

Del Monte Pacific Limited  
CORPORATE PRESENTATION 2013



*Branding*

# Disclaimer



This document does not constitute or form part of and should not be construed as an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries or affiliates in any jurisdiction or as an inducement to enter into investment activity. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This document is not financial, legal, tax or other product advice.

This document has been prepared by the Company based on information available to them for use at a non-deal road show presentation by the Company for selected recipients for information purposes only and does not constitute a recommendation regarding any securities of the Company. The information has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with the document.

The statements contained in this document speak only as at the date as of which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of the Company, its management, and their respective advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent.

This presentation is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering in the United States may be made only by means of an offering circular that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements.

This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements.

Any reference herein to "the Company" shall mean, collectively, Del Monte Pacific Limited and its subsidiaries and investments.

# Agenda



## **I. Introduction**

### **A. Vision and Brand Ownership**

### **B. Del Monte Worldwide**

### **C. S&W Worldwide**

## **II. DMPL's Business**

## **III. Growth Drivers**

## **IV. Financials**

## **V. Corporate Governance**

# Vision and Brand Ownership

- ❖ Rights to premium Del Monte brand for the Philippines, Indian subcontinent and Myanmar -- for processed products
- ❖ Rights to premium S&W brand for Asia, Middle East, Europe and Africa -- for both processed and fresh products



## Our Vision

To be one of the fastest growing global branded food and beverage companies



# Del Monte Worldwide



## History

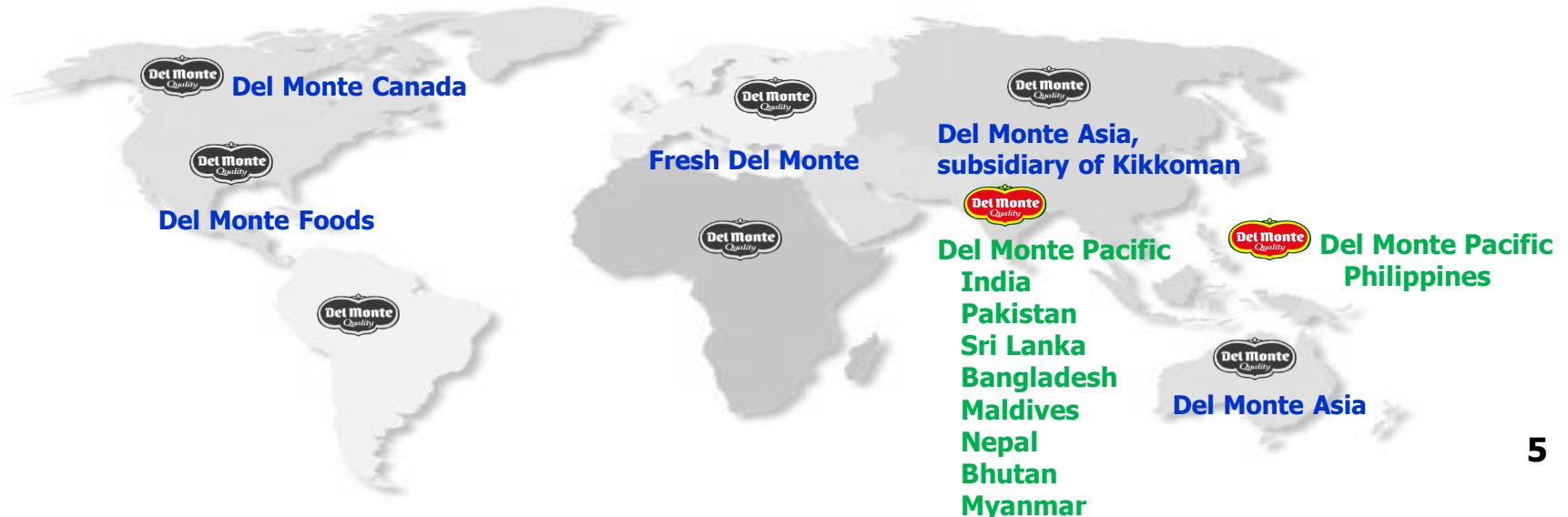
- ❖ Del Monte brand originated in 1892 in California
- ❖ In the 1990 LBO days, private equity firm KKR broke up the Del Monte brand, resulting in a number of unaffiliated Del Monte companies with perpetual ownership of the brand in their respective market/product category with no royalty payments
- ❖ In December 2005, NutriaAsia Pacific invested in DMPL and held 85% of the company after a General Offer in January 2006



## Map

Processed food brand ownership map

For fresh produce, Fresh Del Monte owns the Del Monte brand rights globally





# S&W Worldwide



## History

- ❖ S&W brand originated in 1896 in California
- ❖ Del Monte Pacific acquired the brand for Asia, Middle East, Europe and Africa in 2007
- ❖ Del Monte Foods owns the rights for the USA, while Manassen Foods for Australia and New Zealand



