CAMPOFRIO FOOD GROUP

UNAUDITED INTERIM SELECTED
CONSOLIDATED FINANCIAL INFORMATION
TWELVE MONTH PERIOD ENDED
31st DECEMBER 2012

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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 (1)" of the indenture.

CONSOLIDATED INCOME STATEMENT

Campofrio Food Group

(In Thousands of Euros)

	Twelve month ended December 31,			
	2012		2011	
	(audited)	% of total oper. revenue	(audited)	% of total oper. revenues
Operating revenues				
Net sales and services	1,918,346	99.3%	1,827,240	99.0%
Increase / (decrease) in inventories of finished goods and work in progress	(3,616)	(0.2%)	4,454	0.2%
Capitalized expenses on Company's work on assets	6,584	0.3%	4,116	0.2%
Other operating revenue	10,463	0.5%	9,272	0.5%
Total operating revenues	1,931,777	100.0%	1,845,082	100.0%
Operating expenses				
Consumption of goods and other external charges	(1,063,898)	(55.1%)	(999,305)	(54 .2%)
Employee benefits expense	(351,261)	(18.2 %)	(413,562)	(22.4%)
Depreciation and amortization	(60,719)	(3.1%)	(57,235)	(3.1%)
Other operating expenses	(369,826)	(19.1%)	(351,193)	(19.0%)
Changes in trade provisions	(4,493)	(0.2%)	(2,754)	(0.1%)
Total operating expenses	(1,850,197)	(95.8 %)	(1,824,049)	(98.9%)
Impairment of assets	(284)	(0.0 %)	(18,468)	(1.0%)
Operating profit	**81,296**	**4.2%**	**2,565**	**0.1%**
Financial expenses, net	(54,435)	(2.8 %)	(54,824)	(3.0%)
Other results	(8,321)	(0. 4%)	(2,314)	(0.1 %)
Profit before tax	**18,540**	**1.0%**	**(54,573)**	**(3.1%)**
Income taxes	4,176	0.2%	30,204	1.6%
Profit for the period from continuing operations	**22,716**	**1.2%**	**(24,369)**	**(1.3%)**
Profit & (Loss) after tax for the period from discontinued operations	(6,995)	(0.4%)	(29,879)	(1.6 %)
Profit for the period	**15,721**	**0.8%**	**(54,248)**	**(2.9%)**
Non-controlling interests			-	-
Attributable to equity holders of the parent company	15,721	0.8%	(54,248)	(2.9%)

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,	
	Dec 31, 2012	Dec 31, 2011
	(audited)	Restated (audited)
ASSETS		
Property, plant and equipment	576,083	579,938
Goodwill	458,978	459,105
Other intangible assets	272,316	259,687
Non-current financial assets	15,019	4,901
Investments accounted for under the equity method	28,921	28,972
Deferred tax assets	135,829	120,705
Total non-current assets	**1,487,146**	**1,453,308**
Inventories	339,962	333,941
Trade and other receivables	217,153	239283
Other current financial assets	390	924
Other current assets	6,283	7,335
Cash and cash equivalents	169,910	138,274
Total current assets	**733,698**	**719,757**
Assets classified as held for sale and discontinued operations	**1,270**	**75,428**
TOTAL ASSETS	**2,222,114**	**2,248,493**
EQUITY AND LIABILITES		
Equity attributable to equity holders of the parent	587,532	579,408
Equity	**587,532**	**579,408**
Debentures	490,733	488,394
Interest-bearing loans and borrowings	59,819	90,409
Other financial liabilities	4,207	3,314
Deferred tax liabilities	169,154	169,558
Other non-current liabilities	15,524	17,643
Provisions	108,877	114,681
Total non-current liabilities	**848,314**	**883,999**
Debentures	6,875	6,875
Interest-bearing loans and borrowings	42,921	26,257
Trade and other payables	607,765	571,992
Other financial liabilities	7,500	2,760
Creditor for income tax	4,847	7,989
Provisions	36,545	39,942
Other current liabilities	79,724	71,074
Total current liabilities	**786,177**	**726,889**
Liabilities associated to operations on sale or discontinued	**91**	**58,197**
TOTAL EQUITY AND LIABILITIES	**2,222,114**	**2,248,493**

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

CONSOLIDATED CASH FLOW STATEMENT

Campofrio Food Group
(*In Thousands of Euros*)

