



# Del Monte Pacific Limited

## Fourth Quarter and Full Year 2012 Results

27 February 2013



# 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.



# Contents



- **Executive Summary**
- **4Q 2012 Results**
- **FY 2012 Results**
- **Market Updates**
- **Outlook**
- **Dividend**
- **Bonus Share Issue**

# Executive Summary

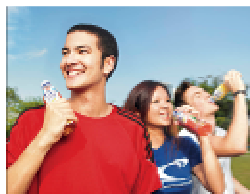


## DEL MONTE PACIFIC FULL YEAR NET PROFIT GREW BY 17% DRIVEN BY BRANDED BUSINESS



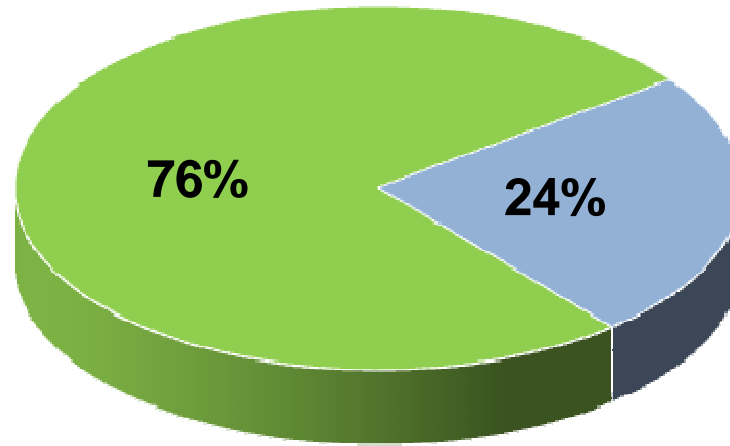
- Full year sales up 8% to a record US\$460m, while net profit up 17% to US\$32.1m
- Strong consumer demand for Del Monte brand in the Philippines and S&W in Asia
- Declared dividend of 1.51 US cents per share, or 75% payout of 2nd half 2012 profit
- Declared bonus share issue subject to regulatory approvals

# Fourth Quarter 2012



In US\$m	4Q 2011	4Q 2012	Chg (%)	Comments
<b>Turnover</b>	154.1	<b>159.5</b>	+3.5	Due to the branded business in Asia , comprising of Del Monte in the Philippines and the Indian subcontinent as well as S&W in Asia and the Middle East
<b>Gross profit</b>	37.9	<b>38.7</b>	+2.2	Better sales mix and prices
<b>Operating profit</b>	18.5	<b>19.0</b>	+2.8	Lower A&P spend as a result of timing
<b>Finance inc/(exp)</b>	(0.7)	<b>(0.7)</b>	-6.0	Higher FX gains
<b>Share of loss</b>	(2.2)	<b>(1.0)</b>	-54.5	Lower loss in 46%-owned FieldFresh India
<b>Tax</b>	(2.6)	<b>(4.0)</b>	+55.8	Higher profit
<b>Net profit attributable to owners</b>	13.1	<b>13.4</b>	+2.3	Mainly due to higher turnover and much lower equity loss
<b>Net debt</b>	(89.1)	<b>(116.0)</b>	+30.1	Higher working capital requirements
<b>Gearing (%)</b>	38.9	<b>45.8</b>	+6.9ppt	Same as above

# 4Q Turnover Analysis



- Branded
- Non Branded

<b>Branded</b>	<b>+12.0%</b>	<ul style="list-style-type: none"> <li>• Growth across major product categories in the Philippines – culinary, beverage and processed fruit segments; as well as strong sales of S&amp;W branded business, both processed and fresh</li> </ul>
<b>Non Branded</b>	<b>-16.7%</b>	<ul style="list-style-type: none"> <li>• Export sales declined in the global markets. With high pineapple supply in Thailand and weak demand in Europe, market pricing for pineapple juice concentrate had softened significantly.</li> </ul>



# Philippine Market 4Q 2012 Updates

- Sales in the Philippines continued their strong momentum, up 9% YoY
- Growth across major product categories – culinary, beverage and processed fruit segments
- Driven by advertising support and stronger in-store execution





# S&W 4Q 2012 Updates

- S&W branded sales expanded by 70% to US\$11.3 million
- Improved sales of S&W processed products were driven by distribution expansion in China, Korea and Indonesia as well as contribution from the Middle East, a new market
- Higher sales of S&W fresh fruit due to increased sales in Korea and Middle East, as well as strong contribution from Japan, a new market







