

Investors Presentation  
**Cesare Fiorucci Acquisition**

20<sup>th</sup> January 2011



# Disclaimer

This document has been prepared by Campofrio Food Group exclusively for use during this presentation. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason without the express and prior written consent of Campofrio Food Group.

The information and any opinions or statements made in this document have not been verified by independent third parties. In particular, the financial information included in this document regarding Campofrio Food Group, S.A. and its subsidiaries are unaudited, including those of Cesare Fiorucci which are consolidated accounts under Italian GAAP. No express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions or statements expressed herein, which should be read in conjunction with other publicly available information.

Neither Campofrio Food Group nor its subsidiaries or its affiliates assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

This presentation may contain “forward-looking statements” about Campofrio Food Group. The forward-looking statements may include statements concerning Campofrio Food Group’s prospects for the future, as well as other statements of beliefs, future plans, and strategies on anticipated events, financial projections and estimates and similar statements or expectations concerning matters that are not historical facts. The forward-looking statements are subject to the risks and uncertainties that could cause the actual results to differ materially from those expressed in, or implied by the statements. These risks and uncertainties include availability and prices of livestock, raw materials and supplies, livestock costs, livestock disease, food safety, product pricing, growth, the competitive environment and related market conditions, ability to make and successfully integrate acquisitions, operating efficiencies, access to capital, the cost of compliance with environmental and health standards, adverse results from ongoing litigation and action of domestic and foreign governments. Analysts and investors should not place undue reliance on those forward-looking statements. Campofrio Food Group undertakes no obligation to publicly correct those forward-looking statements to reflect events occurred after the date of this presentation.

## IMPORTANT INFORMATION

Neither this document nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or a request for any vote or approval in any other jurisdiction or any advice or recommendation with respect to such securities.

All figures and information related to Cesare Fiorucci were provided by company’s management, including 2010 Unaudited Financial Statements.

The Spanish language translation of the consolidated financial statements originally issued in English has been prepared solely for the convenience of Spanish speaking readers. Despite all the efforts devoted to this translation, certain omissions or approximations may subsist. Campofrio Food Group, its representatives and employees decline all responsibility in this regard. In the event of a discrepancy, the English-language version prevails.

## Objectives

- Highlight the most relevant aspects of the Cesare Fiorucci acquisition by Campofrio Food Group
- Describe the main business related facts of Cesare Fiorucci
- Discuss the role and strategic importance of Cesare Fiorucci acquisition for Campofrio Food Group

# Agenda

## Transaction Overview

Our Ambition

Cesare Fiorucci

Transaction Rationale

Q&A

# Campofrio Food Group has agreed to acquire the number 1 Italian brand in processed meat products, locally and internationally

## 100% Share Capital Acquisition

- Campofrio Food Group has agreed to acquire the 100% of the share capital of Cesare Fiorucci, S.p.A. (Cesare Fiorucci Group), parent company of several companies:
  - Main subsidiaries located in Italy, USA, UK, France and Germany
- Sellers are: Vestar Capital Partners (65%), Fiorucci family (30%) and managers of the company (5%)

## €171 million transaction

- Equity price: €45 million
- Consolidated net financial debt: €126 million
- Transaction subject to compliance with certain conditions precedent, including, among others, the approval or non-opposition to the transaction by the Anti-trust authorities

## Top branded processed meat producer in Italy

- One of the Italian leaders
- Strong position: €320 million net sales (2010 forecast)
- Main branded player: 15.7% share of branded market
- Main player abroad:
  - Business abroad represents 30% of total revenues
  - Present in 58 countries

## Key for Campofrio Food Group

- Italy is the 3<sup>rd</sup> largest producer in Europe and 4<sup>th</sup> largest consumer country
- High potential for market consolidation of branded business
- Strong player focused on branded products, main player in deli and food service
- National coverage as well as strong presence abroad

# Agenda

Transaction Overview

## **Our Ambition**

Cesare Fiorucci

Transaction Rationale

Q&A

Our ambition is clear: to become a European processed meat leader by 2015 ...

## **Our ambition**

**Build Europe's leading meat based products food company, with unique scale, scope and skills**

**Lead our industry's growth and profitability**

**Achieve above industry's multiple by realizing incremental value through consolidation and portfolio management**

... which means we are focused on efficient organic and inorganic growth ...

