



Results for the first nine months of 2014

Campofrío Food Group increases EBITDA by 4.8% to €104.9 million

- Turnover in net sales totaled €1,408.4 million, up 1.3%, driven by the increase of the Health (15.0%), Heritage (4.1%), Snacking (3.7%), and poultry (7.9%) product lines
- The progress made on the Efficiency Plan continues to drive down operating costs and gradually improve the EBITDA margin, which grew 8.7% in the third quarter
- The company has reduced net financial debt by €3.4 million

Madrid, November 6th, 2014. Campofrío Food Group (CFG), Europe's leading processed meat company, registered a turnover in net sales of €1,408.4 million in the first nine months of 2014, an increase of 1.3% with respect to the same period in 2013. Sales in the third quarter of the year grew 2.1% with respect to the same quarter in 2013.

Campofrío Food Group sales have once again benefited from its intensive, dynamic product innovation. The growth platforms through which the company is channeling the majority of new consumer demand saw a combined growth of 6.1%, accounting for 12.5% of CFG's total revenues for the first nine months. The Health line reported a significant increase of 15.0%, driven especially by the "Cuída-t+" range, which was launched in Italy and Portugal in the first half of the year, and whose product range in Spain has grown considerably over the course of the year. The Heritage and the Snacking lines reported growth of 4.1% and 3.7%, respectively. Sales in the company's affordable range – which includes packaged sliced meats priced at €1, among other products – boasted a growth of 20.1%.

In terms of product categories, the most significant growth relates to poultry products: up 7.9% with respect to the first nine months of 2013, consolidating Campofrío Food Group's leadership in this product category in which it is a pioneer in Spain and in most other European markets where the company has a presence. Also noteworthy are the increases in the sales of ready meals (6.6%), mainly pizzas, a key segment of the company's strategy in coming years; and in fresh prepared meat (12.5%), although this category is only available in Spain.

In the first nine months of 2014, **EBITDA** reached at €104.84 million, up 4.8% on the same period last year, driven by the sound performance of the company's sales during the second and third quarters and the efforts to reduce operating costs via its Efficiency Plan, which commenced at the beginning of 2012 and which affects all areas of the group, from production, logistics and procurement, to the support and management areas.

As a result, in the first nine months of 2014, the company's EBITDA margin – expressed as a percentage of sales – stood at 7.4%, as opposed to the 7.2% for the same period last year.

In the third quarter, these figures were particularly positive. EBITDA grew 8.7% with respect to the third quarter of 2013, thanks to the increase in sales and the containment of costs, with the EBITDA margin standing at 8.3%, as opposed to 7.8% in the same period the year before.

If the first nine months of 2014 are analyzed on a quarter-by-quarter basis (as shown below), EBITDA for the third quarter (€41.5 million) grew 17.5% with respect to the second quarter (€35.3 million); while the latter figure represented an increase of 26.5% with respect to the EBITDA of the first quarter (€27.9 million), which evidences the progress made in improving the EBITDA margin and profitability.



The **net result** for the first nine months of 2014 was a loss of €3 million euros, attributable to the impact of the results of certain group companies accounted for using the equity method¹. However, performance in the third quarter taken on its own is more favorable (€1.1 million), thanks to the robust growth in EBITDA and the reduced negative impact of said subsidiaries.

As of September 30th, 2014, CFG boasts a solid financial position to continue with its transformation plan to boost its competitiveness and profitability. The company's cash position now stands at €109 million. **Net financial debt** at the end of the third quarter was €469.8 million, which reflects a decrease of €3.4 million on the figure at September 30th, 2013 and a net debt to normalized 12-month EBITDA ratio of 3.1x.

Key numbers:

Million €	Year-on-year comparison 9M 2014 vs. 9M 2013			Quarter-on-quarter performance in 2014		
	Jan-Sep 14	Jan-Sep 13	% Change	3Q 2014	2Q 2014	1Q 2014
Net revenue	1,408.3	1,390.9	1.3%	497.8	474.1	436.5
Normalized EBITDA	104.8	100.1	4.8%	41.5	35.3	28.0
Profit / (Loss) for the first 9 months	-3.0	1.8	N.A.	1.2	0.3	-4.5
Normalized EBITDA margin	7.4%	7.2%	0.2 p.p.	8.3%	7.5%	6.4%

Net financial debt	469.8	473.2
Net financial debt/Normalized 12-M EBITDA	3.1x	3.2x

With regard to the results, Fernando Valdés, CEO of Campofrío Food Group, said:

“The positive performance during the first nine months of the year is the result of our commitment to two core corporate pillars. On the one hand, the positive impact of our transformation plan, which continues to improve our operations and margins quarter on quarter; a factor which will remain a constant going forward. And, secondly, our capacity to respond quickly to the demand for our power brands to meet, head-on, the fierce competition in terms of price and the proliferation of private label and direct competitor products.

We believe that we have known how to harness the opportunities arising from the current market dynamics even in a very difficult private consumption environment in the countries where we operate. This proves that our commitment to grow while generating profitability is the right strategy to strengthen our leadership position.”

Notes to editors

Campofrío Food Group (CFG) is Europe's leading processed meats company. Its products, which are sold under its leading brand names – including Campofrío, Aoste, Cochonou, Fiorucci, Justin Bridou, Marcassou, Moroni, Navidul, Revilla, Nobre, Stegeman and Oscar Mayer –, cover multiple categories, including dry ham, cooked ham, dry sausages, sausages, 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.

Press enquiries

Grupo Albión

Tel: 91 531 23 88

Sofía García – sgarcia@grupoalbion.net

Celia Pont – cpont@grupoalbion.net

¹ These are companies in which CFG does not exercise shareholder control and in which it takes no part in their management. These investments are accounted for using the Equity Method.