Campofrio Food Group

2010 First Half Earnings Call

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Agenda

Highlights of the Period

Environment

Our ambition

Financials

Q&A

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Highlights of the period

- **Economic** conditions still **challenging** (mainly Southern Europe) reflected in top line:
  - Volume slightly above PY (+1%)
  - Net Sales slightly below PY (-1%)
- Overall, raw **material costs** are slightly favorable in H1.
- Outstanding performance in **sourcing** & **manufacturing** drive solid EBITDA growth and margin gain (+65bp normalized, +159bp reported)
- Strong cash generation of 31M€ in H1, leverage ratio to 2.63x
- **M&A** on track:
  - Romania transaction closed
  - Tuck-in acquisition of a French dry sausage company with leading chorizo brand (Cesar Moroni)

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Agenda

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Environment

- In spite of challenging environment, processed meat market broadly flat, with Southern Europe markets suffering more
- CFG focused on providing targeted branded responses to consumer needs across its markets (eg. value range, promotions)
- Growth in branded Net Sales in Retail channel by 1% in H1 (volume +3.4%)

- Meat market environment relatively stable
- However, ham prices trending higher due to favorable export climate
- Overall, broadly neutral meat costs in H1 due to mix of elements and dry ham cycle

Pig Carcass Average Price (€/kg)	1H 2009	1H 2010	2010/09
Spain Mercolleida	1,41	1,43	1,6%
France MPB	1,32	1,27	-4,0%
Netherlands Monfoort	1,36	1,32	-2,9%
Belgium Danis	1,30	1,25	-4,0%
Germany AIM	1,43	1,39	-2,9%
Denmark DC	1,19	1,21	1,7%

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Agenda

Highlights of the Period

Environment

Our ambition

Financials

Q&A

Working to achieve our ambition

Our ambition

- **Lead our industry's growth and profitability,** and…
- **…Achieve above industry's multiple** by realizing incremental value through consolidation and portfolio management

Working to achieve our ambition

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

… supported by disciplined M&A strategy

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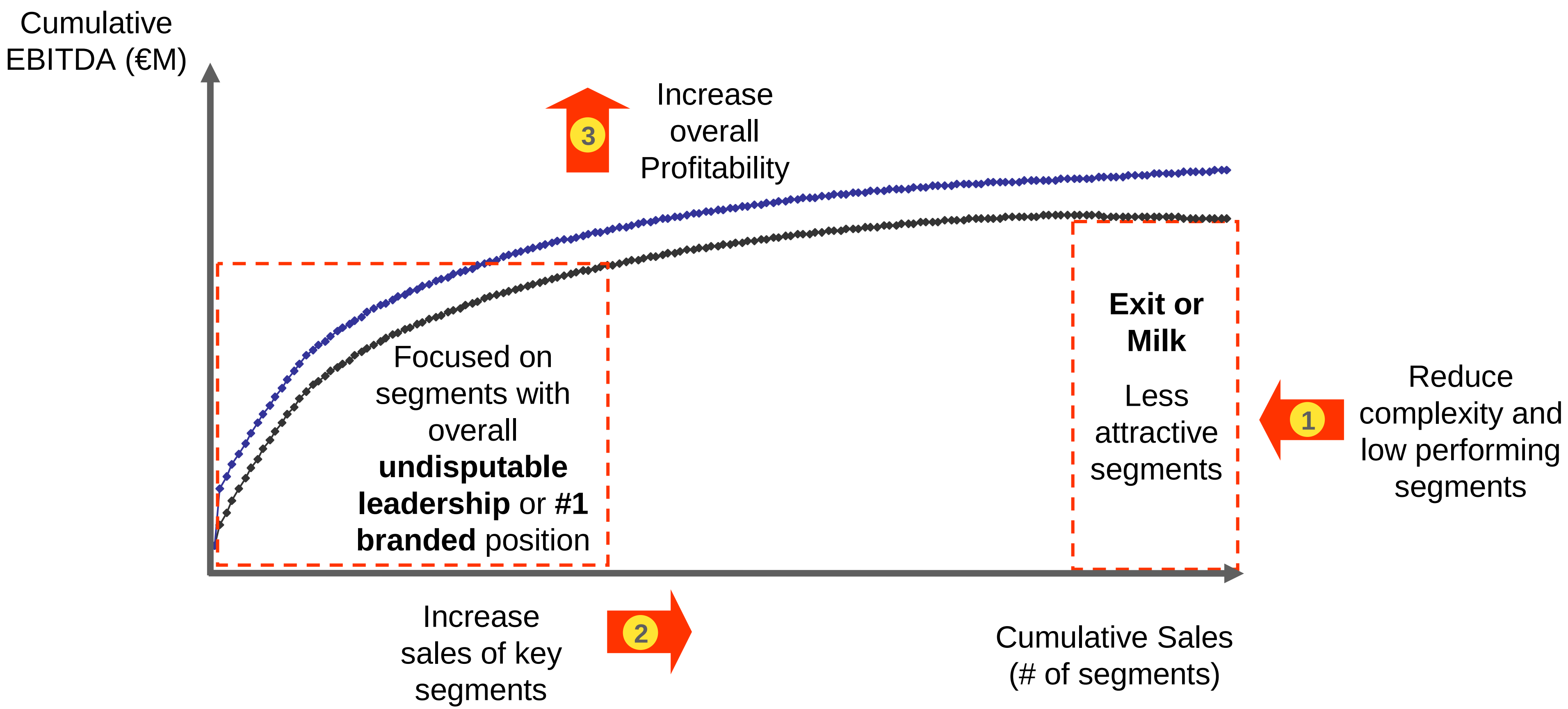
1 Reshaping the portfolio towards quality revenues