1

## Reshaping the portfolio towards quality revenues

- Exiting low profitability business
- Accelerating mix improvement

2

## Fueling growth

- Increasing our investments in Brands support and in innovation

3

## Strengthening leading cost position

- Synergies
- Being a lean organization

4

## Reinforce structured M&A strategy

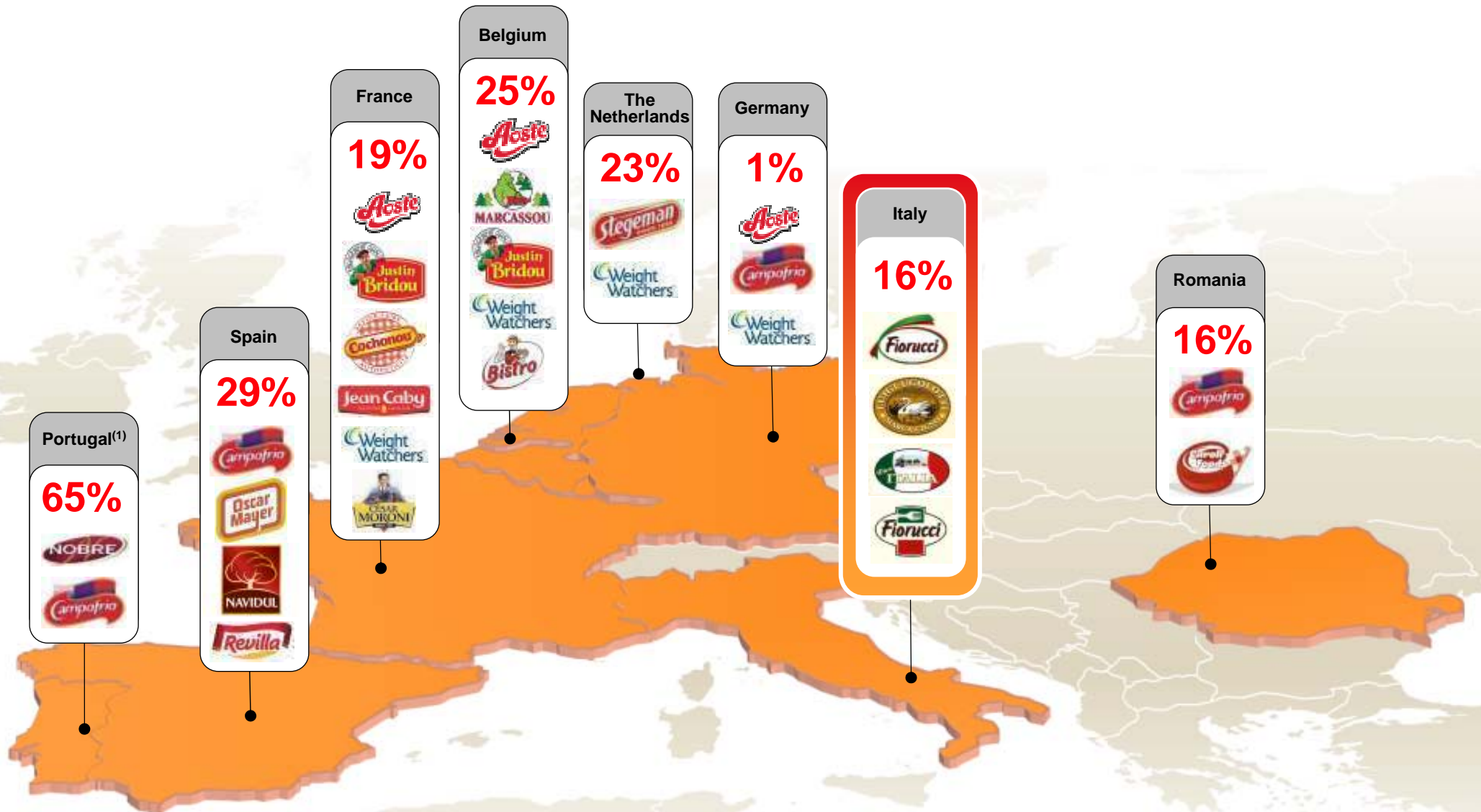
- Leverage Group capabilities
- Enter or strengthen key business cells
- Fully and efficiently integrate new companies





... building a unique European footprint with the strongest local brands

### CFG Brands Value Share on Branded Market (%)



(1) Portugal figures for cooked ham segments only

Source: MAT Nielsen / IRI September 2010 – Value share of Branded Processed meats in Modern Retail channels

