



Campofrio Food Group increased Net Income by 20 million euros in 2009, reaching a Net Income of 14 million euros

- Campofrio Food Group recorded a Net Income of 14 million euros for the year ending December 31st 2009, up 20 million euros vs. previous year. The Net Income was negatively impacted by 13 million euros of extraordinary costs related to the refinancing of the Company.
- Campofrio Food Group posted an EBITDA of 135.8 million euros in 2009, 59.8 million euros higher than the previous year mainly due to the merger in December 2008 with Groupe Smithfield.
- The Company has achieved 25 million euros of synergies and is well on its way to capture the 40 million euros of synergies targeted for 2012.

Madrid, 26th February 2010. - One year after the merger between Campofrio and Groupe Smithfield Holdings, Campofrio Food Group, the leading processed meats company in Europe, reached a consolidated net income of 14 million euros, 20 million euros above the consolidated net income reported in 2008. The 2009 Net Income was negatively impacted by 13 million euros of extraordinary costs related to the refinancing of the company, which took place in the fourth quarter of 2009. The consolidated turnover of 1,846 million euros is 924.8 million euros higher, mainly due to the merger. Like for like turnover was 5.9% lower than previous year reflecting economic and pricing pressures. The Company was able to leverage its balanced branded and private label portfolio to respond to changing market and customer needs.

The reported EBITDA for 2009 includes 8.5 million euros of restructuring costs. Normalizing for this impact, the adjusted EBITDA reached 144.3 million euros, 3.9 million euros higher than previous year on a like-for-like basis. Despite the economic recession and deflationary environment, the Company was able to increase profits by implementing significant cost reduction and synergy programs during 2009. Campofrio Food Group is very well positioned as it enters 2010, having captured an important part of the synergies in its first year after the merger. In 2009, the company has captured 25 million euros synergies that represent more than half of the 40 million euros target for 2012.

The Company reached another key milestone during its first year following the merger with the strengthening of its capital structure and significant enhancement of its liquidity. Thanks to its strong financial discipline, Campofrio Food Group has closed the year the year with a net financial debt of 410.2 million euros, 3.4 million euros lower than previous year, despite the merger-related payments made in 2009.

“This has been an extraordinary year for Campofrio Food Group” stated Robert A. Sharpe, Chief Executive Officer. “We have fully and successfully integrated the two predecessor companies; secured, both earlier and at a higher level than anticipated, our first year synergies; strengthened our capital structure and liquidity and delivered substantially improved results, all while facing the most challenging economic conditions in recent memory” he added. “As a result, we enter 2010 fully prepared to capitalize on our position as Europe’s leading processed meats company” Mr. Sharpe concluded.

Campofrio Food Group selected financial information for the year ending December 31st 2009

(M€)	2009	2008	2008 Like for Like	2009 Variance vs Prior Year (€M)	
				2008	2008 Like for Like
Net Sales	1.845,7	922,0	1.961,3	100,2%	(5,9%)
Adjusted EBITDA	144,3	76,0	140,4	68,3	3,9
- as % of Net Sales	7,8%	8,2%	7,2%	(42) bp	66 bp
Reported EBITDA	135,8	76,0	143,4	59,8	(7,6)
Net Income	14,0	(5,8)		19,8	
Net Debt	410,2	413,7		(3,4)	
Debt to EBITDA ratio	3,0	-			