

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

**CLARIFICATION OF REPORTS INVOLVING DEL MONTE PHILIPPINES, INC.,
A SUBSIDIARY OF DEL MONTE PACIFIC LIMITED**

We refer to recent reports in Philippine newspapers about a case filed against the Commissioner and certain officials of the Bureau of Internal Revenue (BIR) alleging irregularities in respect of taxes assessed on, and collected from, Del Monte Philippines, Inc. (DMPI), a subsidiary of Del Monte Pacific Limited.

For 93 years that it has been operating in the Philippines, DMPI has been a loyal corporate citizen and has been diligently paying its taxes.

For the first time in DMPI's long corporate existence, we heard about a controversy involving absurd tax assessments on the company for 2011, 2012 and 2013 totaling PhP 30 billion. It was mentioned that DMPI was assessed PhP21 billion in 2011, PhP 3.43 billion in 2012 and PhP 5.2 billion in 2013. These assessments appear outrageous when compared to DMPI's revenues during those years:

Year	Tax Assessment in Pesos as cited in Philippine Star article on 5 July 2017	Revenue in Pesos	Tax Assessment/Revenue
2011	21 billion	16.8 billion	125%
2012	3.4 billion	18.5 billion	18.4%
2013	5.2 billion	19.8 billion	26.3%

On the other hand, the amount of income taxes paid by the company is shown to be correct and reasonable on the basis of its audited taxable income.

Year	Audited Taxable Income in Pesos	Paid Income Tax In Pesos
2011	678.3 million	236 million
2012	1.56 billion	408.9 million
2013	1.83 billion	534.9 million

Del Monte Philippines trusts that this announcement has shed light on the matter and stands ready to fully cooperate in any government inquiry.

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BY ORDER OF THE BOARD

Antonio E S Ungson
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