## Map

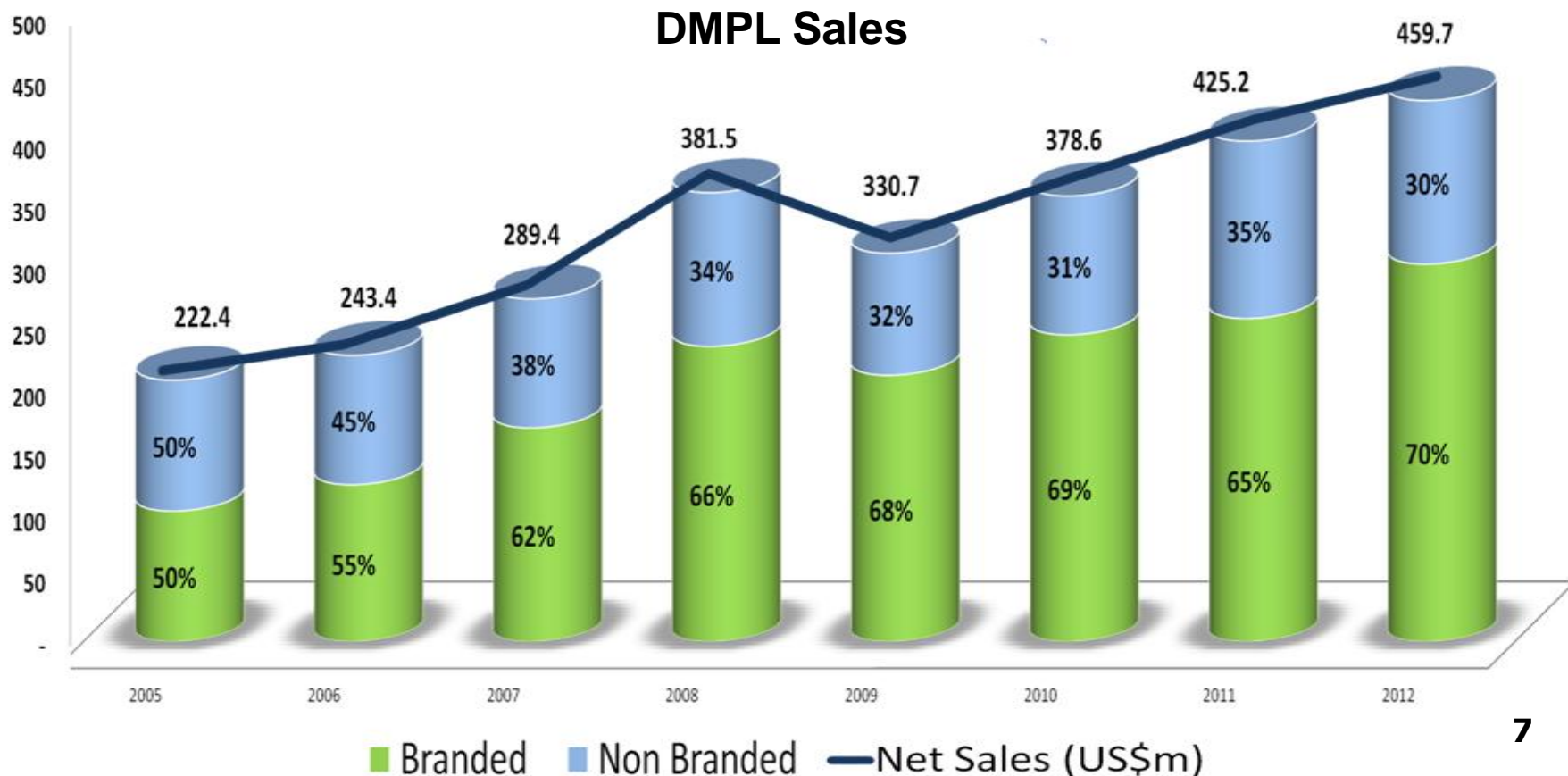
S&W brand footprint of Del Monte Pacific now covers over 20 markets in Asia and the Middle East



# Branded Business Growth



- ❖ Significant expansion of the branded business from 50% in 2005 to 70% in 2012
- ❖ Sales more than doubled from US\$222m to US\$460m during this period
- ❖ Branded business will sustain revenue growth and better margins





# DMPL's Business Streams



## BRANDED BUSINESS (about 70% of sales)

Markets	Main Brands	Products
Philippines	Del Monte for processed	Culinary (outsourced) : 40% Beverage : 40% Processed fruits : 20%
Asia and Middle East	S&W for processed and fresh	Canned fruits, juices, beans, tomatoes, veg and Fresh pineapple
Indian subcontinent ex India	Del Monte for processed	Beverage and Processed fruits
India (equity accounted, 47% JV with Bharti)	Del Monte for processed FieldFresh for fresh	Culinary, Beverage, Processed fruits and Fresh produce



## OEM BUSINESS (about 30% of sales)

Export Markets	Customers	Products
North America	Del Monte Foods USA Del Monte Canada	Processed fruits and pineapple juice concentrate (PJC)
Europe	Private labels	Processed fruits and PJC
Asia Pacific	Del Monte Asia/Kikkoman Private labels Fresh Del Monte	Processed fruits and PJC Processed fruits, PJC and fresh pineapple Fresh pineapple



See Appendix note 2 for details on PJC contribution to Del Monte Foods' and Del Monte Asia's supply contracts.

