



Results for the first half of 2013

Campofrío Food Group increases net profit by 12.9% to 1 million Euros in the first half of 2013

- In contrast to market trends, the company held revenues nearly flat versus prior year, reaching **903.1 million Euros in net sales**
- The food group's power brands have maintained their market share all across its markets, **boosting competitiveness in a complex economic environment**
- Supported by a substantially improved second quarter, EBITDA was at **61.8 million Euros during the period. Second quarter EBITDA , at 36.1 million Euros improved by 40.3% versus the first quarter of 2013**
- **CFG closes the period with a liquidity position of 348 million Euros**

Madrid, 31 July 2013. Campofrío Food Group (CFG), Europe's processed meats sector leader today reported **net sales** of 903.1 million, reflecting a slight year-over-year decrease of 0.8%.

The *Health, Heritage* and *Snacking* segments continued to perform well, with revenues up by 25%, 19% and 6% in 1H13, respectively. These platforms accounted for 11% of revenues in 1H13 and represent one of the main drivers of CFG's current and future growth, through which the company will continue to set new consumer sector trends. The steady improvement in these **growth platforms** reflects the positive results of the innovation and development of CFG's product portfolio and the group's swift response to customer needs.

The **market shares** of CFG's power brands remained stable in the first half of 2013, despite increased competition in the sector stemming predominantly from aggressive growth strategies by private labels, which are based to a great extent on price. CFG has once again demonstrated its ability to protect and strengthen its brands through new product launches, commercial efforts and the support provided by innovative, high impact marketing campaigns.

In the first half of the year the group managed to gradually increase its gross operating margin through the measures currently being implemented to boost profitability. As such, the increase in costs from raw materials caused by ongoing inflationary pressure was partially offset by the 2.2% reduction in other operating costs, thanks to the initiatives undertaken throughout the period to improve efficiency and drive down costs.

As a result of these initiatives, CFG's **EBITDA** for the first six months of the year stood at 61.8 million Euros. This figure was backed by the substantial quarter-over-quarter EBITDA growth in 2Q of 40.3%.

Net profit reached 1.08 million Euros in 1H13, a 12.9% increase year over year.



CFG closed the first half of the year with a robust **financial position**. Cash flow generation remained strong, with gross operating cash flow of 61.8 million Euros in 1H13, leading to a positive cash position at the end of 1H13 of 113 million Euros. Including fully available credit lines of 235 million Euros, CFG’s overall liquidity position at the end of 1H13 stands at 348 million Euros, which will allow the company to further its investment program aimed at increasing the group’s competitiveness and profitability.

At 30 June, **net financial debt** stood at 490.4 million Euros, which represents a leverage ratio (net financial debt to last twelve months’ normalized EBITDA) of 3.3x.

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

“After a disappointing start to the year in our first quarter, I am pleased by the trends that began to emerge during the second quarter. Our power brands held or gained market share in spite of aggressive price discounting in the rest of the market. Our growth platforms continue to deliver solid results and our investments in improving our costs competitiveness began to bare fruit. We look forward to all of these trends continuing and expect margins to grow consistently over the coming quarters as a result.”

“The fact that the group has a liquidity position of 348 million Euros at the end of 1H13 is also the result of CFG’s financial discipline, and places us in a very good position to continue to roll out our investment program and in turn, boost our competitiveness.”

Main financial figures

€ M	1H 2013 vs. 1H 2012			1Q 2013 vs. 2Q 2013		
	1H 13	1H 12	% Change	1Q 13	2Q 13	% Change
Net Revenue from Sales	903.1	910.3	-0.8%	441.5	461.5	4.5%
EBITDA normalized	61.8	65.5	-5.6%	25.7	36.1	40.3%
Profit / (Loss) for the year	1.0	0.9	12.9%	-4.0	5.1	
EBITDA normalized / Net sales	6.8%	7.2%		5.8%	7.8%	

Net financial debt	490.4
Debt/Normalized EBITDA for last 12 m	3.3x

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.