

Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results


Issuer & Securities

Issuer/ Manager	DEL MONTE PACIFIC LIMITED
Securities	DEL MONTE PACIFIC LIMITED - VGG270541169 - D03
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Announcement Details

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Additional Details

For Financial Period Ended	31/10/2014
Attachments	 DMPL-2QFY15 Presentation.pdf Total size =2929K


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2Q FY2015 Results

15 December 2014



Del Monte Pacific Limited

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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.

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- Notes to the Results
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- 1H FY2015 Results
- Sustainability/Awards
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Acquisition Financing Update

- Acquisition of Del Monte Foods, Inc (DMFI) completed on 18 February 2014
- Purchase price of US\$1.675 bn (subject to working capital adjustments)
- Financed by:
 - Debt: US\$970m
 - Equity: US\$705m (US\$630m bridge loans, US\$75m equity)
- Bridge loans to be refinanced with :
 - Preference shares: US\$360m
 - Rights offer: US\$180m
 - Medium term loan: US\$100m



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Deleveraging

- After DMPL's equity raising of US\$515m (US\$350m net from preference shares and US\$165m net from the rights offer) and the additional projected debt paydown of about US\$230-280m from cashflow, DMPL's gearing is expected to be significantly reduced to 170-180% from the current 906%
- The current leverage was brought about by loans taken up for the DMFI acquisition in February 2014
- Against 1Q's 796%, gearing increased and peaked in 2Q due to seasonally higher working capital requirements of DMFI

In US\$ m	As of 31 Oct 2014	*Estimate for April 2015
DMPL Group		
Net Debt	2,004.9	1,250-1,300
Equity	221.6	700-750
Net Debt to Equity (%)	906.3	170-180
DMPL without DMFI		
Net Debt	799.6	280-300
Equity	221.9	700-750
Net Debt to Equity (%)	360.3	40-50

*estimate barring unforeseen circumstances



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Notes to the 2Q FY2015 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 second quarter of the Company is now 1 August to 31 October. The next financial year-end will be on 30 April 2015.
2. DMFI's financial results have been consolidated in DMPL's financials since the acquisition was made on 18 February 2014.
3. Financial comparisons for DMFI are available for sales to gross profit but not available below gross profit as the company operated as a division of a larger entity then.
4. DMFI's financial statements are based on US GAAP, while DMPL's are based on IFRS. DMFI's financial statements were converted to IFRS for consolidation purposes.
5. DMPL's effective stake in DMFI is 89.4%, hence the non controlling interest line (NCI) in the P&L. Consolidated figures in the narratives are net of NCI.



DMPL 2Q FY2015 Results Summary

- Achieved sales of US\$548m with US\$435m or about 80% contributed by Del Monte Foods, Inc (DMFI)
- Sales of Del Monte in the Philippines rose 4%
- Group EBITDA and net income of US\$59m and US\$21m, respectively, before acquisition and non-recurring expenses of US\$20.5m net of tax
- Group net income of US\$0.2m included acquisition-related expenses



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DMPL 2Q FY2015 Acquisition Expenses

DMPL's consolidated bottom line was impacted by acquisition-related expenses amounting to US\$20.5m net of tax

1. US\$11.1m net of tax for inventory step up which corresponded to a higher cost of goods sold (CGS)
 - This was a carryover from the Transition Period ending April 2014
 - However, the inventory step up has no cash flow impact
 - New inventory produced in the current financial year is not subject to revaluation
2. US\$6.2 million of higher interest expense at the DMPL parent level due to the bridge financing. US\$515m of bridge loans will be refinanced within the next several months
3. Balance of US\$3.2 million on various items including transaction costs



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DMPL 2Q FY2015 Results

In US\$m	2Q FY 2014	2Q FY 2015*	Chg (%)	Comments
Turnover	136.3	548.0	nm	Consolidation of DMFI's sales of US\$435m
Gross profit	35.9	114.7	nm	Same as above
Operating profit	16.2	25.4	nm	Impact of acquisition-related expenses of US\$22.1m and higher G&A
Finance inc/(exp)	(2.4)	(24.6)	nm	Higher interest expense from purchase of DMFI
FieldFresh equity share	(1.0)	(0.6)	-43.8	Better performance in 47%-owned FieldFresh India
Tax	(3.9)	(0.3)	nm	DMFI loss
Net profit	8.9	0.2	nm	Impact of acquisition-related expenses of US\$20.5m
Net debt	(162.8)	(2,004.9)	nm	Due to purchase of DMFI and seasonal working capital
Gearing (%)*	69.8	906.3	nm	Same as above

