the three month period ended March 31, 2009. Depreciation and amortization constituted 3% as a percentage of total revenue for each of the three month period ended March 31, 2010 and March 31, 2009.

Other Operating Expenses

Other operating expenses, on an absolute basis, remained stable, showing a 0.7% decrease to €89.6 million for the three month period ended March 31, 2010 from €90.2 million for the three month period ended March 31, 2009.

Finance Revenue and Finance Costs

Net finance cost increased by €3 million in the three month period ended March, 2010 from €11.5 million in 2009 to €14.6 million in the three month period ended March 31, 2009 mainly due to fair value changes in the open derivatives, a consequence of rather volatile financial market conditions.

Income Tax

Income tax expenses amounted €1.4 million for the three month period ended March 31, 2010 and were nil, mainly due to the low pre-tax profit, for the three month period ended March 31, 2009. For the three month period ended March 31, 2010 the effective tax rate was 27%.

Profit (Loss) for the Year

Profit for the three month period ended March 31, 2010 profit for the year amounted to €3.9 million compared to €0.4 million for the three month period ended March 31, 2009.

Operating Segment Reporting

Net sales and services	**Three month ended March 31, 2010**		**Three month ended March 31, 2009**	
	Actuals (unaudited)	% of total	**Actuals (unaudited)**	% of total
Southern Europe [1]	193,678	45%	190,563	44%
Northern Europe [2]	235,931	55%	237,759	55%
Others [3]	4,881	1%	5,371	1%
Eliminations [4]	-4,449	-1%	-1,899	0%
Total net sales and services	**430,041**	101%	**431,795**	100%

EBITDA	**Three month ended March 31, 2010**		**Three month ended March 31, 2009**	
	Actuals (unaudited)	% of total	**Actuals (unaudited)**	% of total
Southern Europe [1]	19,739	58%	15,639	59%
Northern Europe [2]	19,261	57%	13,696	52%
Others [5]	-5,080	-15%	-2,909	-11%
Total EBITDA	**33,919**	100%	**26,426**	100%
% EBITDA margin over Net Sales				
Southern Europe	10.2%		8.2%	
Northern Europe	8.2%		5.8%	
Others	n.a.		n.a.	
Total EBITDA	**7.9%**		**6.1%**	

EBITDA (adjusted)	**Three month ended March 31, 2010**		**Three month ended March 31, 2009**	
	Actuals (unaudited)	% of total	**Actuals (unaudited)**	% of total
Southern Europe [1]	19,739	58%	21,089	65%
Northern Europe [2]	19,261	57%	14,426	44%
Others [5]	-5,080	-15%	-2,837	-9%
Total EBITDA	**33,919**	100%	**32,677**	100%
% EBITDA adjusted margin over Net Sales				
Southern Europe	10.2%		11.1%	
Northern Europe	8.2%		6.1%	
Others	n.a.		n.a.	
Total EBITDA	**7.9%**		**7.6%**	

[1] Southern Europe includes operating activities managed in Spain and Portugal, which includes our fresh meat operations.

[2] Northern Europe includes the operating activities managed primarily in France, the Netherlands, Belgium and Germany.

[3] Includes the operating activities managed primarily in Romania.

[4] Intercompany sales, which are eliminated on consolidation

[5] Includes the operating activities managed in Romania and the headquarter expenses

Southern Europe

Net sales in the Southern Europe segment increased by 2% to €193.7 million for the three month period ended March 31, 2010 from €190.6 million for the three month period ended March 31, 2009. Volumes in Southern Europe increased by 5% for the three month period ended March 31, 2010 as we recorded solid growth in Spain for the processed meat and fresh meat business by 10% and 4% respectively. Average prices in Southern Europe were down -3% driven by Spain and Portugal due to mix and higher promotional activity.

EBITDA in Southern Europe is up €4.1 million, primarily due to the severance indemnities of €5.4 million taken in Spain in the first quarter of 2009. Excluding this effect, EBITDA in Southern Europe declined moderately by €1.4 million to €19.7 million for the three month period ended March 31, 2010 from €21.0 million for the three month period ended March 31, due to lower pricing, partially offset by volume increase and savings achieved in sourcing and manufacturing.

Northern Europe

Net sales in the Northern Europe segment decreased by 1% to €235.9 million for the three month period ended March 31, 2010 from €237.8 million for the three month period ended March 31, 2009. The decrease was driven by lower volume which was down 2% for the three month period ended March 31, 2010 as compared to the three month period ended March 31, 2009 and an average price increase by 1%.

Despite the lower volume, EBITDA in Northern Europe increased significantly to €19.2 million for the three month period ended March 31, 2010 from €14.0 million for the three month period ended March 31, 2009 mainly driven by better mix, lower material costs and manufacturing costs, partially offset by lower volume. Restructuring programs taken in 2009 in France and the Netherlands also contributed to the increase in EBITDA and margins in these two markets. We incurred restructuring costs of €0.7 million taken in Aoste and Stegeman in the first quarter of 2009.

Others

Net sales in the Others business segment decreased to €4.9 million for the three month period ended March 31, 2010 from €5.4 million for the three month period ended March 31, 2009. The decrease was primarily driven by less volume and worse mix offset by the better pricing and a favourable exchange rate evolution

The EBITDA for Others decreased overall to a negative €5.0 million for the three month period ended March 31, 2010 from a negative €2.8 million for the three month period ended March 31, 2009 primarily due to Headquarters costs.

