Campofrio Food Group total sales reach €441.6 million with strengthened leadership in all markets

- **The strength of CFG brands and new product development support sales performance despite a difficult consumption environment**
- **The Group´s "health", "heritage" and "snacking" platforms continue boosting sales, with combined growth of 18%**
- **Operating expenses[1] decrease reflecting CFG's efforts to reduce costs and increase productivity**
- **Normalised EBITDA reaches €25.4 million**
- **The Group strengthens its cash position and reduces its net financial debt by €10 million in comparison to the same period of 2012**

Madrid, 14 May 2013. Campofrío Food Group (CFG) has been able to deliver a good top line performance with total net sales value of €441.6 million. The strength of its brands, new product launches and pricing actions have allowed CFG to successfully face a difficult consumption environment.

The Company's focus on innovation continues to be a catalyst for growth, highlighted by the performance of the "health", "heritage" and "snacking" segments. A combined growth of 18% in these platforms proves that the Group has followed a successful strategy developing products that constantly evolve with changes in consumers and shoppers needs. A diversified product portfolio, with innovation playing an essential role has strengthened CFGs positioning as a multinational leading food company. In this first quarter of the year, CFG has outperformed the downward trend experienced in consumption and in branded sales in most of its markets. CFG´s market shares have increased or remained stable even despite the aggressive growth strategies deployed by the private label. CFG´s commitment to innovate is reflected, for example, in the recent launch of the "Chicken Pops" and the "Rolls" in eleven countries simultaneously across Europe. This proves that CFG will further strengthen its power brands and support margin growth.

The Group efforts to increase efficiency and support margin growth are starting to bear fruit. "Other operating expenses" fall in 1Q13 by 1.5% contributing to partially offset the impact of the persistent meat inflationary scenario. CFG has launched in 2012 several measures to decrease operating costs and increase efficiency in manufacturing and logistic activities. These measures will gradually deliver further cost savings in the

[1] Total operating costs excluding "Consumption of goods and other external charges" (purchase of raw materials).

future. Additionally the integrated sourcing platform of the Group is helping to obtain further cost advantages in meat and non-meat purchases.

All the before mentioned actions to support sales growth and reduce costs have allowed CFG to post a normalised EBITDA of €25.7 million in the first quarter of 2013 and a Net Result of €-4.1 million.

Campofrio Food Group continues to focus on cash generation, liquidity and debt reduction. In the first three months of 2013 the Group generated a gross operating cash flow of €26.1 million, increased its cash position up to €161 million and reduced its net financial debt by €10 million down to €473 million.

Million €	**Q1 2013**	**Q1 2012**
Total net sales	441.6	447.4
Normalised EBITDA	25.7	33.9
Net profit	-4.1	-0.6
Net financial debt	472.8	482.5

Robert A. Sharpe II, CEO of Campofrio Food Group, said, "We have had a very difficult first quarter of 2013, which has certainly been more severe than expected. A very weak consumption environment with a first quarter having less days of sales in 1Q13 vs. 1Q12 has had a negative impact on sales volumes. Without the calendar impact of between 3 to 5 days depending on the countries, sales would have increased with a positive impact on margins. We expect a significant improvement in the second quarter, with our efficiency measures delivering further cost savings and the new product launches boosting sales and brand awareness. The Group's transformation strategy is on track and we are confident about its capacity to deliver further future margin improvements. In the first quarter of 2013 CFG has proved again that its commitment to maintain a solid financial position is of priority. This is certainly the key requirement to ensure the continuity of our investment program in the coming years"