See Appendix note 3 for details on Del Monte Foods' and Del Monte Asia's contributions to sales.



# DMPL's Business Streams

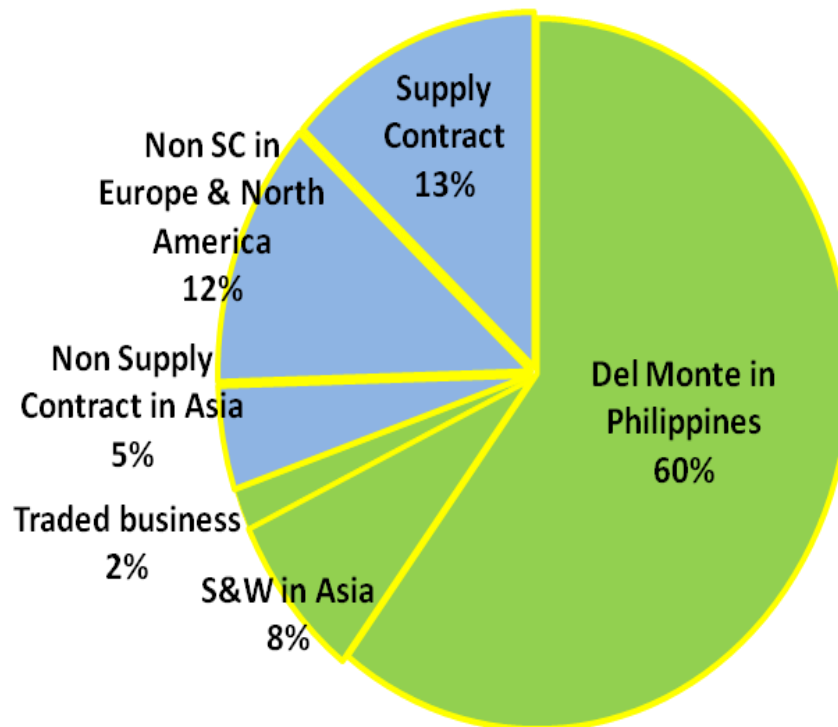


In 2012, the branded business, led by the Philippine Market, generated 70% of Sales and 89% of Operating Profit



2012 Sales Breakdown

US\$459.7M



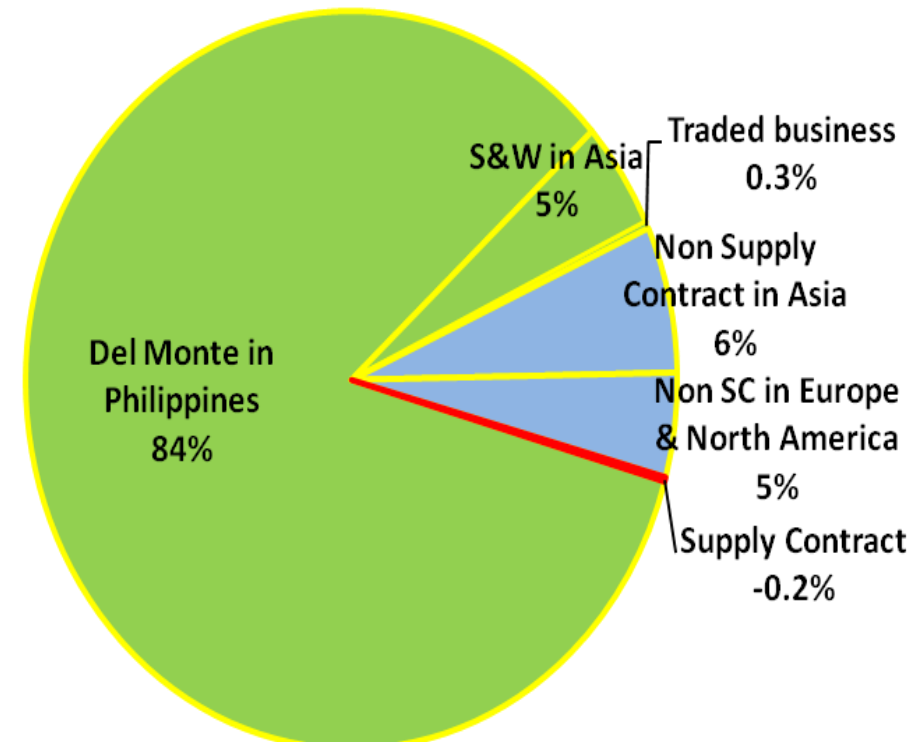
Non-Branded



Branded

2012 Operating Profit Breakdown

US\$49.9M



# Philippines

## ❖ Market leader in a number of categories



- Canned pineapple: 80%
- Canned mixed fruit: 74%
- Canned RTD juices: 92%
- Tomato sauce: 78%
- Spaghetti sauce: 56%