	Twelve month ended Dec 31,	
	2012	**2011**
	(audited)	**(audited)**
Operating flows before changes in working capital	**144,055**	**155,282**
Changes in working capital	64,708	54,933
Cash flows from operating activities	**208,763**	**210,215**
Net interest expenses	(51,466)	(51,109)
Provision and pensions payment	(28,276)	(6,125)
Income tax paid	(15,880)	(11,703)
Other collection and payments	3,404	3,751
Net cash flows from operating activities	**116,545**	**145,029**
Investments in property, plant and equipment	(71,397)	(59,892)
Investment in Group companies	(1,970)	(24,416)
Other cash flows from investing operations, net	3,675	5,555
Net cash flows from investing activities	**(69,692)**	**(78,753)**
Changes in current financial assets and liabilities	(11,866)	(77,875)
Purchase of non-controlling interest	-	(5,755)
Purchase of treasury shares and Dividend payments	(4,494)	(12,503)
Net cash flows from financing activities	**(16,360)**	**(96,133)**
Net increase/(decrease) in cash and cash equivalents	**30,493**	**(29,857)**
Cash and cash equivalents at beginning of period	139,417	169,274
Cash and cash equivalents at end of period	169,910	139,417

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 normalized	Twelve month ended December 31,	
	2012	**2011**
	(unaudited)	**(unaudited)**
Profit for the period Attributable to equity holders of the parent company	15,721	(54,248)
Profit for the period Attributable to Non-controlling interests	-	-
Profit & (Loss) after tax for the period from discontinued operations	6,995	29,879
Income taxes	(4,176)	(30,204)
Other results	8,321	2,314
Financial expenses, net	54,435	54,824
Impairment of assets	284	18,468
Depreciation and amortization	60,719	57,235
EBITDA	**142,299**	**78,268**
Total Adjustments	8,206	91,086
EBITDA (normalized)	**150,505**	**169,354**

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 was 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 investments in Portugal, Belgium, France, Germany, Italy, the Netherlands, United Kingdom, USA and Romania.

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.

During the first quarter of 2012, the group signed an agreement to engage, together with Foxlease, in a Joint Venture on which it holds 49% of the share capital. For the constitution of this Joint Venture, the group contributed with its cooked ham business in France, ran by one of its French subsidiaries, Jean Caby SAS. As of March, 2012, the group proceeded to derecognize Jean Caby assets and liabilities from Group consolidated financial statements, and, as part of a Joint Venture, it is now integrated into the consolidated financial statements as an Equity Investee.

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, 2012 and 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, 2012.

Comparison of information

During 2011, as stated in "Corporate Information" above, the Group acquired Cesare Fiorucci Group. The contribution of Fiorucci is reflected only in the nine month period ended December 31, 2011 Consolidated Income Statement and Consolidated Cash-flow Statement. Due to the complexity to elaborate full comparable information and as it is not requested under IFRS, no restatements on this regards have been performed to 2011 Consolidated Income Statement and Cash Flow Statement in this document presented. Nevertheless, where applicable, the comparison is made disaggregating Fiorucci Group Income Statement for the period ended March 31, 2012 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 December 31, 2011 the parent reclassified all its asset and liabilities related to the French cooked business and its breeding and fattening activities in Spain as "Assets and liabilities held for sales and discontinued operations", following its decision to discontinue those activities. Consequently, on the separate profit and loss statement, operation results from these activities have been classified as "net loss after tax from discontinued operations" both for the period ended in December 31, 2012 and 2011 (see Corporate Information section regarding cooked ham business in France).

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.
- Other: includes mainly corporate monitoring and supervising activities and operating activities managed in USA.

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)

In order to reflect comparable business performance with full cost allocations, corporate operating expenses have been allocated across the different segments. Prior year information has been restated for comparison purposes.

Net Financial Debt, Liquidity and Capital Resources

The following chart sets forth the Company's debt position as of December 31, 2012 and December 31, 2011.

