



Campofrio Food Group reports net sales rose of 8.7% to 939 million euros in the first six months of 2011

Madrid, 29 July 2011. - Campofrio Food Group, Europe's leading producer of processed meats, reported today consolidated net sales of 939 million euros in the first half of 2011, an increase of 8.7% compared to 864 million euros in the same period of 2010. Campofrio Food Group also increased its sales volume by 5% in the first six months of 2011.

The company started consolidating the results of its recent acquisition in Italy, Cesare Fiorucci, as of April 1st 2011, contributing 61 million euros of net sales to the first half results. This new incorporation to the company's perimeter is in line with the growth strategy that Campofrio Food Group continues to implement.

Reflecting the current inflationary environment particularly impacting on raw materials, Campofrio Food Group's EBITDA is lower by 12% compared to previous year, reaching 64 million euros in the first semester of 2011. During the first half of 2011, the Company implemented actions, including pricing, mix management and productivity programs, the benefits of which will only be visible in the second half of the year.

Branded sales development programs continue to deliver promising results, as evidenced by the growth of the company's two most important brands, Campofrio and Aoste, which grew 3.3% and 6.1% respectively, during the first half of 2011.

Raw materials continued to increase throughout the second quarter, being 13% higher than in the prior year's first half. As a consequence, Campofrio Food Group earned a consolidated Net Income of 3.5 million euros, which is 7.2 million euros lower than the 10.7 million euros recorded in the same period of 2010.

The company has increased its net financial debt to 509 million euros from 390 million euros in the previous year, as a result of the acquisition in Italy being consolidated in the group from April 2011. On the other hand, a solid 119 million euros cash position and related liquidity are being maintained.