ILLUSTRATIVE

Product Portfolio



Segment: a category in a specific country

2 Fueling growth

- Reinvesting in Brands
  - Increased MAP investments on more effective above the line communication

+169%

Average JAN-MAR | Average w/ Promotion

In&Out: April to June

  - Maintaining the promotional pressure / in store activities

  - Extending our value offer under our strongest brands

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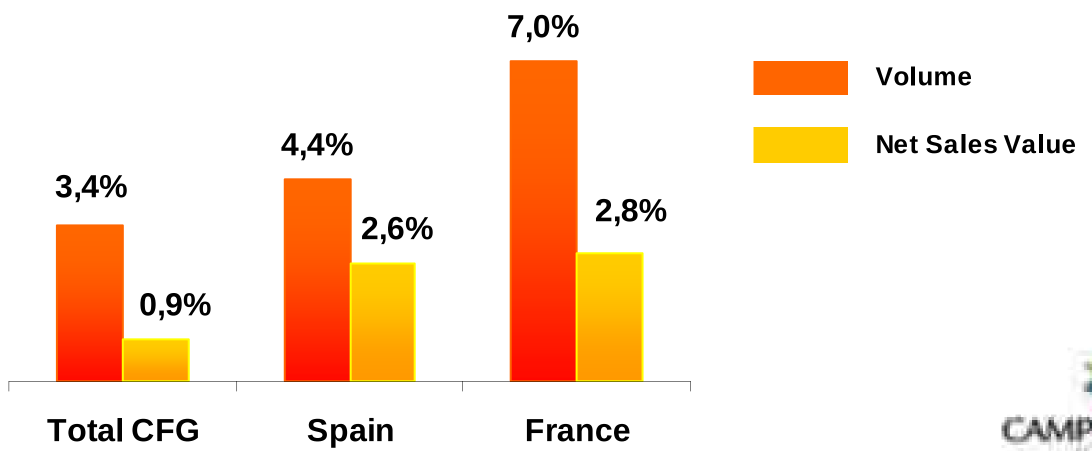
2 Fueling growth

- **Branded Market Shares (value share in Modern Retail Channel) strengthening for 2nd quarter**

	AOSTE	Campofrio	NOBRE	Imperial Meat Products
Value Market Share Q2 2010	18%	29%	65%	25%
Value Market Share Q1 2010	18%	28%	64%	25%
Value Market Share Q4 2009	18%	25%	61%	25%