NET FINANCIAL DEBT	Twelve month ended December 31,	
	2012	2011
Non-current financial debt		
Debentures	490,733	488,394
Interest-bearing loans and borrowings	59,819	90,409
Other financial liabilities	4,207	3,314
Current financial debt		
Debentures	6,875	6,875
Interest-bearing loans and borrowings	42,921	26,257
Other financial liabilities	7,500	2,760
Current financial assets		
Other current financial assets	(390)	(924)
Cash and cash equivalents	(169,910)	(138,274)
Total Net Financial Debt	**441,755**	**478,811**

Our present debt structure consists of the Notes issued in 2009 which account for €497.6 million and a Senior Term Loan Facility amounting to €90 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. After having early unwound all the remaining derivatives last year, there is not any remaining exposure in this regard. The rest of the debt items (i.e. leasing …) are of negligible value in the context of the Company's balance sheet.

Net financial debt of €441.8 million as of December 31, 2012 is €37.0 lower than at the end of December 31, 2011 showing our capacity to generate positive cash flow in spite of the extraordinary cash-outs associated to our on-going investments programme.

The Company's liquidity position remained very solid and amounted to €340 million at the end of December 31, 2012, consisting of €170 million in cash and cash equivalents, €170 million circa of fully available and committed bank lines, as well as 10.0 million of uncommitted bank lines at local level. The Company keeps focused on enhancing its cash management and working capital operations.

The following tables set forth the situation of the Company's two main financing sources as of December 31, 2012 and December 31, 2011.

Debentures	Consolidated position at	
	31/12/2012	31/12/2011
Non-current debentures	490,733	488,394
Current debentures	6,875	6,875
Principal	-	-
Accrued interest	6,875	6,875
Total debentures	**497,608**	**495,269**

Interest-bearing loans and borrowings	Consolidated position at	
	31/12/2012	31/12/2011
Bank loans and credit facilities	99,137	114,359
Credit lines	99,137	114,359
Multicurrency credit line	-	-
Discounted bills payable	2,207	443
Interest payable	1,396	1,864
Total	**102,740**	**116,666**

The following table sets forth the situation of the Company's current and non-current other financial liabilities as of December 31, 2012 and December 31, 2011.

Other financial liabilities	**Consolidated position at 31/12/2012**			**Consolidated position at 31/12/2011**		
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**
Financial leases	1,168	693	1,861	876	502	1,378
Other financial liabilities	3,039	6,807	9,846	2,512	2,258	4,770
Derivatives	-	-	-	(74)	-	(74)
Total	**4,207**	**7,500**	**11,707**	**3,314**	**2,760**	**6,074**

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 Germany and the United States, 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, *Stegeman* in The Netherlands and *Fiorucci* in Italy. For the twelve month period ended December 31, 2012, the Company had Net Sales and Services and Reported EBITDA of €1,918.3 million and €142.3 million, respectively. It generates most 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 December 31, 2012, the Company had a market capitalization of € 495.8 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	Twelve month ended December 31, 2010	2011	2012	% Increase (decrease) over prior period 2011 vs. 2010	2012 vs. 2011
		(price in €/kg)			
Spain Mercolleida	1.42	1.57	1.72	+10.1	+9.5
France MPB	1.29	1.45	1.60	+12.9	+10.1
Netherlands Monfoort	1.35	1.48	1.67	+9.3	+13.0
Belgium Danis	1.26	1.37	1.55	+8.7	+13.4
Germany AIM	1.41	1.52	1.71	+8.1	+12.2
Denmark DC	1.24	1.36	1.40	+9.3	+11.9

During 4 of the last 6 years, rising grain prices have negatively affected meat protein prices. 2012 was no exception as record international grain quotations led to continued decreased in pork, poultry and beef meat output.

Due to adverse climate conditions, the 2012/13 grain production in the EU27 basin reached 274.3 million metric tons, down -3.7% versus the previous year. While plantings increased (+1%), they were more than offset by lower average yields (-4%).

Corn yields (-18.7%) accounted for the most significant part of the lower total EU27 grain output, with disappointing results in key producing countries (Italy, Hungary, Romania and to a lesser extent France). The lack of precipitations in late summer and early fall stymied the yield potential and final production dropped -16% against 2011. Soft wheat production decreased -3.8%. The output exceeded last year's levels in France, but decreased in United Kingdom, Poland, and Spain. Average yields and planted areas dropped respectively -2.7% and -1.7%.

