



# Del Monte Pacific Limited

## First Quarter 2012 Results

30 April 2012



# Disclaimer



This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events.



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# Executive Summary

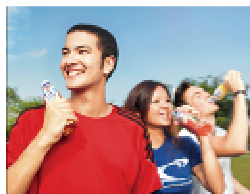


## DEL MONTE PACIFIC POSTS RECORD FIRST QUARTER REVENUE AND OPERATING PROFIT



- Highest recorded sales for a first quarter of US\$75m
- Sales of S&W branded business increased 47%
- First quarter net profit registered a threefold increase to US\$4.4m

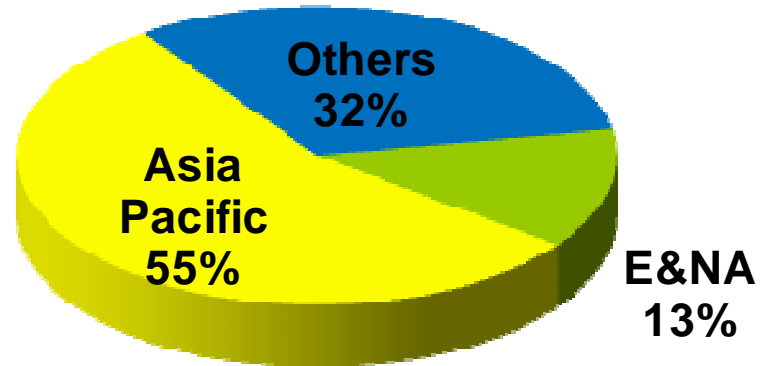




# First Quarter 2012

In US\$m	1Q 2011	1Q 2012	Chg (%)	Comments
<b>Turnover</b>	69.3	<b>74.7</b>	+7.8	Higher sales due to S&W branded business and the Philippine market
<b>Gross profit</b>	15.2	<b>17.6</b>	+16.3	Higher volume, better sales mix and active cost management
<b>Operating profit</b>	4.3	<b>8.6</b>	+98.1	Higher margins and lower operating expenses
<b>Finance inc/(exp)</b>	(0.6)	<b>(1.2)</b>	+84.4	Higher borrowings
<b>Share of loss</b>	(2.2)	<b>(1.7)</b>	-22.2	46.0% stake in FieldFresh India
<b>Tax</b>	0.04	<b>(1.3)</b>	n/m	Due to higher income in certain taxable jurisdiction
<b>Net profit attributable to owners</b>	1.5	<b>4.4</b>	+191.0	Mainly due to higher turnover
<b>Net debt</b>	(94.2)	<b>(120.2)</b>	+27.6	Higher working capital requirements
<b>Gearing (%)</b>	44.3	<b>53.8</b>	+9.5ppt	Same as above

# 1Q Turnover Analysis



<b>Asia Pacific</b>	<b>+2.2%</b>	<ul style="list-style-type: none"> <li>Strong sales of canned 100% pineapple juices in the Philippines</li> </ul>
<b>E&amp;NA</b>	<b>-13.6%</b>	<ul style="list-style-type: none"> <li>Lower demand of fruits in can, plastic cup and aseptic bag in the USA</li> </ul>
<b>Others</b>	<b>+34.3%</b>	<ul style="list-style-type: none"> <li>Strong 47% sales growth of the S&amp;W branded business, both processed and fresh</li> </ul>





# Philippine Market 1Q 2012 Updates

- 1Q Philippine sales of canned juices, processed fruits and culinary products were all up
- Del Monte 100% Pineapple Juice Heart Smart's strong cholesterol-reduction positioning further strengthened the line's push for consumption as a daily maintenance beverage among a wider base of consumers
- For processed pineapple, growth was driven primarily by the more affordable variant in stand-up pouch
- The culinary segment continued to grow on the strength of consumption building and share recovery initiatives behind the tomato sauce and spaghetti sauces lines





# S&W 1Q 2012 Updates

Penetrated new markets of Japan for fresh product and Middle East for processed product







