



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 fourth quarter is the February to April period.*

FY2016 Highlights

- Full year results reflect growth in sales and rise in profitability
- Revenue up 4% to US\$2.3bn on higher USA, Philippines and S&W Asia sales
- Net profit rose to US\$51.5m, a substantial change from prior year loss of US\$43.2m
- Further deleveraging planned with Preference Shares offering
- Declared dividend of 1.33 US cents (US\$0.0133) per share or 50% payout of FY2016 earnings

Singapore/Manila, 29 June 2016 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DMPL PM) reported today a growth in sales and rise in profitability for the full year ending April 2016.

The Group achieved full year sales of US\$2.3 billion, 4% higher than last year. Its US subsidiary, Del Monte Foods, which accounted for 78% of Group sales, generated revenue of US\$1.8 billion, 4% better than prior year. DMFI increased its market share in the US canned vegetable and fruit segments amidst industry contraction.

The Philippine market delivered a record performance for the full year with sales up 6% as all product categories – packaged fruit, beverage and culinary – posted higher sales, driven by an expanded user base and household penetration. In addition, the market continues to benefit from the resurgent multi-serve beverage segment, behind trade expansion and digital-based awareness building initiatives for the 1-litre Tetra Juice Drink line. The food service or institutional channel also performed strongly.

Sales of the S&W branded business in Asia and the Middle East also posted a record performance, growing by 10% on higher sales from both the fresh and packaged segments. China generated strong growth in fresh, driven by distribution expansion.

The Group's gross margin for the full year improved to 21.2%, higher than the 18.7% in the same period last year with lower trade spend in DMFI and cost optimisation initiatives to mitigate the impact of lower pineapple output from El Niño, particularly in the first half of the financial year.

The Group achieved an EBITDA of US\$235.2 million and a net income of US\$51.5 million for the full year, inclusive of one-off net favourable adjustments of US\$31.7 million after tax mainly due to DMFI's retirement plan amendment in the second quarter and the working capital adjustment in the fourth quarter, which offset expenses from the closure of a plant in North Carolina. Even after excluding non-recurring items, the core or recurring net income in FY2016 of US\$19.8 million is a significant improvement from the US\$43.2 million reported loss last year.

"During the past year, we continued to lay the foundation for future growth and this is reflected in the sales and financial performance of Del Monte Pacific in FY2016," said Joselito D Campos, Jr, Managing Director and Group CEO of DMPL. "We drove improvements in our cost structure and better aligned operations with our strategic direction to gain market share, increase margins and expand into adjacent categories as part of a long-range plan to grow sales and profits for the company in the years ahead."

In the fourth quarter, the Group reported an EBITDA of US\$78.2 million and a net income of US\$19.2 million, inclusive of one-time net gain of US\$8.4 million after tax, continuing the improved profitability achieved in the last two quarters.

The Group, however, generated sales of US\$520.1 million in the fourth quarter, down by 3% due to lower sales in DMFI by 7% mainly from unsuccessful government and co-pack contract bids. The company is reviewing its strategy for these unbranded channels going forward. Lower sales in the US were partly offset by the commendable performance in the Philippines, up 6% with expanded household penetration from advertising campaigns. Meanwhile, the S&W branded business in Asia and the Middle East generated 8% higher sales. Korea and Japan markets grew significantly on improved sales of canned beans and tropical fruits.

The Group's gross margin in the fourth quarter improved to 21.3% from 20.0% in the same period last year on the back of productivity enhancements and cost optimisation initiatives.

DMPL's share of loss in the FieldFresh joint venture in India was lower at US\$0.5 million from US\$0.6 million in the prior year period due to a 13% growth in sales driven by the robust performance of Del Monte packaged business, led primarily 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 (PSE). The Group expects to launch the offering this year subject to regulatory approvals and market conditions. The Company has received pre-effective approval from the Philippine SEC earlier and is awaiting the approval of its listing application and the offering from the PSE and the Bangko Sentral ng Pilipinas (Central Bank), respectively. As this is the first ever US\$-denominated preference shares to be issued and listed on the PSE, the platform is being set up. The PSE has approved and endorsed its amended Dollar Denominated Securities rules to the SEC for its concurrence. 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 of the Group's leverage ratios.

The Board declared a dividend of 1.33 US cents (US\$0.0133) per share, representing a 50% payout of FY2016 net profit.

Barring unforeseen circumstances, the Group will continue to be profitable in FY2017. In the short-to-mid term, DMPL plans to improve its financial performance by strengthening its core business, leveraging procurement synergies and optimising G&A costs. The closure of the North Carolina plant was part of this streamlining effort. In addition, the Group will shift to a leaner organisation model in the US to drive channel growth and bring down costs in line with competition.

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)

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) owns other trademarks such as *Contadina*, *College Inn*, *Fruit Naturals*, *Orchard Select* and *SunFresh*.

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.

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.

Another subsidiary, S&W Fine Foods International Limited 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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