CAMPOFRIO FOOD GROUP

UNAUDITED INTERIM SELECTED
CONSOLIDATED FINANCIAL INFORMATION
SIX MONTH PERIOD ENDED
JUNE 30, 2015

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INTRODUCTION

In March 2015, CAMPOFRIO FOOD GROUP, S.A.U. ("Campofrio Food Group" or the "Company"), incorporated as a public limited company (*sociedad anónima*) under the laws of Spain, issued €500 million aggregate principal amount of its 3.375% Senior Notes due 2022 (the "Notes") at a price of 100.000%. The Company pays interest on the Notes semi-annually on each March 15 and September 15. At any time on or after March 15, 2018, the Company may redeem all or part of the Notes by paying a specified premium to the holders. If the Company undergoes a change of control or sells certain of its assets, it may be required to make an offer to purchase the Notes. In the event of certain developments affecting taxation, the Company may redeem all, but not less than all, of the Notes.

The Company may from time to time seek to retire or purchase its outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors.

The Notes are senior debt of Campofrio Food Group and rank *pari passu* in right of payment to all of Campofrio Food Group's existing and future senior indebtedness. The Notes are guaranteed on a senior basis by certain of the Company's subsidiaries.

The Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market.

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the ''U.S. Securities Act''). The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act (''Rule 144A'') and to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act (''Regulation S''). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Following the issuance of the new 3.375% Notes maturing in 2022, the Company redeemed all of its outstanding 8.250% Senior Notes due 2016, including applicable premium and accrued and unpaid interest, and paid related fees and expenses in connections with the Offering. The redemption of the outstanding 8.250% Senior Notes due 2016 was executed on April 2, 2015.

This Unaudited Selected Consolidated Financial Information is provided to the holders of the Notes pursuant to Section "Description of the Notes - Reports (2)" of the indenture.

CONSOLIDATED INCOME STATEMENT

Campofrio Food Group
(In Thousands of Euros)

	Six month period ended June 30,			
	2015		2014	
	Actual (unaudited)	% of total oper. revenue	**Restated (unaudited)**	% of total oper. revenues
Operating revenues				
Net sales and services	920,142	92.8%	912,881	95.6%
Increase in inventories	22,192	2.2%	37,192	3.9%
Capitalized expenses on Company's work on assets	67	0,0%	116	0.0%
Other operating revenue	49,255	5.0%	5,140	0.5%
Total operating revenues	991,656	100.0%	955,329	100.0%
Operating expenses				
Consumption of goods and other external charges	(529,270)	(53.4%)	(544,586)	(57.0%)
Employee benefits expense	(160,073)	(16.1%)	(162,989)	(17.1%)
Depreciation and amortization	(32,955)	(3.3%)	(35,130)	(3.7%)
Changes in trade provisions	(1,757)	(0,2%)	(1,793)	(0.2%)
Other operating expenses	(210,428)	(21.2%)	(182,712)	(19.1%)
Total operating expenses	(934,483)	(94.2%)	(927,210)	(97.1%)
Impairment of non - current assets	(321)	(0.0%)	-	(0.0%)
Operating profit	**56,852**	**5.7%**	**28,119**	**3.0%**
Financial expenses, net	(33,881)	(3.4%)	(25,541)	(2.7%)
Other results	(25,428)	(2.6%)	(6,662)	(0.7%)
Profit (loss) before tax	**(2,457)**	**(0.2%)**	**(4,084)**	**(0.4%)**
Income taxes	(896)	(0,1%)	(1,029)	(0.1%)
Profit for the period from continuing operations	**(3,353)**	**(0.3%)**	**(5,113)**	**(0.5%)**
Profit (loss) after tax for the period from discontinued operations	8	0.0%	906	0.1%
Profit for the period	**(3,345)**	**(0.3%)**	**(4,207)**	**(0.4%)**
Non-controlling interests	-	-	-	-
Attributable to equity holders of the parent company	(3,345)	(0.3%)	(4,207)	(0.4%)

The accompanying notes are an integral part of this consolidated financial information.

CONSOLIDATED INCOME STATEMENT

Campofrio Food Group
(In Thousands of Euros)

	Three month period ended June 30,			
	2015		2014	
	Actual (unaudited)	% of total oper. revenue	**Restated (unaudited)**	% of total oper. revenues
Operating revenues				
Net sales and services	473,728	91.2%	475,133	96.7%
Increase in inventories	3,273	0.6%	13,094	2.7%
Capitalized expenses on Company's work on assets	66	0.0%	102	0.0%
Other operating revenue	42,163	8.1%	2,872	0.6%
Total operating revenues	519,230	100.0%	491,201	100.0%
Operating expenses				
Consumption of goods and other external charges	(268,717)	(51.8%)	(281,634)	(57.3%)
Employee benefits expense	(80,134)	(15.4%)	(79,547)	(16.2%)
Depreciation and amortization	(16,329)	(3.1%)	(17,535)	(3.6%)
Changes in trade provisions	(1,108)	(0,2%)	(532)	(0.1%)
Other operating expenses	(106,918)	(20,6%)	(94,180)	(19.2%)
Total operating expenses	(473,206)	(91.1%)	(473,428)	(96.4%)
Impairment of non - current assets	(321)	(0.1%)	-	(0.0%)
Operating profit	**45,703**	**8.8%**	**17,773**	**3.6%**
Financial expenses, net	(6,171)	(1.2%)	(12,402)	(2.5%)
Other results	(22,755)	(4.4%)	(2,355)	(0.5%)
Profit (loss) before tax	**16,777**	**3.2%**	**3,016**	**0.6%**
Income taxes	(1,474)	(0,3%)	(2,808)	0.6%
Profit for the period from continuing operations	**15,303**	**2.9%**	**208**	**0.0%**
Profit (loss) after tax for the period from discontinued operations	(115)	0.0%	84	0.0%
Profit for the period	**15,188**	**2.9%**	**292**	**0.1%**
Non-controlling interests	-	-	-	-
Attributable to equity holders of the parent company	15,188	2.9%	282	0.1%

The accompanying notes are an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Campofrio Food Group
(*In Thousands of Euros*)

	Consolidated statement of financial position at,	
	Jun 30, 2015	**Jun 30, 2014**
	(unaudited)	**(unaudited)**
ASSETS		
Property, plant and equipment	524,274	570,291
Goodwill	460,133	458,759
Other intangible assets	277,628	285,221
Non-current financial assets	3,406	39,605
Investments accounted for under the equity method	31,180	30,408
Deferred tax assets	145,140	157,915
Total non-current assets	**1,441,761**	**1,542,199**
Biological assets	-	-
Inventories	369,734	386,449
Trade and other receivables	178,440	175,517
Other current financial assets	388	390
Other current assets	7,160	6,566
Cash and cash equivalents	175,419	108,808
Total current assets	**731,141**	**677,730**
Assets classified as held for sale and discontinued operations	**1,006**	**1,114**
TOTAL ASSETS	**2,173,908**	**2,221,043**
EQUITY AND LIABILITES		
Equity attributable to equity holders of the parent	626,498	614,265
Equity	**626,498**	**614,265**
Debentures	492,644	-
Interest-bearing loans and borrowings	67	15,108
Other financial liabilities	12,065	11,070
Deferred tax liabilities	148,460	164,225
Other non-current liabilities	10,467	13,933
Provisions	52,900	96,186
Total non-current liabilities	**716,603**	**300,522**
Debentures	5,063	500,115
Interest-bearing loans and borrowings	25,613	50,488
Trade and other payables	716,190	671,043
Other financial liabilities	1,578	2,083
Creditor for income tax	3,083	1,374
Provisions	11,765	17,445
Other current liabilities	67,513	63,701
Total current liabilities	**830,805**	**1,306,249**
Liabilities associated to operations on sale or discontinued	**2**	**7**
TOTAL EQUITY AND LIABILITIES	**2,173,908**	**2,221,043**

The accompanying notes are an integral part of this consolidated financial information.

