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3Q and 9M FY2016 Results

11 March 2016



Del Monte Pacific Limited

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Notes to the 3Q FY2016 Results

1. Effective 1 May 2014, 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 third quarter of the Company is 1 November to 31 January.
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.
5. 9M refers to nine months ending January 2016.



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DMPL 3Q and 9M FY2016 Results Summary

- 3Q Group sales down 7% to US\$594m with US sales down 9%, while Philippines sales higher by 6% and S&W Asia higher by 35%
- 3Q Group recurring net profit of US\$7.5m and reported net profit of US\$0.6m better than the loss of US\$2.2m last year
- 9M Group sales grew by 6% to US\$1.7bn with US sales higher by 8%, Philippines sales better by 7% and S&W Asia higher by 16%
- 9M Group recurring net profit of US\$18.5m and reported net profit of US\$41.9m better than the loss of US\$23.9m in prior year period
- 3Q operating cash flow turned positive from negative in 1H given seasonality of sales
- Further deleveraging planned with Preference Shares offering



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Non Recurring Items

In US\$ m	3Q FY16	9M FY16	Booked under
SAP stabilisation	(7.1)	(11.1)	G&A expense
Sager Creek integration	(2.0)	(4.0)	G&A and other expense
Severance	(3.4)	(6.4)	G&A expense
Retirement plan amendment in 2Q (no tax impact)	-	39.4	G&A expense
Total (pre tax basis)	(12.5)	17.9	
Total (net of tax and minority interest)	(6.9)	23.4	

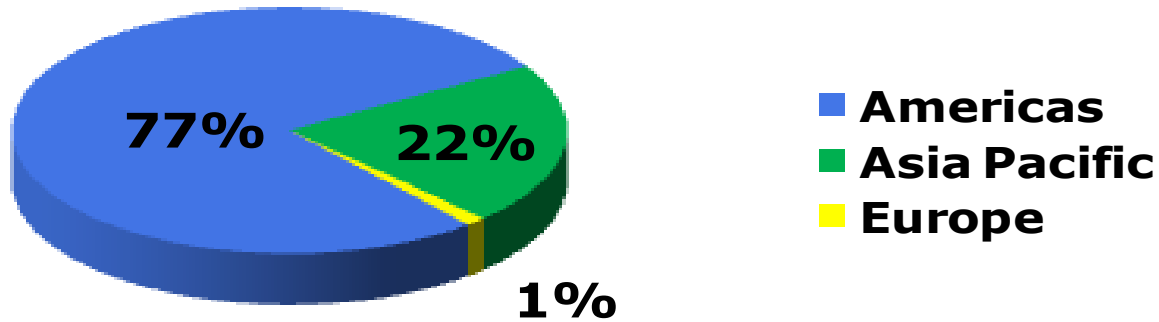


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DMPL 3Q FY2016 Results

In US\$m	3Q FY 2015	3Q FY 2016	Chg (%)	Comments
Turnover	637.5	594.1	-6.8	Lower DMFI sales partly offset by strong Philippines and S&W Asia sales
Gross profit	122.4	122.0	-0.3	Prior year had one-off inventory step up cost of US\$6.2m. Lower GP mainly due to lower sales
Operating profit	23.4	24.5	+4.7	Lower G&A expenses despite the US\$12.5m one-off expenses booked
Net finance expense	(27.9)	(25.0)	-10.4	US\$150m bridge loans paid off through Rights Issue proceeds
FieldFresh equity share	(0.4)	(0.3)	-18.3	Better performance in 47% owned FieldFresh India
Tax	1.8	(0.05)	nm	Higher profit
Net profit	(2.2)	0.6	nm	Same explanation as operating profit. Recurring net profit for this quarter would have been US\$7.5m
Net debt	(1,906.0)	(1,935.3)	+1.5	US\$75m Sager Creek acquisition plus working capital
Gearing (%)	867.5	536.1	-331.4ppts	Lower due to Rights Issue

3Q FY2016 Turnover Analysis



Americas	-10.5%	<ul style="list-style-type: none"> Unsuccessful government and OEM co-pack contract bids, and retail category contraction
Asia Pacific	+9.1%	<ul style="list-style-type: none"> Sales in the Philippines were higher by 6% and S&W by 35%, offset by weak exports of packaged pineapple due to reduced pineapple supply as a result of the El Niño weather pattern
Europe	+2.7%	<ul style="list-style-type: none"> Higher prices of pineapple juice concentrate

