DEL MONTE PACIFIC LIMITED

29 June 2015

SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the fourth quarter and FY2015 period ending 30 April 2015)

Contacts:

Iggy Sison	Jennifer Luy
Tel: +632 856 2888	Tel: +65 6594 0980
sisonio@delmonte-phil.com	jluy@delmontepacific.com

***Note to Editors:** Del Monte Pacific Limited ("DMPL" or the "Group") acquired US-based Del Monte Foods, Inc ("DMFI") on 18 February 2014 and aligned its financial year with that of DMFI whose financial year runs from May to April. The Group had previously informed its shareholders and the media that it would incur acquisition-related expenses (including purchase accounting requirements) and non-recurring expenses, which would impact the bottom-line when reporting quarterly and full year results for the financial year May 2014 to April 2015. In excluding these expenses, the underlying business performed well with sales, EBITDA and operating income greater than prior year resulting in a much stronger cash flow position for the Group. For the next financial year, May 2015 to April 2016, the Group does not expect to incur any significant expenses relating to the acquisition nor the transition.*

4Q FY2015 Highlights

- **Achieved sales of US$528m, with US$423m contributed by Del Monte Foods, Inc (DMFI)**
- **Sales of DMFI grew by 7% versus year ago (pro-forma same quarter basis)**
- **Sales of Del Monte in the Philippines and S&W in Asia Pacific rose more than 50%**
- **Realised Group EBITDA of US$22m and operating income of US$7.5m, but recorded net loss of US$14.1m primarily due to non-recurring expenses**

FY2015 Highlights

- **Sales of US$2.2bn, much higher than prior year, with US$1.7bn contributed by DMFI**
- **Realised Group EBITDA, operating income and net income of US$156m, US$44m and US$25m, respectively, before acquisition and non-recurring expenses of US$63m net, primarily due to purchase accounting inventory step-up and new Enterprise Resource Planning (ERP) implementation**
- **The Group recorded a net loss of US$38m after acquisition and non-recurring expenses**

Singapore/Manila, 29 June 2015 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DMPL PM) reported today its results for the fourth quarter and FY2015 ending April 2015.

The Group achieved sales of US$528.2 million for the fourth quarter of FY2015, up by US$164.2 million or 45% over the prior year period, with DMFI generating US$423.4 million of sales. From the closing of the acquisition on 18 February 2014 to the end of April 2014, DMFI contributed US$293.4

million. Using pro-forma full quarter basis (i.e. from 1 February to end April 2014) and including DMFI's recently acquired Sager Creek Vegetable Company's vegetable business ("Sager Creek"), DMFI's sales grew by 7%.

On 11 March 2015, DMFI acquired Sager Creek, a producer of specialty vegetables for the foodservice and retail markets headquartered in Siloam Springs, Arkansas, providing it access to new customers and new retail product offerings and the opportunity to expand on Sager Creek's foodservice business platform, while driving significant operating synergies in its network of vegetable production facilities.

Meanwhile, DMPL's base business performed strongly in the fourth quarter. Its 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), and export sales globally, generated sales of US$121.7 million, significantly higher by 54%. DMPL's base business achieved a net profit of US$5.6 million before acquisition-related interest expenses and non-recurring expenses, a turnaround from prior period's loss of US$9.4 million.

The Philippine market finished strong with double-digit growth across all key measures, sustaining gains from consumption-building initiatives across categories, with broader product distribution and superior in-store presence. The S&W branded business in Asia and the Middle East also generated robust sales from both the fresh and packaged segments.

The Group incurred a net loss of US$14.1 million in the fourth quarter primarily due to non-recurring expenses amounting to US$8.9 million, after tax:

- *Write off of Venezuela of US$4.1 million* - In March 2015, DMFI wrote off its assets and its remaining net investment in the Venezuelan business amid unstable economic conditions and additional currency devaluation. DMFI deconsolidated Venezuela starting March 2015 and will not be reporting this business going forward unless it receives a cash distribution.

- *ERP implementation of US$5.4 million* - DMFI migrated its ERP to SAP in January 2015, raising its processes and systems to global standards with higher efficiencies. Its parent DMPL also uses the same ERP.

- *An offsetting net gain of US$0.6 million from other items*

The Group's cash flow from operations in the fourth quarter was US$189.5 million, significantly higher than the US$51.4 million in the prior year period. DMFI's Asset-Backed Loan (ABL), its revolving working capital facility, has been reduced to US$99 million as of April 2015 from US$109m as of April 2014. Without the US$75 million payment for the Sager Creek acquisition out of this credit facility and the investment in the new ERP, the debt reduction would have been much higher.

Approximately US$150 million of short-term bridge financing has been repaid by DMPL using the proceeds from the oversubscribed Rights Issue in March 2015. Meanwhile, US$350 million of short-term bridge financing has been extended for up to two years.

For the fiscal year 2015, the Group generated sales of US$2.2 billion, up from US$743.3 million in 2014 due to the consolidation of DMFI since 18 February 2014. DMFI generated sales of US$1.7 billion in 2015, 5% higher on a pro-forma same period basis.

