CAMPOFRIO FOOD GROUP

UNAUDITED INTERIM SELECTED
CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED
31st DECEMBER 2015

TABLE OF CONTENTS

INTRODUCTION

In March 2015, CAMPOFRIO FOOD GROUP, S.A.U. ("Campofrío 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 Campofrío Food Group and rank *pari passu* in right of payment to all of Campofrío 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 (1)" of the indenture.

CONSOLIDATED INCOME STATEMENT

Campofrío Food Group
(In Thousands of Euros)

	Year ended December 31,			
	2015		2014	
	Actual	% of total oper. revenue	Restated	% of total oper. revenues
Operating revenues				
Net sales and services	1,924,873	98.7%	1,934,179	98.8%
Increase in inventories	15,123	0.8%	11,313	0.6%
Capitalized expenses on Company's work on assets	113	0,0%	439	0.0%
Other operating revenue	10,667	0.5%	11,951	0.6%
Total operating revenues	**1,950,776**	**100.0%**	**1,957,882**	**100.0%**
Operating expenses				
Consumption of goods and other external charges	(1,094,409)	(56.1%)	(1,100,608)	(56.2%)
Employee benefits expense	(317,374)	(16.3%)	(321,006)	(16.4%)
Depreciation and amortization	(46,416)	(2.4%)	(70,748)	(3.6%)
Changes in trade provisions	(3,112)	(0,2%)	(3,809)	(0.2%)
Other operating expenses	(429,061)	(22.0%)	(379,562)	(19.4%)
Total operating expenses	**(1,890,372)**	**(96.9%)**	**(1,875,733)**	**(95.8%)**
Impairment of non - current assets	(771)	(0.0%)	(3,649)	(0.2%)
Other extraordinary income and expenses, net	208,564	10.7%	25,242	1,3%
Operating profit	**268,197**	**13.7%**	**103,742**	**5.3%**
Financial expenses, net	(45,837)	(2.3%)	(51,489)	(2.6%)
Other results	(23,961)	(1.2%)	(21,973)	(1.1%)
Profit (loss) before tax	**198,399**	**10.2%**	**30,280**	**1.5%**
Income taxes	(51,248)	(2,6%)	(17,768)	(0.9%)
Profit for the period from continuing operations	**147,151**	**7.5%**	**12,512**	**0.6%**
Profit (loss) after tax for the period from discontinued operations	-	0.0%	187	0.0%
Profit for the period	**147,151**	**7.5%**	**12,699**	**0.6%**
Non-controlling interests	-	-	-	-
Attributable to equity holders of the parent company	147,151	7.5%	12,699	0.6%

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Campofrío Food Group
(*In Thousands of Euros*)

	Consolidated statement of financial position at,	
	Dec 31, 2015	**Dec 31, 2014**
	Actual	**Actual**
ASSETS		
Property, plant and equipment	589,794	531,229
Goodwill	460,344	459,537
Other intangible assets	273,288	281,458
Non-current financial assets	3,419	40,512
Investments accounted for under the equity method	32,149	31,534
Deferred tax assets	114,686	140,129
Total non-current assets	**1,473,680**	**1,484,399**
Biological Assets	-	579
Inventories	339,958	334,530
Trade and other receivables	172,570	217,253
Other current financial assets	390	390
Other current assets	9,029	8,374
Cash and cash equivalents	331,946	187,435
Total current assets	**853,893**	**748,561**
Assets classified as held for sale and discontinued operations	**-**	**5,373**
TOTAL ASSETS	**2,327,573**	**2,238,333**
EQUITY AND LIABILITES		
Equity attributable to equity holders of the parent	780,341	633,183
Equity	**780,341**	**633,183**
Debentures	493,068	486,197
Interest-bearing loans and borrowings	-	135
Other financial liabilities	11,728	11,085
Deferred tax liabilities	152,099	149,868
Other non-current liabilities	7,867	11,381
Provisions	56,136	115,136
Total non-current liabilities	**720,898**	**773,802**
Debentures	4,922	6,759
Interest-bearing loans and borrowings	7,069	43,209
Trade and other payables	701,107	676,515
Other financial liabilities	2,064	2,216
Creditor for income tax	3,992	6,083
Provisions	11,108	15,014
Other current liabilities	96,072	81,550
Total current liabilities	**826,334**	**831,346**
Liabilities associated to operations on sale or discontinued	**-**	**2**
TOTAL EQUITY AND LIABILITIES	**2,327,573**	**2,238,333**