*The bridge loans of DMPL used for the purchase of DMFI will be refinanced with equity issuance and medium term loan

DMPL ex DMFI 2Q FY 2015 Results*

In US\$m	2Q FY 2014	2Q FY 2015	Chg (%)	Comments
Turnover	136.2	128.5	-5.7	Higher Philippines sales offset by declines in S&W and Exports
Gross profit	35.8	29.9	-16.5	Lower sales and higher costs
Operating profit	19.6	14.0	-28.6	Same as above
Finance inc/(exp)	(2.5)	(1.2)	-52.0	Better forex management
FieldFresh equity share	(1.0)	(0.6)	-43.8	Better performance in 47%-owned FieldFresh India
Tax	(3.9)	(1.8)	-53.8	Lower income from taxable entity
Net profit	12.2	10.4	-14.8	Same as operating profit
Net debt	(162.8)	(799.6)	nm	Bridge financing to purchase DMFI
Gearing (%)**	69.8	360.3	nm	Same as above

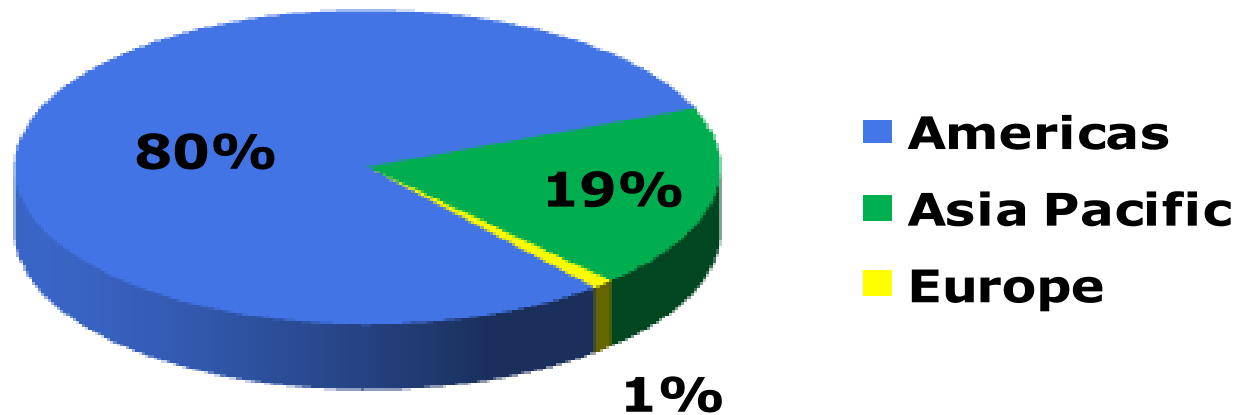
*Does not include acquisition-related expenses and interest expenses on the short term bridge financing loans

**The bridge loans of DMPL used for the purchase of DMFI will be refinanced with equity issuance and medium term loan



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2Q FY 2015 Turnover Analysis



Americas	nm	<ul style="list-style-type: none"> Due to the consolidation of DMFI's results with sales of US\$435m
Asia Pacific	+0.8%	<ul style="list-style-type: none"> Flat sales as S&W sales were lower due to political and economic disruption in the Middle East, while Philippines sales were up 4%
Europe	-39.3%	<ul style="list-style-type: none"> Lower sales of pineapple juice concentrate (PJC) due to intentional shifting out of unbranded PJC



Del Monte Foods USA

- 2Q sales decreased by 6% to US\$435.1 million
 - ❖ impact of currency deterioration in Venezuela
 - ❖ reinstating trade spending to historical levels
- Has taken initiatives:
 - ❖ reverting back to competitive pricing levels
 - ❖ reintroducing the well-recognized classic Del Monte label
 - ❖ reinstating trade support levels
- Led to increased market shares across key categories of packaged vegetable, fruit and tomato
- DMFI's sales have seasonality, with its strong season in the 2H (~55%) of its FY
 - 1Q : 18-20% of FY (Back to school)
 - 2Q : 24-26% of FY (Pipelining for Thanksgiving)
 - 3Q : 28-30% of FY (Christmas)
 - 4Q : 26-28% of FY (Easter)



Del Monte Foods USA – Back-to-School Campaign

Do you **squeeze** or **spoon**?

squeeze in 1.5 servings of fruits and vegetables*

spoon up a new tropical flavor

Del Monte FruitBURST SQUEEZERS

FRUIT-VEGIE blueberry

Del Monte GARDEN QUALITY

Pineapple Coconut new!