- **Total branded growth H1 2010 vs H1 2009 (Modern Retail channel)**

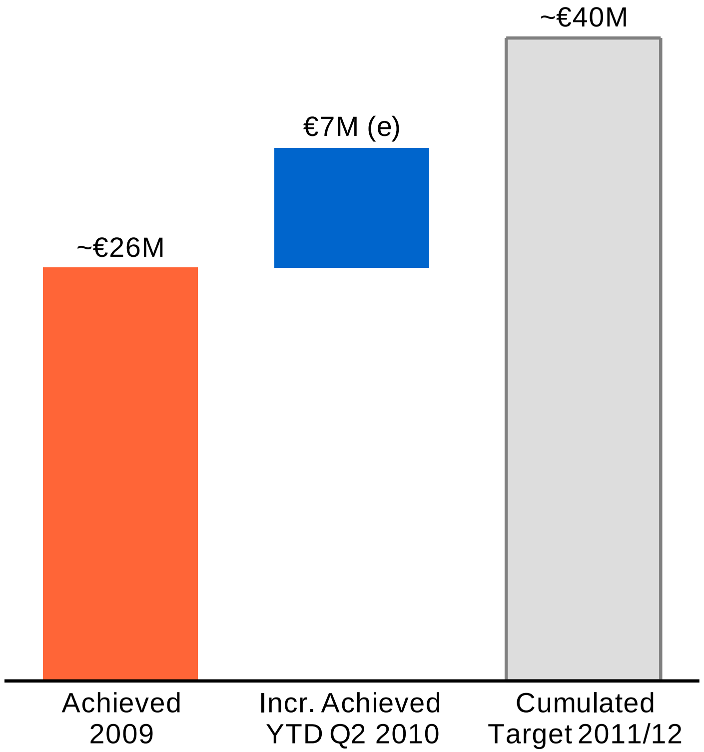


Working to achieve our ambition

3 Strengthening leading cost position

- **Synergies**

2009 and YTD Q2 2010 Achieved Synergies, and Target

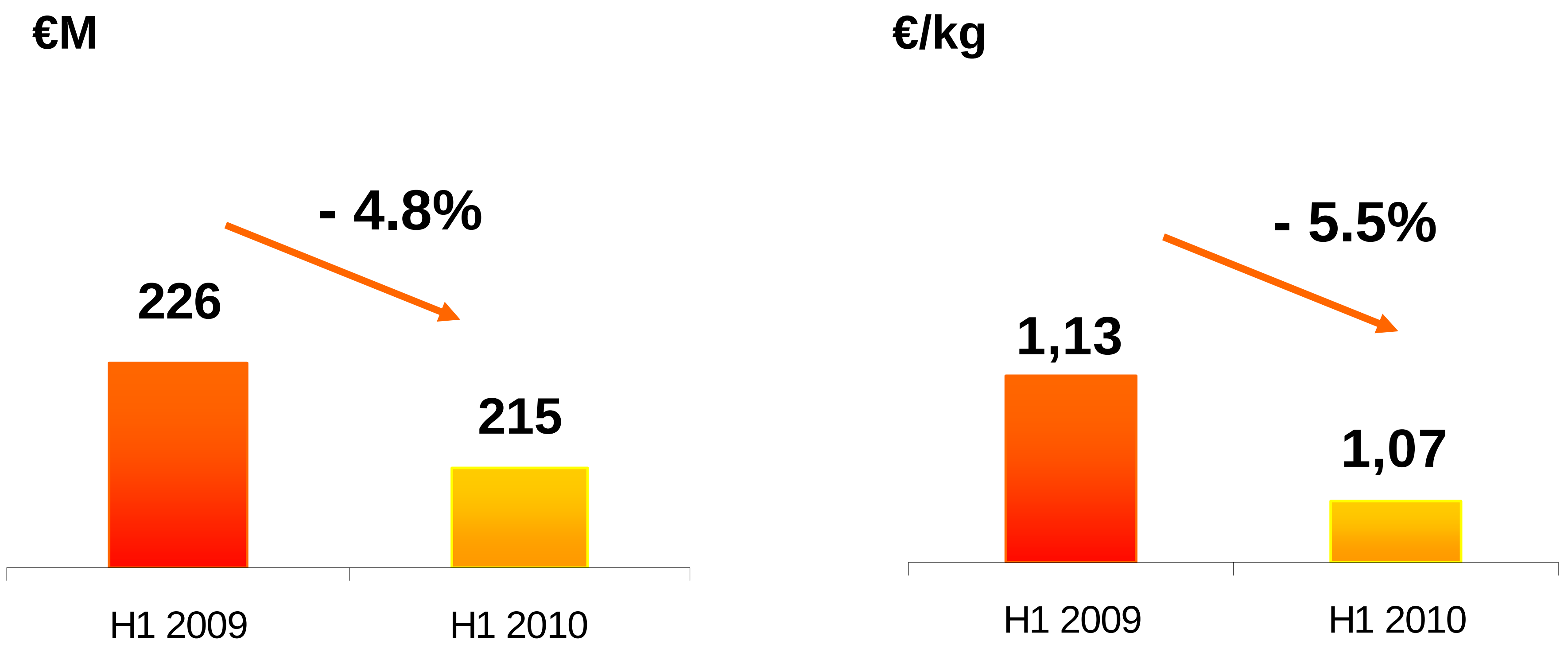


- **Overall ~2,5€M incremental synergies achieved during Q2 2010**
- Cumulative **~33€M synergies since merger**
- **On track to achieve target 40€M in 2011,** one year earlier than planned (2012)

Note: Estimated figures for incremental synergies Q2 2010

3 Strengthening leading cost position

- **Conversion costs**



Working to achieve our ambition

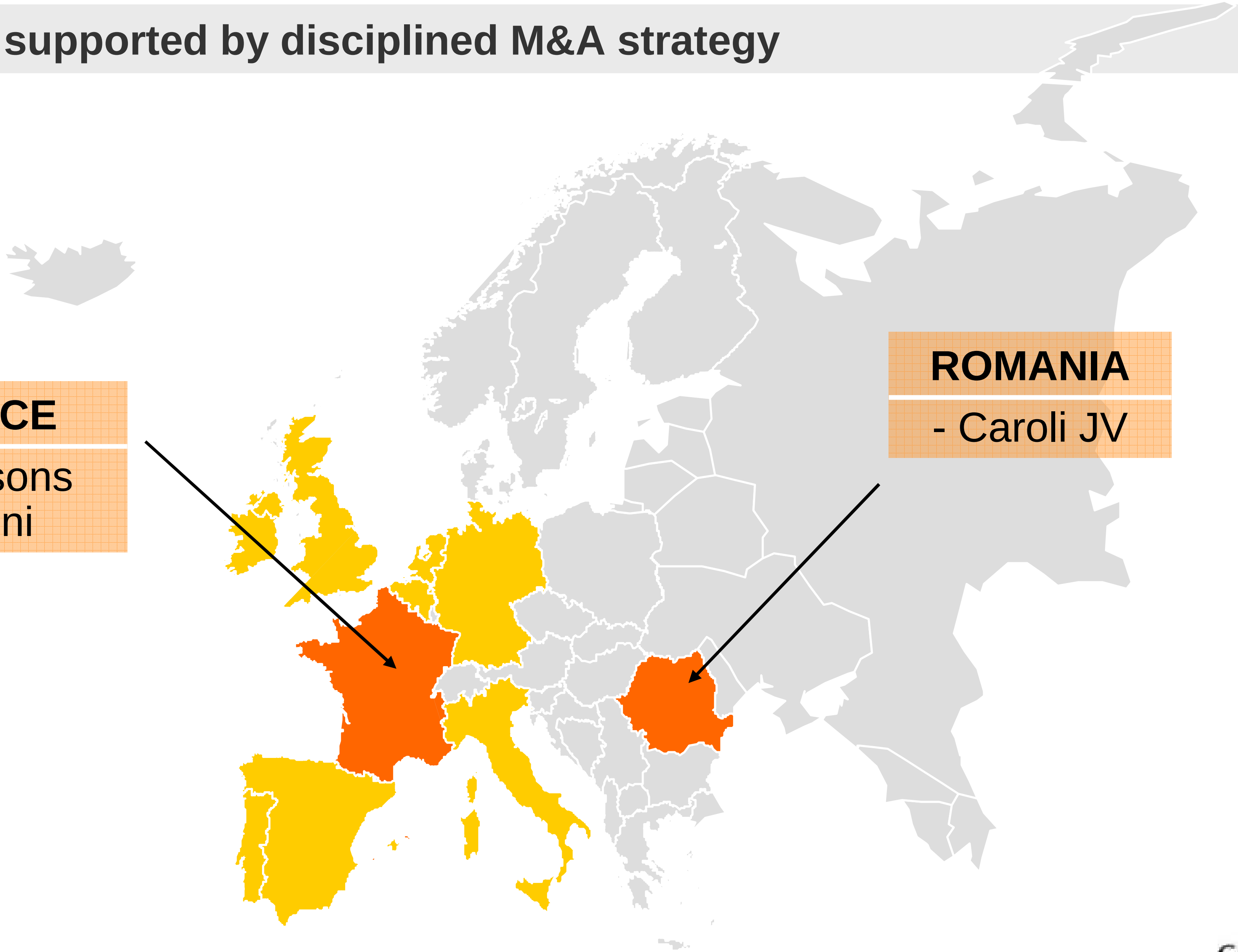
4 … supported by disciplined M&A strategy