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

CONSOLIDATED CASH FLOW STATEMENT

Campofrío Food Group
(*In Thousands of Euros*)

	Year ended Dec 31,	
	2015	2014
	Actual	Actual
Operating flows before changes in working capital	**109,395**	**148,360**
Changes in working capital	35,369	14,385
Cash flows from operating activities	**144,764**	**162,745**
Net interest payments	(31,061)	(50,114)
Provision and pensions payment	(10,494)	(32,292)
Income tax paid	(24,466)	(9,151)
Other collection and payments	241,228	73,066
Net cash flows from operating activities	**319,971**	**144,254**
Investments in property, plant and equipment	(95,230)	(76,896)
Divestment in Joint Ventures	(33,391)	-
Other cash flows from investing operations, net	4,652	548
Net cash flows from investing activities	**(123,969)**	**(76,348)**
Changes in financial assets and liabilities	(4,589)	(8,262)
Repayments of bank debt	(30,135)	(30,135)
Issuance of debentures and bonds	492,289	-
Repayment of debentures and bonds	(501,717)	(8,508)
Amortization of capital shares	(7,339)	-
Sales of treasury shares	--	20,477
Net cash flows from financing activities	**(51,491)**	**(26,428)**
Net increase/(decrease) in cash and cash equivalents	**144,511**	**41,478**
Cash and cash equivalents at beginning of period	187,435	145,957
Cash and cash equivalents at end of period	331,946	187,435

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

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

Conciliation from Profit for the period to EBITDA normalized	**Year ended December 31,**	
	2015	**2014**
	Actual	**Restated**
Profit for the period attributable to equity holders of the parent company	147,151	12,699
Profit (loss) after tax for the period from discontinued operations	-	(187)
Income taxes	51,248	17,768
Other results	23,961	21,973
Financial expenses, net	45,837	51,489
Impairment of assets	771	3,649
Depreciation and amortization	46,416	70,748
EBITDA	**315,384**	**178,139**
Total adjustments	(137,062)	(20,055)
EBITDA (normalized)	**178,322**	**158,084**

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

EXPLANATORY NOTES TO THE UNAUDITED INTERIM SELECTED CONSOLIDATED FINANCIAL INFORMATION

Corporate Information

Campofrío 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, Campofrío Food Group, S.A.U. In 2015 the Company became a sole shareholder company (*sociedad unipersonal*) thus starting to use the acronym "S.A.U".

Campofrío 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, 2015 and 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 reclassification impacting Consumption of goods and other external charges 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, 2015.

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 December 31, 2015 and December 31, 2014.

NET FINANCIAL DEBT	**Year December 31,**	
(*In Thousands of Euros*)	**2015**	**2014**
Non-current financial debt		
Debentures	493,068	486,197
Interest-bearing loans and borrowings	-	135
Other financial liabilities	11,728	11,085
Financial derivatives instruments	-	-
Current financial debt		
Debentures	4,922	6,759
Interest-bearing loans and borrowings	7,069	43,209
Other financial liabilities	2,064	2,216
Current financial assets		
Other current financial assets	(390)	(390)
Cash and cash equivalents	(331,946)	(187,435)
Total Net Financial Debt	**186,515**	**361,776**

As of December 31, 2015, the Company's debt structure has been further simplified with respect to the prior quarter, as well as to the year before given the repayment in October of the last instalment pertaining to the Senior Term Loan Facility under a club deal scheme that was originally put in place for the partial funding of the Cesare Fiorucci S.p.A. acquisition in 2011, which was the only long-term bank debt outstanding at Company level.

Therefore, the total long-term debt consists now of the Notes issued in 2015 which amounts to €498.0 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.

