GENERAL ANNOUNCEMENT::UPDATE ON PROGRESS OF DMFI, ASSET LIGHT STRATEGY AND LOAN REFINANCING

Issuer & Securities

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Please see attached.

Attachments

DMPL%20-%20DMFI%20Supply%20Chain%20Optimisation.pdf

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DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands)

UPDATE ON PROGRESS OF DEL MONTE PACIFIC LIMITED (DMPL) U.S. SUBSIDIARY, DEL MONTE FOODS INC (DMFI), ASSET LIGHT STRATEGY AND LOAN REFINANCING

- **Strategy on track to significantly improve capacity utilisation**
- **Cost cutting measures improve DMFI's 1H EBITDA, exceeding targets**
- **Cost savings also being reinvested in growth and expansion of DMFI's iconic brands and new products in response to consumer trends for healthy and plant-based foods**
- **One-off charges - most of which are non-cash expenses - will be booked in DMPL's financial results for second quarter, to be released on 11 December 2019**
- **DMPL evaluating options to refinance existing DMFI loan facilities and continues with efforts to reduce DMFI's debt**

Singapore/Manila, 19 November 2019 – Singapore Exchange Securities Trading Limited Mainboard and Philippine Stock Exchange, Inc. dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DELM PM) is updating its 20 August 2019 announcement regarding the divestiture by the Group's U.S. subsidiary, Del Monte Foods, Inc. ("DMFI"), of its four production facilities as part of DMFI's "Asset Light Strategy" and is also providing preliminary information regarding DMFI's evaluation of a potential refinancing of certain loans.

SUPPLY CHAIN OPTIMISATION

On 1 November 2019, DMFI successfully sold and transitioned its Cambria, Wisconsin operations and related employees to Seneca Foods Corporation. DMFI has also entered into an agreement to sell its production facilities in Sleepy Eye, Minnesota and Mendota, Illinois and expects the closure and sale of these facilities to be completed during 4Q FY2020. DMFI has also sold equipment at its Crystal City, Texas facility and is considering additional proposals to sell the balance of the Crystal City assets. Production at rationalised facilities is being transitioned to other DMFI production facilities in the United States as well as to strategic co-packers. These divestitures will enable DMFI to significantly improve capacity utilisation at the remaining plants in its production network.

While DMFI's Asset Light Strategy has been a complex undertaking, it has been a critical step in repositioning DMFI for the future. Execution of this strategy and other cost saving initiatives should improve the Group's EBITDA margin by an estimated 225–275 basis points (US$50–US$60 million) over the next 24 months.

A portion of these improved cost savings will be reinvested in the growth and expansion of DMFI's iconic brands. DMFI is capitalising on growing consumer desire for convenient, healthy and tasty plant-based foods. It is expanding its brands beyond center store grocery into higher growth categories such as frozen, produce and deli, and expanding its presence within the foodservice, convenience store and club store channels.

Ongoing transformational initiatives at DMFI are already showing a positive impact on FY2020 results, and DMFI is on track to exceed recurring EBITDA targets for this financial year. For the first half of FY2020 (six months ending October 2019), DMFI's recurring GAAP EBITDA is expected to increase by 35 to 40% compared to the prior year period (six months ending October 2018) and is expected to outperform DMFI's internal plan.

The Group is finalising the amount of one-off expenses to be booked in its results for the second quarter ending October 2019, which are to be released on 11 December 2019. Most of these one-off costs are non-cash expenses, mainly asset write-downs arising from the sale and closure of DMFI's plants, and will not impact cash flow. As a result of such non-recurring expenses, the Group is expected to report a loss in the second quarter. However, the Group's core earnings, on a recurring basis, are expected to be positive and higher than last year.

REFINANCING EVALUATION

The Group is currently evaluating options to refinance existing DMFI loan facilities of approximately US$1.4 billion, comprised of: US$442.5 million (Asset Based Loan facility), US$670 million (First Lien Term Loan) and US$260 million (Second Lien Term Loan), which will mature in November 2020, February 2021, and August 2021, respectively. The Group has continued to support the capital structure requirements and deleveraging efforts of DMFI, including the purchase, over the last 20 months, of approximately US$231 million of DMFI's Second Lien Term Loan.

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

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc., Del Monte Pacific Limited (Bloomberg: DELM SP/ DELM PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its heritage brands - *Del Monte, S&W, Contadina* and *College Inn* – the majority of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, the Indian subcontinent and Myanmar, while for *S&W*, it owns the trademarks globally except in Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc. (DMFI) (www.delmontefoods.com), owns other trademarks such as *Fruit Naturals, Orchard Select, SunFresh* and *Fruit Refreshers,* while DMPL's Philippines subsidiary, Del Monte Philippines, Inc. (www.delmontephil.com), has the trademark rights to *Del Monte*, *Today's*, *Fiesta*, *202*, *Fit 'n Right*, *Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines.

The Group sells packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, under various brands, and also sells fresh pineapples under the *S&W* brand.

DMFI has joint ventures with Fresh Del Monte Produce Inc. in chilled products – juices, packaged fruit, guacamole and avocado, and *Del Monte*-branded retail food and beverage outlets.

The Group owns approximately 95% 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. The Group's partner in FieldFresh India is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL's USA subsidiary DMFI operates six plants in the USA and two in Mexico, while its Philippines subsidiary operates the world's largest fully-integrated pineapple operation with its 26,000-hectare pineapple plantation in the Philippines and a factory that is about an hour's drive away. It also operates a beverage bottling plant and a frozen fruit processing facility in the Philippines.