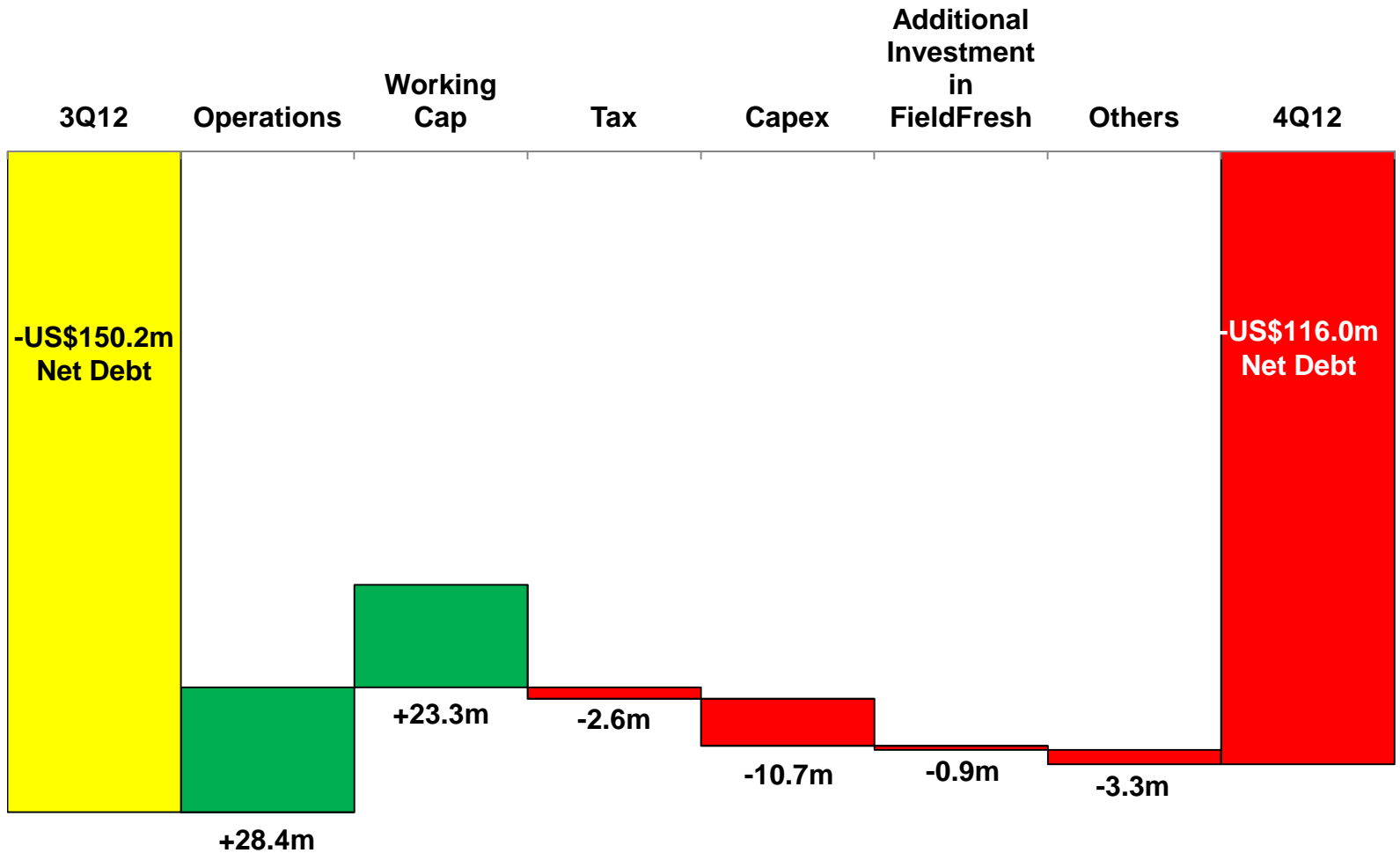
# India 4Q 2012 Updates

- Higher Del Monte branded processed sales
- Better sales mix, reduced overhead and tighter management of expenses
- As a result, the group recognised an equity loss of US\$1.0m, lower than prior year quarter's US\$2.2m