As a result, the consolidated balance sheet continues being unusually straightforward, with practically all 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 minor local credit lines mainly in Italy and a number of other debt items (i.e. leasing, reimbursable grants, etc.) of rather negligible value on a global basis.

Net financial debt as of December 31, 2015 amounted to €186.5 million compared to €361.8 million as of December, 2014. This €175.3 million reduction shows the recurrent ability of the Company in terms of positive cash flow generation and our deleveraging commitment over time, while it includes also the remaining insurance compensation collected after successfully closing the settlement process with the related insurance companies. It is worth underlining that the overall resulting financial debt evolution, as well as the associated leverage ratio are rather positive for the year once deducted the extraordinary collections associated to the insurance that have more than offset 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 €35,9 million with respect to last year as the bank club deal facility has been fully amortized and other minor bank lines have been further reduced.

The Company's liquidity position remained very solid amounting to €592.5 million as of December 31, 2015 consisting of €331.9 million in cash and cash equivalents, €251.4 million of fully available bank lines in Euros (€246.0 million committed lines and €5.4 million uncommitted lines) and a credit facility in US Dollars amounting to 10 million USD (€ 9.2 million according the exchange rate EUR/USD at 31/12/2015). 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 even once the extraordinary insurance compensation is deducted. In this sense, it is worth pointing out that the Company continues to benefit 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 decrease 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. In addition, new banking relationships are being activated as a consequence of the enhanced credit profile and the new shareholders structure.

The following tables set forth the situation of the Company's main financing sources as of December 31, 2015 and December 31, 2014.

Debentures	**Consolidated position at**	
(*In Thousands of Euros*)	**31/12/2015**	**31/12/2014**
Non-current debentures	493,068	486,187
Current debentures	4,922	6,759
Principal	-	-
Accrued interest	4,922	6,759
Total debentures	**497,990**	**492,956**

Interest-bearing loans and borrowings	**Consolidated position at**	
(*In Thousands of Euros*)	**31/12/2015**	**31/12/2014**
Bank loans and credit facilities	6,759	40,580
Senior term loan	135	30,133
Credit lines	6,624	10,447
Discounted bills payable	121	2,160
Interest payable	189	604
Total	**7,069**	**43,344**

The following table sets forth the situation of the Company's current and non-current other financial liabilities as of December 31, 2015 and December 31, 2014.

Other financial liabilities	**Consolidated position at 31/12/2015**			**Consolidated position at 31/12/2014**		
(In thousands of €)	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Financial leases	6,059	1,046	7,105	6,596	324	6,920
Other financial liabilities	5,669	1,018	6,687	4,489	1,892	6,381
Total	**11,728**	**2,064**	**13,792**	**11,085**	**2,216**	**13,301**

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Campofrío Food Group is the largest European producer of packaged 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 packaged 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 year ended December 31, 2015, the Company had Net Sales and Services and Reported EBITDA of €1,924.9 million and €315.4 million, respectively. The Company is headquartered in Madrid, Spain.

The Company is primarily engaged in the production and sale of packaged 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	**Year ended December 31,**			**% Increase (decrease) over prior period**	
	2013	**2014**	**2015**	**2014 vs. 2013**	**2015 vs. 2014**
		(price in €/kg)			
Spain Mercolleida	1.77	1.64	1.46	-7.7	-10.8
France MPB	1.62	1.49	1.39	-8.1	-6.7
Netherlands Monfoort	1.66	1.48	1.31	-10.8	-11.5
Belgium Danis	1.51	1.36	1.20	-10.1	-12.0
Germany AIM	1.72	1.56	1.41	-9.0	-10.1
Denmark DC	1.62	1.47	1.33	-8.7	-10.1

For 4 of the last 7 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 the fall of 2014.

During 2015, grain quotations continued their corrections initiated in the fall 2012, although at a lesser pace. EU28 grain prices decreased 10 euro/ton below their year ago levels (Soft Wheat: -7%, Corn: -2% and Soybean: -9%). EU28 cereals production decreased to 309 MT (down -6%) but still provided the second largest harvest on record after last year. On one hand, soft wheat rose to another consecutive record (+2% at 150,2 MT) due to large crops in the key producing countries (France, UK, Germany and Poland). The barley harvest is steady at 60,1 MT. On the other hand, the corn harvest decreased -24% from 75.9MT to 57.4MT on lower yields (6,2 T/ha) in France, Romania, Hungary and Italy.

