



Life gets Better

1Q FY2016 Results

3 September 2015



Del Monte Pacific Limited

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Notes to the 1Q FY2016 Results

1. DMPL changed its financial-year end to 30 April from 31 December to align with that of its US subsidiary, Del Monte Foods, Inc (DMFI). The first quarter of the Company is now 1 May to 31 July.
2. DMFI's financial results have been consolidated in DMPL's financials since the acquisition was made on 18 February 2014.
3. DMFI's financial statements are based on US GAAP, while DMPL's are based on IFRS. DMFI's financial statements are converted to IFRS for consolidation purposes.
4. DMPL's effective stake in DMFI is 89.4%, hence the non controlling interest line (NCI) in the P&L. Net income is net of NCI.



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DMPL 1Q FY2016 Results Summary

- Achieved sales of US\$473m, 6% higher year on year
- Sales of Del Monte Foods in the US grew by 10%
- Sales of Del Monte in the Philippines grew by 7%
- Recorded Group EBITDA of US\$17m vs breakeven in prior year and narrowed net loss to US\$12m versus prior year's loss of US\$22m



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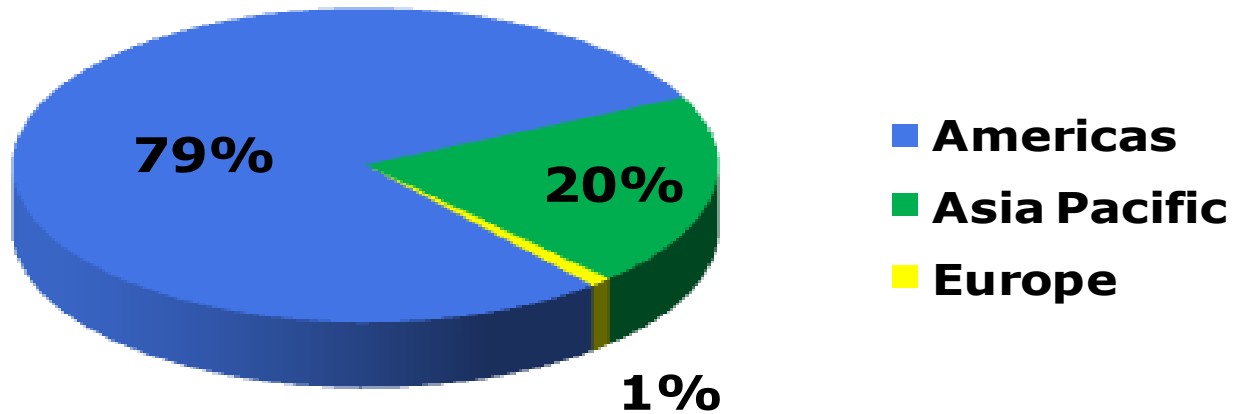
DMPL 1Q FY2016 Results

In US\$m	1Q FY 2015	1Q FY 2016	Chg (%)	Comments
Turnover	445.6	472.8	+6.1	Higher DMFI and Philippines sales
Gross profit	70.7	93.8	+32.5	Prior year had non-recurring inventory step up
Operating profit/(loss)	(12.1)	0.2	+101.8	Prior year impacted by non-recurring expenses (NRE)
Finance expense	(23.7)	(21.7)	-8.6	Some bridge loans paid off through Rights Issue proceeds
FieldFresh equity share	(0.6)	(0.4)	-33.3	Better performance in 47% owned FieldFresh India
Tax credit	12.1	8.4	-30.9	DMFI loss
Net loss	(21.9)	(12.0)	-45.1	Lower loss as prior year was impacted by NREs
Net debt	(1,833.2)	(1,859.0)	+1.4	1Q is seasonally low quarter for sales and cash flow
Gearing (%)	791.5	595.6	-195.9ppts	Lower due to Rights Issue

DMPL ex DMFI 1Q FY 2016 Results

In US\$m	1Q FY 2015	1Q FY 2016	Chg (%)	Comments
Turnover	120.6	109.9	-8.9	Lower export sales due to constrained pineapple supply
Gross profit	26.1	25.3	-3.1	Same as above offset by tight cost management
Operating profit	8.7	9.4	+8.0	Prior year impacted by non-recurring expenses
Finance expense	(1.5)	(0.5)	-66.7	Some bridge loans paid off through Rights Issue proceeds
FieldFresh equity share	(0.6)	(0.4)	-33.3	Better performance in 47% owned FieldFresh India
Tax	(1.7)	(1.4)	-17.6	Due to product mix
Net profit	6.4	7.3	+14.1	Mainly due to lower finance expense
Net debt	(804.4)	(652.1)	-18.9	Lower due to Rights Issue
Gearing (%)	347.9	172.3	-175.6ppts	Same as above

1Q FY 2016 Turnover Analysis



Americas	+9.1%	<ul style="list-style-type: none"> • Due to higher DMFI sales mainly due to the consolidation of recently acquired Sager Creek
Asia Pacific	-1.6%	<ul style="list-style-type: none"> • Higher sales in the Philippines of +7% offset by weak exports of packaged and fresh pineapple due to reduced pineapple supply as a result of the El Niño weather pattern
Europe	-33.5%	<ul style="list-style-type: none"> • Lower sales of packaged pineapple and pineapple juice concentrate due to reduced pineapple supply



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Outlook for FY2016

Barring unforeseen circumstances, the Group expects to return to profitability in FY2016 which will generate more free cash flow to allow it to deleverage further

USA :

- Prioritise promotion in critical consumption windows
- Accelerate foodservice growth and expand retail portfolio through the Sager Creek specialty vegetable business
- Continue to grow the ethnic Asian market

Asia

- Continue to expand Del Monte brand in the Philippines
- S&W to gain more traction as it leverages its distribution expansion in Asia and the Middle East
- Affiliate in India will continue to generate higher sales and sustain its positive EBITDA
- El Niño mitigating measures in the field such as continuous enforcement of land preparation activities and reinforcing root health



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Cash Flow Outlook

Aside from the seasonal sales contribution, DMFI's cash flow for 1Q is lower due to the seasonal production cycle where this quarter's working capital builds up through the end of 2Q in October.