PINEAPPLE IN COCONUT FLAVORED LIGHT SYRUP

You could win \$10,000 for your child's school by sharing their favorite way to enjoy Del Monte® Fruit snack! Learn more at facebook.com/delmonte.

Add Some GARDEN to your Lunchbox

Save \$1.00

on any TWO (2) Del Monte® Fruit Burst® Squeezers 4pk or Fruit Cup® Snacks 4pk.

MANUFACTURER'S COUPON | EXPIRES 10/26/2014

Consumer: Coupon good only in the USA on purchase of brandsize indicated. Void if copied, transferred, prohibited or regulated. Retailer: Del Monte Foods will reimburse you for face value of this coupon plus 8¢ handling if redeemed in compliance with our redemption policy available upon request. Cash value: 1/100¢. Sent coupons to: Del Monte Foods, P.O. Box 880101, El Paso, TX 88588-0101. LIMIT ONE COUPON PER PURCHASE. ©2014 Del Monte Foods, Inc. All Rights Reserved.

0024000-046892

FPO

Del Monte® Fruit Burst® Squeezers

familyeducation

Home | Pregnancy | Babies & Toddlers | Kids | Teens | **School & Learning** | Entertainment & Activities | Mom's Life | Food | Community

By Grade | By Subject | Learning Differences | Homeschooling | Parental Involvement | Study Skills | Your Child's School

school and learning

Back-to-School Healthy Lunch Guide

Fuel your child's learning with a healthy lunch and snacks.

- 9 Snacks with No High-Fructose Corn Syrup
- 15 Perfect After-School Snacks
- 10 Easy Ideas for Better Bag Lunches
- Packing Healthy Lunches
- Getting Kids to Eat More Fruits and Veggies

delicious.com

Back to School

Recipes | Holidays and Events | Events and Gatherings

Treats They Won't Trade Away

Del Monte® Fruit Burst® Squeezers

Del Monte® Fruit Burst® Squeezers

1.5 servings of fruit and veggies* in every pouch.

Del Monte® Quality

Life gets Better

Del Monte Foods USA – Marketing Campaigns

ONE FREE Child Ticket*

to LEGOLAND® Parks or
LEGOLAND Discovery Centers
with purchase of a full-priced adult ticket

Visit LEGOLAND.com/DelMonte2014 or bring this coupon
to the Front Gate to redeem this offer!

LEGOLAND PARKS
California • Florida

LEGOLAND DISCOVERY CENTER
Atlanta • Boston • Chicago • Dallas/Ft. Worth
Kansas City • Toronto • Westchester

*Redeemable one single-day, non-transferable LEGOLAND Parks or Discovery Center with the purchase of a full-price single-day adult ticket. Valid LEGOLAND.com for days and hours of operation. Original coupon good for a free second one-day ticket with purchase of a full-price one-day adult ticket. LEGOLAND Parks, LEGOLAND Discovery Center, and LEGOLAND Discovery Center are trademarks of the LEGO Group. ©2014 The LEGO Group. LEGOLAND is a brand of THE LEGO SYSTEMS GROUP. ©2014 Del Monte Foods, Inc. All rights reserved.

Tie up with Legoland

LEGO

LEGOLAND

in partnership with **Del Monte**

ONE FREE Child Ticket*
See back for offer details.

Del Monte
GARDEN QUALITY

SAVE \$2.00
when you buy TEN (10) participating
products listed below in a single transaction.

Offer valid: 10/08/14 - 10/14/14

Participating Products:
Del Monte® Canned Vegetables (11-15.25 oz.)
Del Monte® Canned Fruit (11-20 oz.)
Del Monte® Canned Tomatoes (11-15 oz.)
Del Monte® Fruit Cup® Snacks (4 pk.)
Del Monte® Fruit Burst® Squeezers (4 pk.)
College Inn® Broth (32-48 oz.)

**THE BEST OF OUR GARDEN
EVERY MEAL, EVERY DAY**

Add More GARDEN®

Find fresh recipe inspiration at DelMonteKitchens.com

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Del Monte

**Celebrate®
BOLD**

Create more to celebrate with
hearty flavors from Del Monte

QUICK CLASSIC BEEF CHILI WITH GOLDEN SWEET CORNBREAD

Prep Time: 5 minutes • Cook Time: 25 minutes • Serves: 4

Ingredients:
1 lb. extra lean ground beef
1 tbsp. chili powder, to taste
1 tsp. dried oregano
2 tsp. garlic
1/2 tsp. garlic powder
2 cans (14.5 oz. each) Del Monte® Canned Tomatoes, not strained
1 can (6 oz.) Del Monte® Tomato Sauce
1 can (14.5 oz.) reduced-sodium black beans, rinsed and drained
1/2 tsp. sugar