# Agenda

Transaction Overview

Our Ambition

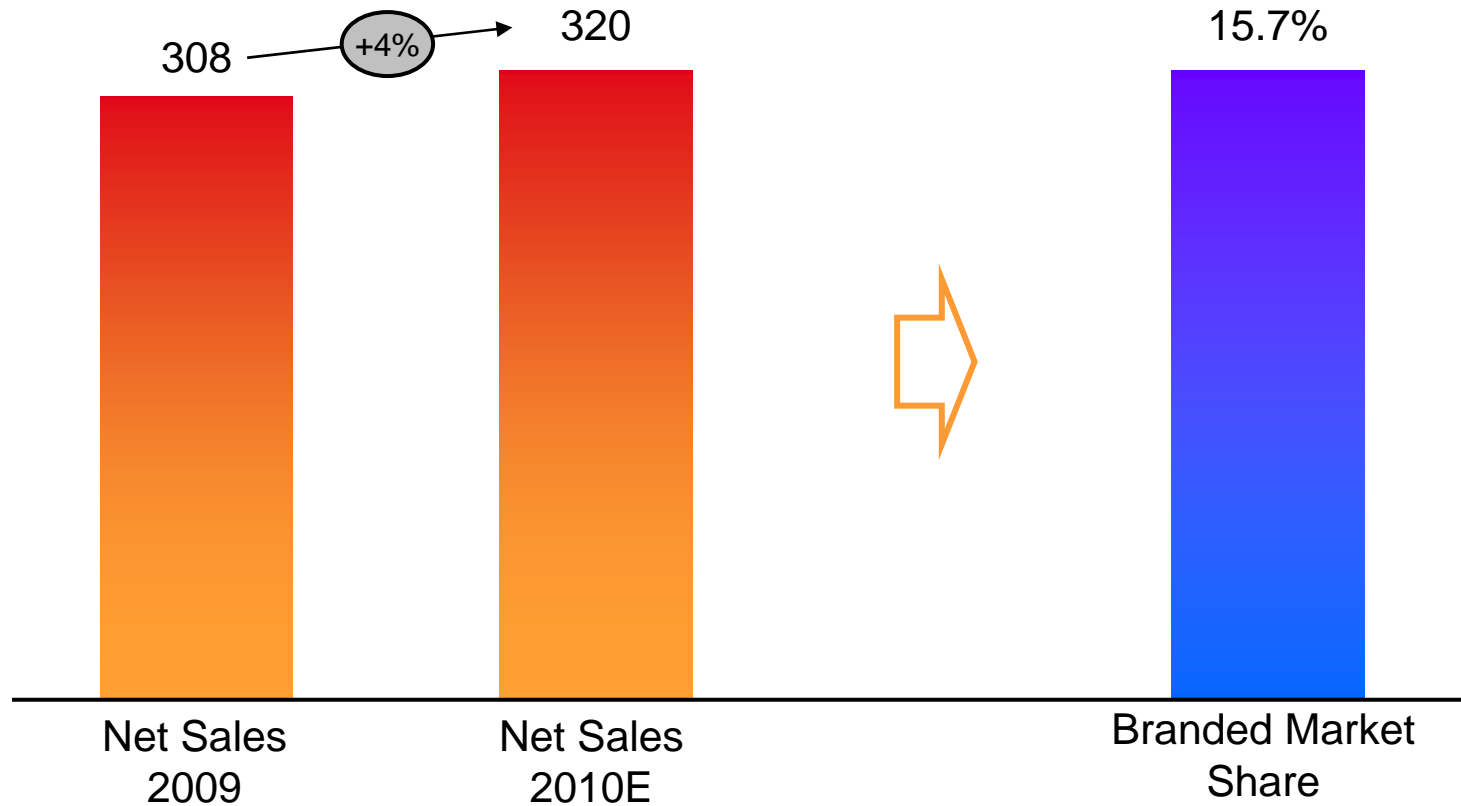
**Cesare Fiorucci**

Transaction Rationale

Q&A