# 4Q Cash Flow Variance Analysis





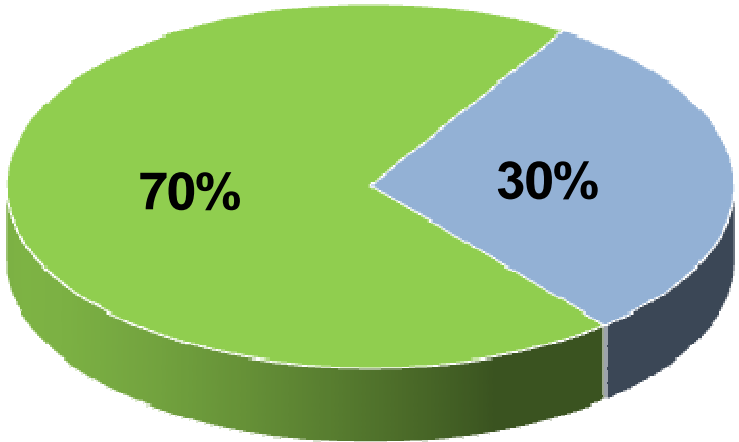
# FY 2012 Results



# Full Year 2012

In US\$m	FY 2011	FY 2012	Chg (%)	Comments
<b>Turnover</b>	425.2	<b>459.7</b>	+8.1	Due to the branded business in Asia, comprising of Del Monte in the Philippines and the Indian subcontinent as well as S&W in Asia and the Middle East
<b>Gross profit</b>	101.4	<b>112.8</b>	+11.2	Higher volume and better sales mix
<b>Operating profit</b>	44.3	<b>49.9</b>	+12.6	Higher margins and lower operating expenses
<b>Finance inc/(exp)</b>	(1.6)	<b>(3.1)</b>	+91.5	Higher borrowings
<b>Share of loss</b>	(9.7)	<b>(5.6)</b>	-42.2	Lower loss in 46%-owned FieldFresh India as expected
<b>Tax</b>	(5.5)	<b>(9.1)</b>	+65.0	Higher profit
<b>Net profit attributable to owners</b>	27.4	<b>32.1</b>	+16.9	Mainly due to higher turnover
<b>Net debt</b>	(89.1)	<b>(116.0)</b>	+30.1	Higher working capital requirements
<b>Gearing (%)</b>	38.9	<b>45.8</b>	+6.9ppt	Same as above

# FY Turnover Analysis



- Branded
- Non Branded

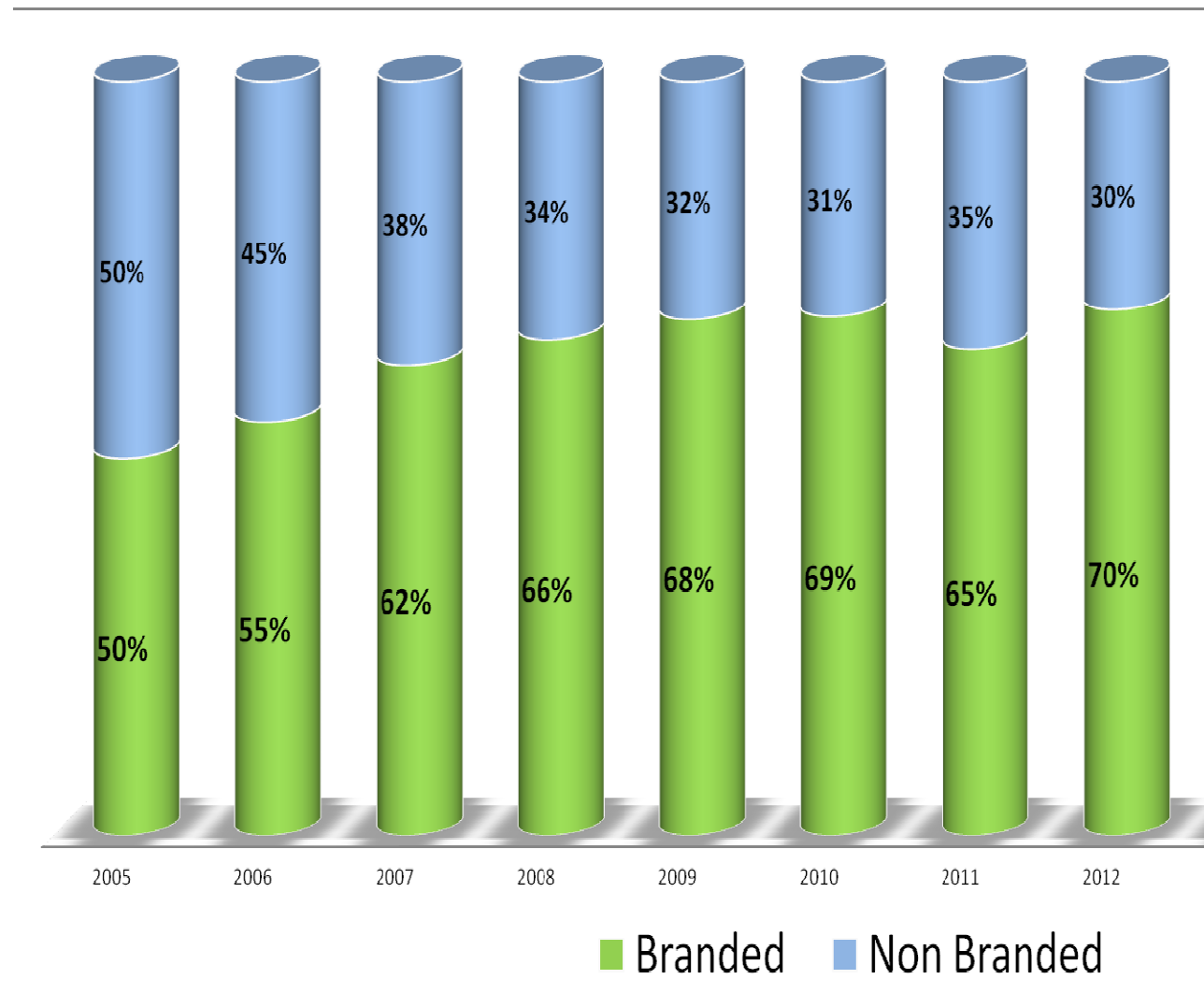
<b>Branded</b>	<b>+16.8%</b>	<ul style="list-style-type: none"> <li>• Higher sales in all major categories in the Philippines as well as improved S&amp;W sales; continued robust demand for canned beverage in the Philippines</li> </ul>
<b>Non Branded</b>	<b>-7.8%</b>	<ul style="list-style-type: none"> <li>• Weak demand and reduced pineapple juice concentrate prices</li> </ul>