(Nielsen Retail Index, April 2013)

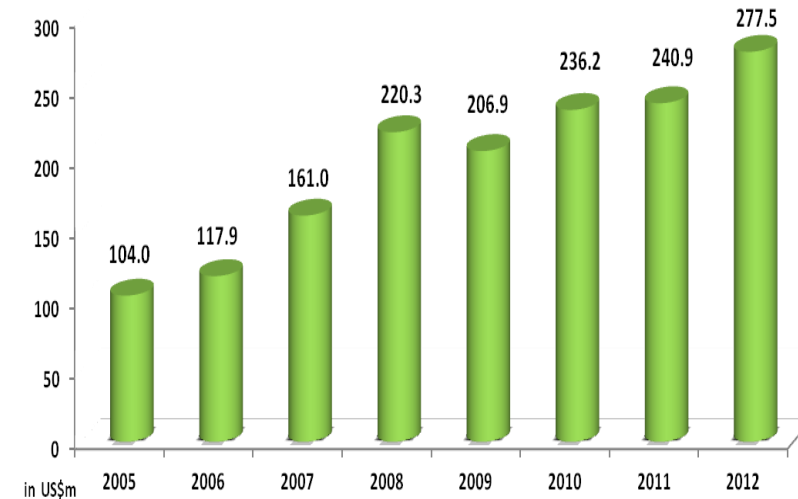
## ❖ Strong brand equity

## ❖ 70% General Trade, 30% Modern Trade

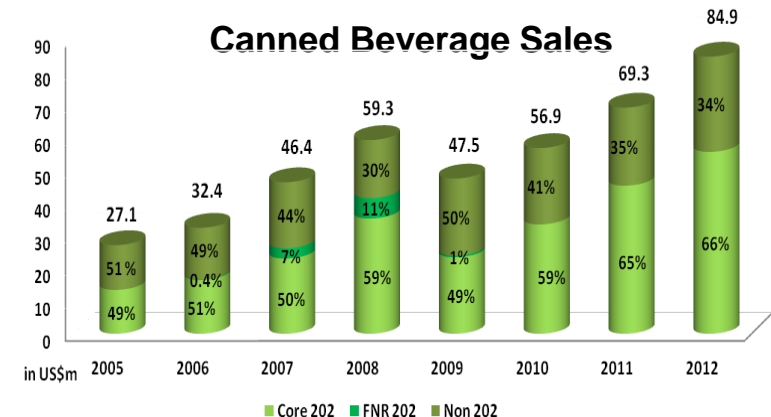
## ❖ Del Monte 100% Pineapple Juice, a health maintenance drink, especially the Heart Smart juice variant for cholesterol reduction, driving strong sales



Philippine Market Sales



Canned Beverage Sales



# Del Monte Products in Philippines







# Philippines (cont'd)



# Integrated Pineapple Operations

**Manage consistency of quality, reliability of supply and stability of cost**

Plantation	Cannery	Fresh Packhouse	Ocean Port
			
<b>~23,000 ha. of plantation in the Philippines; planting &amp; harvesting 24/7/52</b>	<b>Cannery capacity of 700,000 tons is ½ hr from plantation; processes fruit within 24 hours of harvest assuring freshness</b>	<b>State-of-the-art fresh cold storage and packing house facility</b>	<b>Ocean port integrated into cannery allows shipping directly to world markets</b>

**One of the largest integrated pineapple processors in the world with an 87-year history in the Philippines**

**Globally competitive pineapple producer**

# FieldFresh (India)

❖ Acquired 40% of FieldFresh in Sept 2007

❖ Stake increased to 47% via capital calls  
Voting control : 50% Bharti, 50% DMPL

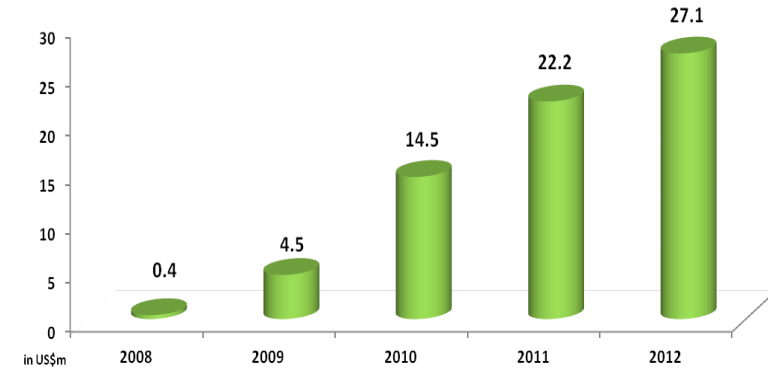
❖ Vision: develop the Indian market for  
Del Monte branded processed products