CONSOLIDATED CASH FLOW STATEMENT

Campofrio Food Group
(*In Thousands of Euros*)

	Six month period ended Jun 30,	
	2015	**2014**
	Actual (unaudited)	**Actual (unaudited)**
Operating flows before changes in working capital	**44,794**	**63,204**
Changes in working capital	(11,360)	(29,836)
Cash flows from operating activities	**33,434**	**33,368**
Net interest payments	(20,031)	(24,877)
Provision and pensions payment	(6,367)	(24,833)
Income tax paid	(4,084)	(817)
Other collection and payments	67,902	1,483
Net cash flows from operating activities	**70,854**	**(15,676)**
Investments in property, plant and equipment	(21,444)	(24,580)
Divestment in Joint Ventures	(32,942)	-
Other cash flows from investing operations, net	4,393	371
Net cash flows from investing activities	**(49,993)**	**(24,209)**
Changes in financial assets and liabilities	(16,245)	(17,741)
Issuance of debentures and bonds	492,368	-
Repayment of debentures and bonds	(501,717)	-
Amortization of capital shares	(7,283)	-
Sales of treasury shares	-	20,477
Net cash flows from financing activities	**(32,877)**	**2,736**
Net increase/(decrease) in cash and cash equivalents	**(12,016)**	**(37,149)**
Cash and cash equivalents at beginning of period	187,435	145,957
Cash and cash equivalents at end of period	175,419	108,808

	Three month period ended Jun 30,	
	2015	**2014**
	Actual (unaudited)	**Actual (unaudited)**
Operating flows before changes in working capital	**21,725**	**35,059**
Changes in working capital	10,117	(1,379)
Cash flows from operating activities	**31,842**	**33,680**
Net interest payments	(18,458)	(23,072)
Provision and pensions payment	(4,688)	(9,088)
Income tax paid	(4,442)	(1,266)
Other collection and payments	64,750	624
Net cash flows from operating activities	**69,004**	**878**
Investments in property, plant and equipment	(14,749)	(16,517)
Divestment in Joint Ventures	(32,942)	-
Other cash flows from investing operations, net	4,261	209
Net cash flows from investing activities	**(43,430)**	**(16,308)**
Changes in financial assets and liabilities	(16,176)	(20,391)
Issuance of debentures and bonds	(143)	-
Repayment of debentures and bonds	(501,717)	-
Amortization of capital shares	(7,283)	-
Sales of treasury shares	--	20,477
Net cash flows from financing activities	**(525,319)**	**86**
Net increase/(decrease) in cash and cash equivalents	**(499,745)**	**(15,344)**
Cash and cash equivalents at beginning of period	675,164	124,152
Cash and cash equivalents at end of period	175,419	108,808

The accompanying notes are an integral part of this consolidated financial information.

OTHER SELECTED CONSOLIDATED FINANCIAL INFORMATION
Campofrio Food Group
(*In Thousands of Euros*)

Conciliation from Profit for the period to EBITDA normalized

	Six month period ended June 30,	
	2015	**2014**
	Actual (unaudited)	**Actual (unaudited)**
Profit for the period attributable to equity holders of the parent company	(3,345)	(4,207)
Profit (loss) after tax for the period from discontinued operations	(8)	(906)
Income taxes	896	1,029
Other results	25,428	6,662
Financial expenses, net	33,880	25,541
Impairment of assets	321	-
Depreciation and amortization	32,956	35,130
EBITDA	**90,128**	**63,249**
Total adjustments	(23,235)	59
EBITDA (normalized)	**66,893**	**63,308**

Conciliation from Profit for the period to EBITDA normalized

	Three month period ended June 30,	
	2015	**2014**
	Actual (unaudited)	**Actual (unaudited)**
Profit for the period attributable to equity holders of the parent company	15,188	292
Profit (loss) after tax for the period from discontinued operations	115	(84)
Income taxes	1,474	2,808
Other results	22,755	2,355
Financial expenses, net	6,170	12,402
Impairment of assets	321	-
Depreciation and amortization	16,330	17,535
EBITDA	**62,353**	**35,308**
Total adjustments	(24,354)	36
EBITDA (normalized)	**37,999**	**35,344**

The accompanying notes are an integral part of this consolidated financial information.

EXPLANATORY NOTES TO THE UNAUDITED INTERIM SELECTED CONSOLIDATED FINANCIAL INFORMATION

Corporate Information

Campofrio Food Group, S.A.U. (the "Company"), with registered office at Avda. de Europa, Parque Empresarial La Moraleja in Alcobendas (Madrid), was incorporated as a private limited company in Spain on September 1, 1944, under the registered name Conservera Campofrío, S.A. On September 5, 1996, the Company's name was changed to Campofrío Alimentación, S.A. and on December 30, 2008, it was changed to its current name, Campofrio Food Group, S.A.U. On May 14, 2015 the Company became a sole shareholder company (*sociedad unipersonal*) thus starting to use the acronym "S.A.U".

Campofrio Food Group, S.A.U. is the parent of a group of companies consolidated under the full and equity consolidation methods.

The Company manufactures and sells products mainly for human consumption. The principal activities of the parent company and the group companies are to manufacture, sell and distribute processed and canned meat and derivatives from pork, poultry and beef by-products and other food products.

The Group operates in Spain, France, Belgium, the Netherlands, Portugal, Germany, Italy, United Kingdom, USA and Romania.

Basis of preparation

The amounts of the consolidated income statement, consolidated statement of financial position and consolidated cash flow statement were prepared in accordance with International Financial Reporting Standards, adopted by the European Union (the "IFRS-EU"), in conformity with EU Regulation no. 1606/2002 of the European Parliament and Council. The rest of information and disclosures that are necessary in financial statements elaborated under IFRS-EU are not included since they are not applicable for the purpose of this document.

In any case, this selected financial information here presented and the explanatory notes should be read in conjunction with the Campofrío Food Group, S.A.U. and subsidiaries Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2014.

Comparability of the information

In order to allow for a better comparability of the information, the Income Statement for the 2014 period has been restated reflecting mainly a reclassification between Net sales and services and Consumptions of goods and other external charges, together with other minor reclassification impacting Consumption of goods and other external charges, Personnel benefit expenses and Other operating expenses. All this changed do not have any impact in Depreciations and amortization, Operating profit or Net income.

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

The discussion and analysis of our results of operations and financial conditions are based on our consolidated financial statements, which have been prepared in accordance with IFRS-EU. The preparation of our consolidated financial statements requires us to apply accounting methods and policies that are based on difficult or subjective judgments, estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The application of these estimates and assumptions affects the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates given the uncertainty surrounding the assumptions and conditions upon which the estimates are based.

