



8 November 2011

**SGX-ST/MEDIA RELEASE:** (unaudited results ended 30 September 2011)

**Contact:**

Jennifer Luy Tel: (65) 6324 6822

[jluy@delmontepacific.com](mailto:jluy@delmontepacific.com)

**DEL MONTE PACIFIC REPORTS STRONG RESULTS FOR 3Q 2011  
SALES UP 19% AND OPERATING PROFIT DOUBLES**

- 3Q sales increased 19% to US\$105.3m from \$88.4m in prior year quarter
- 3Q operating profit doubled to US\$11.6m from US\$5.8m
- Gross margin increased to 24.2% from 21.4% on better sales mix
- Exports, particularly to Europe, maintained its robust performance
- S&W posted strong sales driven by Korea and China
- Nine months sales grew 13% while operating profit almost tripled to US\$25.8m

**Singapore, 8 November 2011** – Singapore Exchange Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) announced today that third quarter revenue increased 19% to US\$105.3 million from US\$88.4 million in the prior year quarter. Net profit more than doubled to US\$7.8 million from US\$3.3 million. For the nine months, sales grew 13% to US\$271.1 million while net profit significantly increased to US\$14.4 million from US\$1.2 million in the same period last year.

Higher sales across all major markets led to overall improved sales. Exports continued to be a key driver, growing 33% on the back of better prices and sales mix, and increased volume. Selling prices and margins in Europe improved as the Group sold directly into that market following the termination in mid 2010 of an unprofitable supply contract.

The S&W branded business, both processed and fresh, performed strongly as well. Sales more than doubled to US\$5.6 million as a result of higher sales of canned tropical fruit and fresh fruit to Korea and China. The brand entered the China market in the fourth quarter of 2010 and has recorded encouraging sales in that market since then. The Group also expanded the brand into the Taiwan market recently.

Sales in the Philippines grew 4% versus the same period last year with improved performance across all major product categories. Processed fruit, canned juice and culinary categories registered double digit

growth as the Group reaped benefits from retail marketing programs focusing on building the value-for-money proposition of the Group's products. Moreover, the Group realised gains from improvements in its supply chain, which included better distribution to the General Trade.

For the processed fruit category in the Philippines, the lower cash outlay for pineapple tidbits in pouch, sustained its strong sales momentum, while sales of S&W fresh fruit doubled, driven by improved quality control, supermarket outlet expansion and merchandising. Sales of canned 100% pineapple juices were higher on the back of a high profile advertising campaign promoting their health benefits: immunity, fiber and cholesterol reduction. The culinary segment registered the highest growth due to improved product taste and packaging size changes, backed by advertising and more extensive distribution. Meanwhile, the Group temporarily limited shipments of drinks in PET to run down inventories in anticipation of the October re-launch of the product with a new formulation.

Group gross profit in the third quarter rose 35% to US\$25.5 million from US\$18.9 million and gross margin increased to 24.2% from 21.4% on better prices and sales mix. The Group also improved pineapple yields and production efficiencies. Furthermore, tomato paste and obsolescence costs were lower.

Sales at the Group's Indian joint venture, FieldFresh Foods, rose 49% to US\$9.3 million in the third quarter from the same period last year. Del Monte branded sales grew by 80% to US\$7.4 million, contributing almost 80% of total sales. However, the Group recognised an equity loss of US\$2.7 million, higher than last year's US\$1.5 million, due to higher marketing, trade promotion, overhead and depreciation costs after the commissioning in December 2010 of the new manufacturing and R&D facility near Bangalore. The Del Monte brand footprint in India has expanded to approximately 57,000 outlets.

For the nine months of 2011, the Group generated sales of US\$271.1 million, 13% higher than prior period's US\$239.4 million, on strong exports and S&W branded business sales. Gross profit improved by 37% to US\$63.5 million on better prices and sales mix, and higher volume. This led to net income improving to US\$14.4 million from US\$1.2 million in the prior year period.

"The international business is now a major profit driver, primarily driven by a new higher-margin business in Europe, and the S&W brand is also beginning to make a meaningful contribution," commented Mr. Joselito D. Campos, Jr., Managing Director and CEO of DMPL. "While the Indian

business continues to grow and generate strong volume and sales increases, we are implementing initiatives to improve margins and address the higher than expected losses,” he concluded.

Barring unforeseen circumstances, the Group expects to continue delivering improved earnings in 2011. The Group expects stronger performance with higher sales from better mix and volume delivering improved margins, coupled with better operational productivity and efficiencies, and active cost management.

### **Disclaimer**

This announcement 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, outgrowers and 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 on future events.

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

Listed on the Mainboard of the Singapore Exchange, Del Monte Pacific Limited (Bloomberg: DELM SP/ Reuters: DMPL.SI) is a group of companies that caters to today’s consumer needs for premium quality, healthy food and beverage products. It innovates, produces, markets and distributes its products worldwide.

The Group owns the Del Monte brand in the Philippines where it enjoys leading market shares for canned pineapple juice and juice drinks, canned pineapple and tropical mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup.

Del Monte Pacific also owns another premium brand, S&W, globally except the Americas, Australia and New Zealand. As with Del Monte, S&W originated in the USA in the 1890s as a producer and marketer of premium quality processed fruit and vegetable products.

In India, the Group owns approximately 46% of FieldFresh Foods Private Limited ([www.fieldfreshfoods.in](http://www.fieldfreshfoods.in)). FieldFresh markets Del Monte-branded processed products in the domestic market and FieldFresh-branded fresh fruits and vegetables globally and in the domestic market. Del Monte Pacific’s partner in FieldFresh India is the well-respected Bharti Enterprises, which owns one of the largest conglomerates in India.

Del Monte Pacific holds the exclusive rights to produce and distribute processed food and beverage products under the Del Monte brand in the Indian subcontinent.

With a 23,000-hectare pineapple plantation in the Philippines, 700,000-ton processing capacity and a port beside the Cannery, Del Monte Pacific’s subsidiary, Del Monte Philippines, operates the world’s largest fully-integrated pineapple operation. It is proud of its long heritage of 85 years of pineapple growing and processing. It has long-term supply agreements with some of the Del Monte trademark owners and licensees around the world.

Del Monte Pacific and its subsidiaries are not affiliated with other Del Monte companies in the world, including Del Monte Foods Co (USA), Fresh Del Monte Produce Inc, Del Monte Canada, Del Monte Asia Pte Ltd and these companies’ affiliates.

Del Monte Pacific is 79%-owned by NutriAsia Pacific Ltd. (NPL). NPL is owned by the NutriAsia Group of Companies which is in turn majority-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.

To subscribe to our email alerts, please send a request to [jluy@delmontepacific.com](mailto:jluy@delmontepacific.com).