❖ In Dec 2010, opened a new facility near Bangalore to produce culinary  
products and fruit drinks

❖ In 2012, DMPL's equity loss reduced to US\$5.6m from US\$9.7m in 2011  
due to better sales mix and lower overhead, with total sales of US\$35m in  
2012 of which US\$27m was Del Monte branded processed foods

❖ In 1Q13, equity loss down to US\$1.1m from US\$1.7m, on sales  
of US\$11.7m

Del Monte Processed Food Sales



# Del Monte Products in Indian Subcontinent



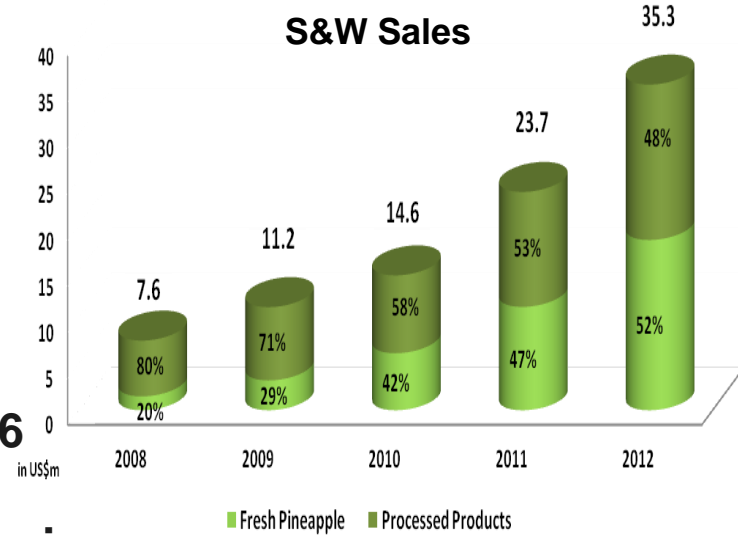
See Appendix note 8 for details on sales breakdown by product category.  
See Appendix note 9 for details on distribution in India.  
See Appendix note 10 for details on sales outside India.



# S&W (Asia and Middle East)



- ❖ Acquired S&W brand in Nov 2007
- ❖ Global rights except for Americas, Australia/NZ
- ❖ Exceptional quality premium canned fruit and vegetable products: originated in USA in 1896
- ❖ Brand is extendable to other packaging formats, and to fresh produce, an excellent platform for global expansion
- ❖ Asset light strategy: all products outsourced except processed pineapple products



- ❖ Sales of US\$35m in 2012 (US\$17m processed and US\$18m fresh) and operating income of US\$3.5m
- ❖ Sales of US\$6.7m in 1Q13 (US\$2.1m processed and US\$4.5m fresh) and operating income of US\$1.1m



# S&W Products in Asia



# S&W (cont'd)

Japan -- fresh  
pineapple



Middle East -- processed  
product



China and Korea -- fresh  
pineapple



See Appendix note 12 for details on S&W processed sales breakdown.  
See Appendix note 13 for details on South Korea and China contribution to S&W processed product sales.  
See Appendix note 14 for details on South Korea and China contribution to S&W fresh pineapple sales.

# Growth Drivers



## Major Earnings Drivers:

### 1. Del Monte

Growth of the Philippine Market



### 2. S&W Processed

Expansion in Asia and the Middle East



### 3. S&W / Fresh

Growth of fresh fruit, especially branded

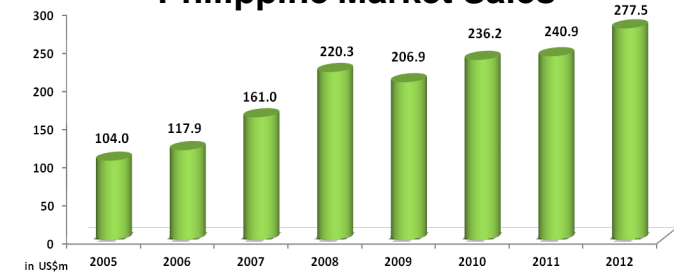


### 4. Juice Mix

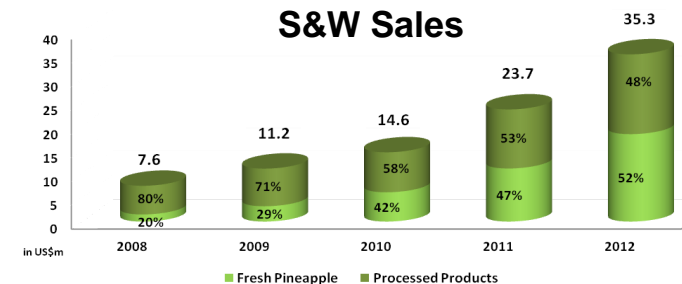
Shift from industrial pineapple juice concentrate to more branded RTD beverage. A new line for canned juices will increase capacity in 2013.