Cash Flow

Cash Flows from Operating Activities

For three month period ended March 31, 2010, our cash flow from operating activities amounted €14.7 million compared to a negative cash flow of €49.1 million for three month period ended March 31, 2009. This €63.8 million improvement was primarily attributable to a better performance in EBITDA, changes in working capital and lower net interest payment. The improvement in changes in working capital is mainly explained by the tight discipline maintained throughout 2009 and the first quarter of 2010. It is also related to the enforcement of the LME (Law Modernization Economy) in France during the first quarter of 2009 which negatively impacted our working capital as compared to the first quarter 2010. With respect to interest expenses, we benefited from a change in our interest payment period. Under the USPP, payment of interest expenses occurred in the months of February and August, whilst under the Notes, payment of interest expenses occurs in April and October. The cash out for interest expenses for the period ended March 31, 2010 reflects the payment related to our derivatives financial structure.

Cash Used in Investing Activities

For three month period ended March 31, 2010 our cash flow from investing activities amounted to a negative €8.5 million, compared to a negative €10.9 million for the three month period ended March 31, 2009. Our Capital Expenditures amounted €5.4 million in the three month period ended March 31, 2010 and €8.1 million in the same period last year. During the three month period ended March 31, 2010 we purchased the remaining Minority Interest in Navidul Extremadura (Spain) for €3.1 million.

Cash Flow from Financing Activities

For three month period ended March 31, 2010, our cash flow from financing activities amounted to a negative €5.1 million compared to a negative €6.8 million for the three month period ended March 31, 2009. The cash flow from financing activities for the three month period ended March 31, 2010 includes the merger-related Earn-Out payment to Smithfield Foods. The cash flow from financing activities for the three month period ended March 31, 2009 includes the settlement of a €3 million purchase price adjustment with Atria related to the sell of our Russian subsidiary CampoMos.

RECENT DEVELOPMENT

Operating Performance for the quarter ended June 30, 2010

We expect to publish our semiannual report at the end of July. Despite challenging economic conditions in Southern Europe in particular, we expect trends to remain in line with the first quarter.

ANNEXE A – EXPLANATION OF INCOME STATEMENT ITEMS

Operating Revenues

Operating revenues consist of net sales and services, increases in inventories of finished goods and work in progress, capitalized expenses of company work on assets and other operating revenues.

Net Sales and Services

Our net sales and services consists primarily of the sales of dry, cooked and other meats products, after deduction of rebates and off invoice discounts.

Increase in Inventories of Finished Goods and Work in Progress

Increase in inventories of finished goods and work in progress includes the positive variation between the closing and opening value of finished products and work in progress.

Capitalized Expenses of Company Work on Assets

Capitalized expenses of Company work on assets includes personnel costs for staff engaged in facility development and construction and personnel expenses in connection with tangible and intangible assets. Capitalized staff costs are added to the carrying amount for the related asset in property, plant and equipment and amortized over their useful life.

Other Operating Revenues

Other operating revenues include other income not related to our core activities, such as capital grants release and operating grants.

Operating Expenses

Operating expenses consist of decrease in inventories of finished goods and work in progress, consumption of goods and other external charges, employee benefits expense, depreciation and amortization, changes in trade provisions and other operating expenses.

Decrease in Inventories of Finished Goods and Work in Progress

Decrease in inventories of finished goods and work in progress includes the negative variation between the closing and opening value of finished products and work in progress.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges includes primary purchases of raw material, mainly meats, and other product components such as packaging, spices and other auxiliary materials. This item also includes the stock variation of such materials.

Employee Benefits Expense

Employee benefits expense includes wages and salaries, dismissal indemnities, social security costs and other employee benefits such as health and life insurance.

Depreciation and Amortization

Depreciation and amortization includes property, plant and equipment depreciation charges, amortization of other intangible assets with definitive useful life, such as operating software. Costs of property, plant and equipment in use are depreciated on a straight-line basis at annual rates based on the estimated useful life of the assets.

Changes in Trade Provisions

Changes in trade provisions include mainly changes in trade allowances and reversal from doubtful debtors. Also accounted for in this line item generally, are specific, non-recurring items that are not related to our ordinary business activities.

Other Operating Expenses

Other operating expenses include all other operating expenses, including services expenses, transport cost, utilities, energies, advertising, marketing and general expenses.

EBIT

EBIT is equal to operating revenues less operating expenses.

Net Finance Cost

Net finance cost includes finance revenue and finance costs. Finance revenue consists of income on loans and other marketable securities, other interest and similar income, exchange rate gains and changes in fair value of financial instruments. Finance cost consists of interest bearing loans and borrowings, other finance costs and exchange losses.

Income on Loans and other Marketable Securities

Income on loans and other marketable securities consists principally of interest from deposits.

Exchange Rate Gains and Losses

This item includes gains and losses from the variation on financial liabilities denominated in US dollars, which is partially offset by the existing cash flow hedge accounting, and also includes, to a lesser extent gains and losses from the trading generated by accounts payable and receivables denominated in currencies other than euro.

Change in Fair Value of Financial Instruments

Change in fair value of financial instruments includes gains and losses from the variation in the fair value of financial instruments that do not qualify for cash flow hedge accounting.

Impairment of Assets

Impairment of assets includes losses recognized when the recoverable amount of non current-assets is lower than their carrying value. The recoverable value is defined as the higher of the net fair market value or the value in use of each non-current asset.

Share of Profit (Losses) of Investments Accounted for Using the Equity Method

Results of companies accounted for using the equity method include investments in associates over which we exercise significant influence but which are neither subsidiaries nor jointly controlled entities. Investments are measured initially at acquisition cost, subsequently adjusted for changes to each company's equity, taking into consideration the percentage of ownership and any impairment.

Income Taxes

Income taxes consist of current tax payable on the taxable profit for the year and deferred tax. The corporate tax rate in Spain was 35% in 2006, 32.5% in 2007 and 30% in 2008.

Profit (loss) from Discontinued Operations

Profit (loss) from discontinued operations represents profit or loss for the year attributable to discontinued operations.