FRANCE

- Salaisons Moroni

ROMANIA

- Caroli JV



Agenda

Highlights of the Period

Environment

Our ambition

Financials

Q&A

Financial Highlights

- **Results:**
  - Volume up 1%, Net Sales down -1%
  - EBITDA of 73M€ up 22% vs PY (+7% normalized)
  - EBITDA Margin up 159bp vs PY (+65bp normalized)
  - Net Income of 10,7M€, up 10% vs PY

- **Cash Flow & Net Debt**:
  - 31M€ cash flow achieved in H1, up 23 M€ vs PY thanks to continued discipline in Working Capital and Capex
  - Net debt with leverage ratio now on 2.63x

- **Outlook 2010**:
  - Economic environment remains challenging
  - CFG top-line stabilizing while sustaining margins enhancement
  - 2010 on track towards delivering our 2012 guidance

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Financial Highlights

(€M)	H1 2010	H1 2009	Variance %
Volume (000Tns)	200,9	199,2	0,8%
Net Sales	863,7	871,6	(0,9%)
EBITDA	72,8	59,6	22,2%
EBITDA Margin	8,4%	6,8%	159 bp
Attributable Net Income	10,7	9,8	9,9%
Operating Free Cah Flow	31,0	7,6	+23,4€M
Net Financial Debt	390	461	-70,1€M
Leverage ratio	2,63x	3,54x	

- **Stabilizing top-line**
- **Outstanding industrial performance offsetting slightly negative pricing and mix**
- **Sustained margin gains**
- **Continued deleveraging**

Note: Un-audited figures

(1) Normalized EBITDA 1H09: 67,9M€ before restructuring
(2) OFCF=Net Cash Flow from Operating Activities + Net Cash Flow from investing activities
(3) NFD of 410M€ as of December, 31st 2009

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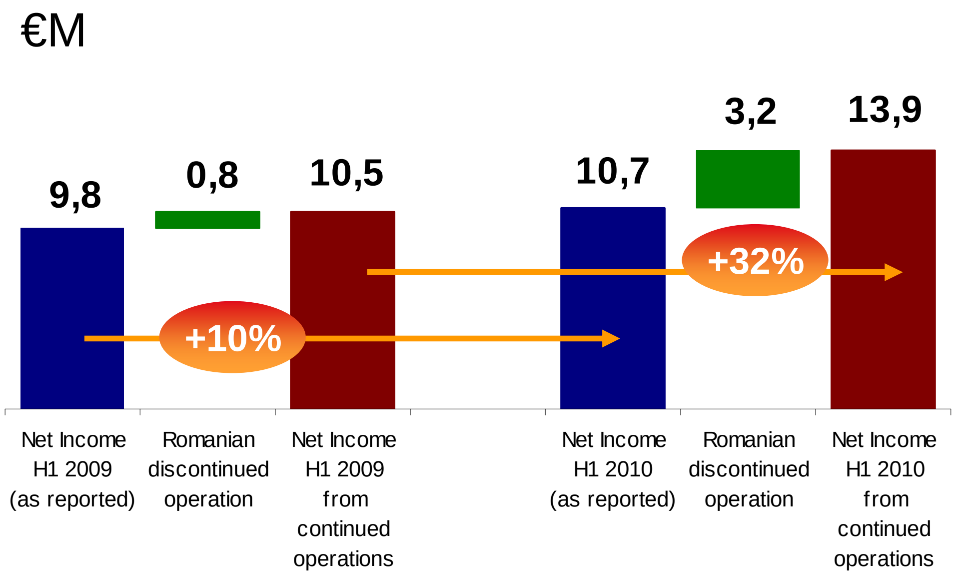
H1 2010 Net Income and Net Interest details

