RFM CORPORATION
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Oliver I. Rey-Matias
0917 847 0038

RFM Posts P1 Billion Income in 2016, Up 11%

Food and beverage company RFM Corporation reported a 2016 net income of P1 billion or an increase of 11% over 2015 income. This was achieved on the back of P12.7 Billion in sales revenues, up 6% over previous year revenues.

RFM President and CEO Jose A. Concepcion III said that sales of the company's consumer branded businesses including pasta and ice cream saw an 11% growth. The growth in pasta was mainly driven by strong sales of Fiesta brand even as the Royal brand continued to expand its product offerings in 2016 with the launch of the Royal pasta and sauce bundle as well as the Royal spaghetti sauce.

Concepcion added that Selecta ice cream sustained double digit growth rates supported by intensive selling, marketing and distribution as well as continuing product innovations.

The 11% revenue growth of branded businesses was tempered by the 6% drop in Institutional sales as flour prices remained soft.

"The continued growth in income allows RFM to generate sufficient cashflows to pursue a 50% of income cash dividend policy. At the RFM parent company level, we are debt-free. We have likewise embarked on a share buyback program", Concepcion added.

Early this year, RFM declared P300m in cash dividends to shareholders and is looking to declare the next tranche of dividends in the second half of 2017. "RFM continues to look at ways to further improve efficiencies in logistics, selling and marketing activities that should ultimately generate more cash savings", Concepcion said.

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