Detailed information regarding the Company's accounting policies is provided in Note 2 to our Consolidated Financial Statements for the year ended December 31, 2014.

Non IFRS-EU Financial Measures

This selected financial information could contain non-IFRS-EU measures and ratios, including EBITDA, normalized EBITDA, net debt and leverage and coverage ratios that are not required by, or presented in accordance with, IFRS-EU. We present non-IFRS-EU measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS-EU measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS-EU. Non-IFRS-EU measures and ratios such as EBITDA, normalized EBITDA, net debt and leverage and coverage ratios are not measurements of our performance or liquidity under IFRS-EU and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS-EU or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Operating Segment Reporting

Results are presented in accordance with following strategic reporting segments:

- Southern Europe: includes mainly operating activities managed in Spain, Portugal & Italy.
- Northern Europe: includes operating activities managed primarily in France, the Netherlands, Belgium & Germany.
- Other: includes mainly corporate monitoring and supervising activities and operating activities managed in USA.

Note: Elimination in Net Sales and Services segment reporting refers to the elimination of inter-segment sales (i.e.: sales between Southern and Northern Europe) eliminated at consolidated level. Segment information is presented net of intra-segment sales (i.e.: sales between Spain and Portugal)

Net Financial Debt, Liquidity and Capital Resources

The following chart sets forth the Company's net Financial debt position as of June 30, 2015 and June 30, 2014.

NET FINANCIAL DEBT	**Six month period ended June 30,**	
(*In Thousands of Euros*)	**2015**	**2014**
Non-current financial debt		
Debentures	492,644	-
Interest-bearing loans and borrowings	67	15,108
Other financial liabilities	12,065	11,070
Financial derivatives instruments	-	-
Current financial debt		
Debentures	5,063	500,115
Interest-bearing loans and borrowings	25,613	50,488
Other financial liabilities	1,578	2,083
Current financial assets		
Other current financial assets	(388)	(390)
Cash and cash equivalents	(175,419)	(108,808)
Total Net Financial Debt	**361,223**	**469,667**

As of June 30, 2015, the Company's debt structure consists of the Notes issued in 2015 which amounts to €497.7 million, including accrued and unpaid interest and net of issuance cost after having successfully completed the refinancing process of the former Notes issued in 2009 on April 2.

In addition, there only remains one last €15.0 million instalment maturing in October pertaining to the Senior Term Loan Facility closed in April 2011 under a club deal facility scheme with nine different banks to partially refinance the outstanding debt of Cesare Fiorucci S.p.A., the acquired Italian subsidiary.

As a result, the consolidated balance sheet continues being unusually straight-forward, with practically all the debt held at parent company level and most of it long-term without any refinancing concerns. In this sense, subsidiaries are typically debt-free with the exception of some local credit lines mainly in Italy and a number of other debt items (i.e. leasing, reimbursable grants, etc.) of rather negligible value altogether.

Net financial debt as of June 30, 2015 amounted to €361.2 million compared with €469.7 million as of June 30, 2014. This €108.2 reduction shows the recurrent ability of the Company in terms of positive cash flow generation and our deleveraging commitment over time, once offset the extraordinary collections associated to the insurance down payments and other one-offs cash-outs reported during the period (i.e. refinancing transactions costs, Jean Caby closing and treasury shares capital reduction). To this extent, gross debt also diminished by €40M with respect to last year as the bank club deal facility continues being amortized

The Company's liquidity position remained very solid and amounted to €440 million as of June 30, 2015, consisting of €175.4 million in cash and cash equivalents, €260 million of fully available and committed bank lines provided by a number of different international banks and unused €5 million of uncommitted bank lines. As anticipated, the cash and liquidity positions remain strong after having completed the refinancing process as it has been a recurrent feature for the Company over time.

To this extent, it is worth pointing out that the Company has benefitted from a wide range of diversified banking relationships over the last years even during the most acute turmoil in the financial markets, while it is nowadays taking advantage to further improve the applicable terms and conditions, as well of the tenor of our bank lines under a more favourable credit environment and taking advantage of our significantly improved credit profile including a substantial reduction of our cost of capital, which may also imply the possibility to reduce and/or cancel some of the existing bank lines in order to rationalize bank fees and to keep on optimizing the overall financing expenses.

The following tables set forth the situation of the Company's two main financing sources as of June 30, 2015 and June 30, 2014.

Debentures	**Consolidated position at**	
(*In Thousands of Euros*)	**30/06/2015**	**30/06/2014**
Non-current debentures	492,644	-
Current debentures	5,063	500,115
Principal	-	493,240
Accrued interest	5,063	6,875
Total debentures	**497,707**	**500,115**

Interest-bearing loans and borrowings	**Consolidated position at**	
(*In Thousands of Euros*)	**30/06/2015**	**30/06/2014**
Bank loans and credit facilities	23,944	59,800
Senior term loan	15,155	45,107
Credit lines	8,789	14,693
Discounted bills payable	1,136	4,480
Interest payable	600	1,316
Total	**25,680**	**65,596**

The following table sets forth the situation of the Company's current and non-current other financial liabilities as of June 30, 2015 and June 30, 2014.

Other financial liabilities	**Consolidated position at 30/06/2015**			**Consolidated position at 30/06/2014**		
(In thousands of €)	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Financial leases	6,469	303	6,772	6,757	473	7,230
Other financial liabilities	5,596	1,275	6,871	4,313	1,610	5,923
Total	**12,065**	**1,578**	**13,643**	**11,070**	**2,083**	**13,153**

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Campofrio Food Group is the largest European producer of processed meat products based on net sales. Its products, which are sold under well established and leading brands or unbranded products for third parties, cover a broad range of processed meat categories, including cooked ham, dry sausages, dry ham, hot dogs, poultry products, cold cuts and pâtés. The Company was founded in 1944 in Burgos, Spain and has expanded to achieve a direct presence in seven European countries (Spain, France, Portugal, The Netherlands, Belgium, Italy and Germany) and in the United States; although we generate sales in approximately 80 countries worldwide through independent distributors. The Company's market leading brands include *Campofrío* and *Navidul* in Spain, *Aoste, Justin Bridou* and *Cochonou* in France, *Nobre* in Portugal, *Marcassou* in Belgium, *Stegeman* in The Netherlands and *Fiorucci* in Italy. For the six month period ended June 30, 2015, the Company had Net Sales and Services and Reported EBITDA of €920.1 million and €90.1 million, respectively. The Company is headquartered in Madrid, Spain.

The Company is primarily engaged in the production and sale of processed meat products with a focus on cooked ham, dry sausages, dry ham, hot dogs and poultry products. The Company sources meat primarily from third party suppliers which it monitors on a regular basis to ensure that high-quality and hygienic standards are maintained. The meat is then processed in one, or a combination, of our 27 facilities and the final products are sold directly to customers, which include some of the largest retailers in Europe, including Carrefour, Ahold, Auchan, Delhaize and Lidl, as well as directly or through wholesalers to a large number of food service specialists and traditional retail outlets. As a result of its strong relationships with retail and food specialist customers, the Company has also developed a strong private label or retailer brand business.