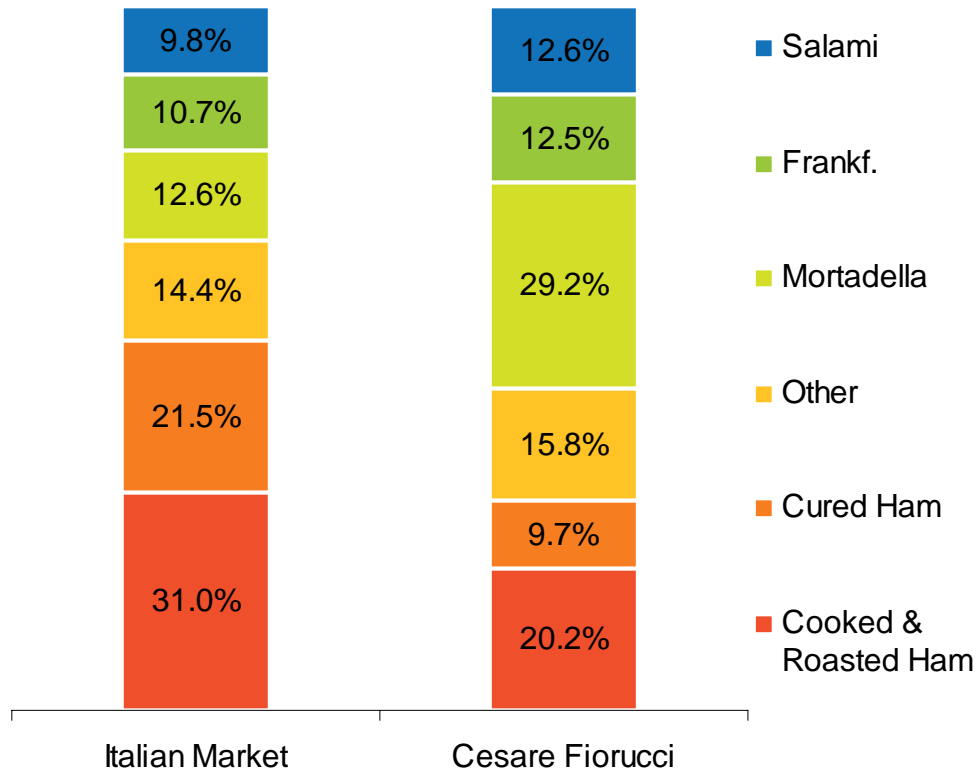
# Cesare Fiorucci owns the leading processed meat brand in Italy ...

Net Sales and Branded Market Share. 2009-2010E (€m, %)