Net Income



- **Net Income H1 2010 from continued operations includes as well a negative impact of 3.9M€ after tax related to mark-to-market derivatives**

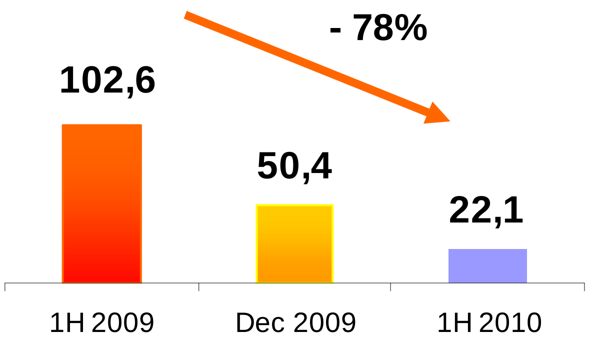
Net Interest

	€M
Net Finance cost	28,3
Mark-to-Market derivatives	5,5
Recurring interest expense	**22,8**

- **In Q2 2010, we have unwound our open derivatives positions with a cash impact of 14M€**

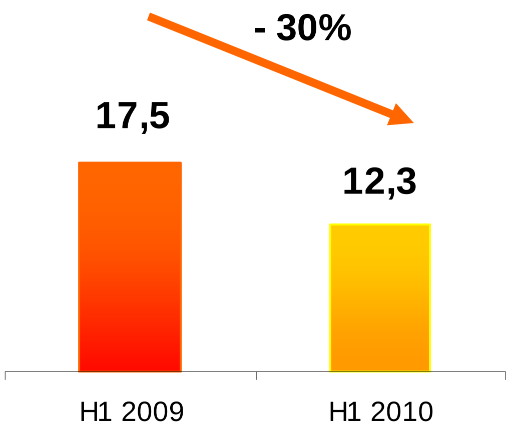
Working Capital and Capex

WORKING CAPITAL



- **Working Capital**:
  - Inventory reduction sustained despite increase in raw material prices

CAPEX



- **Capex**:
  - 5M€ reduction vs PY reflects phasing
  - FY on track with goal of maintaining Capex in line with depreciation in 2010

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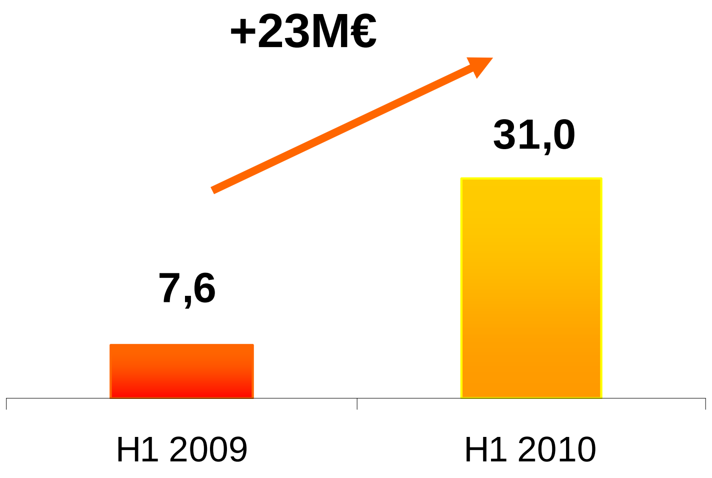
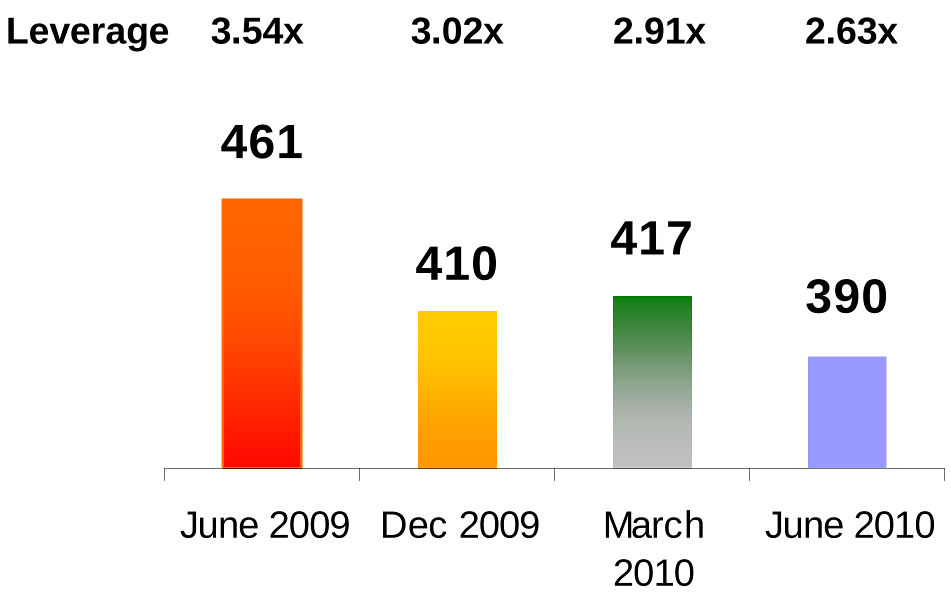
Cash Flow and Net Debt