Factors Affecting Our Results of Operations

Raw Material Prices

Pig carcass average price	Six month period ended June 30, 2013	2014	2015	% Increase (decrease) over prior period 2014 vs. 2013	2015 vs. 2014
		(price in €/kg)			
Spain Mercolleida	1.73	1.66	1.45	-3.9	-12.4
France MPB	1.56	1.53	1.35	-1.9	-12.0
Netherlands Monfoort	1.62	1.56	1.33	-3.9	-14.6
Belgium Danis	1.47	1.42	1.22	-3.4	-14.0
Germany AIM	1.66	1.59	1.41	-4.2	-11.6
Denmark DC	1.49	1.42	1.24	-4.1	-13.3

For 4 of the last 6 years, rising grain prices had negatively affected meat protein prices. During 2013 and 2014, record consecutive grain and oilseed crops worldwide have brought the return of profitability back to EU28 pork meat production and caused its supply to increase significantly since last summer.

During 2014, grain quotations continued their corrections initiated during the fall 2012. EU28 grain prices decreased 50 euro/ton below their previous year levels (Soft Wheat: -15%, Feed Wheat: -20%, Barley: -19%, Corn: -20% and Soybean: -12%). EU28 cereals production rose sharply to 327,4 MT (up +8%) and provided the largest harvest on record. Similarly, US corn and soybean production reached respectively 14,2 (+2,8%) and 4,0 (+18%) billion bushels, both surpassing their previous historical records of 2013. US ethanol generation now consumes 38% of the North American corn crop. In addition, South America (Brazil [est. 94,3MT] and Argentina) harvested a record soybean crop last winter, for the second time surpassing the output from the United States. On a global basis, total world grain production was unchanged at 2001 million MT. Wheat output reached a new all-time high (719MT, up +1% vs. last year) and corn matched the record established last year (990 MT). Global consumption was up +2% to 1973 MT and campaign end stocks up +7% to 429 MT.

Precipitation and temperature conditions have been optimal in most EU28 countries. The record EU28 grain production of 327.4 MT, despite being negatively affected by slightly lower plantings, mainly originated from high average yields (+6%). Soft wheat yields rose +5% and production reached 149,4 MT, up 13,9MT from the previous year. Corn yields (+20% rise) contributed the most to the large total EU28 grain output, with excellent results in all key producing countries (Italy, Hungary, Romania and France). Corn production reached 75,5 MT, an all-time high. Barley output increased only by 1% to the level of 60,5 MT.

During H1 2015, these positive developments mean that European grain prices have remained stable, at the same levels as they were since the end of the harvest period. Although 2015 production is expected to decrease by -6% to 307 MT based on trend yields, it would remain the second largest on record.

Wheat, barley, corn and soybean meal are all key components of the feed ration for pork and poultry production. Their lower prices are widening the margins for both meat production, leading to future growth in output.

From 2010 to summer 2014, EU pork farmers responded to the lack of profitability by cutting sow herds (-4.1% in December 2012 survey, -1.7% in December 2013). However, during the Spring 2013, a combination of lower cereals prices, and 15 to 20 year high pork carcass quotations led to a return of profitability. This pattern continued during 2014, due to further drops in cereals price levels. And despite the implementation of the new EU legislation on sow stall barns, sow populations stabilized with the Spring 2014 survey showing a trend reversal and small increase of +0.8%. Additionally, the December 2014 EU28 sow population survey consolidated the trend by increasing +0.4%.

Results from key individual countries, led by Spain, show increased mated sow populations, but with lesser amplitude than the trend initiated more than 3 years ago (Germany: +0.1%, Spain: +9.3%, Denmark: +1.4%, , Poland: +1.5%, Italy: +5.5%, Belgium: +1.5%). On the other hand, France (-1.2%) and Romania (-5.1%) struggle to turn the page. Eastern Europe (+0.2%) persists below the European average. Moreover, it is expected that the late Spring 2015 survey of sow and pig herds will show additional increases affecting 2016 H2 EU28 pig production. These decisions impact pork meat output with a 10 to 12 months delayed effect.

During 2014, EU28 pork production rose significantly, in particular during the second half of the year. Total estimated output rose 1.5% to 22.2 million MT, with both Q3 and Q4 displaying strong result +2.8% and +3.4% respectively. On one hand, the production increased in Germany (+0.3%), Netherlands (+4.5%), Spain (+3.3%), United Kingdom (+3.5%), France (+0.2%) and Poland (+7.6%). On the other hand, the opposite occurred in Denmark (-0.5%), Italy (-7.3%) and Belgium (-0.9%). As a result, prices have risen less than anticipated during H1, and dropped sharply during Q4. That trend accelerated for the period H1 2015. Year to date, pig slaughter has risen sharply in the following countries: DE: +2.6%, ES: +8,1%, NL: +3.0%, UK: +3,7%.

In addition, pig prices decreased following the ban of Russia pork meat imports from EU28, a consequence of a few cases of African Swine Fever in Eastern Europe. Russia was historically Europe's largest export destination, representing 4% of total production and more than 30% of European exports. Prices dropped from January to March as a result of sudden excess supply. In early August 2014, Russia has extended its ban for another year, affecting in particular Denmark, Germany and Netherlands export oriented slaughter companies. In July 2015, the ban was extended again until the end of the year. In parallel, rising pig slaughter numbers from July on and record pig weights pushed EU28 pig prices well below previous year levels. This trend persisted during H1 2015.

In USA, pork carcass prices rose to record levels due to PED (Porcine Epidemic Diarrhea), affecting dramatically the current and future supply. Hog slaughter in USA dropped -5.2%, a substantially lower number than the previous year. It was partially offset by a record slaughter weight, a consequence of lower grain and feeding prices. Overall, hog production in America dropped -2.4% during 2014. Prices ended the year at the same level as they started 12 month earlier, anticipating sharply rising supply. Since then, prices have dropped further, a consequence of much high levels of production (+6.3% YTD) during the half of 2015.

2014 EU28 exports to third countries decreased -5.0% against last year, mainly due to the ban of exports to Russia and geopolitical tensions in Ukraine. European clients decreased their pork orders by -78%, with Russia lower by -91%, Ukraine (-13%) and Belarus (-95%). The large drop was partially offset by rising Asian imports (+23%) with two distinct groups. On one hand, South Korea, Japan, Philippines volumes rose +107%, +32% and +98%. On the other hand, China consolidates its position as the largest client of EU28 trade bloc with 38% of transacted volumes, and a more moderate increase in volume (+6%). For 2015, January to April data shows a rebound of +6.1% in trade volumes. Despite the fact that EU28 exports to Asia have been impacted by the price competitiveness of US pork meat, the decrease of euro value against the dollar has more than offset the previous effect. Russia volumes are down to 0, but have been totally offset by growth to China, South Korea or Philippines.

Due to increased pork meat production and the persistence of the ban on European export of pork meat to Russia, EU28 pork carcass prices were sharply lower than year ago levels. Their evolution reflected the heterogeneous supply and demand conditions in each production basin. Compared to year ago levels, H1 2015 pork quotations decreased significantly in all countries: Spain (-12.4%), France (-12.0%), Netherlands (-14.6%), Germany (-11.6%), Belgium (-14.0%), Denmark (-13.3%) and Italy (-11.9%).

