CAMPOFRIO FOOD GROUP

UNAUDITED INTERIM SELECTED
CONSOLIDATED FINANCIAL INFORMATION
NINE MONTH PERIOD ENDED 30th SEPTEMBER
2011

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INTRODUCTION

In November 2009, CAMPOFRIO FOOD GROUP, S.A. (the "Company"), incorporated as a public limited company (*sociedad anónima*) 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%. The Company will pay interest on the Notes semi-annually on each April 30 and October 31, commencing April 30, 2010. Prior to October 31, 2013, the Company will be entitled, at its option, to redeem all or a portion of the Notes by paying relevant "make-whole" premium. At any time on or after October 31, 2013, the Company may redeem all or part of the Notes by paying a specified premium to the holders. In addition, prior to October 31, 2013, the Company may redeem at its option up to 35% of the Notes with the net proceeds from certain equity offerings. If the Company undergo a change of control or sell certain of its assets, it may be required to make an offer to purchase the Notes. In the event of certain developments affecting taxation, the Company may redeem all, but not less than all, of the Notes. The Company 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, the Company's 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 its U.S Private Placement notes, prepaid all of its 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 short-term borrowings under various lines of credit.

This Unaudited 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)

	Nine month ended September 30,			
	2011		2010	
	Actual (unaudited)	% of total oper. revenue	Actual (unaudited)	% of total oper. revenues
Operating revenues				
Net sales and services	1.473.231	97,3%	1.331.546	97,4%
Increase in inventories of finished goods and work in progress	29.584	2,0%	30.590	2,2%
Capitalized expenses on Company's work on assets	3.083	0,2%	111	0,0%
Other operating revenue	8.038	0,5%	4.642	0,3%
Total operating revenues	1.513.936	100,0%	1.366.889	100,0%
Operating expenses				
Consumption of goods and other external charges	(836.239)	(55,2%)	(731.762)	(53,5%)
Employee benefits expense	(274.136)	(18,1%)	(246.348)	(18,0%)
Depreciation and amortization	(47.272)	(3,1%)	(40.861)	(3,0%)
Other operating expenses	(291.299)	(19,2%)	(271.913)	(19,9%)
Changes in trade provisions	(2.753)	(0,2%)	(349)	(0,0%)
Total operating expenses	(1.451.699)	(95,9%)	(1.291.233)	(94,5%)
Impairment of assets			-	
Operating profit	**62.237**	**4,1%**	**75.656**	**5,5%**
Financial expenses, net	(40.591)	(2,7%)	(39.732)	(2,9%)
Other results	(2.322)	(0,2%)	(278)	(0,0%)
Profit before tax	**19.324**	**1,3%**	**35.646**	**2,6%**
Income taxes	(7.414)	(0,5%)	(8.176)	(0,6%)
Profit for the period from continuing operations	**11.910**	**0,8%**	**27.470**	**2,0%**
Profit & (Loss) after tax for the period from discontinued operations	(295)	(0,0%)	(382)	(0,0%)
Profit for the period	**11.615**	**0,8%**	**27.088**	**2,0%**
Non-controlling interests			247	0,0%
Attributable to equity holders of the parent company	11.615	0,8%	26.841	2,0%

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

Campofrio Food Group
(*In Thousands of Euros*)

	Three month ended September 30,			
	2011		2010	
	Actual (unaudited)	% of total oper. revenues	**Actual (unaudited)**	% of total oper. revenues
Operating revenues				
Net sales and services	534.583	98,1%	467.804	99,1%
Increase in inventories of finished goods and work in progress	6.202	1,1%	2.543	0,5%
Capitalized expenses on Company's work on assets	1.093	0,2%	25	0,0%
Other operating revenue	3.312	0,6%	1.798	0,4%
Total operating revenues	545.190	100,0%	472.170	100,0%
Operating expenses				
Consumption of goods and other external charges	(302.483)	(55,5%)	(255.262)	(54,1%)
Employee benefits expense	(89.179)	(16,4%)	(79.204)	(16,8%)
Depreciation and amortization	(16.261)	(3,0%)	(13.352)	(2,8%)
Other operating expenses	(106.985)	(19,6%)	(93.870)	(19,9%)
Changes in trade provisions	(1.120)	(0,2%)	(102)	(0,0%)
Total operating expenses	(516.028)	(94,7%)	(441.790)	(93,6%)
Impairment of assets	-		-	
Operating profit	**29.162**	**5,3%**	**30.380**	**6,4%**
Financial expenses, net	(14.829)	(2,7%)	(11.415)	(2,4%)
Other results	(382)	(0,1%)	(44)	(0,0%)
Profit before tax	**13.951**	**2,6%**	**18.921**	**4,0%**
Income taxes	(5.732)	(1,1%)	(5.442)	(1,2%)
Profit for the period from continuing operations	**8.219**	**1,5%**	**13.479**	**2,9%**
Profit & (Loss) after tax for the period from discontinued operations	(100)	(0,0%)	2.770	0,6%
Profit for the period	**8.119**	**1,5%**	**16.249**	**3,4%**
Non-controlling interests	-		131	0,0%
Attributable to equity holders of the parent company	8.119	1,5%	16.118	3,4%

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Campofrio Food Group
(*In Thousands of Euros*)