Past the production peak in October, cash flows are expected to improve in the seasonally stronger second semester with peak sales around Thanksgiving and Christmas, as well as Easter in the last quarter ending April.

This will allow the Group to deleverage in the second semester.



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Del Monte Foods USA

- DMFI's 1Q sales including Sager Creek grew by 10% to US\$373.5m
- Excluding Sager Creek, DMFI's sales grew by 2%
- Sales were constrained by tight supply as a result of higher than anticipated positive consumer response from the corrective marketing actions implemented earlier on such as reverting to the classic Del Monte label in October 2014
- Maintained the strength of market share across core retail segments as DMFI further developed partnerships with key retailers through investments in effective marketing and innovation



DMFI - Fruit & Veggie Fusions Launch

Super Fruit Cup Campaign communicates *the power of Veggies in a Fruit Cup!*



Print

Full Page



1/3 Page



Digital/Social/PR:



Consumer Promotions & Shopper Marketing:



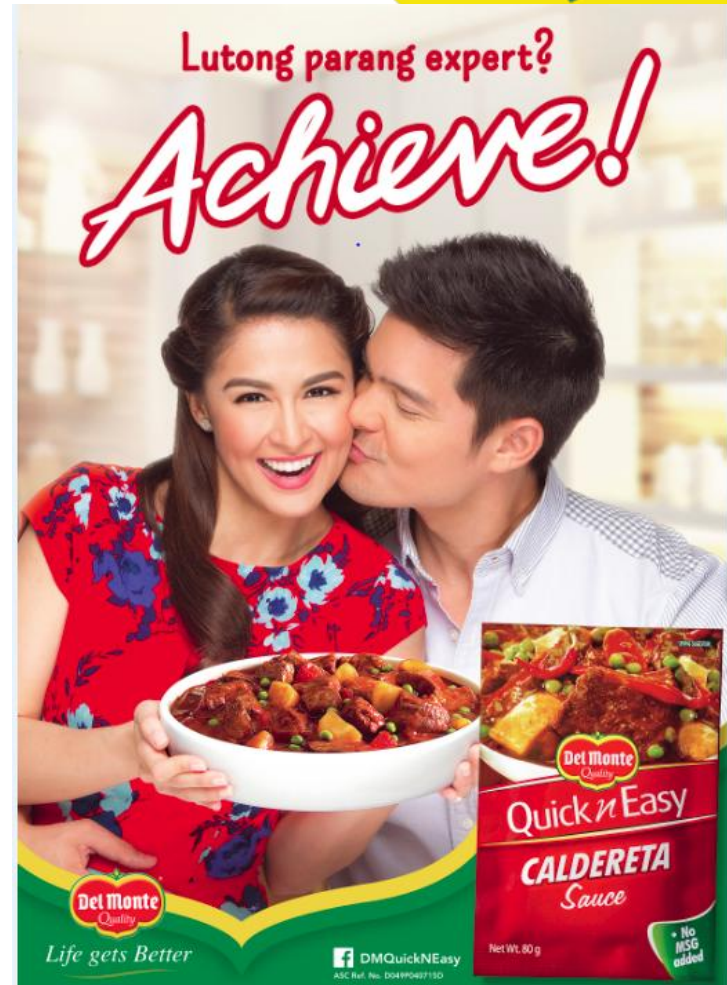
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Del Monte Philippines

Philippines continued to grow by 7%, driven primarily by increased demand for packaged mixed fruit and beverage



Del Monte Fit 'n Right is the only juice drink that contains GCE and L-Carnitine that helps reduce fat. Endorsed by two of the country's top athletes.



Cook like an expert with Del Monte Quick n Easy Sauces



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Del Monte Philippines (cont'd)



Del Monte Ketchup in a new resealable pouch

Del Monte Spaghetti Sauce: Has the complete taste loved by kids, that's why it's No. 1!



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S&W Asia and the Middle East

- S&W branded business sales in Asia and the Middle East rose 10%
- Due to strong fresh pineapple exports, which offset softness in the packaged segment as a result of constrained supply



Launch of S&W 100% Apple Juice and Coconut Liquid in Israel



Back to School promotion of S&W canned juices in Israel



Sales of S&W Heart Smart Juices at Jollibee Dubai

S&W Asia and the Middle East (cont'd)

Pineapple Merchandising Competition in Singapore

Product merchandising competition of S&W Fresh Pineapple and Canned juices across various store formats of NTUC Fairprice



S&W Asia and the Middle East (cont'd)

Best Innovation Award- S&W Heart Smart

Won the Food & Beverage Award in the Singapore Business Review Listed Companies Awards 2015 for the Best Innovation - Food & Beverage category



FieldFresh India

- DMPL's share of loss in the FieldFresh joint venture in India for 1Q was down to US\$0.4m from US\$0.6m in the prior year period
- FieldFresh's 1Q sales +10% with the Del Monte branded packaged sales +16%
- Improved volume in canned juice, olive oil and pasta
- Launched pasta made from whole wheat and olives in smaller jars



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SPIRALI
SPAGHETTI



Del Monte Quality
SINCE 1892

YOUR FAVOURITE OLIVES NOW IN SMALLER 235g PACKS



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