Grain prices in 2012 rose to record levels in international markets, influenced by the EU27 situation as well as the sharp drop in US corn and soybean harvest. The "Corn Belt" most severe drought in the past 100 years led to corn and soybean production down by -15% and -12% respectively, severely affecting global grain trade flows. Following this summer event, prices spiked up to never seen before price levels. During 2012, EU27 wheat, barley and corn prices have risen 5% to 10%, and more than 40% for soybean meal. All 4 raw materials are key components of the feed ration for pork and poultry production.

The historically high grain prices in Europe significantly impacted the profitability of pig producers on the continent. EU pork farmers are managing their losses by further lowering current and future sow herds (-3.4% in December 2011 survey, -3.0% for summer 2012, and an estimated -4 to -5% in December 2012). These decisions impact pork meat output with a 10 to 12 months delayed effect. The recently released December 2012 EU27 pig population survey has shed more light on future pork meat output: the estimated drop of -4.0 to 5.0% versus the previous solidifies the trend initiated more than 20 months ago. All key EU27 pork meat producers show additional cuts (Germany: -2.6%, Spain: -6.4%, France: -2.6%, Netherlands: -2.2%, Denmark: -0.8%, Italy: -12.3%). Eastern Europe continues to be decimated (for example, Poland breeding herds was surveyed down -10.0%). In addition, the new European sow stall barn regulation took effect as of January 2013. It will no doubt further depress pork meat production, leading to future price inflation pressures.

During 2012, EU27 pork production decreased an estimated -2.1%, with significant variability witnessed among the main European countries. While the total output dropped in Germany (-1.3%), France (-2.4%), the Netherlands (-1.9%), Denmark (-6.5%), and Poland (-24.4%), it was partially offset by improvements in Spain (+2.4%), Italy (+3.1%) and United Kingdom (+2.3%). During the period ranging from mid-July 2012 to end of September, European slaughter levels and weights dropped more than anticipated (-3.0 to -5.0%), negatively impacting pork carcass prices from August to November. However, during the last quarter, they recuperated their expected trend levels.

During 2011, EU27 countries exported record quantities of pork meat to third countries, due to a combination of robust demand from Asia (China, South Korea, Japan and the Philippines) and favourable trade conditions (currencies, relative prices in US and Brazil). Exports grew +18.8% above the levels of 2010, reaching 3.19 million tons. For 2012, EU27 shipments to third countries slowed down to an estimated -5.0% against the previous year. For the same period, China demand is up +7% and overall Asian demand stable at -0.2% on lower demand from Japan and South Korea. For the second consecutive year, China remains the largest client of EU27 trade bloc. In parallel, European neighbour countries (Croatia, Belarus, Ukraine) have more than offset the drop from Russia (-9%, that confirms its gradual move towards increased self-sufficiency).

Overall, 2012 EU pig carcass prices traded at their highest levels in the last 15 to 20 years, depending on the country. They are up more than +20.0% in the past couple years. Their evolution reflects the heterogeneous supply conditions in the main producer countries. The pork quotation rose most in Germany, Netherlands, Belgium and Denmark (+12.2%, +13.0%, +13.4%, +11.9%). In France and Spain, the price inflation was slightly lower, +10.1% and +9.5% respectively.

Among all pork cuts, the value of hams rose the least despite the rise in pig carcass quotations (from +2.7% in France to +3.8% in Spain). They even decreased in Germany by -2.3%. As a result, the ham to pig price ratios are at the lowest level in the last 15 years, a sign of consumers switching to cuts with lower relative value (penalizing hams and loins). On the other hand, shoulders rose more than their fair share, from +7.4% in Italy to +20.3% in France, bellies from +10.9% in Belgium to 21.6% in Spain. Fat, jowls, trimmings, after surging in the second half of 2011, remain very expensive on an historical basis. For example, backfat increased from +17.9% in Spain to +26.8% in France.

Starting at the end of the third quarter of 2012, European chicken carcass prices increased very significantly, as a result of the surging feed costs. 2012 poultry prices have surpassed their record levels from the previous year. They traded +2.3%, +6.7%, +1.5% and +1.3% respectively in France, UK, Spain and Poland. In all the main EU producer country, production increased as a consequence of the record 2011 prices, but the situation is now reversing again. Exports to third countries are still increasing (estimated +1.6%) boosted by higher demand from Ukraine, South Africa and Benin. EU27 poultry imports dropped compared the same period last year (down -3.3%).

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 2012, the average meat price purchased by the Company increased +6.2% versus year ago 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 December 2012 rose by 4.2% versus the same period last year.