US corn and soybean production reached respectively 13,6 (-4,6%) and 3,9 (-1%) billion bushels, slightly below the historical records of 2014. However, stock to use ratios are at a decade high, pressuring prices lower. US ethanol generation now consumes 39% of the North American corn crop. In addition, South America (Brazil [est. 101MT] and Argentina [est. 57MT]) is forecasted to harvest new a record soybean crop next winter, for the third consecutive time surpassing the output from the United States. On a global basis, total world grain production is expected to be marginally lower at 1997 MT, down -1% from the record 2017 MT reached last year. Wheat output will surpass year ago levels to a new all-time high (727MT, up +1%) and corn will decrease to 967MT due to lower US production. Global cereals consumption is forecasted to rise slightly +1% to 1986 MT and campaign end stocks will be up +2% to 456 MT.

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

From 2010 to summer 2014, EU pork farmers responded to the lack of profitability by reducing sow herds (-3,9% in December 2012 survey, -1.8% 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 rebounded 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%. During H1 2015, this trend has been reversed again due to a combination of sharply lower pork prices and stable grain quotations. As a result, the May-June survey showed a small decrease of -0,8% in sow herds.

Population results from individual countries varied. Germany: -2,7%, France: 0,5%, Poland: -6,1%, Belgium: -5,8% and UK: -3,5% were the most important contributors to the new recent trend. On the other hand, Spain (+2,3%), Denmark (+0,5%), Netherlands (+0,9%) and Romania (+1,5%) pushed ahead. 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 rose less than anticipated during H1, and dropped sharply during Q4.

That trend accelerated during 2015 as estimated pig slaughter in the following countries reached: DE: +0.9%, ES: +6,9%, NL: +2.2%, UK: +3,7%, Italy: +3.2%. In addition, the carcass weights have been at or far above year ago levels (France, Spain, Holland) due to lower feed prices. Output is forecasted to have risen by more than 3,0%.

During the spring 2015, the EU agricultural commission financed a private storage initiative for frozen pork meat, reaching only 48100 MT. Last July 2015, the Russian ban was extended again well into 2016, and continues to affect North Europe export oriented countries and slaughter companies. Widespread farmer discontent over low commodity prices in EU28 led to the establishment of political prices and financial support measures last summer.

China's pig and sow population estimated decrease of 100 and 10 million head respectively have led to a loss of -5% to -6% in pork meat production, with limited impact on export of USA, Canada and Europe.

In USA, the PED (Porcine Epidemic Diarrhea) event that so affected the 2014 pork supply and prices is clearly behind. After dropping -5.2% last year, a substantial production increase has followed in 2015 with slaughter activity up +8,0% year to date. Pork prices have responded accordingly, dropping sharply -31% below 2014, and further weakness occured during Q4.

For the period of January to November 2015, EU28 pork exports to third countries increased +6.3% against last year, supported by a weaker euro and strong demand from Asia. European clients decreased their pork orders by -39%, with Russia lower by -81%, Belarus (-90.4%) and Ukraine (-8.8%). The large drop was more than offset by rising Asian imports (+11%) with two distinct groups. On one hand, China and South Korea traded volumes rose +22% and +4.9%. On the other hand, Philippines and Japan dropped by -10.7% and -8.3% respectively. China consolidates its position as the largest client of EU28 trade bloc with 44% of transacted volumes.

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, 2015 pork quotations decreased significantly in all key producing countries: Spain (-10.8%), France (-6.7%), Netherlands (-11.5%), Germany (-10.0%), Belgium (-12.0%), Denmark (-10.1%).