"A key accomplishment was the growth of our market share across all key retail segments by reverting back to competitive pricing levels, reintroducing the well recognised classic Del Monte label and reinstating trade support levels. We also strengthened our partnership with key retailers through investments in effective marketing and trade promotion," said Mr Nils Lommerin, Chief Executive Officer of Del Monte Foods, Inc. "Having transitioned off the Transition Service Agreement or TSA with the seller in a substantially accelerated timeline was also a significant achievement for the Company, as we had to ensure that our systems and processes were ready once the TSA ended. We are on track to achieving significant cost improvements."

He also added, "We have made substantial progress developing strategically compelling growth initiatives across both retail and non-retail channels, including the acquisition of Sager Creek which is expected to provide significant operating synergies and a platform to accelerate growth in the foodservice and new vegetable segments. Building on the momentum in FY2015, we expect a strong finish in FY2016."

Meanwhile, sales for Del Monte in the Philippines and S&W in Asia and the Middle East were up strongly by 19% and 17%, respectively, in FY2015.

The Group generated an EBITDA of US$95.7 million and incurred a net loss of US$38.0 million for the financial year 2015 mainly due to acquisition-related and non-recurring expenses worth US$62.6 million, after tax:

- *Inventory step-up of US$24.6 million* - Purchase accounting standards required a restatement to fair market values of the assets which formed part of the acquisition. This had a corresponding impact on DMFI's costs, primarily due to an upward revaluation of inventory which corresponded to a higher cost of goods sold. This was a carryover from the Transition Period of January to April 2014 as not all the inventory at the point of acquisition had been sold during that period. The inventory step up had no cash flow impact. Moreover, the inventory affected by this carryover was sold in FY2015 so there will no longer be any impact in FY2016.

- *Bridge loans' interest expense of US$25.3 million* – US$150 million of the bridge loans had already been paid down in March 2015

- *Write off of Venezuela of US$4.1* million, as discussed earlier

- *ERP implementation of US$9.1 million,* as discussed earlier

- *An offsetting net gain of US$0.5 million from other items*

Before acquisition-related and other non-recurring expenses, the Group recorded an EBITDA of US$156.1 million and a net income of US$24.5 million for fiscal year 2015.

For the next financial year, from May 2015 to April 2016, the Group does not expect to incur any significant expenses relating to the acquisition nor the transition.

The Group's cash flow from operations for the full year was US$231.5 million, more than double that of prior year's US$105.4 million.

"Fiscal year 2015 was a year of transition, integration, and strengthening the core business. We successfully laid a solid foundation from which we will execute our growth plans in the coming year. Without the acquisition and non-recurring expenses, we look forward to a sustained momentum and a return to profitability for the Group in fiscal year 2016," said Mr Joselito D Campos, Jr, CEO and Managing Director of DMPL.

DMFI's back office functions were outsourced to a global service provider in the Philippines in February 2015. These cost saving measures are expected to improve the Group's operating margin in FY2016 and beyond.

Disclaimer

This announcement may contain statements regarding the business of Del Monte Pacific Limited and its subsidiaries (the "Group") that are of a forward looking nature and are therefore based on management's assumptions about future developments. Such forward looking statements are typically identified by words such as 'believe', 'estimate', 'intend', 'may', 'expect', and 'project' and similar expressions as they relate to the Group. Forward looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to various factors.

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.

Neither the Group nor its advisers and representatives shall have any liability whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this announcement or its contents.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in Del Monte Pacific.

About Del Monte Pacific Limited (www.delmontepacific.com)

Dual listed on the Mainboard of the Singapore Exchange and the Philippine Stock Exchange, Del Monte Pacific Limited (Bloomberg: DELM SP/ DMPL PM) is the parent to a group of companies (the "Group") that caters to today's consumer needs for premium quality, healthy food and beverage products. It innovates, produces, markets and distributes its products worldwide.

DMPL acquired the consumer food business of Del Monte Corporation in the United States on 18 February 2014 and renamed it Del Monte Foods, Inc (DMFI). This acquisition extends the footprint of the Group's business to the US and South America. It also acquired various trademarks for consumer products such as *Del Monte, S&W, Contadina, College Inn, Fruit Naturals, Orchard Select* and *SunFresh*. The Group now has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar.

The consumer product business that the Group acquired enjoys leading market shares for the US canned fruit and vegetable segments and number two position for the US canned tomatoes and broth categories. In the Philippines, the Group enjoys leading market shares for canned pineapple juice and juice drinks, canned pineapple and tropical mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup.

DMFI acquired Sager Creek Vegetable Company's vegetable business on 11 March 2015. Sager Creek is a producer of specialty vegetables for the foodservice and retail markets headquartered in Siloam Springs, Arkansas.

The Group owns another premium brand, *S&W*, globally except 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 packaged fruit and vegetable products.

The Group owns 94% of a holding company that owns 50% of FieldFresh Foods Private Limited in India (www.fieldfreshfoods.in). FieldFresh markets *Del Monte*-branded packaged products in the domestic market and *FieldFresh*-branded fresh produce. Del Monte Pacific's partner in FieldFresh India is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

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 89 years of pineapple growing and processing.

Del Monte Pacific and its subsidiaries are not affiliated with other Del Monte companies in the world, including Fresh Del Monte Produce Inc, Del Monte Canada, Del Monte Asia Pte Ltd and these companies' affiliates.

Del Monte Pacific is 67%-owned by NutriAsia Pacific Ltd (NPL). NPL is owned by the NutriAsia Group of Companies which is 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.