



## Annual General Shareholder Meeting

# **The AGM of Campofrío Food Group approves the company's delisting from the stock exchange and confirms the composition of the new Board of Directors**

## **. Campofrío starts a new phase which will be determined by growth, internationalization and leveraging of synergies with Sigma Alimentos and WH Group**

**Madrid, June 25<sup>th</sup>, 2014.** *"This is the start of a new stage in the company's evolution which will offer multiple opportunities for growth. Sigma Alimentos and WH Group are two large, worldwide players in the meat industry and they have invested in Campofrío Food Group to drive its development and jointly lead the worldwide processed meat sector,"* stated Pedro Ballvé, President of Campofrío Food Group, at the Annual General Shareholder Meeting, the last to be held as a listed company, since the tender offer presented by Sigma Alimentos and WH Group was executed last June 12<sup>th</sup> and the company's delisting from the Spanish stock market was approved this morning, as per the Agenda. Sigma Alimentos and WH Group hold a combined share of 98.3% of Campofrío Food Group.

During the AGM, which saw the approval of the financial statements and management report for 2013, Pedro Ballvé emphasized the roadmap for Campofrío Food Group through the change in the shareholder structure, which will confer stability and create new synergies based on the strategic plan implemented over the past two years by the company, which has gradually increased the efficiency and profitability of all its operations.

*"We are confident that our new shareholders, as true industrial partners, will ensure the progress and consolidation of Campofrío over the coming years. We are executing a transformation plan which places Campofrío in a more competitive position than ever before. Added to the possibility of accessing international markets, like Asia and America, in which our shareholders are already leaders, we can see favorable synergies that will enable Campofrío to start a growth phase resulting in an increase of our activity in every field,"* explained Ballvé.

*"There is no doubt in my mind that these two important strategic allies have been attracted to us because Campofrío has been able to transform itself into a solid and competitive leader, demonstrating the capacity to respond to the macroeconomic environment and consumer trends, regardless of the economic situation. We now leave the trading floor, but we continue our business project with even more muscle to strengthen our identity and capacities, and leverage CFG's growth on its heritage".*

The AGM also approved this morning the new Board of Directors, which will be formed by seven members and chaired by Pedro Ballvé. All the Board members occupy the highest positions in their respective companies. Sigma, which is part of ALFA group, will provide four members: Armando Garza Sada (chairman of ALFA's Board of Directors), Álvaro Fernández Garza (CEO of ALFA), Mario Humberto Páez González (President of Sigma) and Pedro Ballvé himself. WH Group will provide three members: Wan Long (President of WH Group), Jiao Shuge (Deputy Chairman of WH Group) and Charles Larry Pope (President of Smithfield Foods).

CFG's shareholder mix includes Sigma Alimentos, with 61.4%, WH Group, with 36.9% and Pedro Ballvé, who participates indirectly through Sigma, with 4.46%.

Sigma Alimentos is a leader in the food market, offering processed meats, ready meals, cheese and dairy products, in Mexico, Peru, the US, the Caribbean and Central America. It operates 41 production plants and 136 distribution centers, and has over 30,000 employees. Its turnover in 2013 was \$3.82 bn (approx. €2.8 bn). Sigma Alimentos belongs to ALFA, one of the largest industrial conglomerates in Mexico, with over 100 years of history and 61,000



employees. ALFA includes five companies in the petrochemical and hydrocarbon sectors, vehicle components, IT and meat and dairy products. In 2013, ALFA's turnover was \$15.87 bn (approx. €11.65 bn).

WH Group Limited is the largest pork company in the world with number one market share in China, the US and key markets in Europe. It owns many well-recognized and trusted brands and stands above the rest with global market leadership in all key segments of the pork value chain, including packaged meats, fresh pork and hog production. WH Group is a majority shareholder in Henan Shuanghui Investment & Development Co., Ltd., China's largest meat processing business, and owns US-based Smithfield Foods, Inc., a global food company. In 2013, WH Group recorded sales of more than US\$20 billion. It employs 73,200 workers in China and 47,000 in the US (Smithfield). China is the world's largest and fastest-growing market for pork meat, and WH Group's extensive sales and distribution network covers all major sales channels in China with more than 2,100 distributors and 638,000 points of sales for packaged meat products. In this regard, China will now represent a magnificent growth opportunity for Campofrío.

Campofrío and its shareholders have created an area for Integration and Synergies, to permanently explore and promote the "*optimization of integration and potential synergies*," according to Ballvé. One of the value-generating areas for all three parties would include, among others, capitalizing on economies of scale –for example in the supply of raw materials and logistics– in addition to the natural advantages derived from the best practices at each of the three groups in the fields of marketing, specialization in R&D centers, processing, packaging and distribution.

#### **Note 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 – including Campofrío, Aoste, Cochonou, Fiorucci, Justin Bridou, Marcassou, 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 company also exports to 80 countries through independent distributors.

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