# Branded vs Non Branded Sales

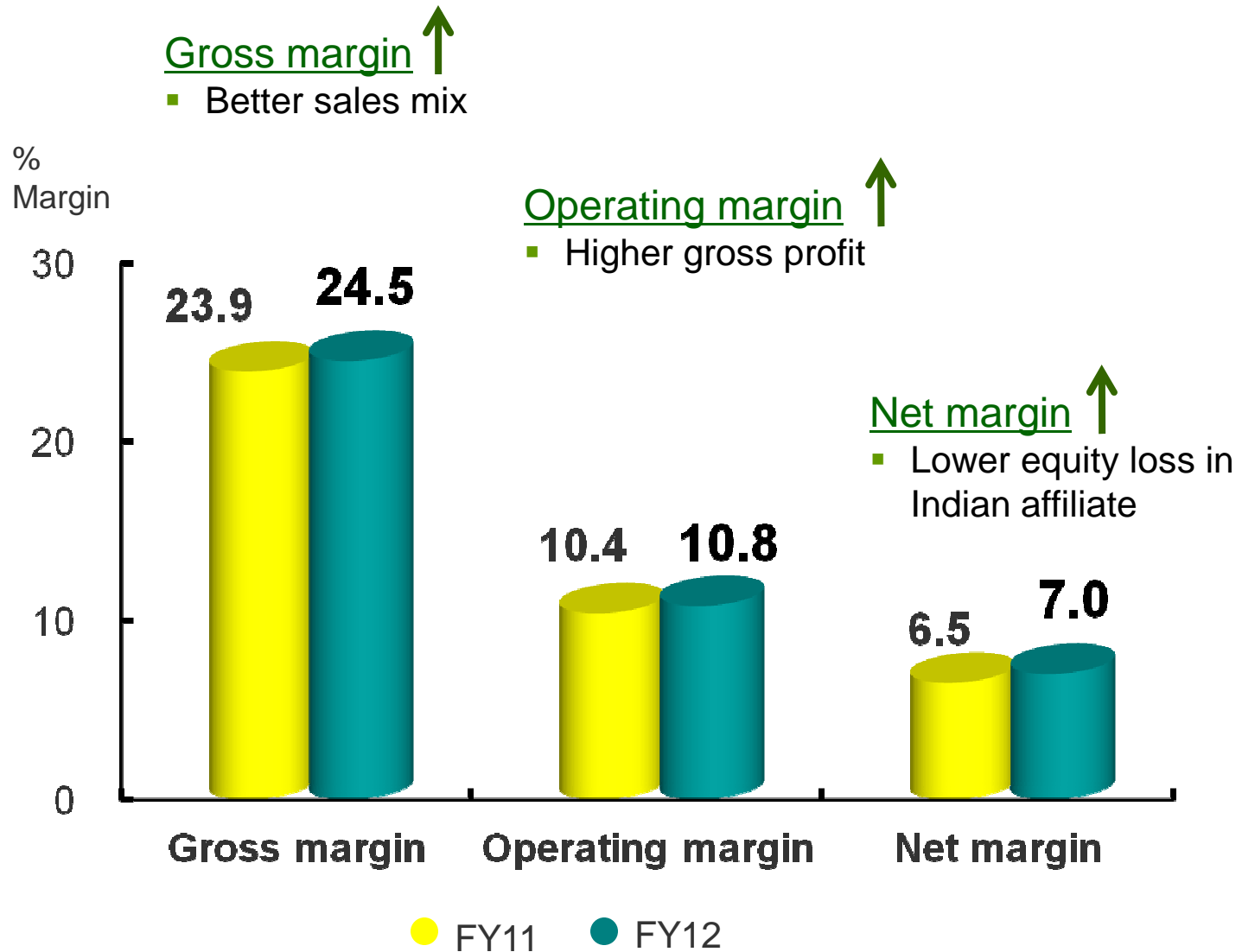


Significant expansion of the Branded business in line with the company's vision to be one of the fastest growing global branded food and beverage companies





# FY Margins





# Outlook



- Barring unforeseen circumstances, the Group expects to improve earnings in 2013 driven by the branded business with higher revenue from better volume and sales mix in the Philippines and S&W markets.
- Actively addressing the weak export markets by cutting back on tonnage, shifting volume to stronger markets and growing sales of more value-added products.
- Implementing operational efficiencies, procurement savings and active cost management to help mitigate the weak export situation.