	Consolidated statement of financial position at,	
	Sep 30, 2011	**Sep 30, 2010**
	Actual (unaudited)	**Actual (unaudited)**
ASSETS		
Property, plant and equipment	625.113	525.711
Goodwill	457.937	417.857
Other intangible assets	267.591	184.454
Non-current financial assets	6.519	14.481
Investments accounted for under the equity method	28.156	30.021
Deferred tax assets	83.540	66.164
Other non-current assets	177	167
Total non-current assets	**1.469.033**	**1.238.855**
Inventories	374.688	305.763
Trade and other receivables	212.238	178.547
Other current financial assets	1.039	1.182
Other current assets	6.510	5.555
Cash and cash equivalents	128.137	189.033
Total current assets	**722.612**	**680.080**
Assets classified as held for sale and discontinued operations	**736**	**5.895**
TOTAL ASSETS	**2.192.381**	**1.924.830**
EQUITY AND LIABILITES		
Equity attributable to equity holders of the parent	645.541	634.811
Equity attributable to minority interests		5.679
Equity	**645.541**	**640.490**
Debentures	487.811	484.667
Interest-bearing loans and borrowings	100.372	-
Other financial liabilities	4.441	60.735
Deferred tax liabilities	176.985	128.619
Other non-current liabilities	18.067	18.010
Provisions	66.818	48.773
Total non-current liabilities	**854.494**	**740.804**
Debentures	17.188	17.302
Interest-bearing loans and borrowings	19.910	4.545
Trade and other payables	576.342	460.636
Other financial liabilities	757	558
Creditor for income tax	964	(480)
Provisions	4.605	5.870
Other current liabilities	72.565	53.507
Total current liabilities	**692.331**	**541.938**
Liabilities associated to operations on sale or discontinued	**15**	**1.598**
TOTAL EQUITY AND LIABILITIES	**2.192.381**	**1.924.830**

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

CONSOLIDATED CASH FLOW STATEMENT

Campofrio Food Group
(*In Thousands of Euros*)

	Nine month ended September 30,	
	2011	2010
	Actual (unaudited)	Actual (unaudited)
Operating flows before changes in working capital	**111.645**	**117.116**
Changes in working capital	36.541	27.916
Cash flows from operating activities	**148.186**	**145.032**
Net interest expenses	(24.545)	(24.608)
Provision and pensions payment	(7.560)	(11.654)
Income tax paid	(8.880)	(4.175)
Other collection and payments	2.986	
Net cash flows from operating activities	**110.187**	**104.594**
Investments in property, plant and equipment	(33.571)	(18.645)
Purchase of non-controlling interest	(5.755)	(3.163)
Investment in Group companies	(153.061)	(21.435)
Other cash flows from investing operations, net	4.679	39
Net cash flows from investing activities	**(187.708)**	**(43.204)**
Changes in financial assets and liabilities	48.351	(18.704)
Repayments of other debts		(3.000)
Purchase of treasury shares and Dividend payments	(11.967)	(9.849)
Net cash flows from financing activities	**36.384**	**(31.553)**
Net increase/(decrease) in cash and cash equivalents	**(41.137)**	**29.838**
Cash and cash equivalents at beginning of period	169.274	160.159
Cash and cash equivalents at end of period	**128.137**	**189.997**

	Three month ended September 30,	
	2011	2010
	Actual (Unaudited)	Actual (Unaudited)
Operating flows before changes in working capital	**45.129**	**44.348**
Changes in working capital	7.551	19.821
Cash flows from operating activities	**52.680**	**64.169**
Net interest expenses	(808)	(697)
Provision and pensions payment	(3.374)	(3.668)
Income tax paid	(3.508)	(1.434)
Other collection and payments	(1.294)	-
Net cash flows from operating activities	**43.696**	**58.370**
Investments in property, plant and equipment	(11.089)	(6.602)
Purchase of non-controlling interest	-	-
Investment in Group companies	-	(21.435)
Other cash flows from investing operations, net	1.110	90
Net cash flows from investing activities	**(9.979)**	**(27.947)**
Changes in financial liabilities	(12.688)	(1.656)
Repayments of other debts	-	-
Dividend cash payments and own share transactions	(11.984)	(7.496)
Net cash flows from financing activities	**(24.672)**	**(9.152)**
Net increase/(decrease) in cash and cash equivalents	**9.045**	**21.271**
Cash and cash equivalents at beginning of period	119.092	168.726
Cash and cash equivalents at end of period	**128.137**	**189.997**

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 from Profit for the period to EBITDA normalised

	Nine month ended September 30,	
	2011	**2010**
	Actual (unaudited)	**Actual (unaudited)**
Profit for the period Attributable to equity holders of the parent company	11.615	26.841
Profit for the period Attributable to Non-controlling interests	-	247
Profit & (Loss) after tax for the period from discontinued operations	295	382
Income taxes	7.414	8.176
Other results	2.322	278
Financial expenses, net	40.591	39.732
Impairment of assets	-	-
Depreciation and amortization	47.272	40.861
EBITDA	**109.509**	**116.517**
Total Adjustments	967	546
EBITDA (normalised)	**110.476**	**117.063**

Conciliation from Profit for the period to EBITDA normalised

	Three month ended September 30,	
	2011	**2010**
	Actual (unaudited)	**Actual (unaudited)**
Profit for the period Attributable to equity holders of the parent company	8.119	16.118
Profit for the period Attributable to Non-controlling interests	-	131
Profit & (Loss) after tax for the period from discontinued operations	100	(2.770)
Income taxes	5.732	5.442
Other results	382	44
Financial expenses, net	14.829	11.415
Impairment of assets	-	-
Depreciation and amortization	16.261	13.352
EBITDA	**45.423**	**43.732**
Total Adjustments	161	421
EBITDA (normalised)	**45.584**	**44.153**

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

EXPLANATORY NOTES TO THE UNAUDITED INTERIM SELECTED CONSOLIDATED FINANCIAL INFORMATION

Corporate Information

Campofrio Food Group, S.A. (the “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 changed to its current name, Campofrio Food Group, S.A.

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

The 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, poultry and beef by-products and other food products.

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

Additionally, on March 4, 2010, the parent signed an agreement with the Romanian Caroli meat processing group, to integrate operations between this group and the Romanian subsidiary of Campofrio Food Group, S.A. (Tabco Campofrío S.A.), and develop its business in that country and surrounding areas. The agreement was formalized between the parties on July 20, 2010.

On January 13, 2011, the Parent signed a share purchase-sale agreement with the entities holding 100% of the share capital of the Italian company Cesare Fiorucci S.p.A, which is the parent of several companies, all of which make up the "Cesare Fiorucci Group" (“Fiorucci”). The transaction was subject to meeting certain suspensive conditions, which included, amongst others, approval or failure to oppose the agreement by the Competition Authorities. Finally, on April 4, 2011 the transaction was signed by the parties after obtaining authorization from the Competition Authorities for its execution and after fulfilling agreed conditions.