Philippine Market Sales



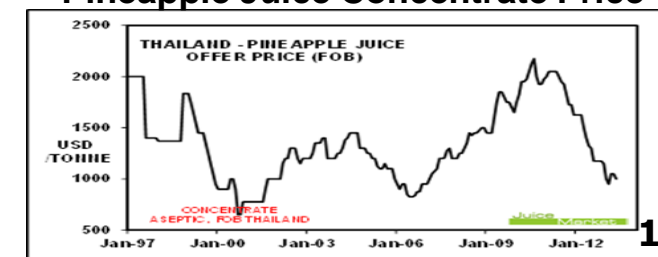
S&W Sales



Fresh Sales



Pineapple Juice Concentrate Price





# Long Term Growth Drivers



## Major Earnings Drivers in 2015:

### 1. US Market

DM US processed pineapple supply contract termination in November 2014



### 2. Fresh Market

DM Fresh pineapple supply contract shifts to market pricing starting January 2015



### 3. PET Juice

Tollpacking contracts in the Philippines expire by August 2014





# Full Year 2012

In US\$m	FY 2011	FY 2012	Chg (%)	Comments
<b>Turnover</b>	425.2	<b>459.7</b>	+8.1	Due to the 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
<b>Gross profit</b>	101.4	<b>112.8</b>	+11.2	Higher volume and better sales mix
<b>Operating profit</b>	44.3	<b>49.9</b>	+12.6	Higher margins and lower operating expenses
<b>Finance inc/(exp)</b>	(1.6)	<b>(3.1)</b>	+91.5	Higher borrowings
<b>Share of loss</b>	(9.7)	<b>(5.6)</b>	-42.2	Lower loss in 46%-owned FieldFresh India as expected
<b>Tax</b>	(5.5)	<b>(9.1)</b>	+65.0	Higher profit
<b>Net profit attributable to owners</b>	27.4	<b>32.1</b>	+16.9	Mainly due to higher turnover
<b>Net debt</b>	(89.1)	<b>(116.0)</b>	+30.1	Higher working capital requirements
<b>Gearing (%)</b>	38.9	<b>45.8</b>	+6.9ppt	Same as above



# First Quarter 2013

In US\$m	1Q 2012	1Q 2013	Chg (%)	Comments
<b>Turnover</b>	74.7	<b>87.4</b>	+17.0	Higher sales due to branded business mainly the Philippines and S&W fresh
<b>Gross profit</b>	17.6	<b>19.8</b>	+12.2	Higher volume and better sales mix offset higher logistics cost
<b>Operating profit</b>	8.6	<b>7.8</b>	-7.3	Weak performance in non branded segment and higher A&P spending due to change in skewing
<b>Finance inc/(exp)</b>	(1.2)	<b>(0.3)</b>	-71.5	Higher FX gains
<b>Share of loss</b>	(1.7)	<b>(1.1)</b>	-35.0	Lower loss in affiliate, FieldFresh India
<b>Tax</b>	(1.3)	<b>(2.0)</b>	+57.5	Higher tax
<b>Net profit attributable to owners</b>	4.4	<b>4.5</b>	+2.0	Higher branded performance more than offset weakness in non branded segment
<b>Net debt</b>	(120.2)	<b>(149.6)</b>	+24.4	Higher working capital requirements
<b>Gearing (%)</b>	53.8	<b>62.1</b>	+8.3ppts	Same as above

# Shareholder Value Enhancement



- Dividend Policy of 33% payout exceeded in the past years (2005-12: 75% payout)
- Bonus share issue of 2:10 in April 2013
- Dual listing in the Philippines

# Corporate Governance



- Listed on the Singapore Exchange since 1999
- Complies with the Code of Corporate Governance
- Ranked 61st among 674 Singapore-listed companies in the Governance and Transparency Index\* in April 2012
- Received 3 awards in 2010 and 1 award each in 2011 and 2012 from the Singapore Corporate Awards:
  - ✓ Best Managed Board (Gold)
  - ✓ Best Chief Financial Officer
  - ✓ Best Investor Relations (Gold)
  - ✓ Best Annual Report 2x (Bronze)
- 4 of 7 Directors are Independent



\*GTI was jointly launched by The Business Times and the Centre for Governance, Institutions and Organizations. The GTI, which is sponsored by CPA Australia and supported by the Investment Management Association of Singapore, assesses the financial transparency of companies based on their annual announcements.