Among all pork cuts, with the exception of France (+0.1%), the full year 2015 public market value of hams decreased in the main countries: Spain (-12.6%) and Germany (-6.5%). They dropped more significantly in the Northern countries most penalized by the Russian ban (Germany, Denmark and Netherlands) and Spain due to the large rise in pork meat production. The ham to pig price ratios traded during the summer at their lowest historical levels, a confirmation of the oversupply plaguing the internal EU28 market. Shoulders decreased everywhere, from –15,0% in Spain, -13,2% in France to -9,1% in Italy and -5,0% in Belgium. After dropping all last year, belly prices continued their fall in Spain (-15,1%), France (-1,0%), Germany (-8,9%). Fat, jowls, trimmings all traded significantly below their year ago levels as well, but saw a recent uptick due to China demand.

Also positively affected by lower feeding costs, European chicken carcass prices have decreased during 2015 (from -0.2% in France to -2,5% in Spain, or -5,0% in Poland). While French turkey (-3,4%) was also lower during the same period on higher production, breast meat reached record highs, from Spain to Poland, supported by Avian flu in Midwestern United States (output -5,5%).

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 -8,4% 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 2015 dropped by -5,7% versus the same period last year.

Results of Operations

Comparison of the year ended December 31, 2015 and the year ended December 31, 2014

Operating Revenues

The following table sets forth a detailed breakdown of our operating revenues for the year ended December 31, 2015 and December 31, 2014.

Operating revenues *(in thousands of €)*	**Year ended December 31,**			
	2015		**2014**	
	Actual	% of total oper. Revenues	**Restated**	% of total oper. revenues
Net sales and services	1,924,873	98,7%	1,934,179	98,8%
% increase in Net sales and services	*(0.5%)*			
Increase in inventories of finished products and work in progress	15,123	0.8%	11,313	0.6%
Capitalized expenses on Company's work on assets	113	0,0%	439	0.0%
Other operating revenue	10,667	0.5%	11,951	0.6%
Total operating revenues	**1,950,776**	**100,0%**	**1,957,882**	**100,0%**
% increase in total operating revenues	*(0.4%)*			

Operating revenues decreased by 0.4% to €1,950.8 million for the year ended December 31, 2015 compared to €1,957.9 million for the year ended December 31, 2014. This result reflects a decrease in net sales and services of 0.5% to €1,924.9 million for the year ended December 31, 2015 compared to €1,934.2 million for year ended December 31, 2014. The decrease in total operating revenue was due to a decrease in net sales in the Southern Europe segment offset by an increase in net sales in the Other segment and to a higher increase in inventories.

Operating Expenses

The following table sets forth a detailed breakdown of operating expenses for the year ended December 31, 2015 and December 31, 2014.

Operating expenses *(In thousands of €)*	**Year ended December 31,**			
	2015		**2014**	
	Actual	% of total oper. revenues	**Restated**	% of total oper. revenues
Consumption of goods and other external charges	(1,094,409)	(56.1%)	(1,100,608)	(56.2%)
Employee benefits expense	(317,374)	(16.3%)	(321,006)	(16.4%)
Depreciation and amortization	(46,416)	(2.4%)	(70,748)	(3.6%)

Changes in trade provisions	(3,112)	(0.2%)	(3,809)	(0.2%)
Other operating expenses	(429,063)	(22.0%)	(379,672)	(19.4%)
Total operating expenses	**(1,890,374)**	**(96.9%)**	**(1,875,842)**	**(95.8%)**
% increase in total operating expenses	*0.8%*			

Total operating expenses increased by 0.8% to €1,890.4 million for the year ended December 31, 2015 from €1,875.8 million for the year ended December 31, 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 96.9% and 95.8% of Total operating revenues for the year ended December 31, 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 0.6% to €1,094.4 million for the year ended December 31, 2015 from €1,100.6 million for the year ended December 31, 2014. Consumption of goods and other external charges constituted 56.1% and 56.2% of total operating revenues for the year ended December 31, 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 0.9% the year ended December 31, 2015 compared to the same period of 2014.

Employee Benefits Expenses

Employee benefits expenses decreased by 1.1% to €317.4 million for the year ended December 31, 2015 from €321.0 million for the year ended December 31, 2014. Employee benefits expenses constituted 16.3% and 16.4% of total operating revenues for the year ended December 31, 2015 and 2014, respectively.