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 (the “IFRS-EU”), 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 IFRS-EU 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, 2010 and Campofrio Food Group, S.A. and subsidiaries Non Audited Interim Condensed Consolidated Financial Statements for the six month period ended June 30, 2011.

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.

The discussion and analysis of our historical results of operations and financial conditions are based on our consolidated financial statements, which have been prepared in accordance with IFRS-EU. The preparation of our consolidated financial statements requires us to apply accounting methods and policies that are based on difficult or subjective judgments, estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The application of these estimates and assumptions affects the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates given the uncertainty surrounding the assumptions and conditions upon which the estimates are based.

Detailed information regarding the Company's accounting policies is provided in Note 2 to our consolidated financial statements for the year ended December 31, 2010.

Comparison of information

During 2010, the Group's parent classified all assets and liabilities related to its business in Romania as "Non-current assets and liabilities held for sale," due to the agreement to integrate its operations with those of a third party regarding the activity of Tabco Campofrío, S.A. and to its decision to sell the Group's remaining Romanian assets. In compliance with IFRS 5, the results from the activity of the Group in Romania have been reclassified in the separate income statement "Net loss for the period from discontinued operations."

During 2011, as stated in "Corporate Information" above, the Group acquired Cesare Fiorucci Group. The contribution of Fiorucci is reflected only in three month period ended June 30, 2011 Consolidated Income Statement and Consolidated Cash-flow Statement and in the Consolidated Statement of Financial Position as of June 30, 2011. Due to the complexity to elaborate full comparable information and as it is not requested under IFRS, no restatements has been done to 2010 financial information in this document presented. Nevertheless, where applicable, the comparison is made disaggregating Fiorucci Group 2011 Income Statement from the Group Consolidated Income Statement.

Non-IFRS-EU Financial Measures

This selected 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.

Discontinued Operations

On March 4, 2010, the parent signed an agreement with the Romanian Caroli meat processing group to integrate operations with the Romanian subsidiary of Campofrio Food Group, S.A. (Tabco Campofrío S.A.), and develop its business in that country and surrounding areas. The parties formalized the agreement on July 20, 2010 (see Note 10 in Campofrio Food Group, S.A. and Subsidiaries Consolidated Financial Statements for the year ended December 31, 2010). By virtue of this agreement, the parent is no longer fully consolidated with Tabco Campofrio S.A., but is accounted for using the equity method and considered a jointly controlled entity. In addition, based on this agreement, the jointly controlled entities Caroli Foods Group BV, Caroli Foods Group SRL, Caroli Prod 2000 SRL, and Caroli Brands SRL, are likewise accounted for using the equity method.

The remaining activities of the Group in Romania carried out by the subsidiaries Degaro S.R.L., S.C. Camporom Productie, S.R.L. and total Meat Marketing, S.L., which are primarily engaged in the breeding and fattening of pigs, have been classified as discontinued operations, as the Group plans to terminate their activities (see Note 15 in Campofrio Food Group, S.A. and Subsidiaries Consolidated Financial Statements for the year ended December 31, 2010). On June 29, 2011 Degaro S.R.L. Tulcea was sold; therefore, all the related assets and liabilities have been derecognized from the June 30, 2011 statement of financial position.

Operating Segment Reporting

Results are presented in accordance with following strategic reporting segments:

- Southern Europe: includes mainly operating activities managed in Spain, Portugal & Italy.
- Northern Europe: includes operating activities managed primarily in France, the Netherlands, Belgium & Germany.
- Others: includes mainly corporate activities

Note: Elimination in Net Sales and Services segment reporting refers 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 chart sets forth the Company's debt position as of September 30, 2011 and September 30, 2010.

NET FINANCIAL DEBT	**Nine month ended September 30,**	
	2011	**2010**
Non-current financial debt		
Debentures	487.811	484.667
Interest-bearing loans and borrowings	100.372	-
Other financial liabilities	4.441	60.735
Current financial debt		
Debentures	17.188	17.302
Interest-bearing loans and borrowings	19.910	4.545
Other financial liabilities	757	558
Current financial assets		
Other current financial assets	(1.039)	(1.182)
Cash and cash equivalents	(128.137)	(189.033)
Total Net Financial Debt	**501.303**	**377.592**

Our present debt structure consists of the Notes issued in 2009 which account for € 487.8 million and a Senior Term Loan Facility amounting to €100 million drawn down in April 2011 to partially refinance the outstanding debt of Cesare Fiorucci S.p.A. our recently acquired Italian subsidiary, while the rest of its debt and the equity payment were funded out of our cash. As a result, our total debt is practically long-term. Besides the Notes and the new bank financing, the only remaining financial liabilities were basically the derivatives which we contracted initially to hedge our former USPP Notes. In the year 2009 on refinancing our debt, the USPP Notes were repaid and those derivatives were classified as held for trading. (See "Description of certain Financing Arrangements" in the Notes Offering Memorandum (OM)). During 2010 we proceeded to unwind derivatives worth €53 million that were outstanding at the end of 2009 and in September 2011 we have proceeded to unwind the remaining derivatives for, €19 million, and, consequently, the derivatives exposure has been fully eliminated. The rest of the debt items (i.e. leasing …) are of negligible value in the context of the Company balance sheet.

Net financial debt of € 501.3 million as of September 30, 2011 is higher than at the end of September 2010 due to the acquisition in April 2011 of our new subsidiary in Italy as a result of the new bank debt and the invested cash as referred above. Nonetheless, the Net financial debt is already €8 million lower than at the end of June, 2011 resuming the deleveraging trend stemming from the positive cash flow generation combined with Working Capital improvements and enhanced cash management.

The Company's liquidity position remained very solid and amounted to € 367 million at the end of September 2011, consisting of € 128 million in cash and cash equivalents and € 239 million of fully available bank lines. In addition, Fiorucci is contributing €23 million of uncommitted bank lines. The Company keeps focused on enhancing its cash management and working capital operations and it has put in place a cash pooling system at corporate level, which is operative since November 2010.