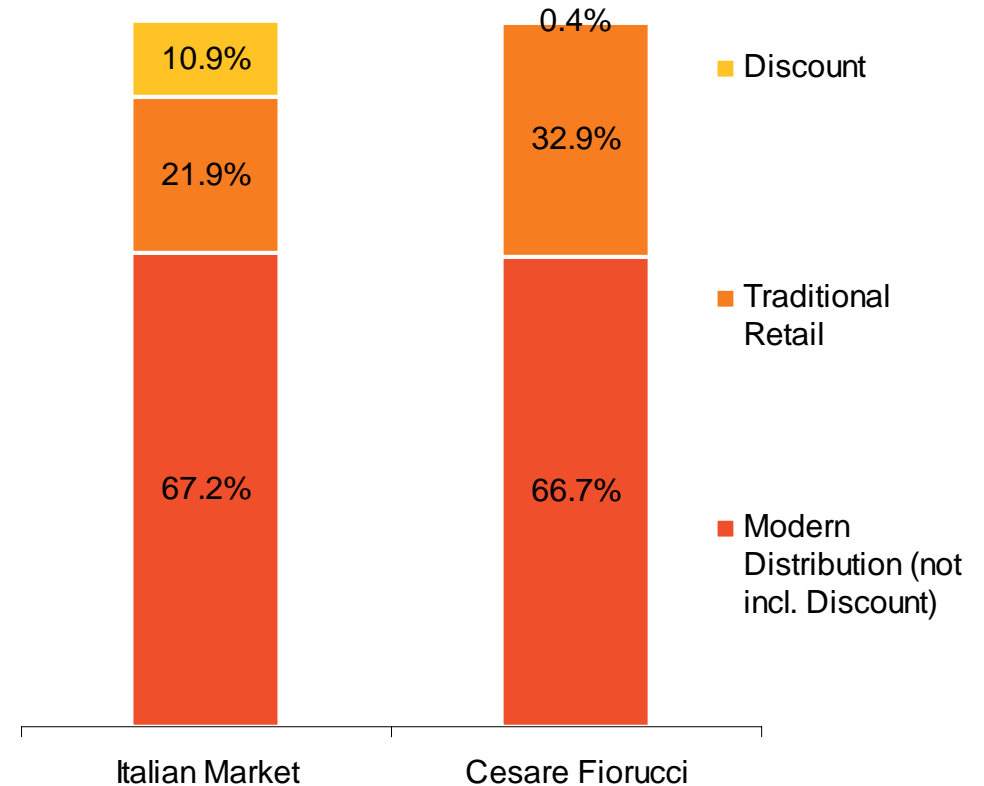


... present in all main deli meat lines and selling through all main channels

**Total Market and Cesare Fiorucci Sales.  
Breakdown by Product line. 2009**

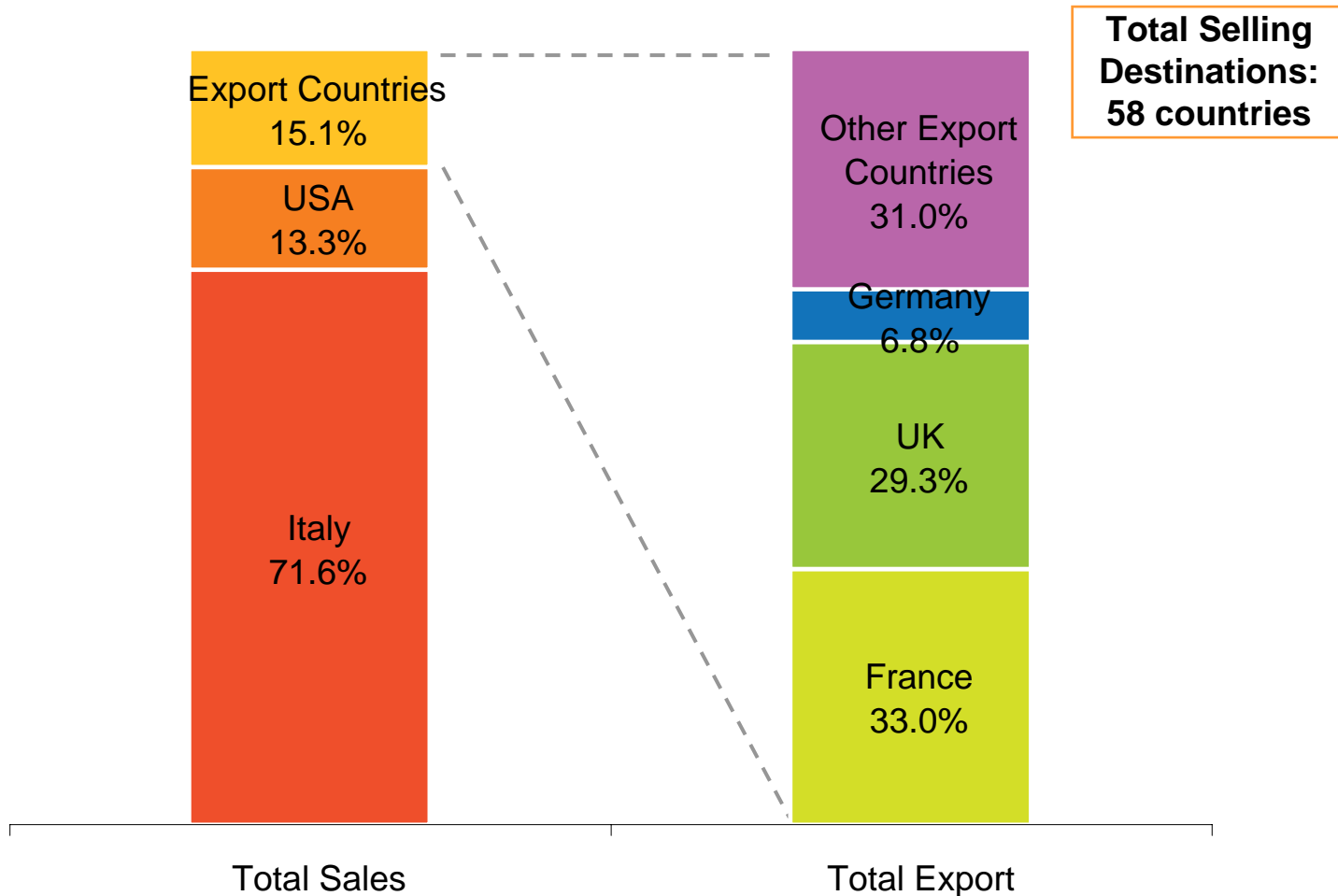


**Total Market and Cesare Fiorucci Sales.  
Breakdown by Channel. 2009**



# Cesare Fiorucci is not only a local leader but the strongest Italian brand abroad

## Cesare Fiorucci Sales Volume. Breakdown by Geography. 2009



# Cesare Fiorucci products are manufactured in 5 plants located in Italy and USA

## Langhirano (Parma)

- Products: PDO sliced cured ham
- Built area surface: 1,350 (sq.m.)

## Felino (Parma)

- Products: PDO cured ham
- Built area surface: 3,800 (sq.m.)

## Nuova Mondial (Udine)

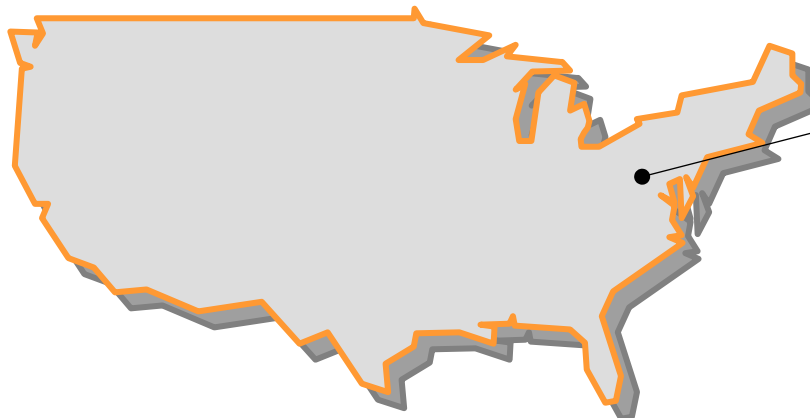
- Products: PDO cured ham
- Built area surface: 5,000 (sq.m.)

## S. Palomba (Rome)

- Products: all Italian deli meats
- Built area surface: 150,000 (sq.m.)

## Richmond (Virginia)

- Products: salami, mortadella, cured and cooked ham
- Built area surface: 15,000 (sq.m.)



# Agenda

Transaction Overview

Our Ambition

Cesare Fiorucci

**Transaction Rationale**

Q&A

# Italian processed meat market is one of the most attractive markets in Europe

## 1 4<sup>th</sup> largest consumer country in Europe

- 4<sup>th</sup> largest local market (2<sup>nd</sup> largest European market on which CFG is not present)
- Per head consumption (21 kg/cap) is still below average (27.5 kg/head for 9 most relevant countries)



***Local market shows high development potential***

## 2 Highly Fragmented

- Total share of 5 main manufacturers is below 25% (majority of them with more than one brand in the market)



