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**SGX-ST/PSE/MEDIA RELEASE:** (unaudited results for the third quarter ending 31 January 2016)

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**Note to Editors:** *Del Monte Pacific Limited (“DMPL” or the “Group”) acquired the consumer food business of Del Monte Corporation (referred to as Del Monte Foods or DMFI) on 18 February 2014 and aligned its financial year with that of DMFI whose financial year runs from May to April. The third quarter is the November to January period.*

**9M FY2016 Highlights**

- **Group sales higher by 6% to US\$1.7bn on higher USA, Philippines and S&W Asia**
- **Group net profit of US\$41.9m better than the loss of US\$23.9m in prior year period**
- **Further deleveraging planned with Preference Shares offering**

**Singapore/Manila, 11 March 2016** – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited (“DMPL” or the “Group”; Bloomberg: DELM SP, DMPL PM) reported today an improvement in sales and profitability for the nine-month period ending January 2016.

The Group achieved nine-month sales of US\$1.7 billion, 6% higher than the same period last year. Its US subsidiary, Del Monte Foods, which accounted for 80% of Group sales, generated revenue of US\$1.4 billion, 8% better than prior year period.

The Philippine market delivered a good performance in the nine-month period with sales up 7%, driven by expanded penetration and increased consumption for its juices, tomato-based sauces and packaged pineapple products. Meanwhile, sales of the S&W branded business in Asia and the Middle East grew by 16% on higher sales from both the fresh and packaged segments, partly offset by lower non-branded OEM exports.

The Group’s gross margin in the nine months improved to 21.4%, much higher than the 18.9% in the same period last year with lower trade spend in DMFI, the absence of purchase accounting inventory step up, and cost optimisation initiatives to mitigate the impact of lower pineapple output from El Niño, particularly in the first half.

The Group posted an EBITDA of US\$174.3 million and a net income of US\$41.9 million in the nine-month period, inclusive of one-off favourable adjustments of US\$23.4 million after tax mainly due to DMFI's retirement plan amendment in the second quarter, a turnaround from the US\$23.9 million loss position last year.

In the third quarter, the Group generated sales of US\$594.1 million, down by 7% due to lower sales in DMFI of 9% mainly from unsuccessful government and co-pack contract bids, partly offset by the good performance in the Philippines, up 6% with effective holiday season advertising campaigns. The rest of Asia under the S&W brand performed strongly, higher by 35%. China and Japan markets grew significantly on higher sales of canned tropical fruit and fresh fruit.

"In the United States, lower sales to the government and co-pack sectors unfavourably impacted our third quarter sales and may continue to impact our fourth quarter sales. We are reviewing our strategy for these channels as part of our long range plan to optimise sustainable sales and profits for the company in the coming year," said Joselito Campos, Jr, Managing Director and Group CEO of DMPL.

The Group's gross margin in the third quarter improved to 20.5%, higher than 19.2% in the same period last year with the absence of purchase accounting inventory step up, significant improvement in productivity as well as cost optimisation initiatives.

For the third quarter, the Group reported an EBITDA of US\$43.9 million and a net income of US\$0.6 million, inclusive of one-time expenses of US\$6.9 million after tax, continuing the improved profitability achieved in the second quarter.

DMPL's share of loss in the FieldFresh joint venture in India was lower at US\$0.3 million from US\$0.4 million in the prior year period due to a 13% growth in sales driven by the robust performance of Del Monte packaged business, primarily led by improved volume in juices and the culinary segment. Higher sales and production efficiencies resulted in FieldFresh sustaining its positive EBITDA trend for the quarter.

As part of the Group's deleveraging plan, DMPL intends to issue US dollar denominated perpetual preference shares in the Philippine capital market, to be listed on the Philippine Stock Exchange. The Group anticipates to launch the offering this year subject to regulatory approvals and market conditions. The proposed issue will be up to US\$360 million that will result in a further improvement of the Group's leverage ratios.

Barring unforeseen circumstances, the Group will report a profit for the full year, a significant turnaround from the loss position last year.

### **Disclaimer**

This announcement may contain statements regarding the business of Del Monte Pacific Limited and its subsidiaries (the "Group") that are of a forward looking nature and are therefore based on management's assumptions about future developments. Such forward looking statements are typically identified by words such as 'believe', 'estimate', 'intend', 'may', 'expect', and 'project' and similar expressions as they relate to the Group. Forward looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to various factors.

Representative examples of these factors include (without limitation) general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, service providers' performance, production efficiencies, input costs and availability, competition, shifts in customer demands and preferences, market acceptance of new products, industry trends, and changes in government and environmental regulations. Such factors that may affect the Group's future financial results are detailed in the Annual Report. The reader is cautioned to not unduly rely on these forward-looking statements.

Neither the Group nor its advisers and representatives shall have any liability whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this announcement or its contents.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in Del Monte Pacific.

### **About Del Monte Pacific Limited ([www.delmontepacific.com](http://www.delmontepacific.com))**

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc, Del Monte Pacific Limited (Bloomberg: DELM SP/ DMPL PM) together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its two heritage brands - *Del Monte* and *S&W* – which originated in the USA in the 1890s as premium quality packaged fruit and vegetable products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while for *S&W*, it owns it globally except Australia and New Zealand.

DMPL's USA subsidiary, Del Monte Foods, Inc (DMFI) ([www.delmonte.com](http://www.delmonte.com)) also owns other trademarks such as *Contadina*, *College Inn*, *Fruit Naturals*, *Orchard Select* and *SunFresh*.

DMFI acquired Sager Creek Vegetable Company's vegetable business on 11 March 2015. Sager Creek is a producer of specialty vegetables for the foodservice and retail markets.

The Group owns approximately 94% of a holding company that owns 50% of FieldFresh Foods Private Limited in India ([www.fieldfreshfoods.in](http://www.fieldfreshfoods.in)). FieldFresh markets *Del Monte*-branded packaged products in the domestic market and *FieldFresh*-branded fresh produce. The Group's partner in FieldFresh India is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

With a 23,000-hectare pineapple plantation in the Philippines, 700,000-ton processing capacity and a port beside the cannery, DMPL's subsidiary, Del Monte Philippines, Inc (DMPI), operates the world's largest fully-integrated pineapple operation. DMPI is proud of its long heritage of 90 years of pineapple growing and processing.

The Group sells fresh pineapples under the *S&W* brand on top of its varied range of packaged products which include packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, under various brands.

DMPL and its subsidiaries are not affiliated with certain other Del Monte companies in the world, including Fresh Del Monte Produce Inc, Del Monte Canada, Del Monte Asia Pte Ltd and these companies' affiliates.

DMPL is 67%-owned by NutriAsia Pacific Ltd and Bluebell Group Holdings Limited, which are beneficially-owned by the Campos family of the Philippines. The NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

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