Results of Operations

Comparison of the twelve month period ended December 31, 2012 and the twelve month period ended December 31, 2011

Operating Revenues

The following table sets forth a detailed breakdown of our operating revenues for the twelve month period ended December 31, 2012 and 2011.

Operating revenues	**Twelve month ended December 31,**			
	2012		**2011**	
	(audited)	% of total oper. revenues	**(audited)**	% of total oper. revenues
Net sales and services	1,918,346	99.3%	1,827,240	99.0%
% increase in Net Sales and Services	*5.0%*			
Increase / (decrease) in inventories of finished goods and work in progress	(3,616)	(0.2%)	4,454	0.2%
Capitalized expenses on Company's fixed assets	6,584	0.3%	4,116	0.2%
Other operating revenue	10,463	0.5%	9,272	0.5%
Total operating revenues	**1,931,777**	**100,0%**	**1,845,082**	**100.0%**
% increase in total operating revenues	*4.7%*			

Operating revenues increased by 4.7% to €1,931.8 million for the twelve month period ended December 31, 2012 from €1,845.1 million for the same period of 2011. Net sales increased by 5.0% to €1,918.4 million for the twelve month period ended December, 2011 from €1,827.2 million in the same period of 2011, increase attributable to Fiorucci integration to the Group since April 2011 and to organic growth. Without considering Fiorucci contribution in the first quarter of 2012, total net sales and services increased by 1.8%. Capitalized expenses on Company's fixed assets increased by 60.0% to €6.6 million for the twelve month period ended December 31, 2012 from €4.1 million for the same period of 2011, increase attributable to the new ERP project.

Operating Expenses

The following table sets forth a detailed breakdown of operating expenses for the twelve month period ended December 31, 2012 and December 31, 2011

Operating expenses	**Twelve month ended December 31,**			
	2012		**2011**	
	(audited)	% of total oper. revenues	**(audited)**	% of total oper. revenues
Consumption of goods and other external charges	(1,063,898)	(55.1%)	(999,305)	(54. 2%)
Employee benefits expense	(351,261)	(18.2%)	(413,562)	(22.4%)
Depreciation and amortization	(60,719)	(3.1%)	(57,235)	(3.1%)
Other operating expenses	(369,826)	(19.2%)	(351,193)	(19.0%)
Changes in trade provisions	(4,493)	(0.2%)	(2,754)	(0.1%)
Total operating expenses	**(1,850,197)**	**(95.8%)**	**(1,824,049)**	**(98.9%)**
% increase in total operating expenses	*1.4%*			

Operating expenses increased by 1.4% to €1,850.2 million for the twelve month period ended December 31, 2012 from €1,824.0 million for the same period of 2011. Operating expenses constituted 95.8% and 98.9% of total operating revenues for the twelve month period ended December 31, 2012 and 2011, respectively. The increase in total operating expenses was primarily attributable to Fiorucci Group integration to the Consolidated Income Statement since April 2011. Without considering Fiorucci contribution to the first quarter 2012, the increase in the periods under comparison is reduced to a 1.7%.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges increased by 6.5% to €1,063.9 million for the twelve month period ended December 31, 2012 from €999.3 million for the same period of 2011. Consumption of goods and other external charges constituted 55.1% and 54.2% in percentage of total operating revenues for the twelve month period ended December 31, 2012 and 2011, respectively. If considered together with the change in inventories of finished goods and work in progress included in Operating Revenues, net consumptions of goods and other external charges increased by 7.3%. Without considering Fiorucci contribution in the first quarter 2012, this increase is reduced to a 4.4% increase derived from higher raw material prices during the twelve month period ended December 31, 2012 versus the same period of 2011.

Employee Benefits Expenses

Employee benefits expenses decreased by 15.1% to €351.3 million for the twelve month period ended December 31, 2012 from €413.6 million for the same period of 2011. Excluding Fiorucci contribution to the first quarter of 2012, and other non-recurrent charges, employee benefits expenses increased by 1.0%. Employee benefits expenses constituted 18.1% and 22.4% in percentage total operating revenues, respectably.

Depreciation and Amortization

Depreciation and amortization increased by 6.1% to €60.7 million for the twelve month period ended December 31, 2012 from €57.2 million for the same period of 2011. Depreciation and amortization represented 3.1% for both periods under comparison.