Among all pork cuts, the year to date public market value of hams decreased in all key countries : France (-6.7%) and Spain (-12.7%). They dropped more significantly in the Northern countries most penalized by the Russian ban (Germany, Denmark and Netherlands). The ham to pig price ratios rose from their low levels, a confirmation of consumers gradually returning to higher relative value cuts in parallel with the progress witnessed with economic recovery in EU28. Shoulders decreased everywhere, from –17.2% in Spain, -24.0% in France, -7.8% in Italy and -4.2% in Belgium. After dropping all last year, belly prices continued their fall in Spain (-11.4%), France (-2.5%), Germany (-3.7%). Fat, jowls, trimmings all traded significantly below their year ago levels as well.

Also positively affected by lower feeding costs, European chicken carcass prices have decreased during H1 2015 (from -3.0% in France to -9.3% in Spain, or -6.7% in Poland). Fresh French turkey (-5.6%) was also lower during the same period on higher production, but breast meat reached new highs year to date.

The pork and chicken meat market trends stated above affected the Company's raw material costs only indirectly. First, the Company purchases pork and poultry cuts in different proportions, each one following its own supply and demand dynamics. During 2015, the average pork meat price purchased by the Company decreased -6.8% versus year ago levels. Second, and more importantly, the cost of goods sold of long-cycle products (cured products) reflects evolutions in raw material prices with a lag time which can vary between 6 and 24 months. Taking into consideration these factors, the pork meat costs for H1 2015 dropped by -9,3% versus the same period last year.

Results of Operations

Comparison of the six month period ended June 30, 2015 and the six month period ended June 30, 2014

Operating Revenues

The following table sets forth a detailed breakdown of our operating revenues for the six month period ended June 30, 2015 and June 30, 2014.

Operating revenues *(in thousands of €)*	**Six month period ended June 30,**			
	2015		**2014**	
	Actual (unaudited)	% of total oper. revenues	**Restated (unaudited)**	% of total oper. revenues
Net sales and services	920,142	92,8%	912,881	95.6%
% increase in Net sales and services	*0.8%*			
Increase in inventories of finished products and work in progress	22,192	2.2%	37,192	3.9%
Capitalized expenses on Company's work on assets	67	0,0%	116	0.0%
Other operating revenue	49,255	5.0%	5,140	0.5%
Total operating revenues	**991,656**	**100,0%**	**955,329**	**100,0%**
% increase in total operating revenues	*3.8%*			

Operating revenues increased by 3.8% to €991.7 million in the six month period ended June 30, 2015 compared to €955.3 million for the six month period ended June 30, 2014. This result reflects an increase in net sales and services of 0.8% to €920.1 million for the six month period ended June 30, 2015 compared with €912.9 million in six month period ended June 30, 2014, an increase in other operating revenue due to a €44.9 million income recognized from the insurance company, comprised of Business Interruption compensation for €19.6 million and €25.3 million of Property Damage compensation (net of inventory impairment), offset by a lower increase in inventories of finished products and work-in-progress. The increase in Net sales and services was primarily due to an increase in net sales in Other segment and in the Northern Europe segment offset by a decrease in Net sales and services in the Southern Europe segment.

Operating Expenses

The following table sets forth a detailed breakdown of operating expenses for the six month period ended June 30, 2015 and June 30, 2014.

Operating expenses *(In thousands of €)*	**Six month period ended June 30,**			
	2015		**2014**	
	Actual (unaudited)	% of total oper. revenues	**Restated (unaudited)**	% of total oper. revenues
Consumption of goods and other external charges	(529,270)	(53.4%)	(544,586)	(57.0%)
Employee benefits expense	(160,073)	(16.1%)	(162,989)	(17.1%)
Depreciation and amortization	(32,955)	(3.3%)	(35,130)	(3.7%)
Changes in trade provisions	(1,757)	(0.2%)	(1,793)	(0.2%)
Other operating expenses	(210,428)	(21.2%)	(182,712)	(19.1%)
Total operating expenses	**(934,483)**	**(94.2%)**	**(927,210)**	**(97.1%)**
% increase in total operating expenses	*0.8%*			

Total operating expenses increased by 0.8% to €934.5 million for the six month period ended June 30, 2015 from €927.2 million for the six month period ended June 30, 2014. The increase in Total operating expenses was primarily attributable to an increase in Other operating expenses, partially offset by lower Employee benefit expense, lower Consumption of goods and lower Depreciations and amortization charges. Operating expenses constituted 94.2% and 97.1% of Total operating revenues for the six month period ended June 30, 2015 and 2014, respectively. The comparability of expenses by line has been altered as a consequence of a temporary different business model after La Bureba fire in the frame-work of the contingency plans until the new factory will be operational.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges decreased by 2.8% to €529.3 million for the six month period ended June 30, 2015 from €544.6 million for the six month period ended June 30, 2014. Consumption of goods and other external charges constituted 53.4% and 57.0% of total operating revenues for the six month ended June 30, 2015 and 2014, respectively. Considered together with the increase in inventories of finished products and work-in-progress presented above, consumption of goods and other external charges decreased by 0.1% the six month period ended June 30, 2015 compared to the same period of 2014.

Employee Benefits Expenses

Employee benefits expenses decreased by 1.8% to €160.1 million for the six month period ended June 30, 2015 from €163.0 million for the six month period ended June 30, 2014. Employee benefits expenses constituted 16.1% and 17.1% of total operating revenues for the six month period ended June 30, 2015 and 2014, respectively.

Depreciation and Amortization

Depreciation and amortization decreased by 6.2% to €33.0 million for the six month period ended June 30, 2015 from €35.1 million for the six month period ended Jun 30, 2014. Depreciation and amortization represented 3.3% and 3.7% of total operating revenues for the six month period ended June 30, 2015 and 2014, respectively.

Other Operating Expenses

Other operating expenses increased by 15.2% to €210.4 million for the six month period ended June 30, 2015 compared with €182.7 million for the six month period ended June 30, 2014. Other operating expenses constituted 21.2% and 19.1% of total operating revenue for the six month period ended June 30, 2015 and 2014, respectively.

Changes in Trade Provisions

Changes in trade provisions remained flat at €1.8 million for the six month period ended June 30, 2015and 2014.

Results of Companies Accounted for Using the Equity Method

For the six month period ended June 30, 2015 and 2014, results of companies accounted for using the equity method amounted to a €25,4 million and a €6.7 million loss, respectively. Results of companies accounted for using the equity method are comprised of our share of profit / (loss) of investments accounted for using the equity method as well as accrued provision to cover risk associated to those investments. The loss in June 30, 2015 was primarily attributable to the disposal of our stake in the joint venture with Foxlease Food, S.A. in France.

Finance and Tax Expenses

Finance Revenue and Finance Costs

Net finance cost increased to €33.9 million for the six month period ended June 30, 2015, compared to €25.5 million in the same period 2014. This increase was mainly due to a one-off impact of the refinancing process associated transaction costs in connection to the early redemption of the 2009 Notes that has finally taken place on April 2 for which a €14.8 million non-recurrent expense was recognized including a "make whole" premium together with the recycle of related issuance costs and transaction expenses that had been originally capitalized, which were accounted for in the first quarter of the year.

Nevertheless, this one-off impact will be more than offset by the dramatic reduction of the financing expenses stemming from the interest rate differential between the former and the new bonds of around €25 million per year from 2016 onwards (3.375% versus 8.375% given that the 2009 Notes had been issued at a discount with a resulting yield of 8.375%), whilst even this year, we expect total net savings of around €4 million after having offset all the associated transaction costs and ancillary accounting effects.