- **Strong Cash generation:**
  - Cash From Operations +23M€ vs PY mainly thanks to lower Working Capital and Capex
  - Leverage ratio of 2.63x EBITDA in H1
  - Strong liquidity position

OFCF (1)



NET FINANCIAL DEBT



(1) OFCF: Net Cash Flow from Operating Activities + Net Cash Flow from investing activities

Top-line recovery driven by Southern Europe

Tons (Thousand)	H1 2010	H1 2009	% Var.
Southern Europe	118,4	114,5	3,4%
Northern Europe	83,8	85,7	-2,2%
Eliminations	-1,4	-1,0	
Total Tons	**200,9**	**199,2**	**0,8%**
Net sales (€M)			
Southern Europe	399,6	397,8	0,4%
Northern Europe	472,2	478,3	-1,3%
Eliminations	-8,1	-4,5	
Total Net sales	**863,7**	**871,6**	**-0,9%**

Note: Southern Europe includes Campofrio Processed Meats, Carnes Selectas fresh meat and Portugal. Northern Europe includes France, Belgium, Holland and Germany. Intra-segment intercompany sales are eliminated from each segment.

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Sustained margin enhancement in all regions

EBITDA (€M)	H1 2010	H1 2009	% Var.	(Normalized)*
Southern Europe	43,2	36,0	20,0%	(+3,2%)
Northern Europe	40,0	30,5	31,1%	(+22,7%)
Others	-10,5	-7,0		
Total EBITDA	**72,8**	**59,6**	**22,2%**	(+7,4%)
EBITDA Margin (%)				
Southern Europe	10,8%	9,1%	176 bp	(+29 bp)
Northern Europe	8,5%	6,4%	209 bp	(+166 bp)
Others	n.a	n.a		
Total EBITDA Margin	**8,4%**	**6,8%**	**159 bp**	(+65 bp)

(*) PY EBITDA includes 8,3M€ restructuring, ie 94bp (5,9M€ Southern Europe, 2,2M€ Northern Europe and 0,3M€ Others)
Normalized EBITDA amounts to 67,9M€ (41,9M€ SE, 32,7M€ NE and -6.7M€ Others)

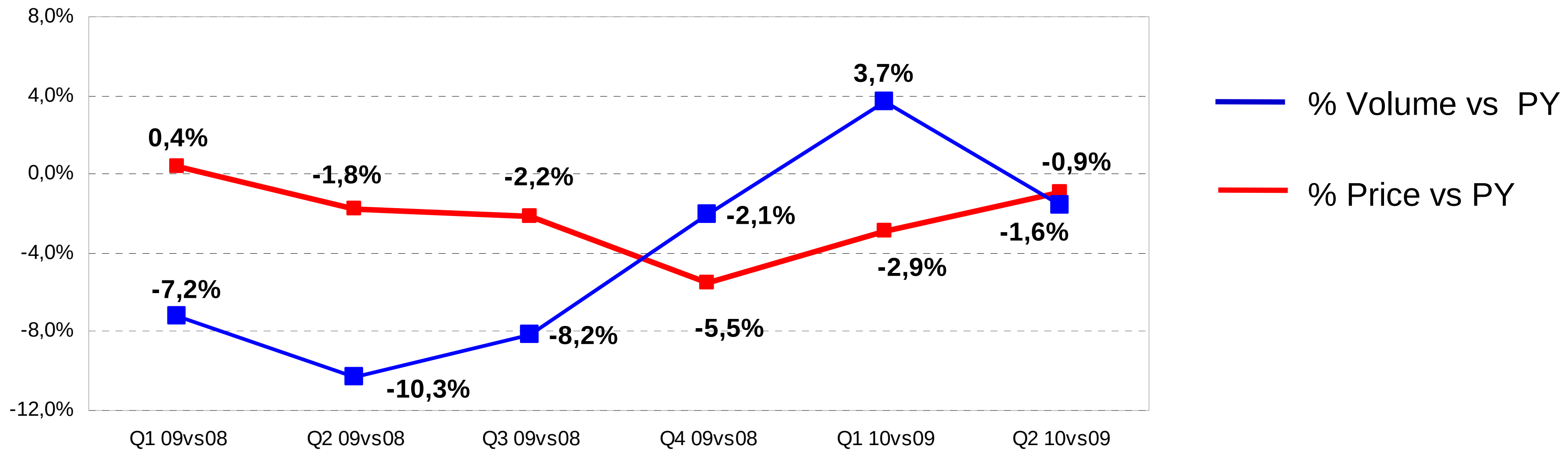
Spain Processed Meats keeps on growth

(M€) Spain Processed Meat	H1 2010	H1 2009	% Var.
Tons (Thousand)	68,3	67,7	0,9%
Net Sales	277,6	280,3	-1,0%
EBITDA normalized	38,5	35,7	7,7%
% EBITDA Normalized margin	13,9%	12,7%	111 bp