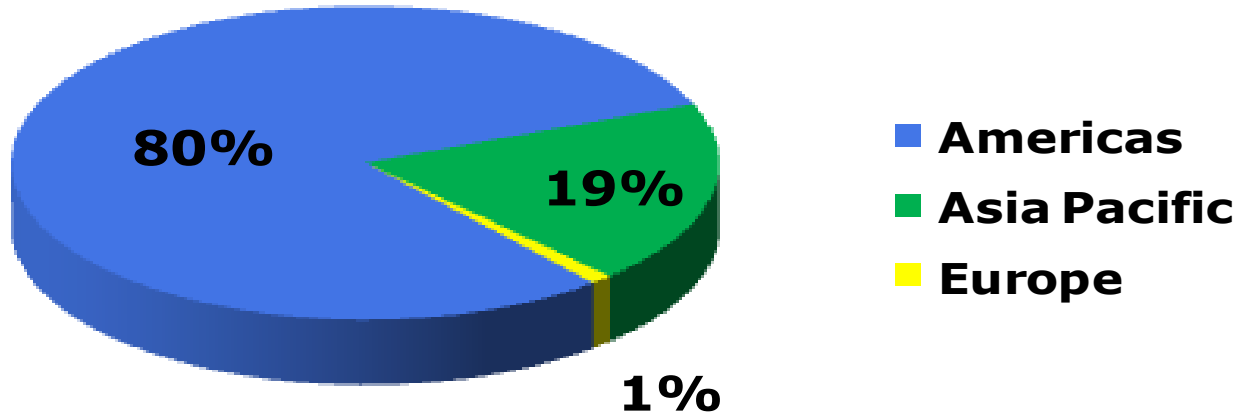


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DMPL 9M FY2016 Results

In US\$m	9M FY 2015	9M FY 2016	Chg (%)	Comments
Turnover	1,631.2	1,725.2	+5.8	Higher DMFI, Philippines and S&W Asia sales
Gross profit	307.8	369.3	+20.0	Prior year had one-off inventory step up cost of US\$44.3m. Absent that, recurring GP would still be up 5% due to better sales and cost optimisation
Operating profit	36.7	120.8	+228.8	Same as above plus benefit of one-off retirement plan amendment at DMFI of +US\$39m booked in 2Q. Absent that, recurring operating profit would still be up 7%
Net finance expense	(76.2)	(70.4)	-7.5	US\$150m bridge loans paid off through Rights Issue proceeds
FieldFresh equity share	(1.6)	(1.2)	-24.8	Better performance in 47% owned FieldFresh India
Tax	13.6	(4.7)	-135.1	Higher profit
Net profit/(loss)	(23.9)	41.9	+275.2	Same explanation as operating profit. Recurring net profit for this period would have been US\$18.5m
Net debt	(1,906.0)	(1,935.3)	+1.5	US\$75m Sager Creek acquisition plus working capital
Gearing (%)	867.5	536.1	-331.4ppts	Lower due to Rights Issue

9M FY2016 Turnover Analysis



Americas	+6.4%	<ul style="list-style-type: none"> • Due to higher DMFI sales mainly due to the consolidation of Sager Creek. Without Sager Creek, DMFI sales were lower by 3% due to unsuccessful government contract bids
Asia Pacific	+4.1%	<ul style="list-style-type: none"> • Sales in the Philippines were higher by 7% and S&W by 16%, offset by weak exports of packaged pineapple due to reduced pineapple supply as a result of the El Niño weather pattern
Europe	-9.8%	<ul style="list-style-type: none"> • Lower sales of packaged pineapple and pineapple juice concentrate that was rechanneled to branded markets



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Del Monte Foods USA

- Stable market shares amidst retail category contraction and competitive behavior
- DMFI's 3Q sales down 9% in 3Q to US\$466m, but higher by 8% in 9M to US\$1.4bn
- Unsuccessful government and OEM co-pack contract bids
- Prioritised pricing and trade spend discipline over volume
- Higher gross margin in 3Q of 18.0% from 17.6% due to optimised trade spending and absence of purchase accounting inventory step up of US\$6.2m
- Higher gross margin in 9M of 19.6% from 17.3% for the same reasons above
- In 3Q, contributed an EBITDA of US\$16.5m to the Group results, inclusive of the one-time expenses of US\$12.5m
- In 9M, contributed an EBITDA of US\$113.7m to the Group results, inclusive of the net one-time gain of US\$17.9m



DMFI USA (cont'd) – Holiday Activations at Top Accounts



Walmart

- End cap display and TV
- Social engagement #This is my twist
- Digital display ads
- Print magazine ad

TARGET

- Multiple displays
- Target.com recipes and mobile app offer
- Signage on display
- Circular Ad

meijer

- Display
- Circular Front Page Ads
- Shopkick Digital program @ Kroger

Publix

Ahold

Del Monte Philippines

- Philippines sales in 3Q were up 12% in peso terms and 6% in US dollar terms, and in 9M +11% and +7%, respectively
- Expanded penetration and increased consumption for juices, tomato-based sauces and packaged pineapple products
- Continued promotion of pineapple juice health benefits and holiday season advertising campaigns across categories



