

SPANISH SECURITIES MARKET COMMISSION

Att.: Mr. Rodrigo Buenaventura

Secondary Markets Director

General Markets Direction

Calle Serrano, 47

28001 Madrid

Madrid, June, 3, 2011

COMMUNICATION OF RELEVANT FACT

Dear Sirs:

By virtue hereof we give notice of the following relevant fact in order for it to be registered with the public registries of the Comisión Nacional del Mercado de Valores:

In relation to the communication of relevant fact dated April 6, 2011 made by Smithfield Foods Inc and Mr. Pedro Ballvé, regarding the possibility of launching a potential joint de-listing takeover bid at the share price of 9.50 euro, this Company communicates that its Board of Directors has received today the attached communication from Smithfield Foods.

Yours faithfully,

The Secretary of the Board of Directors
CAMPOFRIO FOOD GROUP, S.A.

Alfredo Sanfeliz Mezquita

LETTER TO CFG BOARD OF DIRECTORS

June 2, 2011

To the Board of Directors
Campofrío Food Group, S. A.

We hereby inform you that Smithfield Foods, Inc. has terminated negotiations with respect to our proposed joint delisting takeover bid, together with Mr. Pedro Ballve, to acquire the remaining shares of Campofrío Food Group, S.A. Smithfield's decision to terminate has been influenced by, among other factors, (i) continued adverse economic conditions in Europe, which show few signs of abating, and (ii) a recent decline in Smithfield's stock price that has made the proposed transaction more difficult to finance on an accretive basis.

As Campofrío's largest shareholder, Smithfield remains committed to holding our 37% stake in Campofrío and supporting the company's continued growth and development as Europe's leading packaged meats company. In particular, we will continue to look for ways to generate and enhance synergies between Campofrío and Smithfield for the two companies' mutual benefit, despite our inability to bring the two companies together at the present time.

The standstill commitments undertaken by Smithfield in connection with the merger of Campofrío Alimentación, S.A. and Groupe Smithfield Holding, S.L. remain in full force and effect in accordance with their terms and conditions.

SMITHFIELD FOODS, INC.

By: 

C. Larry Pope
President and CEO

cc: Carbal S.A.
Oaktree Capital Management