# India 1Q 2012 Updates

- Sales of the Del Monte-branded business in India grew 7% with improvement in contribution margins
- Closure of fresh domestic business
- Lower equity loss of US\$1.7 million from US\$2.2 million





# 1Q Margins



## Gross margin ↑

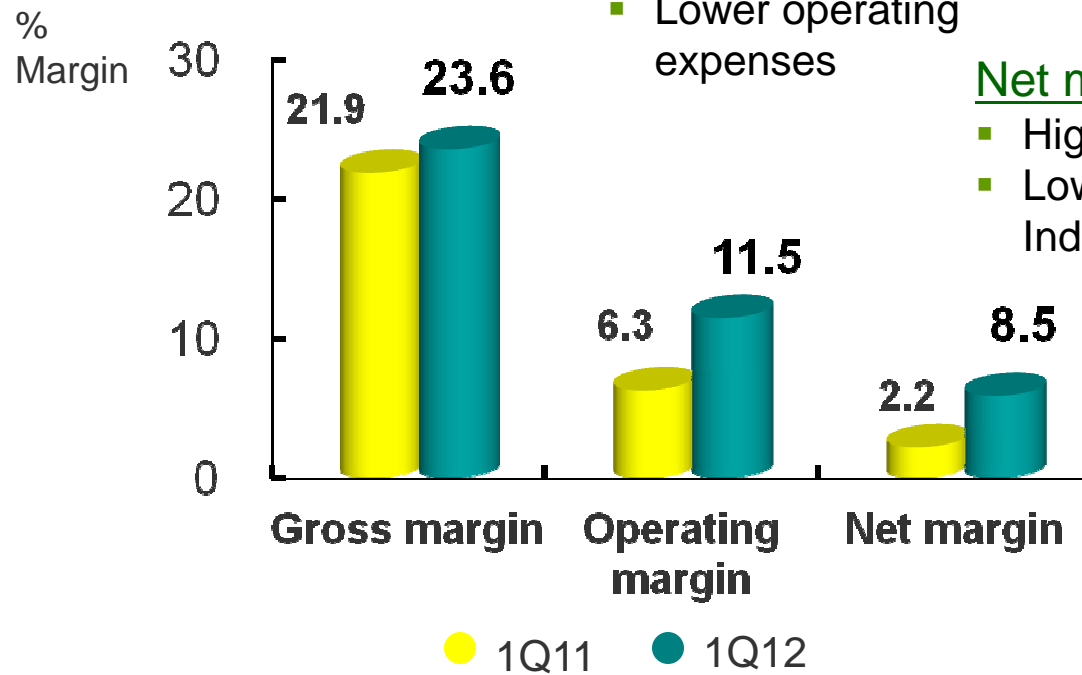
- Better sales mix
- High pineapple yield
- Favourable raw material costs
- Production efficiencies