The highly positive outcome of the Refinancing process has therefore implied a material impact not only in terms of Income Statement but also as far as positive cash flow generation is concerned at the same time that the resulting cost of capital of the Company has been more than halved.

Income Tax Expenses

An income tax charge of €0.9 million was recognized for the six month period ended June 30, 2015 compared to a €1.0 million charge in the same period of 2014. The effective tax rate was hardly comparable due to the different taxable income across different jurisdictions.

	Six month period ended June 30,	
(In thousands of €)	**2015**	**2014**
	Actual (unaudited)	**Actual (unaudited)**
Profit before tax	(2,457)	(4,084)
Income tax	(896)	(1,029)
Profit for the year from continuing operations	(3,353)	(5,113)

Results from Discontinued Operations

For the six month period ended June 30, 2015 and 2014, results from discontinued operations amounted to a €0.01 million loss and a €0.9 million gain, respectively.

Profit (Loss) for the Period

Profit for the period amounted to €3.3 million loss for the six month period ended June 30, 2015, compared to €4.2 million loss in the same period of 2014.

Operating Segment Reporting

Net sales and services	Six month period ended June 30,			
	2015		2014	
(In thousands of €)	**Actual (unaudited)**	% of total	**Restated (unaudited)**	% of total
Southern Europe	517,804	56,3%	525,734	57,6%
Northern Europe	399,799	43.4%	387,109	42.4%
Other	43,404	4.7%	28,774	3.2%
Eliminations	(40,865)	(4.5%)	(28,736)	(3.1%)
Total net sales and services	**920,142**	**100.0%**	**912,881**	**100.0%**

EBITDA (normalized)	Six month period ended June 30,			
	2015		2014	
(In thousands of €)	**Actual (unaudited)**	% of total	**Restated (unaudited)**	% of total
Southern Europe	27,419	41.0%	32,160	50.8%
Northern Europe	34,346	51.3%	30,577	48.3%
Other	5,128	7.7%	571	0.9%
Total EBITDA	**66,893**	**100.0%**	**63,308**	**100.0%**
% EBITDA normalized margin over Net Sales				
Southern Europe	5.3%		6.1%	
Northern Europe	8.6%		7.9%	
Other	11.8%		2.0%	
Total EBITDA	**7.3%**		**6.9%**	

Southern Europe

Net sales and services in Southern Europe decreased by 1.5% to €517.8 million for the six month period ended June 30, 2015 from €525.7 million for the same period of 2014. The decrease was mainly due to the lower Net sales in processed meat business in Spain, partially offset by higher fresh meat Net sales. Italy and Portugal still suffering from weak market conditions. Normalized EBITDA in the Southern Europe segment includes a €19.6 million income related to the insurance Business Interruption compensation.

Northern Europe

Net Sales in Northern Europe increase by 3.3% to €399.8 million in the six month period ended June 30, 2015 compared to €387.1 million for the same period of 2014. The increase was attributable to higher net sales in France and The Netherlands, offset by lower Net sales in Belgium and Germany due to market price pressure and growth in the discount retail sector.

Other

The ‘‘Other’’ segment mainly refers our business in U.S., which, during the six month period ended June 30, 2015, continued to outperform in both volume and Net sales value due to improved top line strategy together with a positive exchange rate impact.

Cash Flow

Cash Flows from Operating Activities

For the six month period ended June 30, 2015, the Company generated net cash flows from operating activities amounting to €70.9 million cash in compared to €15.7 million cash out for the six month period ended June 30, 2014. This increase was primarily attributable to a reduction in cash flow before changes in working capital offset with lower increase in working capital, lower provision payments and a €67 million collection from the insurance company.

Cash Used in Investing Activities

For the six month period ended June 30, 2015, net cash used in investing activities amounted to €50.0 million cash out, compared to €24.2 million cash out for the same period in 2014. This increase in cash out is mainly related to a €32.9 million cash out in relation with the divestment in the Joint Venture with Foxlease, S.A. in France offset by the proceeds on disposals of fixed assets. Capital expenditures amounted to €21.4 million for the six month period ended June 30, 2015 and €24.6 million for the six month period ended June 30, 2014.

Cash Flow from Financing Activities

For the six month period ended June 30, 2015, net cash flow used in financing activities was €32.9 million cash out, compared to €2.7 million cash in for the same period of 2014. The cash flow from financing operations for the six month period ended June 30, 2015 includes the net cash proceed related to the 2015 Notes issuance and the 2009 Notes redemption occurred on April 2, 2015, and a €7.2 million cash out related to the capital redemption. The cash flow from financing operations for the six month period ended June 30, 2014 includes a €20.5 million cash out related to the purchase of treasury shares.

Comparison of the three month period ended June 30, 2015 and the three month period ended June 30, 2014

Operating Revenues

The following table sets forth a detailed breakdown of our operating revenues for the three month period ended June 30, 2015 and June 30, 2014.

Operating revenues	**Three month period ended June 30,**			
(in thousands of €)	**2015**		**2014**	
	Actual (unaudited)	% of total oper. revenues	**Restated (unaudited)**	% of total oper. revenues
Net sales and services	473,728	91.2%	475,133	96.7%
% increase in Net sales and services	*-0.3%*			
Increase in inventories of finished products and work in progress	3,273	0.6%	13,094	2.7%
Capitalized expenses on Company's work on assets	66	0,0%	102	0.0%
Other operating revenue	42,163	8.1%	2,872	0.6%
Total operating revenues	**519,230**	**100,0%**	**491,201**	**100,0%**
% increase in total operating revenues	*5.7%*			

Operating revenues increased by 5.7% to €519.2 million in the three month period ended June 30, 2015 compared to €491.2 million for the three month period ended June 30, 2014. This result reflects a decrease in net sales and services of 0.3% to €473.7 million for the three month period ended June 30, 2015 compared with €475.1 million for three month period ended June 30, 2014, an increase in other operating revenue due to a €39.9 million income recognized from the insurance company, comprised of Business Interruption compensation for €14.6 million and €25.3 million of Property Damage compensation (net of inventory impairment), offset by a lower increase in inventories of finished products and work-in-progress. The reduction in Net sales and services was primarily due to a decrease in Net sales and services in the Southern Europe segment, impact offset with an increase in net sales in the Other segment and in the Northern Europe segment.

Operating Expenses

The following table sets forth a detailed breakdown of our operating expenses for the three month period ended June 30, 2015 and June 30, 2014.

Operating expenses	**Three month period ended June 30,**			
(In thousands of €)	**2015**		**2014**	
	Actual (unaudited)	% of total oper. revenues	**Restated (unaudited)**	% of total oper. revenues
Consumption of goods and other external charges	(268,717)	(51.8%)	(281,634)	(57.3%)
Employee benefits expense	(80,134)	(15.4%)	(79,547)	(16.2%)
Depreciation and amortization	(16,329)	(3.1%)	(17,535)	(3.6%)
Changes in trade provisions	(1,108)	(0.2%)	(532)	(0.1%)
Other operating expenses	(106,918)	(20.6%)	(94,180)	(19.2%)
Total operating expenses	**(473,206)**	**(91.1%)**	**(473,428)**	**(96.4%)**

% increase in total operating expenses *0.0%*

Total operating expenses remained flat at €473 million for the three month period ended June 30, 2015 and 2014, respectively. The flat evolution in Total operating expenses was primarily attributable to an increase in Other operating expenses, offset by lower Consumption of goods and lower Depreciations and amortization charges. Operating expenses constituted 91.1% and 96.4% of Total operating revenues for the three month period ended June 30, 2015 and 2014, respectively. The comparability of expenses by line has been altered as a consequence of a temporary different business model after La Bureba fire in the framework of the contingency plans until the new factory will be operational.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges decreased by 4.6% to €268.7 million for the three month period ended June 30, 2015 from €281.6 million for the three month period ended June30, 2014. Consumption of goods and other external charges constituted 51.8% and 57.3% of total operating revenues for the three month ended June 30, 2015 and 2014, respectively. Considered together with the increase in inventories of finished products and work-in-progress presented above, consumption of goods and other external charges decreased by 1.2% the three month period ended June 30, 2015 compared to the 2014.