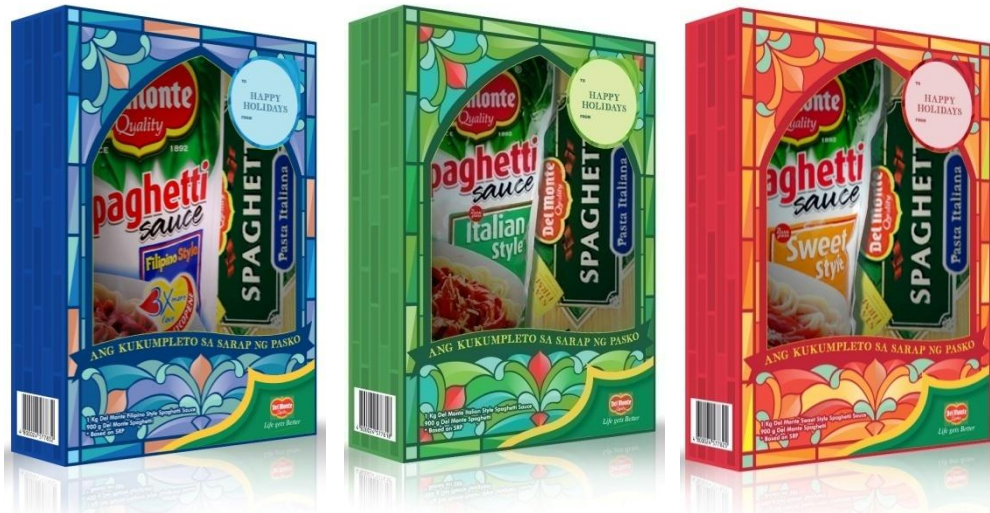
*Christmas short film
produced by TV channel
GMA7 to dramatise the
meaning of Coming Home
for the holidays*

<https://www.youtube.com/watch?v=GU9KIYzuSi8>



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Del Monte Philippines (cont'd)



Annual Christmas Packs in beautifully designed boxes perfect for gifting



Del Monte Spaghetti Christmas Tree in Eastwood Mall



*In-store merchandising
“This Christmas, make it completely delicious!
choose the No. 1!”*



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Del Monte Philippines (cont'd)



*Seasonal flavours available in October-December:
Pineapple Blueberry &
Pineapple Strawberry*



*Del Monte Juice Drinks
in-store sampling
(Christmas-themed)*



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S&W Asia and the Middle East

- S&W branded business sales in Asia and the Middle East were +35% in 3Q and +16% in 9M vs prior year period
- Strong performance of both the fresh and packaged segments
- China and Japan markets grew significantly on higher sales of canned tropical fruit and fresh fruit



S&W Calamansi 240ml juices at the chilled section in various Mini Stop outlets in the Philippines



Launch of S&W Pineapple & Coconut 240ml juices in Israel



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

- Continued advertising in Israel of S&W 100% Pineapple Juices, Apple Juices and other canned juices via creative posts / shoutouts on Facebook
- There is also a new launch for Pineapple & Coconut variant



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

Chinese New Year Promotions (CNY) for 100% Pineapple Juice in Singapore

Pineapple-led juices promotions conducted at Hyper supermarkets of NTUC Fairprice

Objective: to promote healthy juice beverage choice over competitors that are mostly selling carbonated soft drinks for CNY period



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FieldFresh India

- DMPL's share of loss in the FieldFresh joint venture in India for 3Q was down to US\$0.3m from US\$0.4m in the prior year period; and for 9M, share of loss was US\$1.2m from US\$1.6m
- FieldFresh's 3Q sales were +20% in rupee terms and +13% in US dollar terms, while for 9M +17% and +10%, respectively
- Improved performance in juice and the culinary segment
- Sustained its positive EBITDA trend for the quarter



***Del Monte Eggless Mayonnaise
500g Spout - a new value
offering aimed at medium and
heavy mayo consumers***



***Del Monte Dried Apricots 130g -
A new introduction that expands our
Dried Fruit range in the Indian market***



FieldFresh India (cont'd)

Sweet Escapades Digital Campaign

Increase Awareness of our Canned and Dried Fruit range amongst relevant consumers

Drive usage by giving consumers more ways to use our products by sharing digitally simple but innovative recipes made using Del Monte packaged fruits range

50 simple-to-make dessert recipes were created for Del Monte by well known food bloggers and were promoted over social media: Facebook & Instagram

Over 550,000 consumers were reached on social media across our top 3 markets of Delhi, Mumbai and Bangalore



Del Monte Fruit and Nut Yogurt



Del Monte Pineapple Upside Down Cupcakes



Profit Outlook for FY2016

- The Group will report a net profit for the full year of 2016, a significant turnaround from the net loss last year
- In the short to mid term, DMFI is expected to improve profit performance through procurement synergies and transformation, optimisation of G&A costs
- In the mid to long term, DMFI will continue to unlock the growth potential of its products
- The Group will continue to expand its existing branded business in Asia through the Del Monte brand in the Philippines
- The Group is exploring e-commerce opportunities for its range of products across markets
- S&W, both packaged and fresh, will gain more traction as it leverages its distribution expansion in Asia and the Middle East



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Debt Outlook

Planned issuance of perpetual preference shares

- US\$ perpetual preference shares
- In the Philippines to be listed on the Philippine Stock Exchange
- Launch in CY2016 subject to all regulatory approvals and market conditions
- Up to US\$360m
- Will result in a further improvement of leverage ratios



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