# Investment Merits



Solid Fundamentals	Growth Drivers	Shareholder Value	Corporate Governance
<ul style="list-style-type: none"> <li>Well-known premium <b>Del Monte</b> and <b>S&amp;W</b> brands</li> <li>Leading market shares in the <b>Philippine market</b></li> <li>Globally competitive <b>integrated</b> pineapple producer</li> <li>Experienced, dynamic <b>management team</b></li> </ul>	<p><u>Immediate:</u></p> <ul style="list-style-type: none"> <li><b>S&amp;W expansion</b> in Asia and the Middle East for both processed and fresh products</li> </ul> <p><u>Medium term:</u></p> <ul style="list-style-type: none"> <li>Higher profitability in international markets post <b>termination of supply contracts</b></li> </ul> <p><u>Long term:</u></p> <ul style="list-style-type: none"> <li><b>India</b> joint venture, Indian subcontinent and Myanmar</li> </ul>	<ul style="list-style-type: none"> <li>Dividend Policy of 33% payout exceeded in the past (2005-12: <b>75% payout</b>)</li> <li><b>Share Bonus</b> issue of 2:10</li> <li><b>Dual listing</b> in the Philippines</li> </ul>	<ul style="list-style-type: none"> <li>Garnered 5 awards from the <b>Singapore Corporate Awards</b> in 2010-2012</li> <li>Top 10% ranking among 674 Singapore-listed companies in the <b>Governance and Transparency</b> Index in April 2012</li> </ul>



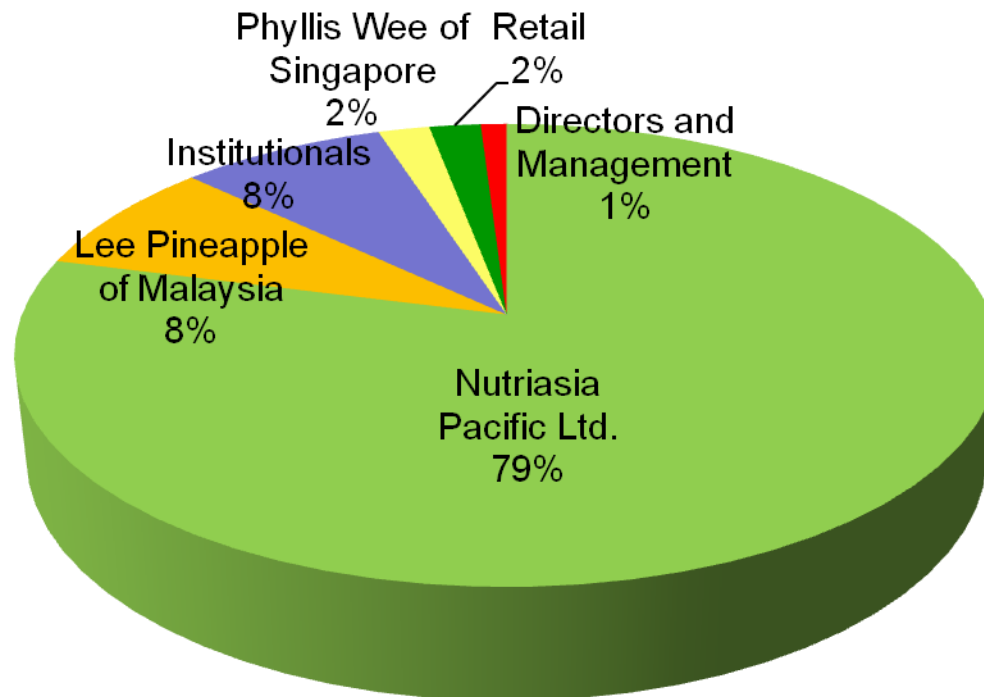
# APPENDIX

# SGX Listing



- Listed on 2 August 1999
- More than 7,000 shareholders, mostly retail

## Shareholder Breakdown



771 listed cos.



# Rationale for PSE Listing

**Beneficial for the Company and its shareholders to have a dual listing on the Philippine Stock Exchange (PSE), for the following reasons:**

- **Provide DMPL with a platform to widen its investor base. In particular, it will enhance the Company's attractiveness to investors in the Philippines and to foreign investors interested in the Philippine stock market.**
- **Enhance the profile and market visibility of the Company which is expected to result in greater trading liquidity. This will likely attract more research coverage on the Company.**
- **Establish financing platforms in two different equity markets simultaneously, thereby providing the Company with an additional channel and ready access to a wide pool of capital through which it can fund its future business growth.**



# Summary of Share Transfer Process

(if shares will be immediately tradable in Philippines)



## If Shareholder holds physical Share certificates

- 1
  - Shareholder submits physical Share certificates to Singapore Transfer Agent and requests for removal of Shares from Singapore Registry
  - Shareholder requests Philippine Broker to lodge Shares with PDTC
- 2
  - Singapore Transfer Agent removes Shares from Singapore Registry and notifies Philippine Transfer Agent
- 3
  - Philippine Transfer Agent registers Shares in Philippine Registry and notifies PDTC
- 4
  - PDTC lodges Shares in PDTC system
    - ✓ PDTC notifies Philippine Broker that Shares have been lodged