Topping Options:
Shred green onions
Chopped cheddar
Shredded cheddar cheese
Sour cream
Chopped avocado
Lime wedges
Sliced fresh or pickled jalapeño
Onions
Hot sauce
Diced cheese

Directions:
1. Brown beef in a large skillet over medium-high heat.
2. Add chili powder, oregano, garlic and garlic powder and cook 30 seconds, stirring frequently.
3. Add diced tomatoes, tomato sauce, black beans and sugar.
4. Bring to a boil over high heat. Reduce heat to low. Simmer, uncovered 20 minutes, stirring occasionally.
5. Season to taste with salt and pepper, if desired. Serve chili with Golden Sweet Cornbread (see recipe) with toppings, as desired. Or serve over macaroni, rice, baked potato, hot dogs, French fries or nachos.

Find fresh recipe inspiration at DelMonteKitchens.com

Bursting with Life™

Del Monte

GOLDEN SWEET CORNBREAD

Prep Time: 5 minutes • Cook Time: 45 minutes • Serves: 12

Ingredients:
2 boxes (16 oz. each) corn muffin mix
2 eggs
1 can (14.5 oz.) Del Monte® No Salt Added Cream Style Corn
1 can (14.5 oz.) Del Monte® No Salt Added Whole Kernel Corn, well drained

Directions:
1. Preheat oven to 400°F. Coat a glass or metal 9-inch square baking dish with non-stick cooking spray.
2. Stir together all ingredients in a large mixing bowl; batter will be slightly lumpy. Pour batter evenly into prepared pan.
3. Bake 40 to 45 minutes or until deep golden brown and wooden pick inserted in center comes out clean. Cool 10 minutes before cutting.

Find fresh recipe inspiration at DelMonteKitchens.com

Bursting with Life™

Recipe handouts



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Del Monte Foods USA – Promotion Display



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Del Monte Foods USA – Product Portfolio

Del Monte in the United States



Del Monte Philippines

- 2Q sales were up 4% due to:
 - ❖ favourable mix in beverage sales with resurgent growth of 1-litre Tetra Pak format
 - ❖ culinary segment's sales also grew behind spaghetti sauce and pasta, and early introduction of Christmas packs



1-Litre carton format



Del Monte Philippines marketing campaign encouraging going home and sharing a meal together every Wednesday



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Del Monte Philippines – Marketing Campaigns



Pineapple juice fortified with calcium



Deliciously-nutritious meal with pineapples

Del Monte Philippines – Product Portfolio

Del Monte in the Philippines



S&W Asia

- S&W branded business was impacted by political and economic disruption in the Middle East, affecting S&W packaged sales
- Moreover, sales of S&W fresh pineapple were lower due to short supply which will improve in the balance of the year
- These declines were offset by the continued growth of the new S&W business in the Philippines



Co-branding S&W and Jollibee co-branded cup in Saudi Arabia, for our 100% Pineapple Juice



Co-branded truck & branded calendar in Iraq for key retailers



S&W Asia – In-store Promotion



In-store promotion of S&W Saba Fish backed by Japanese theme to maintain consistency with and emphasise S&W Saba Fish's premium origin

S&W PREMIUM DELISH DISHES AT HOME

Get a chance to win a \$200 NTUC Voucher!

1. Buy any variant of S&W Saba Fish. Using any of the recipes at the back of this card, make one super yummy Saba dish at home.
2. Take a picture and upload it on S&W's Facebook page, using the hashtag #SWSabaDelishDishes
3. The most delicious looking picture wins a \$200 NTUC voucher!

Contest Period: 15-30 November 2014
*Terms & Conditions Apply.

*Terms & Conditions:
1. The contest is valid in, and open to all residents of, Singapore only. Employees, vendors, relatives, business partners or any other related parties/affiliates of S&W are not allowed to participate in this contest.
2. Each participant can only submit 1 entry. S&W reserves the right to determine the final selected entry should there be several entries received from the same participant.
3. The contest will run from 15 Nov to 30 Nov 2014. All entries must be submitted and posted by 30 Nov at 11pm.
4. Management's decision are final.
5. Winning entry will be announced and posted on S&W Premium Facebook Page. There will be 1 chosen winner decided based on creativity, originality and presentation of his/her recipe.
6. The winner will be announced on S&W Premium Facebook Page on 1 Dec 2014.
7. S&W reserves the right to disqualify any participant if he/she is breach of any terms and conditions.
8. S&W will not be in any way liable for any claims, losses or damages of any nature whatsoever arising from or in connection with this contest.

