



DEL MONTE CORPORATION

**Chile Dried Fruit & Nut Conference
September 11-12, 2012**

**Creating Positive and
Beneficial Relationships with
Chilean Packaged Fruit
Processors**

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Procurement & Co-Manufacturing**



Discussion Topics

Who is Del Monte Foods?

Long-Term relationship fundamentals

Managing and Sustaining Beneficial Relationships

Challenges & Opportunities for Beneficial Relationships next 5-10 years

Why building more Global strategic relationships makes sense



DEL MONTE FOODS

**Nourishing Families.
Enriching Lives.
Every Day.®**





Who is Del Monte?

- Medium sized Consumer Packaged Goods Company (CPG) with revenues of approximately US\$3.8B
- 14 Brands in portfolio
- Brands are the #1 or #2 player in the categories they compete.
- Own Del Monte brand for the US and South America today.
- Own the rest of our brands worldwide.





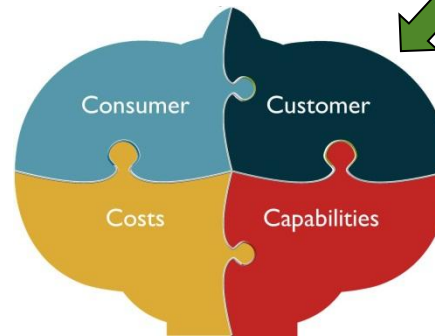
History & Overview

History

1916	Incorporated
1979	Bought by R.J. Reynolds Industries
1990	Sold as 12 independent companies worldwide
1998	Del Monte business in South America reacquisition
2002	Acquisition of Pet, Starkist, other from Heinz
2006	Acquisition of additional Pet Food brands (Milk Bone)
2011	Bought by private investment companies (KKR, Vestar, Centerview)
2011	New CEO Dave West (Hershey)

- Purchased for US \$5.4B in 2011 by 3 private equity groups
 - Core of our growth is in Del Monte brand and Pet Snacks business
 - 14 Manufacturing facilities in US, Venezuela, Mexico
 - 40 Co-Manufacturers in 7 countries.
- Domestic company that sources globally. Aspire to be a globally focused company from a sourcing perspective.

Our Strategy and Focus





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Long Term Relationships

Foundations for successful long term relationships

- Successful “one-way” long term relationships do not exist
- Not feasible for all suppliers or all customers
- Shared values are critical
- Both parties must have a strategy
- Trust & Respect

Building relationships

Assessment Criteria

Risk	Geopolitical	Commodity	Food Safety
Capabilities	Operations	Quality	People
Company	Values	Strategic Fit	Ownership

Local partners are used, but often part owners of the companies, notably in China, help with international business knowledge and language barrier





Keeping Long Term Relationships

Sustaining & Maintaining

- Principles of long-term fair margin for all
- Mutual continuous improvement, productivity
- Strong executive relationships with similar values
- Innovation

Staying Competitive with the Same Partners Year After Year

- Aggressive Value Engineering (cost reductions that are not important to the consumers)
- Shared incentives
- Deal with realities of the selling marketplace (consumers have price limits- foodstuff demand is elastic for most foods)
- Look at alternatives in market place to benchmark when needed





Challenges for Relationships in Next 5 Years

Regulations

- Quality standards and consumer expectations
 - Consumer concerns due to past
 - Global Food Safety Changes
- Compliance to regulations
 - Import Requirement Changes
 - US Foreign Corrupt Practices Act

Economic

- Currency
- Free Trade (lack thereof)





Opportunities in the next 5 – 10 years

Agricultural

- Improving Quality (and Perception) of S. American products
- Agricultural counter seasonal advantage

Economic

- Growing demand of middle class in third world countries
- "Globally Competitive Locally"
 - Competition and consumers are not just geographical.

Of all locations, our company team prefers Latin American region; people, climate, culture.





Why more Global strategic relationships?

Risk Diversification

- Supply- counter seasonal, natural disasters
- Quality- regional impacts
- Cost- working capital, labor, regional impacts

Commerce and consumers are more Global now than ever.

It just makes good sense





Summary & Key Points

Successful strategic relationships require similar values

Shared incentives between companies create loyalties to each other

Today's market place is extremely global from both supply and demand (consumers) perspectives.

South America well positioned to become great global partner.