The following tables set forth the situation of the Company's two main financing sources as of September 30, 2011 and September 30, 2010.

Debentures	Nine month ended September 30,	
	2011	**2010**
Non-current debentures	487.811	484.667
Current debentures	17.188	17.302
Principal		
Accrued interest	17.188	17.302
Total debentures	**504.999**	**501.969**

Interest-bearing loans and borrowings	Nine month ended September 30,	
	2011	**2010**
Bank loans and credit facilities	115.969	1.368
Credit lines	115.969	1.368
Multicurrency credit line		
Discounted bills payable	1.255	1.977
Interest payable	3.058	1.200
Total	**120.282**	**4.545**

The following table sets forth the situation of the Company's current and non-current other financial liabilities as of September 30, 2011 and September 30, 2010.

Other financial liabilities	**Period ended Sep 30, 2011**			**Period ended Sep 30, 2010**		
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**
Financial leases	1.651	684	2.335	1.409	558	1.967
Other financial liabilities	2.887	73	2.960	2.843	-	2.843
Derivatives	(97)		(97)	56.483	-	56.483
Total	**4.441**	**757**	**5.198**	**60.735**	**558**	**61.293**

The following table sets forth the situation of the Company's financial derivatives as of June 30, 2011 and 2010.

Fair value situation	Fair value at		September 2011 Outstanding notional principal			
	09/30/11	09/30/10	Notional	2011	2012	2015
Cash flow hedge	-97	-170	5.358	2.977	2.381	
Derivatives held for trading						
Swaps		-41.077	73.767			73.767
Reverse swaps		-15.236	54.164			54.164
Total	**-97**	**-56.483**				

After having unwound a significant portion of the outstanding derivatives during 2010 in the context of the Company´s deleveraging commitment and, as it had been previously anticipated, the Company has proceeded to unwind the remaining €19 million derivatives during the last quarter in an effort to fully eliminate the underlying risks still under rather volatile financial markets conditions. As a result, no additional exposure remains.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Campofrio Food Group is the largest European producer of processed meat products based on net sales. Its 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. The Company was founded in 1944 in Burgos, Spain and has 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. The Company's market leading brands include *Campofrío* and *Navidul* in Spain, *Aoste, Justin Bridou* and *Cochonou* in France, *Nobre* in Portugal, *Marcassou* in Belgium and *Fiorucci* in Italy. For the nine month period ended September 30, 2011, the Company had operating revenues and EBITDA of €1,512.6 million and €109.6 million, respectively. It generates substantially all of its revenues in Europe. The Company is headquartered in Madrid, Spain and its shares have been listed on the Madrid stock exchange since 1988 and on the Barcelona stock exchange since 1990, and are now traded under the symbol "CFG". As of September 30, 2011, the Company had a market capitalization of € 649.1 million.

The Company is 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. The Company sources meat primarily from third party suppliers which it monitors 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 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 its strong relationships with retail and food specialist customers, the Company has also developed a strong private label or retailer brand business.

Factors Affecting Our Results of Operations

Raw Material Prices

Pig carcass average price	Nine month ended September 30,			% Increase (decrease) over prior period	
	2009	2010	2011	2010 vs. 2009	2011 vs. 2010
		(price in €/kg)			
Spain Mercolleida	1.45	1.46	1.59	0.8	8.5
France MPB	1.33	1.30	1.43	-2.9	10.7
Netherlands Monfoort	1.40	1.35	1.45	-2.9	7.3
Belgium Danis	1.32	1.26	1.35	-4.4	6.5
Germany AIM	1.45	1.41	1.50	-3.4	6.5
Denmark DC	1.23	1.25	1.34	1.9	7.0

2011 EU27 grain production rose +3.6% to 282.8 million tons, a consequence of increased plantings and higher average yields. As a result, grain prices remained very volatile but decreased by 50 to 60 euro/tons from their 2011 high levels, raising somewhat the profitability outlook for pork and poultry farmers.

During the first 9 months of 2011, EU pork meat production increased by 1.4%. Slaughter activity rose in Germany (+2.3%), Denmark (+3.1%), the Netherlands (+5.1%) and Spain (+1.9%). It was offset partially by lower production in France (-0.1%), Italy (-2.6%) and Eastern Europe. From January to August 2011, EU27 pork exports to third countries increased to another record level, due to a combination of robust demand from Asia (China, South Korea, Japan and the Philippines), and record pork prices in the United States. Year-to-date, exports have increased +23.4% above the levels of 2010, reaching 2.04 million tons. The EU27 block is the main export competitor to the USA in international markets (Russia, China, Japan, and Korea). The zone was very well positioned from a price perspective and benefiting from those high prices in the USA. As a result, demand for EU pork meat increased, thus supporting local prices.

The pig carcass price evolution in the main producer countries reflected heterogeneous supply and demand conditions. The carcass quotations increased significantly in France and Spain (+12.6% and +9.1%

respectively). In France, several initiatives increased the use of VPF during the spring ("Viande de Porc France", French origin pork), rising local demand and pushing prices significantly upward, on hams in particular. Carcass quotations rose to a lesser extent in Germany (+8.3%), Belgium (+8.0%), and The Netherlands (+9.3%), a consequence of higher local production in the period but also the dioxin crisis in Germany, which pressured prices downwards during the month of January.

Last January, an "open-ended" private storage initiative was announced by the European Commission (Pig Management Committee) to support the pig markets in Europe following the dioxin crisis in Germany. By open-ended, it meant that the quantities were left open to be filled by the various EU27 countries. The popular program has reached 134,330 metric tons when the approvals were finally closed during the first week of March. This initiative created additional demand and pressured upward pig carcass prices from February to April, as the physical storage happened during these months. On the other hand, the pork meat in private storage was released from May to August 2011. This reduced the price pressure on pork carcass during the summer season, leading to more subdued price rises. During the early fall, additional support has been brought to the market by the current demand from the export markets.

The value of hams increased from +2% (in North Europe) to +9% (France), a reflection of increasing carcass quotations and diverse situations in pork protein availability across the largest EU27 pork producer countries. Shoulders rose from +2% to +5%, while the other cuts and pork products were mostly unchanged against the previous year. Fat, jowls, trimmings and bellies have risen more than the average, a consequence of strong demand from China, South Korea and Russia.