## Operating margin ↑

- Higher gross profit
- Lower operating expenses

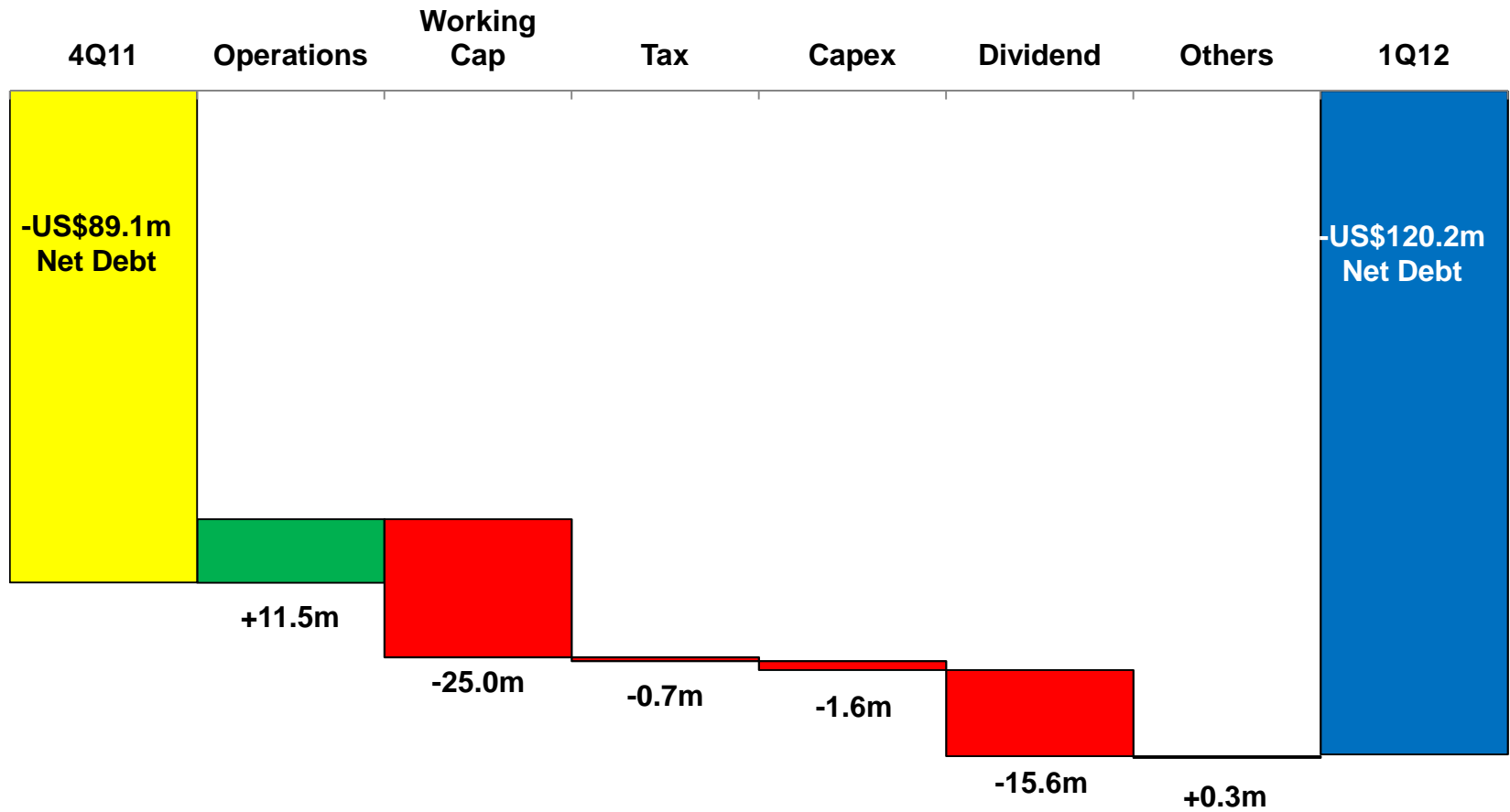
## Net margin ↑

- Higher operating profit
- Lower equity loss in Indian affiliate





# 1Q Cash Flow Variance Analysis





# Credit Standing



- **Loan utilisation:** only 45% of bank credit lines
- **Loan Mix:** 47% Peso and 53% US\$ to optimise natural hedge

81% Short term and 19% Long term

## Gearing and Coverage Ratios

Net debt equity ratio = 53%

Interest cover = 15x





# Operation Updates



## Improvement in pineapple operations



	1Q 2012 (YoY chg)
Yield	+6%
Supply	+9%
Process Rate	+6%





# Outlook



- The combination of revenue expansion and active cost management led to record sales and operating profit in the first quarter.
- The Group's branded business in the Philippines through the Del Monte brand and in Asia Pacific through the S&W brand continued to generate higher returns.
- However, the Group was challenged in the export markets due to weak market conditions. The Group is actively addressing the export markets by re-channeling products to markets with growth.
- Profit-building initiatives in the Indian joint venture have started to take effect.
- Barring unforeseen circumstances, the Group expects to improve earnings in 2012. This will be driven by revenue enhancements from better volume and mix, and operational efficiencies coupled with active cost management.