



CAMPOFRIO GROUP

Small & Mid Caps SCH

**JOSE LUIS MACHO CONDE
(CEO)**

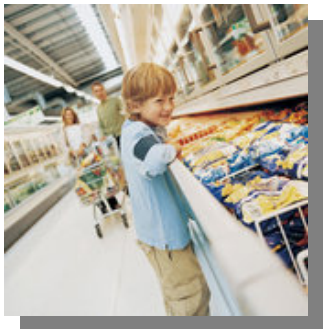
Madrid, 8th February 2006



BRIEF DESCRIPTION OF THE COMPANY



- **Founded in Burgos in 1952, Campofrio is currently the leading company in Spain and one of the European largest players in the processed meat market**
- **Campofrio has historically bet on development both through organic growth and acquisitions in Spain (OMSA, Navidul) and foreign countries (Russia, Romania, France, Portugal)**
- **The group follows a brand and added value strategy, and wishes to turn into a company focused in healthy food solutions**
- **Spain is its main market, representing more than 70% of total sales**
- **Leadership in marketing & innovative technology combined with a powerful commercial network & logistic capacity**
- **Excellent food brands**
- **Solid capital structure & capacity to generate Cash Flow**





GEOGRAPHICAL PRESENCE

SPAIN

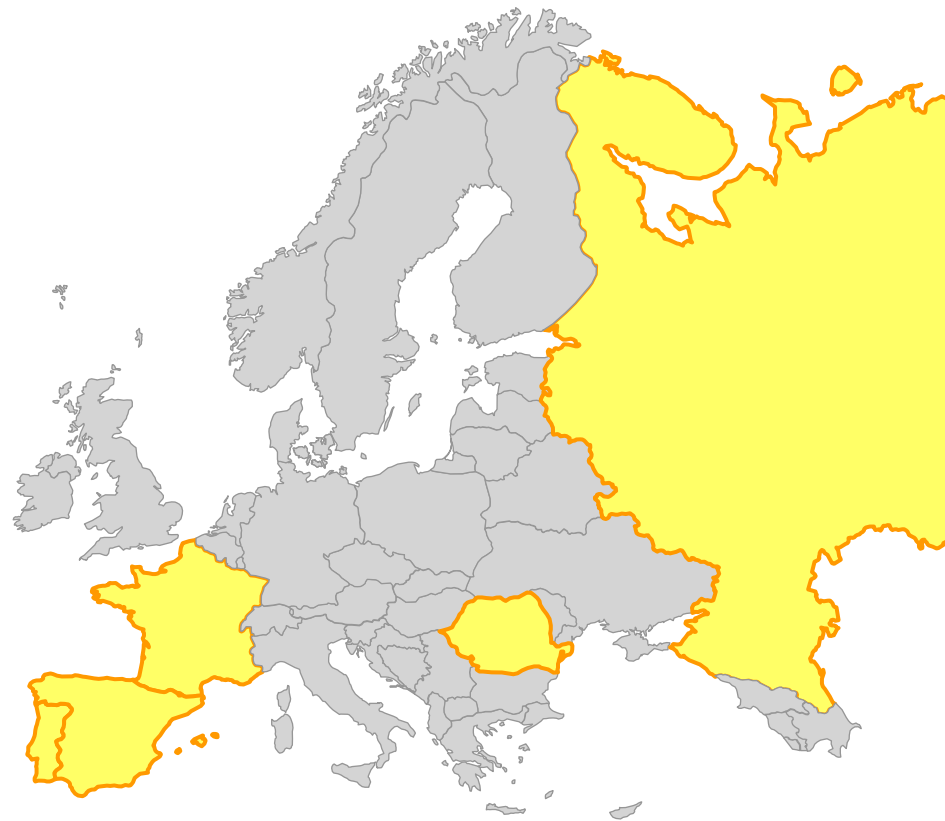
+70% total sales
#1 market
M.S. of 18%

PORTUGAL

5% total sales
#2 market
M.S. of 10%

FRANCE

8% total sales
#3 market
M.S. of 8%



RUSSIA

12% total sales
#3 Moscow market
M.S. of 8%

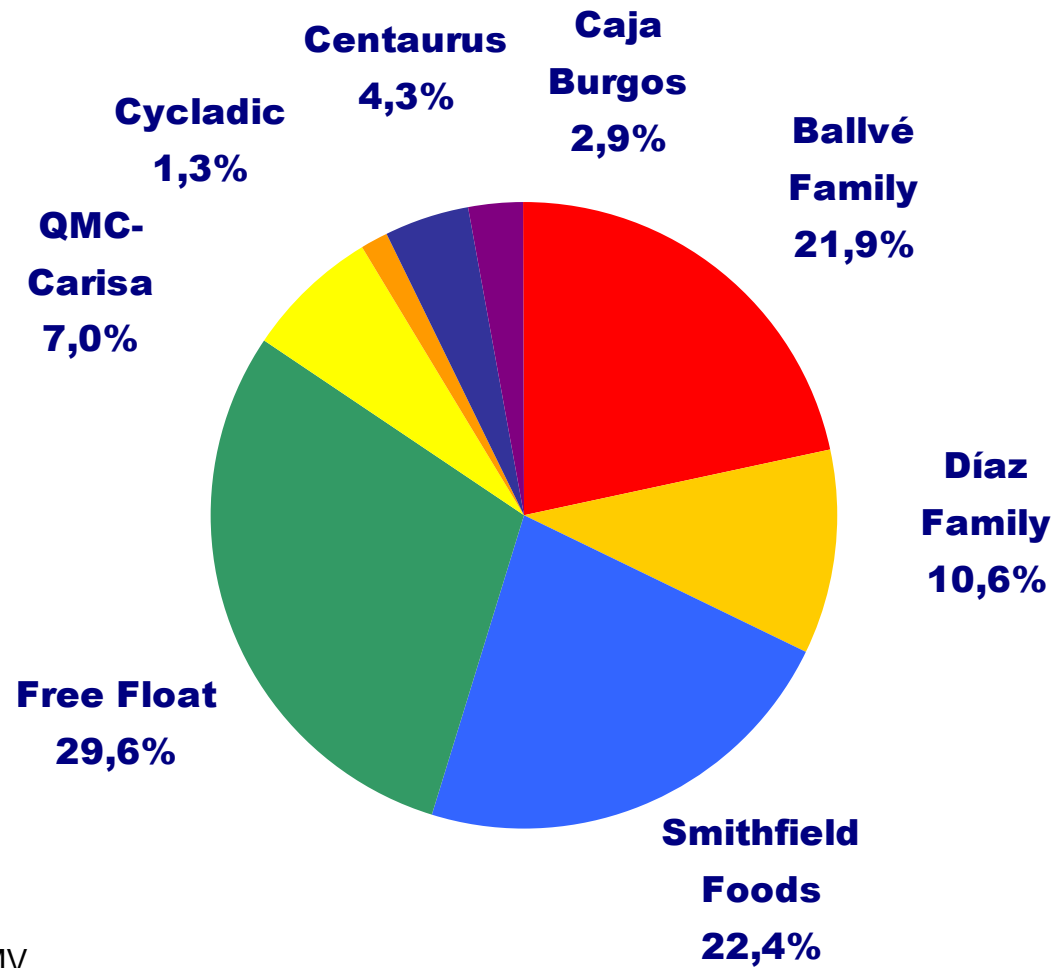
ROMANIA

4% total sales
#1 market
M.S. of 7%

Campofrio is the largest European meat processing group



CURRENT SHAREHOLDERS' BASE



As reported in CNMV



KEY FINANCIAL INFORMATION

(€'000)	2003	2003 Prof *	2004	Δ04vs.03	Δ04vs.03P
Net Sales	1.076.860	1.039.130	983.461	-8,7%	-5,3%
EBITDA	100.817	98.371	106.529	5,7%	8,3%
<i>Margin (%)</i>	9,4%	9,5%	10,8%	--	--
EBIT	59.927	58.550	69.967	16,8%	19,5%
<i>Margin (%)</i>	5,6%	5,6%	7,1%	--	--
Ordinary Profit	38.960	37.810	55.823	43,3%	47,6%
<i>Margin (%)</i>	3,6%	3,6%	5,7%	--	--
Attributable Net Profit	12.024	11.278	30.259	151,6%	168,3%
<i>Margin (%)</i>	1,1%	1,1%	3,1%	--	--