European chicken carcass prices were significantly higher during the first 3 quarters of 2011, directly impacted by the record grain prices. Poultry producers reacted to lower margins by decreasing production, thus pushing prices upward. Year-to-date, chicken carcass quotations rose more than 15% in the main producer countries of the EU27. Additionally, exports to third countries jumped by +17.7% boosted by higher demand from China and Middle Easter countries (Saudi Arabia, UAE).

Brazil chicken output rose 4.8% during the January to September 2011. The data reflects optimism due to record broiler exports and strong domestic demand, and generally positive profit margins. Since January, the live quotation has risen by +16.7%, in parallel with higher production costs. The Real - Euro exchange rate remains at 9 year high in accordance with the strong GDP performance of the Brazilian economy relative to the EU27, but did not prevent record outbound trade levels so far this year.

The pork and chicken meat market trends stated above affected Campofrio Food Group raw material costs only indirectly. First, the Company purchases pork and poultry cuts in different proportions, each one following its own supply and demand dynamics. During the first 9 months in 2011, the average meat price purchased by the Company increased versus prior year levels. Second, and more importantly, the cost of goods sold of 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 consideration these factors, the meat costs from January to September 2011(excluding Fiorucci) rose by 3.6% versus the same period last year.

Results of Operations

Comparison of the nine month period ended September 30, 2011 and the nine month period ended September 30, 2010

Operating Revenues

The following table sets forth a detailed breakdown of our operating revenues for the nine month period ended September 30, 2011 and September 30, 2010.

Operating revenues	**Nine month ended September 30,**			
	2011		**2010**	
	Actual (unaudited)	% of total oper. revenues	**Actual (unaudited)**	% of total oper. revenues
Net sales and services	1.473.231	97,3%	1.331.546	97,4%
% increase in Net Sales and Services	*10,6%*			
Increase in inventories of finished goods and work in progress	29.584	2,0%	30.590	2,2%
Capitalized expenses on Company's work on assets	3.083	0,2%	111	0,0%
Other operating revenue	8.038	0,5%	4.642	0,3%
Total operating revenues	**1.513.936**	**100,0%**	**1.366.889**	**100,0%**
% increase in total operating revenues	*10,8%*			

Operating revenues increased by 10.8% to €1,513.9 million for the nine month period ended September 30, 2011 from €1,366.9 million for the same period of 2010. Net sales increased by 10.6% to €1,473.2 million for the nine month period ended September 30, 2011 from €1,331.5 million in the same period of 2010, increase mainly attributable to Fiorucci integration to the Group which if not considered, total net sales and services increased by 1.2%. Other operating revenues increase is mainly attributable to profit on sales of fixed assets and operating grants received. Capitalized expenses on Company's work on assets are mainly related the new ERP development.

Operating Expenses

The following table sets forth a detailed breakdown of operating expenses for the nine month period ended September 30, 2011 and September 30, 2010

Operating expenses	**Nine month ended September 30,**			
	2011		**2010**	
	Actual (unaudited)	% of total oper. revenues	**Actual (unaudited)**	% of total oper. revenues
Consumption of goods and other external charges	(836.239)	(55,2%)	(731.762)	(53,5%)
Employee benefits expense	(274.136)	(18,1%)	(246.348)	(18,0%)
Depreciation and amortization	(47.272)	(3,1%)	(40.861)	(3,0%)
Other operating expenses	(291.299)	(19,2%)	(271.913)	(19,9%)
Changes in trade provisions	(2.753)	(0,2%)	(349)	(0,0%)
Total operating expenses	**(1.451.699)**	**(95,9%)**	**(1.291.233)**	**(94,5%)**
% increase in total operating expenses	12,4%			

Operating expenses increased by 12.4% to €1,451.7 million for the nine month period ended September 30, 2011 from €1,291.2 million for the same period of 2010. Operating expenses constituted 95.9% and 94.5% of total operating revenues for the nine month period ended September 30, 2011 and 2010, respectively. The increase in operating expenses was primarily attributable to the incorporation of Fiorucci since April 2011. Without considering Fiorucci impact, the increase in the periods under comparison is reduced to a 2.4%.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges increased by 14.3% to €836,2 million for the nine month period ended September 30, 2011 from €731.8 million for the same period of 2010. Consumption of goods and other external charges constituted 55.2% and 53.5% in percentage of total operating revenues for the nine month period ended September 30, 2011 and 2010, respectively. If considered together with the increase in inventories of finished goods and work in progress in Operating Revenues, net consumptions of goods and other external charges increased by 15.0%. Without considering Fiorucci, this increase is reduced to a 4.7% derived from higher meat cost during the nine month period ended September 30, 2011 versus the same period of 2010.

Employee Benefits Expenses

Employee benefits expenses increased by 11.3% to €274.1 million for the nine month period ended September 30, 2011 from €246.3 million for the same period of 2010. Without considering changes in the consolidation scope, the increase is reduced to a 3.2%. Employee benefits expenses constituted 18.1% and 18.0% for 2011 and 2010, respectively.

Depreciation and Amortization

Depreciation and amortization increased by 15.7% to €47.2 million for the nine month period ended September 30, 2011 from €40.9 million for the same period of 2010. Depreciation and amortization represented 3.1% and 3.0% for 2011 and 2010 of total operating revenues.

Other Operating Expenses

Other operating expenses increased 7.1% to €291.3 million for the nine month period ended September 30, 2011 from €271.9 million for the same period of 2010. Again, without considering Fiorucci contribution, the increase is transformed to a 3.3% reduction explained mainly by savings from improved manufacturing efficiency in North Europe.

Finance and Tax Expenses

Finance Revenue and Finance Costs

In spite of the additional financing expenses related to the new bank financing related to the acquisition in Italy, net finance cost has increased only slightly by €0.8 million in the first nine months from €39.7 million in 2010 to €40.5 million in 2011 because, in 2010, net finance cost was affected by the negative impact of €5.7 million, related to the mark-to-market fair value changes in the open derivatives under rather volatile financial market conditions. As mentioned previously, in order to curtail this fluctuation, the Company has proceeded to unwind all the remaining derivatives outstanding.