Employee Benefits Expenses

Employee benefits expenses increased by 0.7% to €80.1 million for the three month period ended June 30, 2015 from €79.5 million for the same period in 2014. Employee benefits expenses constituted 15.4% and 16.2% of total operating revenues for the three month period ended June 30, 2015 and 2014, respectively.

Depreciation and Amortization

Depreciation and amortization decreased by 6.9% to €16.3 million for the three month period ended June 30, 2015 from €17.5 million for the same period in 2014. Depreciation and amortization represented 3.1% and 3.6% of total operating revenues for the three month period ended June 30, 2015 and 2014, respectively.

Other Operating Expenses

Other operating expenses increased by 13.5% to €106.9 million for the three month period ended June 30, 2015 compared with €94.2 million for the three month period ended June 30, 2014. Other operating expenses constituted 20.6% and 19.2% of total operating revenue for the three month period ended June 30, 2015 and 2014, respectively.

Changes in Trade Provisions

Changes in trade provisions increased to €1.1 million for the three month period ended June 30, 2015 from €0.5 million compared to the same period in 2014.

Results of Companies Accounted for Using the Equity Method

For the three month period ended June 30, 2015 and 2014, results of companies accounted for using the equity method amounted to a €22,8 million and a €2.4 million loss, respectively. Results of companies accounted for using the equity method are comprised of our share of profit / (loss) of investments accounted for using the equity method as well as accrued provision to cover risk associated to those investments. The loss in June 30, 2015 was primarily attributable to the disposal of our stake in the joint venture with Foxlease Food, S.A. in France.

Finance and Tax Expenses

Finance Revenue and Finance Costs

Net finance cost decreased to €6.2 million for the three month period ended June 30, 2015, compared to €12.4 million in the same period 2014. As expected and already announced in the first quarter report, the interest expense savings are starting to be realized as a consequence of the improved debt cost and once the refinancing transactions costs have been accounted for in the previous quarter.

Income Tax Expenses

An income tax charge of €1.5 million was recognized for the three month period ended June 30, 2015 compared to a €2.8 million charge in the same period of 2014. The effective tax rate was hardly comparable due to the different taxable income across different jurisdictions.

(In thousands of €)	Three month period ended June 30, 2015 Actual (unaudited)	2014 Actual (unaudited)
Profit before tax	16,777	3,016
Income tax	(1,474)	(2,808)
Profit for the year from continuing operations	15,303	208

Results from Discontinued Operations

For the three month period ended June 30, 2015 and 2014, results from discontinued operations amounted to a €0.1 million loss and a €0.1 million gain, respectively.

Profit (Loss) for the Period

Profit for the period amounted to €15.2 million gain for the three month period ended June 30, 2015, compared to €0.3 million gain in the same period of 2014.

Operating Segment Reporting

Net sales and services	**Three month period ended June 30,**			
	2015		**2014**	
(In thousands of €)	**Actual (unaudited)**	% of total	**Restated (unaudited)**	% of total
Southern Europe	266,333	56,2%	271,729	57,2%
Northern Europe	205,569	43.4%	202,620	42.6%
Other	22,785	4.8%	15,405	3.2%
Eliminations	(20,959)	(4.4%)	(14,621)	(3.1%)
Total net sales and services	**473,728**	**100.0%**	**475,133**	**100.0%**

EBITDA (normalized)	**Three month period ended June 30,**			
	2015		**2014**	
(In thousands of €)	**Actual (unaudited)**	% of total	**Restated (unaudited)**	% of total
Southern Europe	17,988	47.3%	17,859	50.5%
Northern Europe	18,341	48.3%	17,202	48.7%
Other	1,670	4.4%	282	0.8%
Total EBITDA	**37,999**	**100.0%**	**35,343**	**100.0%**
% EBITDA normalized margin over Net Sales				
Southern Europe	6.8%		6.6%	
Northern Europe	8.9%		8.5%	
Other	7.3%		1.8%	
Total EBITDA	**8.0%**		**7.4%**	

Southern Europe

Net sales and services in Southern Europe decreased by 2.0% to €266.3 million for the three month period ended June 30, 2015 from €271.7 million for the same period of 2014. The decrease was mainly due to the lower Net sales in processed meat business in Spain, partially offset by higher fresh meat Net sales. Italy and Portugal still suffering from weak market conditions. Normalized EBITDA in the Southern Europe segment includes a €14.6 million income related to the insurance Business Interruption compensation.

Northern Europe

Net Sales in Northern Europe increase by 1.5% to €205.6 million in the three month period ended June 30, 2015 compared to €202.6 million in the same period of 2014. The increase was attributable to higher net sales in France and The Netherlands, offset by lower Net sales in Belgium and Germany due to market price pressure and growth in the discount retail sector.

Other

The Other segment mainly refers our business in U.S., which, during the three month period ended June 30, 2015, continued to outperform in both volume and Net sales value due to improved top line strategy together with a positive exchange rate impact.

Cash Flow

Cash Flows from Operating Activities

For the three month period ended June 30, 2015, the Company generated net cash flows from operating activities amounting to €69.0 million cash in compared to €0.9 million cash generated for the three month period ended June 30, 2014. This increase was primarily attributable to a reduction in cash flow before changes in working capital offset with higher changes in working capital, lower interest payments, lower provision payments and a €64.75 million collection from the insurance company.

Cash Used in Investing Activities

For the three month period ended June 30, 2015, net cash used in investing activities was €43.4 million cash out, compared to €16.3 million cash out for the same period in 2014. This increase in cash out was mainly attributable to a €32.9 million cash out in relation with the divestment in the Joint Venture with Foxlease, S.A. in France offset by the proceeds on disposals of fixed assets. Capital expenditures amounted to €14.7 million for the three month period ended June 30, 2015 and €16.5 million for the three month period ended June 30, 2014.

Cash Flow from Financing Activities

For the three month period ended June 30, 2015, net cash flow used in financing activities was €525.3 million cash out, compared to €0.1 million cash in for the same period of 2014. The cash out for the three month period ended June 30, 2015 includes the 2009 Notes redemption and the capital shares redemption. The cash flow from financing activities for the three month period ended June 30, 2014 includes the purchase of treasury shares.