Depreciation and Amortization

Depreciation and amortization decreased by 34.4% to €46.4 million for the year ended December 31, 2015 from €70.7 million for the year ended December 31, 2014. Depreciation and amortization represented 2.4% and 3.6% of total operating revenues for the year ended December 31, 2015 and 2014, respectively. The reduction of Depreciation and amortization was mainly explained due to a an extension of the useful life of fixed asset carried out during 2015.

Other Operating Expenses

Other operating expenses increased by 13.0% to €429.1 million for the year ended September 30, 2015 compared to €379.7 million for the year ended December 31, 2014. Other operating expenses constituted 22.0% and 19.4% of total operating revenue for the year ended December 31, 2015 and 2014, respectively.

Changes in Trade Provisions

Changes in trade provisions decreased by 18.3% to €3.1 million for the year ended December 31, 2015from €3.8 million for the year ended December 31, 2014.

Results of Companies Accounted for Using the Equity Method

For the year ended December 31, 2015 and 2014, results of companies accounted for using the equity method amounted to a €24.0 million and a €22.0 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 December 31, 2015 was primarily attributable to the disposal of our stake in the joint venture with Foxlease Food, S.A. in France.

Finance Revenue and Finance Costs

Net finance cost decreased to €45.8 million for the year ended December 31, 2015, compared to €51.5 million in the same period 2014. This decrease is partially due to the lower coupon savings after the refinancing process, as well as lower interest rates and spreads under the bank lines and a reduction of bank fees. This positive effect more than offsets the 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, it is expected from 2016 onwards a more substantial reduction of the financing expenses stemming from the interest rate differential between the former and the new bonds of around €25.0 million per year (3.375% versus 8.25% given that the 2009 Notes had been issued at a discount with a resulting yield of 8.375%).,

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 €51.2 million was recognized for the year ended December 31, 2015 compared to a €17.8 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 €)	**Year ended December 31,**	
	2015	**2014**
	Actual	**Restated**
Profit before tax	198,399	30,280
Income tax	(51,248)	(17,768)
Profit for the year from continuing operations	147,151	12,512

Profit (Loss) for the Period

Profit for the period amounted to €147.2 million gain for the year ended December 31, 2015, compared to €12.7 million gain in the same period of 2014.

Operating Segment Reporting

Net sales and services	Year ended December 31, 2015		2014	
(In thousands of €)	**Actual**	% of total	**Restated**	% of total
Southern Europe	1,090,467	56.7%	1,116,318	57.7%
Northern Europe	817,982	42.5%	810,506	41.9%
Other	95,097	4.9%	69,762	3.6%
Eliminations	(78,673)	(4.1%)	(62,407)	(3.2%)
Total net sales and services	**1,924,873**	**100.0%**	**1,934,179**	**100.0%**

EBITDA (normalized)	Year ended December 31, 2015		2014	
(In thousands of €)	**Actual**	% of total	**Restated**	% of total
Southern Europe	91,318	51.2%	79,496	50.3%
Northern Europe	76,723	43.0%	72,572	45.9%
Other	10,281	5.8%	6,016	3.8%
Total EBITDA	**178,322**	**100.0%**	**158,084**	**100.0%**
% EBITDA normalized margin over Net Sales				
Southern Europe	8.4%		7.1%	
Northern Europe	9.4%		9.0%	
Other	10.8%		8.6%	
Total EBITDA	**9.3%**		**8.2%**	

Southern Europe

Net sales and services in Southern Europe decreased by 2.3% to €1,090.5 million for the year ended December 31, 2015 from €1,116.3 million for the same period of 2014. The decrease was mainly due to the lower Net sales in packaged meat business in Spain, partially offset by higher fresh meat Net sales. Italy and Portugal still suffering from weak market conditions.

Northern Europe

Net Sales in Northern Europe increase by 0.9% to €818.0 million in the year ended December 31, 2015 compared to €810.5 million for the same period of 2014. The increase was attributable to higher net sales in France, The Netherlands and Belgium, offset by lower Net sales value in Germany due to sales mix.