Income Tax Expenses

Income tax expenses amounted to €5.7 million for nine month period ended September 30, 2011 compared to €5.4 million for the same period in 2010. For the nine month period ended September 30, the effective tax rates were 38% in 2011 and 23% in 2010.

Result from Discontinued Operations

Result from discontinued operations includes our Romanian operations which amounted €0.3 million loss for the nine month period ended September 30, 2011 and €0.4 million gain for the same period in 2010. (See note 13 in Campofrio Food Group, S.A. and Subsidiaries Non Audited Interim Condensed Consolidated Financial Statements for the six-month period ended June 30, 2011 and note 15 in the Campofrio Food Group, S.A. and Subsidiaries Audited Consolidated Financial Statements for the year ended December 31, 2010.)

Profit for the Period

For the nine month period ended September 30, 2011, profit for the period amounted €11.6 million, compared to €27.1 million for the same period in 2010.

Operating Segment Reporting

	Nine month ended September 30,			
Net sales and services	**2011**		**2010**	
	Actual (unaudited)	% of total	**Actual (unaudited)**	% of total
Southern Europe [1]	768.441	52,2%	624.033	46,9%
Northern Europe [2]	727.768	49,4%	719.929	54,1%
Eliminations [3]	(22.978)	(1,6%)	(12.416)	(0,9%)
Total net sales and services	**1.473.231**	100,0%	**1.331.546**	100,0%

EBITDA	Nine month ended September 30,			
	2011		2010	
	Actual (unaudited)	% of total	Actual (unaudited)	% of total
Southern Europe [1]	68.099	62,2%	71.822	61,6%
Northern Europe [2]	55.514	50,7%	59.684	51,2%
Others [4]	(14.104)	(12,9%)	(14.988)	(12,9%)
Total EBITDA	**109.509**	100,0%	**116.518**	100,0%
% EBITDA margin over Net Sales				
Southern Europe	8,9%		11,5%	
Northern Europe	7,6%		8,3%	
Others	n.a.		n.a.	
Total EBITDA	**7,4%**		**8,8%**	

EBITDA (normalised)	Nine month ended September 30,			
	2011		2010	
	Actual (unaudited)	% of total	Actual (unaudited)	% of total
Southern Europe [1]	68.742	62,2%	71.822	61,4%
Northern Europe [2]	54.785	49,6%	60.229	51,4%
Others [4]	(13.052)	(11,8%)	(14.988)	(12,8%)
Total EBITDA	**110.475**	100,0%	**117.063**	100,0%
% EBITDA normalised margin over Net Sales				
Southern Europe	8,9%		11,5%	
Northern Europe	7,5%		8,4%	
Others	n.a.		n.a.	
Total EBITDA	**7,5%**		**8,8%**	

[1] Southern Europe includes operating activities mainly managed in Spain, Portugal and Italy in 2011, which includes our fresh meat operations.

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

[3] Intercompany sales between segments, which are eliminated at consolidation level.

[4] Other includes mainly corporate activities.

Southern Europe

Net sales in Southern Europe increased by 23%, of which, much is attributable to the incorporation of the Italian operating company Fiorucci in April 2011. Excluding the contribution of Fiorucci, net sales growth is 3.1% on last year, which has been achieved in a context of challenging macro economic conditions thank to the focus on innovation, brand building and improved mix.

EBITDA in Southern Europe decreased €3.7 million to €68.1 million in the nine month period ended September 30, 2011 from €71.8 million in the same period last year. Margin over net sales for the nine month period ended September 30, 2011 was 8.9% showing a decrease over previous period of 265 basis points. A new commodity context in Europe with higher raw material prices, especially on meat, has had a negative impact on the nine month period ended September 30, 2011 EBITDA. Nevertheless, pricing/value actions and productivity initiatives are making an impact on EBITDA. Also to be taken into account is the impact of Fiorucci which has a lower EBITDA margin than the rest of South Europe. Without Fiorucci, EBITDA margin is 10.0%.

Northern Europe

Net Sales in Northern Europe increased by €7.8 million, representing a 1.1% increase, to €727.8 million in the nine month period ended September 30, 2011 from €719.9 million in the nine month period ended September 30, 2010. Growth, driven by focus on brand building and improved mix, is partially compensated by the impact on sales of strategic portfolio reshaping in France and volume losses in Netherlands to be mainly recovered in the fourth quarter.

EBITDA in Northern Europe decreased €4.2 million to €55.5 million in the nine month period ended September 30, 2011, from €59.7 in the same period last year. Margin over net sales for the nine month period ended September 30, 2011 was 7.6% showing a decrease over previous period of 66 basis points. Northern Europe has also been affected by the significant increase in raw material prices, with impact on EBITDA, although their impact is counterbalanced by the positive impact of pricing / value actions and productivity initiatives.

Others

The "Others" segment mainly refers to corporate costs in the headquarters

Cash Flow

Cash Flows from Operating Activities

For the nine month period ended September 30, 2011, cash flow from operating activities increased to €110.1 million versus €104.6 million for the same period in 2010. This €5.5 million improvement was primarily attributable to an improved working capital, lower provisions paid, higher other collections received and was offset by a lower EBITDA and higher income tax paid.

Cash Used in Investing Activities

For the nine month period ended September 30, 2011, cash flow from investing activities amounted to a negative €187.7 million, compared to a negative €43.2 million for the same period in 2010. Capital Expenditures amounted to €33.6 million in the nine month period ended September 30, 2011 and €18.6 million in the same period last year. This variance was primarily attributable to the investment on a new ERP (SAP).

During the nine month period ended September 30, 2011, the Company purchased the remaining minority interests in Jamones Burgaleses (Spain). The cash flow from investing activities includes in the nine month period ended September 30, 2010, the purchase of the remaining minority interests in Navidul Extremadura (Spain). Investments in Group companies showed net cash impact related to the acquisition of Fiorucci for the nine month period ended September 30, 2011 and for the same period in 2010, Investments in Group companies showed net cash impact related to the execution of transaction in France (Moroni) and Romania (Caroli).

