Campofrio Food Group reports net sales rose of 10.6% to 1.473 million euros in the first nine months of 2011

Madrid, November 14th 2011.- Campofrio Food Group, Europe's leading producer of processed meats, reported today consolidated net sales of 1.473,2 million euros in the first nine months of 2011, an increase of 10.6% compared to 1.331,5 million euros in the same period of 2010. Excluding Fiorucci, the Italian subsidiary acquired as of April 2011, net sales rose 1,3%, up to 1.348,7 million euros.

The strength of the Campofrio Food Group´s brands continue to deliver promising results, as evidenced by the positive branded sales development in total retail, increasing 3% until September 2011 versus previous year (excluding Fiorucci), with an outstanding performance of Aoste in France (+8%), and Campofrío in Spain (+3%).

In the first nine months of 2011, Campofrio Food Group has reported an EBITDA of 109,5 million euros, versus 116,5 million of previous year. Despite the meat cost impact suffered in 2011, the highest level of the last decade, and the increasing costs of auxiliary and packaging materials, the company´s EBITDA margin has improved versus previous quarters, reaching an 8,5% margin in Q3, 85 basic points below the same quarter of 2010. Excluding Fiorucci, the EBITDA margin in Q3 is 9,1% only 21bp below the same quarter of 2010, but 205bp and 202bp better than Q1 and Q2 of 2011, respectively.

In the described context, the focus put on value creation, throughout mix improvements, innovation and sales price increases, together with a set of initiatives to improve productivity and reduce costs, has led the Group to the mentioned margin recovery and, therefore, to reduce the negative variation on the net income versus previous quarter performance, reporting an attributable net income of 11,6 million euros in the first nine months of 2011 versus 26,8 million euros on the previous year.

As a result of the acquisition in Italy, being consolidated in the group from April 2011, the company has increased its net financial debt to 501 million euros from 378 million euros in the previous year, with a leverage ratio at 3.0x EBITDA. On the other hand, a solid 128 million euros cash position has been achieved.