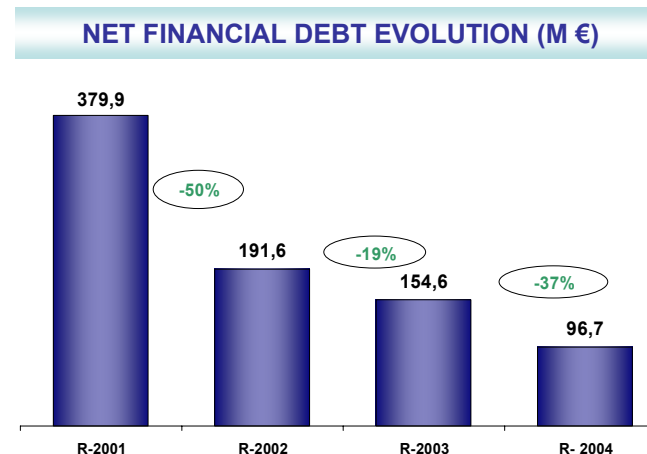
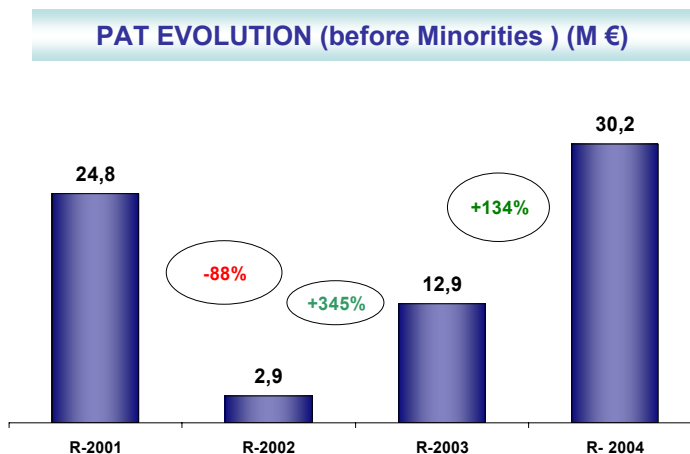
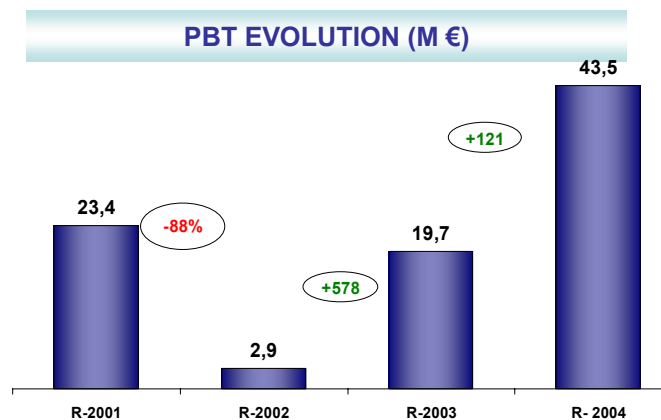
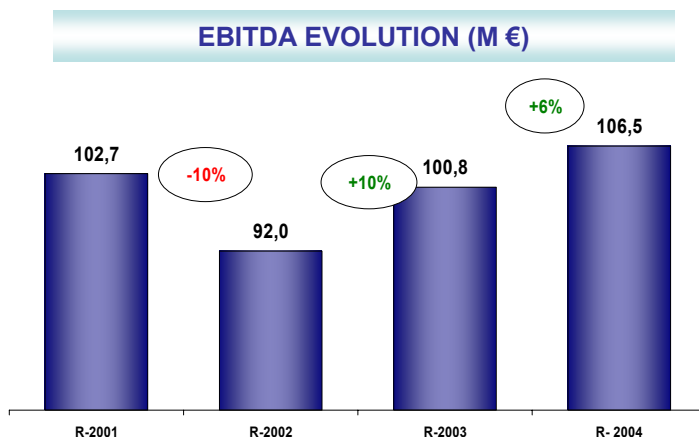
Consolidation of the Group's positive results trend