Other

The Other segment mainly refers our business in U.S., which, during the year ended December 31, 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 year ended December 31, 2015, the Company generated net cash flows from operating activities amounting to €320.0 million cash in compared to €144.3 million cash in for the year ended December 31, 2014. This increase was primarily attributable to the insurance company collections which amounted to €241 million and €72 million for the year ended December 31, 2015 and 2014 respectively. This increase is also explained by a higher working capital reduction, lower interest payments after the refinancing process and lower provision payments offset by higher income tax payments.

Cash Used in Investing Activities

For the year ended December 31, 2015, net cash used in investing activities amounted to €124.0 million cash out, compared to €76.3 million cash out for the same period in 2014. This increase in cash out is mainly related to a €33.1 million cash out in relation with the divestment in the Joint Venture with

Foxlease, S.A. in France and offset by the proceeds on disposals of fixed assets. Capital expenditures amounted to €95.2 million for the year ended December 31, 2015 and €76.9 million for the year ended December 31, 2014. Capital expenditures increase is mainly due to the building of the “La Bureba” new factory for which the Company has already registered €21.5 million capital expenditures.

Cash Flow from Financing Activities

For the year ended December 31, 2015, net cash flow used in financing activities was €51.5 million cash out, compared to €26.4 million cash out for the same period of 2014. The cash flow from financing activities for the year ended December 31, 2015 includes the net cash proceed related to the 2015 Notes issuance and the 2009 Notes redemption occurred on April 2, 2015, a €7.3 million cash out related to a share capital redemption and a €30.1 million cash out from bank debt repayment. The cash flow from financing activities for the year ended December 31, 2014 includes a €30.1 million cash out from bank debt repayment, a €8.5 million cash out from an early Notes redemption and a €20.5 million cash in related to the sales 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 Campofrío Food Group.

The new factory construction project to be built in the same location is underway and the corresponding milestones are being accomplished according to the time-schedule. To this extent, the foundation stone ceremony took place on September 16, 2015, and the project is expected to finalize by the end of 2016. During the year ended December 31, 2015 the Group made payments amounting to €6.0 million and recognized additions to property, plant and equipment amounting to €21.5 million. Also, at December 31, 2015 there are commitments assumed in connection with the aforementioned construction work amounting to €55.8 million.

During October 2015, a final settlement was reached with our insurers resulting in a total indemnity of €313 million, distributed €241 million in 2015 and €72 million in 2014. This total compensation is divided into fixed asset damages, inventory damages and business interruption in amount of €228, €16 and €69 million, respectively.

We believe that this settlement shall pave the way for a substantial mitigation of the incurred losses and damages, as well as it will allow us to undertake the investments associated to the new factory without any material financial impact. Besides, the smooth negotiation process with regard to the insurance file comes to prove the adequacy of our policies, as well as the fairly clear circumstances of this file.

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.

ANNEXE B – FOURTH QUARTER SELECTED FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

Campofrío Food Group

(In Thousands of Euros)

	Three month period ended December 31,			
	2015		**2014**	
	Actual	% of total oper. revenue	**Restated**	% of total oper. revenues
Operating revenues				
Net sales and services	506,483	124.1%	522,322	105.6%
Capitalized expenses on Company's work on assets	26	0.0%	38	0.0%
Increase in inventories	(4,954)	(1.2%)	(31,729)	(6.4%)
Other operating revenue	(93,499)	(22.9%)	3,939	0.8%
Total operating revenues	**408,056**	**100.0%**	**494,570**	**100.0%**
Operating expenses				
Consumption of goods and other external charges	(280,465)	(68.7%)	(265,784)	(53.7%)
Employee benefits expense	(80,174)	(19.6%)	(80,418)	(16.3%)
Depreciation and amortization	3,540	0.9%	(18,028)	(3.6%)
Other operating expenses	(107,340)	(26.3%)	(99,343)	(20.1%)
Changes in trade provisions	(1,231)	(0.3%)	(845)	(0.2%)
Total operating expenses	**(465,670)**	**(114.1%)**	**(464,418)**	**(93.9%)**
Impairment of non - current assets	(449)	(0.1%)	(3,649)	(0.7%)
Extraordinary income and expenses, net	208,564	51.1%	25,242	5,1%
Operating profit	**150,501**	**36.9%**	**51,745**	**10.5%**
Financial expenses, net	(5,696)	(1.4%)	(12,800)	(2.6%)
Other results	515	0.1%	(11,721)	(2.4%)
Profit before tax	**145,320**	**35,6%**	**27,224**	**5.5%**
Income taxes	(32,707)	(8.0%)	(10,894)	(2.2%)
Profit for the period from continuing operations	**112,613**	**27.6%**	**16,330**	**3.3%**
Profit & (Loss) after tax for the period from discontinued operations	(103)	(0.0%)	(616)	(0.1%)
Profit for the period	**112,510**	**27.6%**	**15,714**	**3.2%**
Non-controlling interests	-	-	-	-
Attributable to equity holders of the parent company	112,510	27.6%	15,714	3.2%