For the nine month period ended September 30, 2011, Other cash flows from investing operation, net were primarily attributable to the sale of non operating assets located in Romania, France and the Netherlands.

Cash Flow from Financing Activities

For the nine month period ended September 30, 2011, cash flow from financing activities amounted to a negative €36.4 million compared to a negative €31.6 million for the same period last year. This improvement was primarily attributable to the financing raised in connection with Fiorucci acquisition. The cash flow from financing activities for the nine month period ended September 30, 2011 included payments related to the cancellation of derivates amounting €19 million and dividends paid amounting €10 million. The cash flow from financing activities for the nine month period ended September 30, 2010 included payments related to the cancellation of derivates amounting €14.3 million, dividends paid amounting €7.3 million and merger-related Earn-Out payment to Smithfield Foods.

Comparison of the three month period ended September 30, 2011 and the three month period ended September 30, 2010

Operating Revenues

The following table sets forth a detailed breakdown of our operating revenues for the three month period ended September 30, 2011 and September 30, 2010.

Operating revenues	**Three month ended September 30,**			
	2011		**2010**	
	Actual (unaudited)	% of total oper. revenues	**Actual (unaudited)**	% of total oper. revenues
Net sales and services	534.583	98,1%	467.804	99,1%
% increase in Net Sales and Services	*14,3%*			0,0%
Increase in inventories of finished goods and work in progress	6.202	1,1%	2.543	0,5%
Capitalized expenses on Company's work on assets	1.093	0,2%	25	0,0%
Other operating revenue	3.312	0,6%	1.798	0,4%
Total operating revenues	545.190	100,0%	472.170	100,0%
% increase in total operating revenues	*15,5%*			

Operating revenues showed a 15.5% growth ending up at €545.2 million for the three month period ended September 30, 2011 comparing to €472.2 million for the same period in 2010. Net sales increased 14.3% to €534.6 million for the three month period ended September 30, 2011 from €467.8 million for the three month period ended June 30, 2010. Without considering Cesare Fiorucci Group contribution to 2011 Consolidated Income Statement, net sales increased by 0.5%. Other operating revenues increase is mainly attributable to profit on sales of fixed assets. Capitalized expenses on Company's work on assets are mainly related the new ERP development.

Operating Expenses

The following table sets forth a detailed breakdown of operating expenses for the three month period ended September 30, 2011 and September 30, 2010

Operating expenses	**Three month ended September 30,**			
	2011		**2010**	
	Actual (unaudited)	% of total oper. revenues	**Actual (unaudited)**	% of total oper. revenues
Consumption of goods and other external charges	(302.483)	(56,6%)	(255.262)	(54,6%)
Employee benefits expense	(89.179)	(16,7%)	(79.204)	(16,9%)
Depreciation and amortization	(16.261)	(3,0%)	(13.352)	(2,9%)
Other operating expenses	(106.985)	(20,0%)	(93.870)	(20,1%)
Changes in trade provisions	(1.120)	(0,2%)	(102)	(0,0%)
Total operating expenses	(516.028)	(96,5%)	(441.790)	(94,4%)
% increase in total operating expenses	16,8%			

Operating expenses increased by 16.8% to €516.0 million for the three month period ended September 30, 2011 from €441.8 million for the same period in 2010. Operating expenses constituted 96.5% and 94.4% of total operating revenues for the three month period ended September 30, 2011 and September 30, 2010, respectively. The increase in operating expenses was primarily attributable to the incorporation of Fiorucci into the consolidation scope of the Group. Without considering Fiorucci impact, total operating expenses increased by 1.8%.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges increased by 18.5% to €302.5million for the three month period ended September 30, 2011 from €255.3 million for the same period in 2010. Consumption of goods and other external charges constituted 56.6% and 54.6% in percentage of total operating revenues for the three month period ended September 30, 2011 and September 30, 2010, respectively. If considered together with the increase in inventories of finished goods and work in progress in Operating Revenues, net consumptions of goods and other external charges increased by 17.2%. This increase is mainly attributable to Fiorucci integration, which if not considered, total increase is reduced to a 2.4% increase which is in overall reflecting raw material prices pressure on our supplies.

Employee Benefits Expenses

Employee benefits expenses increased by 12.6% to €89.2 million for the three month period ended September 30, 2011 from €79.2 million for the same period in 2010. The increase is primarily attributable to Fiorucci integration which if not considered employee benefit expenses remained constant.

Depreciation and Amortization

Depreciation and amortization increase by 21.8% to €16.3 million for the three month period ended September 30, 2011 from €13.4 for the same period in 2010. This increase in primarily attributable to Fiorucci integration which if not considered, this increase is reduced to 2.9% increase. Depreciation and amortization represented 3.0% and 2.9% of total operating revenues for 2011 and 2010 respectively.

Other Operating Expenses

Other operating expenses increased by 14.0% to €107.0 million for the three month period ended September 30, 2011 from €93.9 million for the same period of prior year. Without considering Fiorucci contribution, this increase is reduced to 1.5% reduction mainly attributable to savings from improved manufacturing efficiency North Europe.

Finance and Tax Expenses

Finance Revenue and Finance Costs

Net finance cost increased by €3.4 million in the third quarter from €11.4million in 2010 to €14.8 million in 201mainly due to the acquisition in April 2011 of our new subsidiary in Italy and the corresponding new financing and associated cash out.

Income Tax

Income tax expenses amounted €5.7 million for three month period ended September 30, 2011 and €5.4 million in the same period of 2010. The effective tax rates were 41% in 2011 and 29% in 2010.

Result from Discontinued Operations

Result from discontinued operations includes our Romanian operations which amounted €0.1 million loss for the three month period ended September 30, 2011 and €2.8 million loss for the same period in 2010. (See note 13 in Campofrio Food Group, S.A. and Subsidiaries Non Audited Interim Condensed Consolidated Financial Statements for the six-month period ended June 30, 2011 and note 15 in the Campofrio Food Group, S.A. and Subsidiaries Audited Consolidated Financial Statements for the year ended December 31, 2010.)

