



CENTURY PACIFIC FOOD, INC.



CENTURY PACIFIC FIRST HALF NET INCOME GROWS 46% TO PHP 1.36 BILLION

The Philippines' largest canned food company, Century Pacific Food Inc. (CNPF), grew its first half net income by 46 percent to Php1.36 billion, buoyed by robust demand for its branded food products.

For the second quarter alone, net income totaled Php725 million, a 46 percent growth from last year and a 14 percent increase from the quarter before.

Year-to-date revenues grew by 15 percent to Php13 billion. Second quarter revenues also grew by 3 percent compared to the first three months of the year.

"Top line growth across our 3 M's - Marine, Meat, and Milk - continues to be driven almost completely by increases in volume. These can be attributed to our various sales and marketing campaigns, plus a strong local economy boosted by election spending," said CNPF's Chief Finance Officer Oscar Pobre.

"However, we also faced some challenges due to the El Niño weather disturbance and slowness in certain export markets," Pobre added.

Locally, revenue growth through modern trade outperformed as retailers pursued aggressive expansion plans. Globally, a fast rising trend towards healthy and organic coconut products is offsetting sales weakness in private-label tuna.

CNPF also saw profitability improve thanks to successful buying strategies, subdued input costs, and increased revenue contribution from higher margin segments.

Gross profit margins grew to 30 percent from 26 percent the year before, while net income margins increased to 10 percent from 8 percent in 2015.

The Company behind household names *Century Tuna*, *Argentina Corned Beef*, *555 Sardines*, *Angel Milk*, and *Birch Tree* continued its program of building and investing in brands, most notably staging during the first half of the year the tenth cycle of its nationwide "*Century Tuna Superbods*" event.

Recently, Century Pacific was also named Asia's "Marketing Company of the Year" by the Asia Marketing Federation (AMF), one of Asia's foremost governing bodies in marketing. According to the

AMF, the Company was recognized for its “outstanding and trailblazing efforts in the marketing of products and services” reflecting “admirable qualities of versatility, innovativeness and ingenuity”.

Pobre said, “We are confident that the positive momentum will continue into the rest of 2016. We look forward to the second half where the rainy season, school openings, and Christmas holidays boost domestic sales.”

In 2016, the Company is expected to end the year maintaining its double digit growth rates. In 2015, CNPF saw consolidated revenues and net income expand by 14% and 21% respectively.

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 private label tuna and coconut products.

Key Financials

in Php Mill	First Half 2016	First Half 2015	Year-On-Year
Net Revenue	13,005	11,308	15%
Cost of Goods	9,078	8,322	9%
Gross Profit	3,927	2,986	32%
<i>Gross Profit Margin</i>	<i>30.2%</i>	<i>26.4%</i>	<i>+3.8%</i>
Operating Expense	2,061	1,731	19%
Operating Income	1,877	1,300	44%
<i>Operating Income Margin</i>	<i>14.4%</i>	<i>11.5%</i>	<i>+2.9%</i>
Net Profit Before Tax	1,831	1,298	41%
Net Income	1,362	935	46%
<i>Net Income Margin</i>	<i>10.5%</i>	<i>8.3%</i>	<i>+2.2%</i>
<i>Annualized Return on Equity</i>	<i>23.3%</i>	<i>24.9%</i>	<i>-1.6%</i>