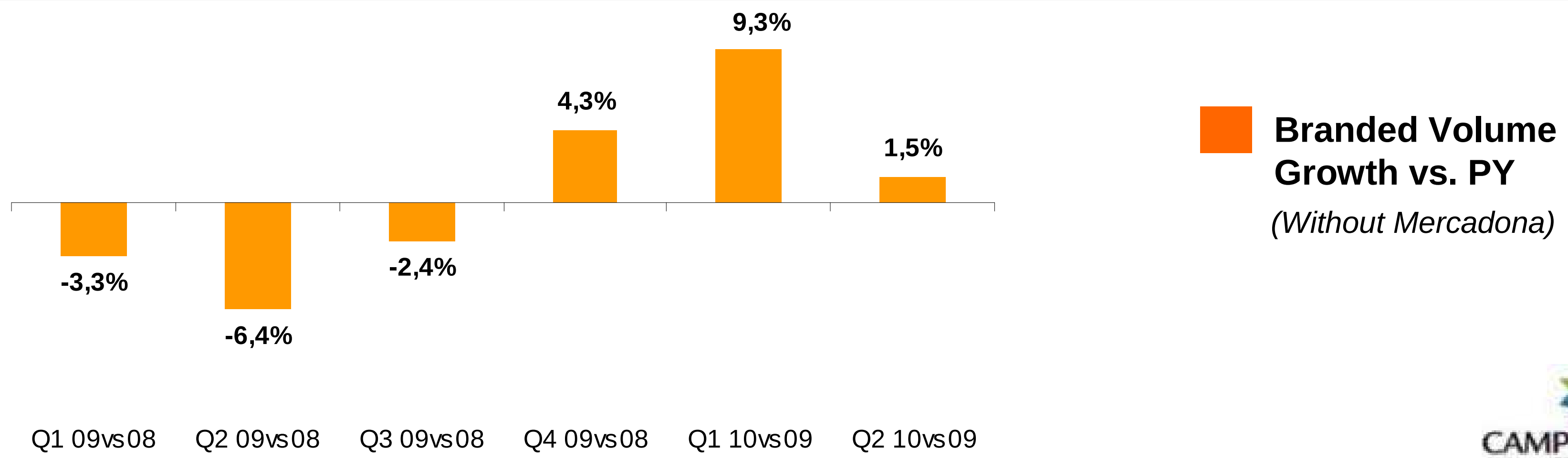
- **+4.4% growth of Branded volume in Retail Channel**
- **+111 bp Reported EBITDA margin, stable margin on normalized basis**

Spain sustaining turn-around initiated in 2009

Pricing / volume evolution by quarter (Total processed meat Spain)



Total branded volume growth (at constant distribution)



France sustaining significant margin gains

(M€) France	H1 2010	H1 2009	% Var.
Tons (Thousand)	56,7	57,9	-2,1%
Net Sales	314,0	315,0	-0,3%
EBITDA normalized	20,1	13,4	50,2%
% EBITDA Normalized margin	6,4%	4,2%	215 bp

- **Keeping solid growth in branded sales in H1 (+7% volume; +4% value)**
- **Positive mix and continued productivity gains result in +260bp gain in EBITDA margin in H1**

Agenda

Highlights of the Period

Environment

Our ambition

Financials

Q&A

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...food you know, for people you love

Back up

H1 2010 P&L

(M€)	H1 2010	H1 2009	Var 10 vs 09
Net sales	863,7	871,6	(0,9%)
Operating Revenues	894,7	877,9	
Operating Expenses	(849,4)	(846,1)	0,4%
Operating profit	45,3	31,8	42,6%
% Net sales	*5,2%*	*3,6%*	160 bp
Net finance cost	(28,3)	(18,2)	55,9%
Other income and expenses	(0,2)	(0,0)	
Profit Before Taxes	16,7	13,6	23,2%
Income Taxes	(2,7)	(2,8)	
Profit for the period from continuing operations	14,0	10,7	30,2%
Loss after tax for the period from discontinued operations	(3,2)	(0,8)	
Profit for the Period	10,8	10,0	8,8%
Attributable to non-controlling interests	0,1	0,2	(42,0%)
Net profit Attributable to the Parent Company	10,7	9,8	9,9%
EPS	0,1	0,1	0,01 €/share
Depreciation & Amortization	(27,5)	(27,8)	(1,1%)
EBITDA	72,8	59,6	22,2%
% Net sales	*8,4%*	*6,8%*	159 bp

H1 2010 Balance Sheet

(M€)	FY 2009	H1 2009	H1 2010	Var H1´10 vs FY´09	Var H1´10 vs H1´09
Fixed Assets	**1.240**	**1.238**	**1.212**	**(28,3)**	**(26,6)**
Goodwill	420	414	418	(1,7)	3,4
Intangible Assets	183	182	184	0,8	2,0
PPE	564	570	533	(31,2)	(37,2)
Other non current assets	73	72	77	3,8	5,2
Total Working Capital	**50**	**103**	**22**	**(28,3)**	**(80,5)**
Inventories	276	319	304	28,6	(14,8)
Trade Debtors	180	163	133	(47,7)	(30,2)
(Trade Creditors)	(406)	(379)	(415)	(9,2)	(35,5)
Other Current Assets	**55**	**59**	**59**	**3,4**	**(0,9)**
Net Assets from Disc. Oper.	**2**	**2**	**15**	**13,6**	**13,6**
TOTAL ASSETS	**1.347**	**1.402**	**1.308**	**(39,6)**	**(94,3)**
Total Equity	626	624	622	(4,0)	(1,7)
Net Financial Debt	**410**	**461**	**390**	**(19,8)**	**(70,1)**
Debentures	490	222	491	1,4	268,7
Other Financial Liablities	82	341	68	(14,1)	(273,2)
Cash & Cash equivalents	(161)	(103)	(168)	(7,1)	(65,6)
Other non current liabilities	199	194	196	(2,4)	2,2
Other current liabilities	112	124	99	(13,4)	(24,6)
TOTAL LIABILITIES	**1.347**	**1.402**	**1.308**	**(39,6)**	**(94,3)**