Profit for the Period

For the three month period ended September 30, 2011, the profit for the period amounted €8.1 million compared to €16.2 million for the same period in 2010.

Operating Segment Reporting

	Three month ended September 30,			
Net sales and services	**2011**		**2010**	
	Actual (Unaudited)	% of total	**Actual (Restated)**	% of total
Southern Europe [1]	295.877	55,3%	224.456	48,0%
Northern Europe [2]	249.468	46,7%	247.682	52,9%
Eliminations [3]	-10.762	(2,0%)	-4.334	(0,9%)
Total net sales and services	**534.583**	100,0%	**467.804**	100,0%

EBITDA	Three month ended September 30,			
	2011		2010	
	Actual (Unaudited)	% of total	Actual (Restated)	% of total
Southern Europe [1]	26.615	58,6%	28.596	65,4%
Northern Europe [2]	22.777	50,1%	19.651	44,9%
Others [4]	(3.969)	(8,7%)	(4.515)	(10,3%)
Total EBITDA	**45.423**	100,0%	**43.733**	100,0%
% EBITDA margin over Net Sales				
Southern Europe	9,0%		12,7%	
Northern Europe	9,1%		7,9%	
Others	n.a.		n.a.	
Total EBITDA	**8,5%**		**9,3%**	

EBITDA (normalised)	Three month ended September 30,			
	2011		2010	
	Actual (Unaudited)	% of total	Actual (Restated)	% of total
Southern Europe [1]	27.223	59,7%	28.596	64,8%
Northern Europe [2]	21.998	48,3%	20.071	45,5%
Others [4]	(3.638)	(8,0%)	(4.514)	(10,2%)
Total EBITDA	**45.583**	100,0%	**44.153**	100,0%
% EBITDA normalised margin over Net Sales				
Southern Europe	9,2%		12,7%	
Northern Europe	8,8%		8,1%	
Others	n.a.		n.a.	
Total EBITDA	**8,5%**		**9,4%**	

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

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

[3] Intercompany sales, which are eliminated at consolidation level.

[4] Other includes mainly corporate activities.

Southern Europe

Net sales in Southern Europe increased by 32% to €295.9 million in the three month period ended September 30, 2011 from €224.5 million in the same period last year of which, much is attributable to the incorporation of the Italian operating company Fiorucci in April 2011. Excluding the contribution of Fiorucci, net sales growth is 3.3% on last year, which has been achieved in a context of challenging macro economic conditions thanks to the focus on innovation, brand building and improved mix.

EBITDA in Southern Europe decreased €2.0 million to €26.6 million in the three month period ended September 30, 2011 from €28.6 million in the same period last year. Margin over net sales for the three month period ended September 30, 2011 was 9.0% showing a decrease over previous period of 370 basis points. A new commodity context in Europe with higher raw material prices, especially on meat, has had a negative impact on the quarter's EBITDA. Nevertheless, pricing / value creation actions taken throughout the year and productivity plans which are underway have started to make an impact on EBITDA. Also to be taken into account is the impact of Fiorucci which has a lower EBITDA margin than the rest of the Southern Europe segment. EBITDA margin without Fiorucci would be 10.5%.

Northern Europe

Net Sales in Northern Europe increased by €1.8 million, representing a 0.7% increase, to €249.5 million in the three month period ended September 30, 2011 from €247.7 million in the three month period ended September 30, 2010. Growth is driven by focus on brand building and improved mix which compensates negative impact on sales of strategic portfolio reshaping in France.

EBITDA in Northern Europe increased €3.1 million to €22.8 million in the three month period ended September 30, 2011, from €19.6 million in the same period last year. Margin over net sales for the three month period ended September 30, 2011 was 9.1% showing a decrease from the previous period of 120 basis points. Northern Europe has also been affected by the significant increase in raw material prices, with impact on EBITDA. In spite of this, and in a very challenging environment, EBITDA growth has been achieved thanks to pricing / value creation actions and productivity plans.

Others

The “Others” segment mainly refers to corporate costs in the headquarters.

Cash Flow

Cash Flows from Operating Activities

For the three month period ended September 30, 2011, cash flow from operating activities amounted to €43.7 million versus €58.4 million for the same period in 2010. This variance was primarily attributable to a lower relative decrease in working capital, higher income tax paid offset by a higher EBITDA for the three month period ended September 30, 2011 from the same period in 2010.

Cash Used in Investing Activities

For the three month period ended September 30, 2011, cash flow from investing activities amounted to a negative €9.9 million, compared to a negative €28.0 million for the same period in 2010. Capital Expenditures amounted to €11.1 million in the three month period ended June 30, 2011 and €6.6 million in the same period last year. This variance was primarily attributable to the investment on a new ERP (SAP).

Investments in Group companies for the nine month period ended September 30, 2010 showed net cash impact related to the a execution of transaction in France (Moroni) and Romania (Caroli).

Cash Flow from Financing Activities

For the three month period ended September 30, 2011, cash flow from financing activities amounted to a negative €24.7 million compared to a negative €9.2 million for the same period last year.

The cash flow from financing activities for the nine month period ended September 30, 2011 included payments related to the cancellation of derivates amounting €19 million and dividends paid amounting €10 million (€7.3 million for the same period in 2010).

RECENT DEVELOPMENTS

On June 3rd, 2011, Campofrio Food Group Board of Directors received a communication from Smithfield Foods informing that they had terminated negotiations with respect to the proposed joint delisting takeover bid, together with Mr. Pedro Ballve, to acquire the remaining shares of Campofrio Food Group.

Smithfield's decision to terminate has been influence by, among other factors, (I) continued adverse economic conditions in Europe, which show few signs of abating, and (II) a decline in Smithfield's stock price that had made the proposed transaction more difficult to finance on an accretive basis.

As Campofrio's largest shareholder, Smithfield remains committed to holding 37% stake in Campofrio and supporting the company's continued growth and development as Europe's leading packaged meats company.

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.