- Strategically, the Group is expanding its branded business by deepening penetration in existing markets through improved trade coverage, entry into new markets, and shifting to higher-margin branded products.
- A key initiative is to shift the industrial pineapple concentrate business into branded ready-to-drink beverage.

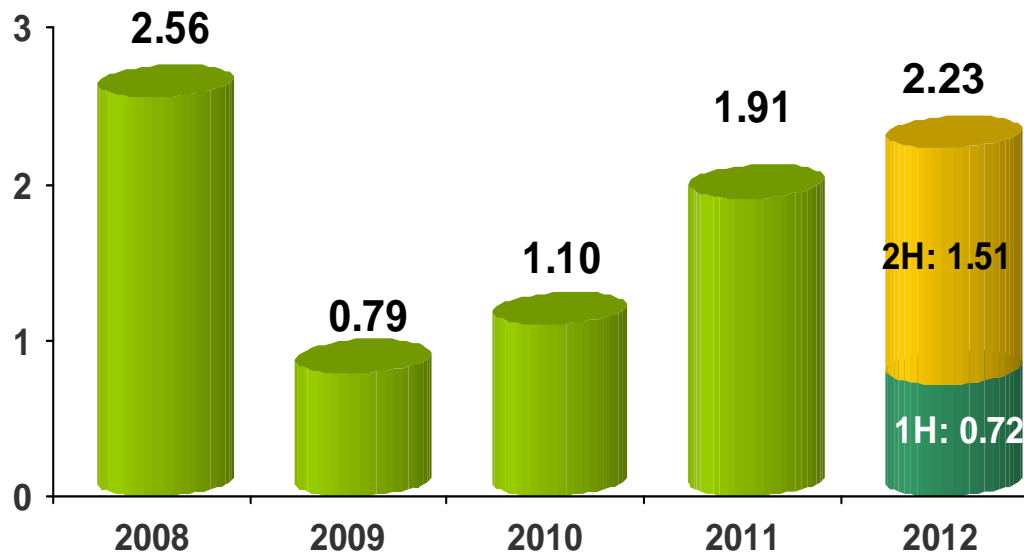




# Dividend

Dividend	Book Closure Date	Payment Date	Dividend/ Share	Payout Ratio
Final	8 March 2013	27 March 2013	US\$0.0151	75% of 2H 2012 net profit

US cents



# Bonus Share Issue



- The Board also declared a bonus issue on the basis of two (2) bonus shares for every ten (10) existing ordinary shares in the capital of the Company subject to regulatory approvals
- Rationale is to increase liquidity of the shares in the market and to reward shareholders for their continuing support