



# CENTURY PACIFIC FOOD, INC.

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March 29, 2017

**PHILIPPINE STOCK EXCHANGE, INC.**

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Ayala Triangle, Ayala Avenue,  
Makati City, Philippines

Attention: **MR. JOSE VALERIANO B. ZUÑO III**  
Officer-in-Charge, Disclosure Department

RE: **Press Release – Century Pacific Full-Year Net Income Grows by 37% to PHP2.66 Billion**

Please be informed that Century Pacific Food, Inc. (CNPF) is issuing the attached press release entitled “Century Pacific Full-Year Net Income Grows by 37% to PHP2.66 Billion”.

Very truly yours,

GIOVANNA M. VERA  
Head – Investor Relations



## CENTURY PACIFIC FULL YEAR NET INCOME GROWS BY 37% TO PHP 2.66 BILLION

Century Pacific Food, Inc. (CNPF), the Philippines' largest canned food company, saw its full-year consolidated net income reach Php2.66 billion in 2016. Profits increased by 37% year-on-year on the back of continued revenue growth and the consolidation of its recently acquired coconut subsidiary.

Total revenues grew by 21% to Php28.29 billion in 2016, supported by a double-digit increase in the Company's branded sales and robust top line from its growing coconut exports business.

"We continue to benefit from consumers' increasing demand for affordable, convenient and healthy products," said CNPF's Chief Finance Officer Oscar Pobre.

"While fourth quarter was slower than previous periods which benefitted from an election bump, our branded businesses have maintained market leadership in core segments and we have likewise gained traction in emerging product categories," Pobre added.

Meanwhile, the Company saw a sustained recovery in demand for original equipment manufacturer (OEM) tuna exports during the latter part of the year, with revenues in that segment ending the year with positive growth.

Despite commodity headwinds during the latter part of the year, CNPF saw overall profitability improve with a 39% rise in gross profits and a 32% increase in operating income for the full-year 2016. This translated to gross and operating margins of 30% and 13%, a year-on-year expansion of 387bps and 106bps, respectively.

The Company attributed these gains to favorable input costs for most of the year and its inventory hedging strategies.

"2017 will be a more challenging year for us as we face rising commodity prices. However, through brand and pricing management, efficiency gains, and cost reduction initiatives, we should be able to strike a balance between growing demand and improving profitability," said Pobre.

With a track record in brand-building that spans almost forty years, the Company has developed several household names that include *Century Tuna*, *Argentina Corned Beef*, *555 Sardines*, *Angel Milk*, and *Birch Tree Powder Milk*.

Last year, CNPF acquired the license to the *Kamayán* trademark for North America. The brand is one of the top names in the U.S. market for shrimp paste – a popular condiment in Philippine cuisine, locally known as *bagoong*. The Company also acquired distribution companies in China which sell *Century Tuna*, currently the number one canned tuna brand in China. These acquisitions are expected to support the growth of the Company’s international branded business, as well as expand its presence into adjacent shelf-stable categories.

### About CNPF

Century Pacific Food, Inc. (PSE: CNPF), the Philippines’ largest canned food company, is engaged in the development, marketing, and distribution of processed fish, meat, dairy, and coconut under its own brands, as well as the brands of others. It maintains market leadership locally in the canned fish and canned meat segments, while actively growing its presence in canned and powdered milk. The Company is also the Philippines’ leading exporter of OEM tuna and coconut products.