***Consolidation opportunities***

## 3 Branded business still high

- More than 70% of processed meat products are sold under Manufacturers' Brand



***High margin is key in CFGs strategy***

## 4 Excellent image of products abroad

- Italy is the 4<sup>th</sup> exporter country in Europe
- While ranks 6<sup>th</sup> in terms of import volume over total consumption



***Intercompany and export business potential***



# Cesare Fiorucci attractiveness as acquisition

1

## Large Company

- Among top 4 manufacturers of Italy
- National coverage and very strong in Centre and South Italy
- Leading branded manufacturer

2

## Portfolio Management

- Very strong player in deli products and food-service
- Wide range covering Italian traditional processed meat
- Among highest brand recognition in the sector

3

## International Footprint

- Plants located in Italy and USA
- Serving 58 countries
- Already present in some of CFG's home-markets
- Geographical diversification

4

## Efficient Growth

- Cost optimization and operations rationalization potential
- Know-how exchange

5

## Value Creation

- Synergies expected to be on a similar level as previous CFG's transactions
- Expected margin improvement through sales increase and cost reduction



***Consolidation potential for branded business from a leading position***



***Complementary with CFG's Brand Portfolio***



***Intercompany and export growth opportunities***



***Transformation Program for the 5<sup>th</sup> time***



***Accretive transaction***

# Agenda

Transaction Overview

Our Ambition

Cesare Fiorucci

Transaction Rationale

**Q&A**



**CAMPOFRIO**  
FOOD GROUP

*...food you know, for people you love*