<u>Results for the first nine months of 2013</u>

Campofrío Food Group posts revenue of €1,391 million in the first nine months of the year

- **The Health, Heritage and Snacking platforms drive revenues, with combined growth of 20%, confirming the food company's success in terms of product innovation**
- **The group's power brands maintain their share across all markets, in a complex economic environment and a highly competitive processed meat sector**
- **The company strengthens its cash flow position and reduces net financial debt by €17 million compared to end of June 2013**

Madrid, 11 November 2013. Campofrío Food Group (CFG), Europe´s processed meats sector leader, registered **net sales** of 1,390.9 million Euros in the first nine months of the year, holding sales flat year on year. The performance of the group's power brands' products was particularly positive, increasing branded retail sales and overcoming the negative trend affecting this product segment across Europe.

In the last nine months, CFG's commitment to product and format innovation has continued to deliver strong results, as shown by the development of the three **growth platforms** through which the company is adapting to new consumer demands. Sales in the *Health* segment grew by 25%, with remarkable success enjoyed by the "*Cuida-t+*" range in Spain. The *Heritage* segment saw a 13% increase in sales. Revenues from the *Snacking* segment grew 18%, driven in particular by rapid growth in France, Spain and the United States. The sales performance of the "affordable product line" was also significant, recording a 24% increase in sales in Spain in the first nine months of the year.

The market shares of CFG's power brands remained stable in the period; Aoste has a 16.8% market share in France, Marcassou has 21.8% in Belgium and the two leading brands in Spain, Campofrío and Navidul have a combined share of 18.1%. This underlines the effectiveness of CFG's brand strategy which, in a very competitive market characterised by an increase in private label products and their aggressive price strategies, is generating considerable returns, thanks to the positive combined effect of new product launches, commercial efforts and high impact marketing campaigns.

In the first nine months of the year, CFG's **EBITDA** reached 100.0 million Euros, reflecting a drop of 3.7% year on year, mostly due to the exceptional impact of the cost of raw materials in Q3. However, despite this inflationary effect, EBITDA margin as a percentage of sales in the third quarter of the year (7.8%) highlights a gradual improvement in returns throughout 2013, mostly thanks to the measures the group is taking to boost profitability. The figure reported for other operating costs fell by 3% in the first nine months of the year as a result of initiatives to increase efficiency and reduce costs.

Net profit in the first nine months of 2013 stood at 1.8 million Euros, a reduction of 2.9 million Euros in line with the decrease in EBITDA for the period.

CFG strengthened its robust financial position in the first nine months of the year. Cash flow generation remained strong, and the Company ended the period with a positive cash position of 139 million Euros. Including fully available credit lines of 240 million Euros, CFG's overall liquidity position at the end of the first nine months of the year stood at 360 million Euros, which allows the company to continue its investment programme aimed at increasing competitiveness and profitability.

At 30 September, net financial debt stood at 473 million Euros, which represents a debt ratio (net financial debt to last twelve months' normalized EBITDA) of 3.2x. This figure reflects a 17 million Euro reduction of the financial debt at 30 June 2013.

With respect to these results, Robert A. Sharpe II, Chief Executive Officer of Campofrío Food Group, said:

"In an ongoing challenging socio-economic situation, CFG has been able to maintain the leadership position of its distinctive brands. Our business model, based on product innovation and actively listening to consumers, has allowed us to advance steadily in an increasingly competitive market where high meat prices and intense competition from private label coincide with weak consumer demand."

"The progress registered by our Health, Heritage and Snacking platforms, as well as by our affordable product line underscores the success of our efforts in innovation to launch new products which respond to changing consumer habits and needs. Likewise, the progress made in our transformation plan, related to our manufacturing, logistics and purchasing structure, has continued to contribute to the improvement of our operating margins. Thanks to its solid financial position, CFG will continue to roll out its transformation plan to strengthen its efficiency and competitiveness."

Main financial figures

	9M 2013 vs. 9M 2012			Quarterly progress 2013		
€ M	Jan-Sep 13	Jan-Sep 12	Change	1Q 13	2Q 13	3Q 13
Net Revenue from Sales	1,390.9	1,393.3	-2.4	441.5	461.5	487.8
EBITDA normalized	100.0	103.9	-3.9	25.7	36.1	38.2
Net Profit / (Loss) for the year	1.8	4.7	-2.9	-4.0	5.1	0.7
EBITDA normalized / Net sales	7.2%	7.6%	-0.4 p.p.	5.8%	7.8%	7.8%

Net financial debt	**473**
Debt/Normalized EBITDA for last 12 m	**3.2x**

Notes to editors

Campofrío Food Group (CFG) is the leader of the European processed meats sector. Its products, which are sold under its leading brand names – Campofrío, Aoste, Cochonou, Fiorucci, Justin Bridou, Marcassou, Moroni, Navidul, Revilla, Nobre, Stegeman and Oscar Mayer –, cover multiple categories, including cooked ham, dry sausages, dry ham, hot dogs, poultry products, cold cuts, pâtés and ready meals. CFG produces and sells its products in eight European countries and in the United States. The Group also exports to 80 countries through independent distributors.