CONSOLIDATED CASH FLOW STATEMENT

Campofrío Food Group
(*In Thousands of Euros*)

	Three month period ended Dec 31,	
	2015	2014
	Actual	Actual
Operating flows before changes in working capital	**36,976**	**43,900**
Changes in working capital	34,487	55,284
Cash flows from operating activities	**71,463**	**99,184**
Net interest expenses	(1,033)	(22,656)
Provision and pensions payment	(1,754)	(3,668)
Income tax paid	(17,683)	(10,031)
Other collection and payments	167,733	71,431
Net cash flows from operating activities	**218,726**	**134,260**
Investments in property, plant and equipment	(53,822)	(37,036)
Investment in Group companies	(255)	-
Other cash flows from investing operations, net	262	161
Net cash flows from investing activities	**(53,815)**	**(36,875)**
Changes in financial assets and liabilities	(2,263)	(4,166)
Repayments of bank debt	(15,067)	(15,067)
Issuance of debentures and bonds	(41)	-
Repayment of debentures and bonds	-	-
Amortization of capital shares	(56)	-
Sales of treasury shares	-	-
Net cash flows from financing activities	**(12,902)**	**(19,234)**
Net increase/(decrease) in cash and cash equivalents	**152,009**	**78,151**
Cash and cash equivalents at beginning of period	179,937	109,284
Cash and cash equivalents at end of period	331,946	187,435

OTHER SELECTED CONSOLIDATED FINANCIAL INFORMATION

Campofrío Food Group
(*In Thousands of Euros*)

Conciliation from Profit for the period to EBITDA normalized	**Three month period ended December 31,**	
	2015	**2014**
	Actual	**Restated**
Profit for the period Attributable to equity holders of the parent company	112,510	15,714
Profit & (Loss) after tax for the period from discontinued operations	103	616
Income taxes	32,707	10,894
Other results	(515)	11,721
Financial expenses, net	5,696	12,800
Impairment of assets	449	3,649
Depreciation and amortization	(3,540)	18,028
EBITDA	**147,410**	**73,422**
Total Adjustments	(76,607)	(20,186)
EBITDA (normalized)	**70,803**	**53,236**

CONSOLIDATED SEGMENT INFORMATION

Campofrío Food Group
(*In Thousands of Euros*)

Net sales and services	Three month period ended December 31, 2015 Actual	2015 % of total	2014 Restated	2014 % of total
Southern Europe	286,287	56.5%	296,185	56.7%
Northern Europe	208,595	41.2%	219,744	42.1%
Other	27,704	5.5%	23,101	4.4%
Eliminations	(16,103)	(3.2%)	(16,708)	(3.2%)
Total net sales and services	**506,483**	**100,0%**	**522,322**	**100,0%**

EBITDA (normalized)	Three month period ended December 31, 2015 Actual	2015 % of total	2014 Restated	2014 % of total
Southern Europe	46,606	65.8%	27,243	51.2%
Northern Europe	20,101	28.4%	23,211	43.6%
Other	4,096	5.8%	2,781	5.2%
Total EBITDA	**70,803**	**100.0%**	**53,235**	**100.0%**
% EBITDA normalized margin over Net Sales				
Southern Europe	16.3%		9.2%	
Northern Europe	9,6%		10.6%	
Other	14,8%		12.0%	
Total EBITDA	**14.0%**		**10.2%**	