



CENTURY PACIFIC FOOD, INC.

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PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Philippines

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

RE: **Press Release – Century Pacific First Quarter 2017 Net Income Grows 10% to PHP701 Million**

Please be informed that Century Pacific Food, Inc. (CNPF) is issuing the attached press release entitled “Century Pacific First Quarter 2017 Net Income Grows 10% to PHP701 Million”.

Very truly yours,

GIOVANNA M. VERA
Head – Investor Relations



CENTURY PACIFIC FIRST QUARTER 2017 NET INCOME GROWS 10% TO PHP 701 MILLION

Century Pacific Food, Inc. (CNPF), the Philippines' largest canned food company, saw its consolidated net income grow 10% year-on-year for the first three months of 2017. Profits during the period reached Php701 million, driven by continued revenue growth across all business units and cost management initiatives.

Total revenues went up 17% to Php7.48 billion during the first quarter of 2017, supported by the strong performance of its exports and a healthy increase in the Company's branded sales.

"This quarter's top line performance attests to the success of our strategy of diversifying the business between branded and OEM (original equipment manufacturer), domestic and international. This approach is serving us well, especially in the current environment of rising input costs and a weaker peso," said CNPF's Chief Finance Officer Oscar Pobre.

CNPF's OEM segment in particular saw its revenues increase by more than 40%, owing to the continued recovery in the tuna export market which began during the second half of last year.

"We are seeing more muted, but nonetheless healthy growth in the branded side considering the high base last year brought about by election-related spending," Pobre added.

In terms of profitability, CNPF's gross profit increased by 8% while operating income grew faster at 11% year-on-year as various cost saving initiatives bear fruit.

The Company's gross profit and operating margins were at 28% and 13%, respectively, despite higher commodity prices and weaker domestic currency.

"We have benefited from declining commodity prices the last few years and have been reinvesting these gains to build a strong and fundamentally-sound business. Despite the challenges we face in 2017, long-term business indicators remain healthy," said Pobre.

CNPF was likewise able to maintain robust return on equity of 22.4% as of end-March 2017.

With a proven track record in brand-building spanning close to forty years, the Company has developed a roster of household names which include *Century Tuna*, *Argentina Corned Beef*, *555 Sardines*, *Angel Milk*, and *Birch Tree Powder Milk*.

More recently, CNPF acquired the Philippine license for *Hunt's*, the country's number one pork and beans brand. *Hunt's* product portfolio also includes tomato-based spaghetti sauce, tomato sauce, and marinade sauce. In late 2016, CNPF also acquired the license to the *Kamayan* trademark for North America, one of the top names 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 branded businesses, 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.