RECENT DEVELOPMENTS

Burgos Plant Incident

On November 16, 2014, a fire occurred at our Burgos, Spain meat processing plant. Emergency response personnel were able to extinguish the fire with no injuries or fatalities to either our staff or emergency responders. The incident resulted in the complete destruction of the Burgos plant, which, prior to the incident, employed 894 employees and had an annual production of approximately 61,700 tons, primarily consisting of cooked ham, poultry and dry sausages products. In response to the Burgos fire, and in an effort to minimize the impact on our on-going operations, we promptly implemented a comprehensive recovery plan. As part of this plan, we transferred approximately 40% of displaced production throughout our extensive network of processing facilities, both in Spain and throughout Europe, and reallocated approximately 60% to third-party processors outside of the Campofrio Food Group. Meanwhile, we have recently announced our intention to rebuild our processing facility in Burgos, which we anticipate will be completed in late 2016.

We believe that we have adequate insurance coverage for property damage and business interruption, which we expect to significantly mitigate the impact derived from this incident, including costs associated with rebuilding the Burgos plant and with the recovery plan.

During the six month period ended June 30, 2015, we have booked an income of €19.6 million related to the Business Interruption insurance compensation, and an income of €25.3 million related to Property Damage insurance compensation (net of inventory impairment). During the six month period ended June 30, 2015 we had received advanced payments for €67 million from our insurers, on top of the €71.6 million received by the end of 2014.

Financiere de la Charcuterie J.V. S.a r.l.

In March 2012, given the non-strategic value of the concerned loss-making business, we reached an agreement with Foxlease Food to set up a joint venture (Financiere de la Charcuterie J.V. S.a r.l.) in regards to Jean Caby. We owned at that stage 49% of the joint venture, with Foxlease Food owning the remaining 51%. In December 2014, the joint venture entered into an agreement with a third-party to sell some of its assets and related businesses, which became effective in January this year, subject to notarization of real estate assets, notarization that took place in April 2015. Furthermore, on April 30, 2015, we reached an agreement with the majority shareholder to transfer our shares in the joint venture, agreement which has been formalized within a conciliation protocol agreement homologated by the commercial court of Lille on May 27, 2015. The agreement has been successfully implemented and resulted in the full divestment and exit of Campofrio Food Group from the Joint Venture on June 15, 2015. Such agreement implies the full and final termination of the Company´s obligations with respect to this joint venture and accounting-wise has brought about a €25.7 million one-off profit and loss impact below EBITDA as the net result of the associated write-offs less the accrued provisions, as well as a €32.9 million one-off cash-out. Nonetheless, once we stop accruing the recurrent losses in connection with this business as it has been the case over the last years, we expect a positive impact at net-income level going forward.

Changes in shareholding structure

On June 3, 2015 Alfa S.A.B. de C.V. ("Alfa") acquired the 37% indirect stake in the Company that belonged to WH Group, which was subsequently transferred to Sigma Alimentos S.A. de C.V. ("Sigma"), a fully owned ALFA´s subsidiary. As a result, Sigma currently controls 100% of the Company's shares. Prior to that, on May 14, 2015 the Company approved a share capital reduction whereby its minority shareholders ceased to form part of the shareholding structure and the Company became a sole shareholder company.

ANNEXE A – EXPLANATION OF INCOME STATEMENT ITEMS

Operating Revenues

Operating revenues consist of net sales and services, increases in inventories of finished goods and work in progress, capitalized expenses of company work on assets and other operating revenues.

Net Sales and Services

Our net sales and services consists primarily of the sales of dry, cooked and other meats products, after deduction of rebates and off invoice discounts.

Increase in Inventories of Finished Goods and Work in Progress

Increase in inventories of finished goods and work in progress includes the positive variation between the closing and opening value of finished products and work in progress.

Capitalized Expenses of Company Work on Assets

Capitalized expenses of Company work on assets includes personnel costs for staff engaged in facility development and construction and personnel expenses in connection with tangible and intangible assets. Capitalized staff costs are added to the carrying amount for the related asset in property, plant and equipment and amortized over their useful life.

Other Operating Revenues

Other operating revenues include other income not related to our core activities, such as capital grants release and operating grants.

Operating Expenses

Operating expenses consist of decrease in inventories of finished goods and work in progress, consumption of goods and other external charges, employee benefits expense, depreciation and amortization, changes in trade provisions and other operating expenses.

Decrease in Inventories of Finished Goods and Work in Progress

Decrease in inventories of finished goods and work in progress includes the negative variation between the closing and opening value of finished products and work in progress.

Consumption of Goods and Other External Charges

Consumption of goods and other external charges includes primary purchases of raw material, mainly meats, and other product components such as packaging, spices and other auxiliary materials. This item also includes the stock variation of such materials.

Employee Benefits Expense

Employee benefits expense includes wages and salaries, dismissal indemnities, social security costs and other employee benefits such as health and life insurance.

Depreciation and Amortization

Depreciation and amortization includes property, plant and equipment depreciation charges, amortization of other intangible assets with definitive useful life, such as operating software. Costs of property, plant and equipment in use are depreciated on a straight-line basis at annual rates based on the estimated useful life of the assets.

Changes in Trade Provisions

Changes in trade provisions include mainly changes in trade allowances and reversal from doubtful debtors. Also accounted for in this line item generally, are specific, non-recurring items that are not related to our ordinary business activities.

Other Operating Expenses

Other operating expenses include all other operating expenses, including services expenses, transport cost, utilities, energies, advertising, marketing and general expenses.

Impairment of Assets

Impairment of assets includes losses recognized when the recoverable amount of non-current assets is lower than their carrying value. The recoverable value is defined as the higher of the net fair market value or the value in use of each non-current asset.

Other extraordinary income and expenses, net

Other extraordinary income and expenses—net includes the income received and to be received from the relevant insurance companies and losses recognized as a result of the fire at the Burgos plant on November 16, 2014.

EBIT

EBIT is equal to operating revenues less operating expenses.

Net Finance Cost

Net finance cost includes finance revenue and finance costs. Finance revenue consists of income on loans and other marketable securities, other interest and similar income, exchange rate gains and changes in fair value of financial instruments. Finance cost consists of interest bearing loans and borrowings, other finance costs and exchange losses.

Income on Loans and other Marketable Securities

Income on loans and other marketable securities consists principally of interest from deposits.

Exchange Rate Gains and Losses

This item includes gains and losses from the variation on financial liabilities denominated in US dollars, which is partially offset by the existing cash flow hedge accounting, and also includes, to a lesser extent gains and losses from the trading generated by accounts payable and receivables denominated in currencies other than euro.

Change in Fair Value of Financial Instruments

Change in fair value of financial instruments includes gains and losses from the variation in the fair value of financial instruments that do not qualify for cash flow hedge accounting.

Interest Bearing Loans and Borrowings

Interest bearing loans and borrowings includes amounts outstanding under the Company's bank loans, credit lines, payables for discounted bills and interest payable.

Share of Profit (Losses) of Investments Accounted for Using the Equity Method

Results of companies accounted for using the equity method include investments in associates over which we exercise significant influence but which are neither subsidiaries nor jointly controlled entities. Investments are measured initially at acquisition cost, subsequently adjusted for changes to each company's equity, taking into consideration the percentage of ownership and any impairment.

Income Taxes

Income taxes consists of current tax payable on the taxable profit for the year and deferred tax. The corporate tax rate in Spain is 28% in 2015 and will be 25% in 2016.

Profit (loss) from Discontinued Operations

Profit (loss) from discontinued operations represents profit or loss for the year attributable to discontinued operations.