2004 results reflect a significant improvement due to operating profits and the positive evolution of the IBERIA division

* Pro forma results with 7 months of Morliny



GENERAL EVOLUTION (PGC)



* Does not include 5,6 M€ of Extraordinary Results (sale Burgos plot + sale Madrid offices – financial investment provisions Agrocarne & Campoaustral)

** Does not include the non-recurrent impact of the change in ICAC norm

• **Consolidation of the trend of the Group's results**



THIRD QUARTER RESULTS (2005)



(000 €) IAS	3Q 2004	3Q 2005	% Var.
Net Sales	713.667	648.917	(9%)
EBITDA	70.857	53.691	(24%)
% margin	9,9%	8,3%	
PBT	45.944	23.982	(48%)
% margin	6,4%	3,7%	
Attributable PAT	28.069	14.745	(47%)
% margin	4,0%	2,3%	



*In spite of an environment characterised by the weakness of consumption (mainly in Spain and France) and the continuous pressure in Raw Material prices (mainly in Russia), the Group reached a **PBT of €24 M***



GROUP STRATEGY

**Campofrío Group wishes to turn into a company
focused in **healthy food solutions****

**“Campofrío takes care of you and your family, with
flavour and balance at any moment, in any
place”**





SPAIN

PROCESSED MEAT



MARKET

- Mature market growing slightly
- Growth coming from self-service products
- Despite minimum increase in volume, due to consumption transferred to self-service (mainly slicing products) the market is growing in terms of added value
- Increase in out of home consumption
- Key categories: slicing and turkey products

CAMPOFRIO

- Equilibrium between traditional product & innovation
- Relevant marketing investment
- Balance at any moment, in any place



SPAIN

CURED HAM

MARKET

- **Excess of capacity / price pressure in the Serrano ham market**
- **Complicated situation of Serrano ham market in traditional formats (centers / pieces)**



CAMPOFRIO

- **Self service products as a category driver**
- **Iberian ham with great potential**
- **Foodservice / Horeca**
- **Heavy advertisement support (Bertin Osborne campaign)**





FRANCE

PROCESSED MEAT



MARKET

- **Tough situation of the country affecting profitability of main competitors**
 - **Weakness of consumption**
 - **Raw material price evolution**
 - **Private label pressure**
 - **“Jacob / Galland loi”**



CAMPOFRIO

- **Industrial optimization and general expenses reduction**
- **Relevant innovation plan**





RUSSIA

PROCESSED MEAT



MARKET

- Raw material prices continue to increase
- Processed meat market growing
- Russia as a key target for FMCG companies (Danone, Coca-Cola, Heineken...)

CAMPOFRIO

- Convenience market and innovation as key priorities
- Works on raw material side
- Strategic Plan implementation focused on increase in profitability



ROMANIA

PROCESSED MEAT



MARKET

- **Development of Modern Distribution**
- **Raw material price pressure**

CAMPOFRIO

- **Confirmed positive results of the company (#1 of the market)**
- **Success of farm project**
- **Positive performance of commercial team**
- **Strong push to innovation**





GLOBAL STRATEGIC VISION



- Campofrío wants to become an **international** company, focused on **healthy meal solutions**, basing the development of its **brands** by becoming **No.1 / No. 2** in the marketplace, and **rationalizing** or selling its business without these foregoing conditions

“ Campofrío looks after you and your family with flavour & balance at any moment, at any place ”

Campofrío nourishes your life





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