Other Operating Expenses

Other operating expenses increased by 5.3% to €369.8 million for the twelve month period ended December 31, 2012 from €351.2 million for the same period of 2011. Without considering Fiorucci contribution to the first quarter of 2012, and other non-recurrent impacts in 2012 and 2011, the increase is reduced to a 3.2%. This increase is mainly attributable to higher utility and property business taxes expenses, together with higher external services related to higher production activity in the USA.

Finance and Tax Expenses

Finance Revenue and Finance Costs

Net finance cost has decreased by €0.4 million for the twelve month period ended December 31, 2012, from €54.8 million in the same period 2011 to €54.4 million in 2012.

Income Tax Expenses

Income tax amounted to €4.2 million income for the twelve month period ended December 31, 2012, compared to €30.2 million income in the same period of 2011. The negative 22.5% effective tax rate in 2012 is hardly comparable to the 55.4% for the same period in 2011 due to different consolidation perimeters, as well as to certain changes in the applicable tax regulations in some of the countries where the Company operates.

Other Results

For the twelve month period ended December 31, 2012 and 2011, Other Results amounted €8.3 million loss and €2.3 million loss, respectively. Other Results are comprised of our share of profit / (loss) of investments accounted for using the equity method. The loss for the twelve month period ended December 31, 2011 is mainly related to the joint venture in Romania, whilst the loss for the twelve month period ended December 31, 2012 is mainly related to the joint venture in France (see annex V of our Consolidated Financial Statement and Consolidated Management Report for the year ended December 31, 2012).

Result from Discontinued Operations

For the twelve month period ended December 31, 2012 and 2011, Results from Discontinued Operations amounted €7.0 million loss and €29.9 million loss, respectively. Results from Discontinued Operation are comprised of our French cooked and Spain pork breeding business after tax net results (see Corporate Information and note 15 of our Consolidated Financial Statement and Consolidated Management Report for the year ended December 31, 2012).

Profit (Loss) for the Period

Profit (Loss) for the Period amounted €15.7 million gain in the twelve month period ended December 13, 2012, compared to a €54.2 million loss in the same period of 2011.

Operating Segment Reporting

Net sales and services	**Twelve month ended December 31, 2012**		**2011**	
	(audited)	% of total	**(audited)**	% of total
Southern Europe [1]	1,114,577	58.1%	1,042,377	57.0%
Northern Europe [2]	816,032	42.5%	787,511	43.1%
Other [3]	57,811	3.0%	32,292	1.8%
Eliminations [4]	(70,074)	(3.7%)	(34,940)	(1.9%)
Total net sales and services	**1,918,346**	**100,0%**	**1,827,240**	**100,0%**

EBITDA (normalized)	**Twelve month ended December 31, 2012**		**2011**	
	(unaudited)	% of total	**(unaudited)**	% of total
Southern Europe [1]	83,045	55.2%	87,796	51.8%
Northern Europe [2]	64,919	43.1%	84,249	49.7%
Other [3]	2,542	1.7%	(2,691)	(1.6%)
Total EBITDA	**150,506**	**100,0%**	**169,354**	**100,0%**
% EBITDA normalized margin over Net Sales				
Southern Europe	7.5%		8.4%	
Northern Europe	8.0%		10.7%	
Other	4.4%		(8.3)%	
Total EBITDA	**7.9%**		**9.3%**	

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

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

[3] Other includes operating activities managed in the USA and corporate activities.

[4] Intercompany sales between segments which are eliminated during consolidation.

Southern Europe

Net sales in Southern Europe increased by 6.9% to €1,114.6 million for the twelve month period ended December 31, 2012 from €1,042.4 million for the same period last year. This increase is to a certain extent attributable to Fiorucci Group which was incorporated to the Group in April 2011 (consolidated income statement figures only include Fiorucci group for the nine month period ended December 31, 2011 compared to the full twelve month period ended December, 2012). For comparison purposes, excluding Fiorucci contribution in the three month period ended March 31, 2012, net sales growth is 1.7% for the period under comparison, which has been achieved in a context of challenging macroeconomic conditions as a result of the focus on innovation, brand building and improved mix.