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H1 2010 Cash Flow

(M€)	H1 2010 ACT	H1 2010 PY
Operating profit before changes in working capital	**72,8**	**63,3**
Working capital adjustments	8,1	(13,1)
Cash flow from operating activities	**80,9**	**50,1**
Net interest expense	(23,9)	(16,1)
Provision and pensions payment	(8,0)	(11,4)
Receipt of government grants	0,0	6,6
Income tax paid	(2,7)	(4,2)
Net cash flow from operating activities	**46,3**	**25,1**
CAPEX	(12,3)	(17,5)
All other	(3,0)	(0,1)
Net cash flow from investing activities	**(15,3)**	**(17,6)**
Operating Free Cash Flow	**31,0**	**7,4**
Changes in financial liabilites	(17,1)	21,7
Other payments and Own share transactions	(5,4)	(47,5)
Net cash flow from financing activities	**(22,4)**	**(25,8)**
Net increase in cash and cash equivalents	8,6	(18,4)
Cash and cash equivalents at the beginning of the perios	160,2	119,8
Cash and cash equivalents at the end of the period	**168,7**	**101,4**

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Q2 2010 P&L

(M€)	Q2 2010	Q2 2009	Var 10 vs 09
Net sales	439,7	444,6	(1,1%)
Operating Revenues	448,7	444,4	
Operating Expenses	(423,7)	(424,6)	(0,2%)
Operating profit	25,0	19,8	26,4%
% Net sales	*5,7%*	*4,5%*	124 bp
Net finance cost	(13,6)	(7,5)	82,7%
Other income and expenses	(0,2)	0,0	
Profit Before Taxes	11,2	12,3	(9,6%)
Income Taxes	(1,3)	(2,9)	
Profit for the period from continuing operations	9,9	9,5	4,4%
Loss after tax for the period from discontinued operations	(3,0)	0,0	
Profit for the Period	6,9	9,5	(27,1%)
Attributable to non-controlling interests	0,0	0,1	(64,1%)
Net profit Attributable to the Parent Company	6,9	9,4	(26,7%)
EPS	0,1	0,1	-0,02 €/share
Depreciation & Amortization	(13,8)	(13,7)	1,1%
EBITDA	38,9	33,5	16,0%
% Net sales	*8,8%*	*7,5%*	131 bp

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Q2 by segment (1/2)

Tons (Thousand)	Q2 2010	Q2 2009	% Var.
Southern Europe	60,1	59,1	1,7%
Northern Europe	41,9	43,2	-3,2%
Eliminations	-0,6	-1,0	
Total Tons	**101,3**	**101,4**	**0,0%**
Net sales (€M)			
Southern Europe	206,0	207,5	-0,7%
Northern Europe	237,7	240,5	-1,2%
Eliminations	-4,0	-3,4	
Total Net sales	**439,7**	**444,6**	**-1,1%**

Note: Southern Europe includes Campofrio Processed Meats, Carnes Selectas fresh meat and Portugal. Northern Europe includes France, Belgium, Holland and Germany. Intra-segment intercompany sales are eliminated from each segment.

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Q2 by segment (2/2)

EBITDA (€M)	Q2 2010	Q2 2009	% Var.	(Normalized)*
Southern Europe	23,5	20,8	12,9%	(+12,0%)
Northern Europe	20,7	16,6	24,9%	(+15,5%)
Others	-5,3	-3,9		
Total EBITDA	**38,9**	**33,5**	**16,0%**	(+10,6%)
EBITDA Margin (%)				
Southern Europe	11,4%	10,0%	137 bp	(+129 bp)
Northern Europe	8,7%	6,9%	181 bp	(+126 bp)
Others	n.a	n.a		
Total EBITDA Margin	**8,8%**	**7,5%**	**131 bp**	(+94 bp)

(*) PY EBITDA includes 1.8M€ restructuring, ie 61bp (0,2M€ Southern Europe, 1,5M€ Northern Europe and 0,2M€ Others)
Normalized EBITDA amounts to 35,2M€ (21,0M€ SE, 18,0M€ NE and -3.7M€ Others)

Q2 - Spain Processed Meats

(M€) Spain Processed Meat	Q2 2010	Q2 2009	% Var.
Tons (Thousand)	34,9	35,5	-1,6%
Net Sales	143,8	147,4	-2,4%
EBITDA normalized	21,7	19,2	13,0%
% EBITDA Normalized margin	15,1%	13,0%	207 bp

Q2 – France

(M€) France	Q2 2010	Q2 2009	% Var.
Tons (Thousand)	28,4	29,1	-2,4%
Net Sales	159,1	159,1	0,0%
EBITDA	10,9	7,1	53,6%
% EBITDA Normalized margin	6,9%	4,5%	240 bp