**Shares are now ready to be traded on the PSE**

**Timeline: Approximately five (5) business days**

## If Shares are lodged with CDP

- 1
  - Shareholder withdraws Shares from CDP
    - Can take up to five (5) business days for CDP to withdraw
  - Shareholder requests Singapore Transfer Agent to remove Shares from Singapore Registry
  - Shareholder requests Philippine Broker to lodge Shares with PDTC
- 2
  - CDP informs Singapore Transfer Agent that Shares have been withdrawn
  - Singapore Transfer Agent removes Shares from Singapore Registry and notifies Philippine Transfer Agent
- 3
  - Philippine Transfer Agent registers Shares in Philippine Registry and notifies PDTC
- 4
  - PDTC lodges Shares in PDTC system
    - ✓ PDTC notifies Philippine Broker that Shares have been lodged

**Shares are now ready to be traded on the PSE**

**Timeline: Up to approximately ten (10) business days**



# Summary of Share Transfer Process

(if shares will be immediately tradable in Singapore)



## If Shareholder holds physical Share certificates

- 1
  - Shareholder submits physical Share certificates to Philippine Transfer Agent and requests for removal of Shares from Philippine Registry
- 2
  - Philippine Transfer Agent removes Shares from Philippine Registry and notifies Singapore Transfer Agent
- 3
  - Singapore Transfer Agent registers Shares in the Singapore Register and notifies CDP
- 4
  - CDP credits the Shares to the account of the Shareholder

Shares are now ready to be traded on the SGX-ST

Timeline: Approximately five (5) business days

## If Shares are lodged with PDTC

- 1
  - Shareholder instructs Philippine Broker to uplift Shares from PDTC
    - Can take up to six (6) business days for PDTC to uplift
  - Philippine Broker requests Philippine Transfer Agent to remove Shares from Philippine Registry
- 2
  - PDTC informs Philippine Transfer Agent that Shares have been uplifted
  - Philippine Transfer Agent removes Shares from Philippine Registry and notifies Singapore Transfer Agent
- 3
  - Singapore Transfer Agent registers Shares in the Singapore Register and notifies CDP
- 4
  - CDP credits the Shares to the account of the Shareholder

Shares are now ready to be traded on the SGX-ST

Timeline: Up to approximately fourteen (14) business days



# Appendix Notes

## Supplementary notes to slides



1. DMPL group employs 3,817 employees in the Philippines, 23 employees in Singapore and its JV has 280 employees in India. Aside from its direct employees, DMPL's subsidiary provides employment to 6,648 seasonal workers.
2. Pineapple Juice Concentrate accounted for 23% of Del Monte Foods' supply contract sales and 6% of Del Monte Asia's supply contract sales.
3. Del Monte Foods and Del Monte Asia together contribute approximately 60% of total export sales and 16% of total DMPL sales.
4. DMPL's subsidiary utilizes 16 non-exclusive distributors in the Philippines. Currently, they cover close to 120,000 general trade accounts such as wholesalers, public markets and retail stores.
5. Plantation output for the years 2012, 2011, and 2010 was 727,505, 735,732, and 646,000 metric tons, respectively.
6. In January 1997, DMPL's subsidiary concluded negotiations with the Del Monte Employees' Cooperative for the renewal of the agreement covering approximately 8,000 hectares for a term of 25 years effective from January 1999.
7. India JV has 20% share of Barfoots imported sweet corn business. Barfoots is the largest sweet corn company in the United Kingdom with an 80% share. The JV uses the "FieldFresh" brand for its fresh produce.



# Appendix Notes

## Supplementary notes to slides



8. Sauces and condiments segment account for almost half of total Del Monte processed foods sales in India. The Italian range – pasta, olives and olive oil – have a 20% revenue share.
9. In General Trade, the India JV covers 42,000 outlets directly and 30,000 indirectly in 75 cities. In Modern Trade, the joint venture covers 1,850 outlets in about 30 cities. In Food Service, the joint venture's products are in 4,000 hotels, bakeries, quick service restaurants, and caterers in 85 cities.
10. Pakistan, Maldives, Bangladesh, Sri Lanka markets contributed close to US\$2 million in sales in 2012.
11. Canned pineapples and juices from the Philippine cannery account for about 50% of total S&W processed products sales.
12. S&W processed sales breakdown:
  - North Asia accounted for 65% of sales in 2012.
  - South East Asia accounted for 30% of sales in 2012.
  - Middle East accounted for 5% of sales in 2012.
13. South Korea and China account for almost 45% of S&W processed product sales.
14. South Korea and China account for almost 60% of S&W fresh pineapple sales.