Normalized EBITDA amounted €83.1 million for the twelve month period ended December 31, 2012 compared to €87.8 million for the same period last year. Excluding the contribution of Fiorucci to the first quarter 2012, EBITDA reduction is 6.1% on last year

Normalized EBITDA margin over net sales for the twelve month period ended December 31, 2012 was 7.5% showing a decrease over previous period of 97 basis points, result of the difficult situation in two markets (Portugal and Italy) aggravated by raw material inflation, as well as higher utilities and taxes charges. Pricing/value actions and value creation via innovation and brand building, together with continuous improvement from global sourcing (European meat platform) and other productivity measures, to counteract inflation in meat costs.

Northern Europe

Net Sales in Northern Europe increased by 3.6% to €816.0 million in the twelve month period ended December 31, 2012 from €787.5 million in the same period last year. Growth is driven by focus on brand building and improved mix.

The Normalized EBITDA for twelve month period ended December 31, 2012 of €65.0 is €19.3 million lower than the same period last year. Margin over net sales for the twelve month period ended December 31, 2012 was 8.0% showing a decrease over previous period of 274 basis points.

Although in 2012 inflation in hams and shoulders remained stable, other cuts (especially those used in dry sausages) grow up, and due to the product mix Northern Europe was more affected by this than Southern Europe. The impact of materials price increases was partially compensated by results of pricing/value actions and focus on value creation via innovation, brand building and improved mix, together with continuous improvement from global sourcing (European meat platform) and other productivity measures.

Other

The "Other" segment mainly refers to corporate costs in the headquarters and business in USA which made excellent progress with product innovation and gaining important new accounts.

Cash Flow

Cash Flows from Operating Activities

For the twelve month period ended December 31, 2012, cash flow from operating activities amounted to €116.5 million compared to €145.0 million for the same period in 2011. This variance was primarily attributable to improvements in working capital management, offset by lower gross operating cash flow and higher payments for provisions.

Cash Used in Investing Activities

For the twelve month period ended December 31, 2012, cash flow from investing activities amounted to a negative €69.7 million, compared to a negative €78.8 million for the same period of 2011. Capital Expenditures amounted to €71.4 million in the twelve month period ended December 31, 2012 and €59.9 million in the same period last year. Investment in Group in 2011 showed net cash impact related to the acquisition of Fiorucci.

Cash Flow from Financing Activities

For the twelve month period ended December 31, 2012, cash flow from financing activities amounted to a negative €16.4 million compared to a negative €96.1 million for the same period last year. The cash flow from financing activities for the twelve month period ended December 31, 2012 included mainly the payment of the first installment (€10 million) related to our Senior Term Loan Facility and purchase of treasury shares. The cash flow from financing activities for the twelve month period ended December 31, 2011 included payments related to the purchase of the remaining minority interests in Jamones Burgaleses (Spain), the financing raised and repaid in connection to the acquisition of Fiorucci, payments related to the cancellation of derivatives, dividends paid and purchase of treasury shares.

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.

ANNEXE B – FOURTH QUARTER SELECTED FINANCIAL INFORMATION

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THREE MONTH PERIOD ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011.

Campofrio Food Group

(In Thousands of Euros)

	Three month ended December 31,			
	2012		2011	
	(unaudited)	% of total oper. revenue	**(unaudited)**	% of total oper. revenues
Operating revenues				
Net sales and services	525,019	103.6%	508,745	104.0%
Increase in inventories of finished goods and work in progress	(21,342)	(4.2%)	(23,429)	(4.8%)
Capitalized expenses on Company's work on assets	1,730	0.3%	1,126	0.2%
Other operating revenue	1,297	0.3%	2,734	0.6%
Total operating revenues	506,704	100.0%	489,176	100.0%
Operating expenses				
Consumption of goods and other external charges	(283,609)	(56.0%)	(262,230)	(53.6 %)
Employee benefits expense	(92,956)	(18.3 %)	(167,657)	(34,3%)
Depreciation and amortization	(15,664)	(3.1%)	(15,074)	(3.1%)
Other operating expenses	(90,390)	(17.8 %)	(95,005)	(19.8%)
Changes in trade provisions	(2,818)	(0.6%)	(512)	(0.1%)
Total operating expenses	(485,437)	(95.8%)	(542,145)	110.9%)
Impairment of assets	(284)	(0.1%)	(18,468)	(3.8%)
Operating profit	**20,983**	**4.1%**	**(71,770)**	**(14.7%)**
Financial expenses, net	(12,334)	(2.4 %)	(15,294)	(3.1 %)
Other results	(2,781)	(0.5%)	(3)	(0.0%)
Profit before tax	**5,868**	**1.2%**	**(87,067)**	**(17.8%)**
Income taxes	9,066	(1.8%)	36,895	(7.5%)
Profit for the period from continuing operations	**14,934**	**2.9%**	**(50,172)**	**(10.3%)**
Profit & (Loss) after tax for the period from discontinued operations	(3,943)	(0.8%)	(15,691)	(3.2 %)
Profit for the period	**10,991**	**2,2%**	**(65,863)**	**(13,5%)**
Non-controlling interests			-	-
Attributable to equity holders of the parent company	10,991	2,2%	(65,863)	(13.5%)