Sulamita Lung Healthy white meat for dinner!

November 17 at 9:44am · Unlike · 2

Darwin Jayson Mariano Delicious Saba Fish with Onion Rings
#SWSabaDelishDishes

November 29 at 10:56pm · Unlike · 1

S&W Asia – Product Portfolio

S&W in Asia and the Middle East



FieldFresh India

- DMPL's share of loss in the FieldFresh joint venture in India was at its lowest since 2009 at US\$0.6 million from US\$1.1 million in the prior year period
- FieldFresh's sales +37% with the Del Monte branded packaged sales +44% while FieldFresh-branded fresh exports +9%



**Want to go out for Pasta?
Stay home.**


Introducing new Gourmet Pasta Sauces from Del Monte.



Now making Italian is hassle free. Just mix your favourite sauce with boiled pasta and it's ready to be served!

Taste. Like never before.

Ready to cook range of gourmet Pasta Sauces in three popular variants – Tomato & Olive, Tomato & Basil and Arrabbiata



Meet the **Olive Oil with multiple benefits.**

Our new range of Olive Oils can be used in many beautiful ways.
Take your pick and experience the goodness now!



A body massage oil for baby soft skin*

A hair oil for long and shiny hair*

A skin moisturizer for soft and supple skin*



New Olive Oil in Tins and PET to cater to multiple purposes especially cosmetic use. This also expands our reach into a new distribution channel – the pharmacies.

FieldFresh India – Product Portfolio

Del Monte in India



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DMPL 1H FY2015 Results

In US\$m	1H FY 2014	1H FY 2015*	Chg (%)	Comments
Turnover	255.7	993.6	nm	Consolidation of DMFI's sales of US\$775m
Gross profit	59.7	185.5	nm	Same as above
Operating profit	24.3	13.3	nm	Impact of acquisition-related expenses of US\$42m and higher G&A
Finance inc/(exp)	(4.3)	(48.3)	nm	Higher interest expense from purchase of DMFI
FieldFresh equity share	(2.6)	(1.2)	-43.8	Better performance in 47%-owned FieldFresh India
Tax	(4.4)	11.8	nm	DMFI loss
Net profit	13.0	(21.7)	nm	Impact of acquisition-related expenses of US\$40m. 1H loss was incurred in 1Q
Net debt	(162.8)	(2,004.9)	nm	Due to purchase of DMFI
Gearing (%)*	69.8	906.3	nm	Same as above

*The bridge loans of DMPL used for the purchase of DMFI will be refinanced with equity issuance and medium term loan

DMPL ex DMFI 1H FY 2015 Results*

In US\$m	2Q FY 2014	2Q FY 2015	Chg (%)	Comments
Turnover	255.6	249.0	-2.6	Higher Philippines and S&W sales offset by decline in Exports
Gross profit	59.5	55.9	-6.1	Lower sales
Operating profit	29.5	24.1	-18.3	Same as above
Finance inc/(exp)	(4.8)	(2.6)	-45.8	Better forex management
FieldFresh equity share	(2.6)	(1.2)	-53.9	Better performance in 47%-owned FieldFresh India
Tax	(4.4)	(3.5)	-20.4	Lower income from taxable entity
Net profit	16.4	16.8	+2.5	Lower sales offset by lower equity share and better forex management
Net debt	(162.8)	(799.6)	nm	Bridge financing to purchase DMFI
Gearing (%)**	69.8	360.3	nm	Same as above

*Does not include acquisition-related expenses and interest expenses on the short term bridge financing loans

**The bridge loans of DMPL used for the purchase of DMFI will be refinanced with equity issuance and medium term loan



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Sustainability/Awards



Won the Singapore Corporate Governance Award, Runner Up, at the Securities Investors Association Singapore (SIAS) Investors' Choice Award last 31 October 2014



Donated classrooms to schools



Conducted medical and dental missions with over 500 beneficiaries



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Outlook for FY2015

1. Deleveraging after the capital raising exercise
2. Expects to generate higher earnings on a recurring basis in FY2015 as the Group drives both topline growth across its key markets in the USA, the Philippines and rest of Asia, optimises synergies and actively manages cost
3. As majority of DMFI's stepped up inventory will be sold in the financial year ending April 2015, this will continue to impact the Group's bottomline

However, there is no cash flow impact hence cash flow generation will remain strong. New inventory produced in the current financial year is not subject to revaluation

4. FY2015 is a business in transition and integration for DMFI, while FY2016 is expected to be back to normalised state

