DEL MONTE PACIFIC LIMITED

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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 second quarter is the August to October period.*

Del Monte Pacific delivers a strong recurring net income of US$21m for the second quarter of FY2017, 33% higher than last year

2Q FY2017 Highlights

- **Net income without one-off items improved by 33% to US$21m**
- **Revenue was slightly lower at US$636m on lower USA sales**
- **Gross margin increased to 23.1% from 22.4% on improved productivity and lower commodity costs**
- **Del Monte Philippines and S&W in Asia and Middle East continued to deliver strong performance**
- **Deleveraging planned with Preference Shares offering in the Philippines**

Singapore/Manila, 6 December 2016 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DMPL PM) reported today its second quarter FY2017 results ending October.

The Group achieved second quarter sales of US$636.2 million, 5% lower than prior year period due to lower sales in the United States. Its US subsidiary, Del Monte Foods, Inc (DMFI), which accounted for 78% of Group sales, generated revenue of US$493.3 million.

DMFI's sales declined due to lower inventory builds on packaged vegetable and plastic fruit cup ahead of the holiday season (as major retailers continued their thrust to optimise cash), weakness in the canned fruit industry, continued impact of unsuccessful low-margin US Department of Agriculture bids from the second half of FY2016 plus reduced sales in private label and foodservice business lines. The foodservice business has been impacted by supply-related issues following closure of the North Carolina plant.

Amidst industry contraction, DMFI increased market share in two major categories in retail and this was further supported through growth of the branded business with its biggest customer, Wal Mart, as well as share growth with other strategic retailers such as Target and Kroger.

The Philippine market sustained its strong performance, with sales growing in double-digit terms, driven by expanded penetration and increased consumption across categories in retail, as well as expansion in the rapidly growing foodservice channel where the Group optimised opportunities.

The Group also strengthened its culinary portfolio with the launch of the Contadina brand in the Philippines with Nigella Lawson, best-selling cookbook author, food enthusiast and TV host as brand ambassador, and with the reintroduction of its Del Monte Extra-Rich Tomato Ketchup and Del Monte Extra-Rich Banana Ketchup. Both launches are meant to tap into the growing trend for premiumisation, following improvements in the Filipinos' purchasing power.

Sales of the S&W branded business in Asia and the Middle East performed very strongly with double digit growth driven by both the fresh and packaged segments. S&W expanded its fresh fruit distribution in China and raised brand awareness through in-store sampling. In the packaged segment, sales increased from strong sales of canned fruit to North Asia, higher shipment into Indonesia and improved sales to a foodservice partner in the Philippines.

The Group's gross margin for the second quarter increased to 23.1% from 22.4% in the same period last year partly due to improvements in productivity in the cannery and lower commodity costs particularly packaging.

The Group's recurring EBITDA of US$72.9 million was higher versus last year's US$69.8 million. One-off-expenses amounting to US$1.5 million from closure of the North Carolina plant and severance were also booked in the second quarter of this year. This was part of the restructuring exercise started in FY2016 to optimise operations. In the prior year, due to a net one-time gain of US$33.4 million resulting mainly from an amendment to DMFI's retirement plan, the Group had recorded an EBITDA of US$103.2 million.

Without the one-off items, the Group achieved a net income of US$21.0 million, 33% higher than last year's recurring net income of US$15.8 million. Inclusive of the one-off items, net income for the quarter was US$20.2 million, lower versus prior year period's US$47.8 million.

"The excellent results in the Philippines and the S&W Asian markets, where our teams delivered on both sales expansion and productivity improvement resulting in cost reduction, underscore our strategy to tap into consumption driven growth in Asia which is fuelled by an emerging middle class while, at the same time, seeking to create efficiencies throughout our operations," said Joselito D Campos, Jr, Managing Director and Group CEO of DMPL. "Our US business has been impacted by shifting consumer preferences, spending priorities and our performance in the foodservice sector. The demand for convenient packaged foods remains strong and our aim is to increase our market share by doubling our efforts on innovation and new product development," he added.

DMFI increasingly offers differentiated value propositions through meaningful product improvements including the use of natural sea salt and the transition to BPA-free internal can coatings and non-GMO.

For the first half of FY2017, the Group generated sales of US$1.1 billion, down 4% versus prior year period on lower sales from the US partly offset by robust sales in Asia. Excluding the one-off items, the Group's recurring net income would have been US$15.1 million in the first half of FY2017, more than double last year's US$6.9 million. With the inclusion of the one-off items, the Group generated a net income of US$11.4 million, lower than prior year period's US$37.1 million which included a net one-time gain of US$30.4 million mainly from DMFI's retirement plan amendment of last year.

As part of the Group's deleveraging plan subject to market conditions, DMPL intends to issue early next year US dollar denominated perpetual preference shares in the Philippine capital market, to be listed on the Philippine Stock Exchange (PSE). The Company has received approvals from the Philippine SEC and the Bangko Sentral ng Pilipinas (Central Bank) and is awaiting the approval of its listing application from the PSE. As this is the first US$-denominated preference shares to be issued and listed on the PSE, PSE's trading platform is being enhanced for dollar denominated transactions. The SEC has recently approved the PSE's Dollar Denominated Securities rules. The proposed issue will be up to US$360 million (with an initial tranche of up to US$250 million and the balance issuable within three years) that will result in a further improvement in the Group's leverage ratios.

Barring unforeseen circumstances, the Group will continue to be profitable for FY2017.

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.

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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)

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 heritage brands - *Del Monte, S&W, Contadina* and *College Inn* – majority of which originated in the USA more than 100 years ago as premium quality packaged food 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. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc (DMFI) (www.delmonte.com) owns other trademarks such as *Fruit Naturals, Orchard Select, SunFresh* and *Fruit Refreshers*.

The Group sells packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, under various brands and also sells fresh pineapples under the *S&W* brand.

The Group owns approximately 94% of a holding company that owns 50% of FieldFresh Foods Private Limited in India (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.

DMPL's USA subsidiary operates 12 plants in the USA, two in Mexico and one in Venezuela, while its Philippines subsidiary operates the world's largest fully-integrated pineapple operation with its 23,000-hectare pineapple plantation in the Philippines and a factory with a port beside it. The Group is proud of its long heritage of 90 years of pineapple growing and processing in the Philippines.

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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