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

UNAUDITED CONSOLIDATED CASH FLOW STATMENT FOR THREE MONTH PERIOD ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011.

	Three month ended Dec 30,	
	2012	**2011**
	(unaudited)	**(unaudited)**
Operating flows before changes in working capital	**42,285**	**43,637**
Changes in working capital	62,629	22,717
Cash flows from operating activities	**104,914**	**66,354**
Net interest expenses	(23,191)	(26,564)
Provision and pensions payment	(9,861)	1,435
Income tax paid	(6,271)	(2,823)
Other collection and payments	19	765
Net cash flows from operating activities	**65,610**	**39,167**
Investments in property, plant and equipment	(34,080)	(26,321)
Investment in Group companies	-	-
Other cash flows from investing operations, net	(179)	876
Net cash flows from investing activities	**(34,259)**	**(25,445)**
Changes in current financial assets and liabilities	(18,540)	(1,906)
Purchase of non-controlling interest	-	-
Purchase of treasury shares and Dividend payments	(649)	(536)
Net cash flows from financing activities	**(19,189)**	**(2,442)**
Net increase/(decrease) in cash and cash equivalents	**12,162**	**11,280**
Cash and cash equivalents at beginning of period	157,748	128,137
Cash and cash equivalents at end of period	169,910	139,417

OTHER UNAUDITED SELECTED CONSOLIDATED INFORMATION FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011.

Conciliation from Profit for the period to EBITDA normalized

	Three month ended December 31,	
	2012	2011
	Actual (unaudited)	Actual (unaudited) (restated)
Profit for the period Attributable to equity holders of the parent company	10,991	(65,863)
Profit for the period Attributable to Non-controlling interests	-	-
Profit & (Loss) after tax for the period from discontinued operations	3,943	15,691
Income taxes	(9,066)	(36,895)
Other results	2,781	3
Financial expenses, net	12,334	15,294
Impairment of assets	284	18,468
Depreciation and amortization	15,664	15,074
EBITDA	**36,931**	**(38,228)**
Total Adjustments	9,643	90,125
EBITDA (normalized)	**46,574**	**51,897**

UNAUDITED SELECTED OPERATING SEGMENT INFORMATION FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011.

Net sales and services	**Three month ended December 31,**			
	2012		**2011**	
	Actual (unaudited)	% of total	**Actual (unaudited) (restated)**	% of total
Southern Europe [1]	299,568	57.1%	294,944	58.0%
Northern Europe [2]	224,833	42.8%	213,847	42.0%
Other [3]	18,105	3,4%	12,536	2.5%
Eliminations [4]	(17,486)	(3.3%)	(12,582)	(2.5%)
Total net sales and services	**525,020**	**100,0%**	**508,745**	**100,0%**

EBITDA (normalized)	**Three month ended December 31,**			
	2012		**2011**	
	Actual (unaudited)	% of total	**Actual (unaudited) (restated)**	% of total
Southern Europe [1]	26,858	57.7%	26,233	50.5%
Northern Europe [2]	21,274	45.7%	27,052	52.1%
Other [3]	(1,558)	(3.3%)	(1.388)	(2.7 %)
Total EBITDA	**46,574**	**100,0%**	**51,897**	**100,0%**
% EBITDA normalized margin over Net Sales				
Southern Europe	9.0%		8.9%	
Northern Europe	9.5%		12,7%	
Other	(8.6%)		(11.1%)	
Total EBITDA	**8.9%**		**10.2%**	

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

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

[3] Other includes operating activities managed in the USA and corporate activities.

[4] Intercompany sales between segments which are eliminated during consolidation.