112152017004796

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	///
Company Name	DEL MONTE PACIFIC LIMITED
Filer Name	ANTONIO E.S. UNGSON
Contact No	324 6822

Document Information

Document ID	112152017004796
Document Type	17-Q (FORM 11-Q:QUARTERLY REPORT/FS)
Period Covered	10/31/2017

Deficiencies Found

- Company Name and SEC Number do not match
- SEC Reg Number is not found

COVER SHEET

S.E.C. Registration Number

DEL MONTE PACIFIC LIMITED

(Company's Full Name)

Craigmuir Chambers, PO Box 71

Road Town, Tortola

British Virgin Islands

(Business Address : No. Street Company / Town / Province)

Antonio E.S. Ungson

Contact Person

+65 6324 6822

Company Telephone Number

SEC FORM (2nd Quarter FY2018)

Month Day

17-Q

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **October 31, 2017**

2. Commission identification number. **N/A**

3. BIR Tax Identification No. **N/A**

4. Exact name of issuer as specified in its charter **Del Monte Pacific Limited**

5. **British Virgin Islands**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. c/o Philippine Resident Agent,
   Craigmuir Chambers, PO Box 71 Road Town,
   Tortola, British Virgin Islands Postal Code

8. **+65 6324 6822**
   Issuer's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	1,943,960,024
Preference Shares	20,000,000

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [/] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Singapore Exchange Securities Trading Limited - Ordinary Shares
    Philippine Stock Exchange - Ordinary and Preference Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the Financial Statements (FS) section of this report, FS to FS39.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of this report.

PART II--OTHER INFORMATION

Not Applicable

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer	**Del Monte Pacific Limited**
Signature and Title	Parag Sachdeva Chief Financial Officer and Duly Authorized Officer
Date	December 15, 2017

Del Monte Pacific Limited and its Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
31 October 2017 and for the Six Months Ended
31 October 2017 and 2016
(With Comparative Audited Consolidated Statement of
Financial Position as at 30 April 2017)

Unaudited Interim Consolidated Statements of Financial Position
(With Comparative Audited Figures as at 30 April 2017)

	Note	As at 31 October 2017 US$'000 (Unaudited)	As at 30 April 2017 US$'000 (Audited)
Noncurrent assets			
Property, plant and equipment - net	6, 19	**593,417**	657,185
Investments in joint ventures	8	**25,598**	25,797
Intangible assets and goodwill	7	**717,985**	741,026
Deferred tax assets – net		**114,986**	92,786
Biological assets	10	**1,446**	1,420
Employee benefits		**5,163**	5,517
Other noncurrent assets	9	**43,108**	27,112
		1,501,703	1,550,843
Current assets			
Biological assets	10	**42,290**	44,347
Inventories	11	**1,102,004**	916,892
Trade and other receivables	12, 18	**264,214**	164,447
Prepaid expenses and other current assets	13	**50,236**	43,046
Cash and cash equivalents	14, 18	**23,030**	37,571
		1,481,774	1,206,303
Total assets		**2,983,477**	2,757,146
Equity			
Share capital	22	**39,449**	39,449
Retained earnings		**138,583**	159,169
Reserves		**311,410**	318,460
Equity attributable to owners of the company		**489,442**	517,078
Non-controlling interests		**57,638**	61,477
Total equity		**547,080**	578,555
Noncurrent liabilities			
Loans and borrowings	15, 18	**1,264,987**	1,264,268
Employee benefits		**88,662**	87,599
Environmental remediation liabilities		**4,336**	6,198
Deferred tax liabilities - net		**2,921**	3,913
Other noncurrent liabilities	16	**40,552**	44,018
		1,401,458	1,405,996
Current liabilities			
Loans and borrowings	15, 18	**614,501**	449,698
Employee benefits		**39,291**	22,165
Trade and other payables	17, 18	**378,616**	299,545
Current tax liabilities		**2,531**	1,187
		1,034,939	772,595
Total liabilities		**2,436,397**	2,178,591
Total equity and liabilities		**2,983,477**	2,757,146

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited Interim Consolidated Income Statements

	Note	Six months ended 31 October 2017 US$'000	Six months ended 31 October 2016 US$'000 (Restated*)	Three months ended 31 October 2017 US$'000	Three months ended 31 October 2016 US$'000 (Restated*)
Revenue	10	**1,098,552**	1,103,364	**624,708**	635,989
Cost of sales		**(872,288)**	(861,243)	**(496,328)**	(489,304)
Gross profit		**226,264**	242,121	**128,380**	146,685
Distribution and selling expenses		**(108,810)**	(99,684)	**(63,263)**	(54,378)
General and administrative expenses	21	**(87,589)**	(81,016)	**(48,541)**	(39,254)
Other income/(loss) – net		**(7,623)**	1,166	**(9,178)**	928
Results from operating activities		**22,242**	62,587	**7,398**	53,981
Finance income		**4,076**	4,885	**2,321**	4,151
Finance expense		**(52,606)**	(56,570)	**(26,478)**	(29,207)
Net finance expense		**(48,530)**	(51,685)	**(24,157)**	(25,056)
Share in net loss of joint ventures	8	**(1,148)**	(776)	**(629)**	(416)
Loss before taxation		**(27,436)**	10,126	**(17,388)**	28,509
Tax expense - current		**(5,018)**	(4,180)	**(2,714)**	(2,412)
Tax benefit - deferred		**25,846**	5,753	**14,670**	(5,252)
		20,828	1,573	**11,956**	(7,664)
Loss for the period		**(6,608)**	11,699	**(5,432)**	20,845
Profit (loss) attributable to:					
Non-controlling interest		**(4,529)**	(1,225)	**(2,612)**	876
Owners of the Company		**(2,079)**	12,924	**(2,820)**	19,969
Loss per share					
Basic loss per share (U.S. cents)	23	**(0.45)**	0.67	**(0.32)**	1.03
Diluted loss per share (U.S. cents)	23	**(0.45)**	0.66	**(0.32)**	1.03

*See Note 26

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited Interim Consolidated Statements of Comprehensive Income

	Six months ended 31 October		Three months ended 31 October	
	2017	**2016**	**2017**	**2016**
	US$'000	**US$'000 (Restated*)**	**US$'000**	**US$'000 (Restated*)**
Profit for the period	**(6,608)**	11,699	**(5,432)**	20,845
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of retirement plans	**4,752**	4,086	**2,265**	(2,729)
Income tax effect on remeasurement of retirement plans	**(1,772)**	(1,162)	**(861)**	4,164
	2,980	2,924	**1,404**	1,435
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	**(13,006)**	(9,769)	**(7,393)**	(8,445)
Effective portion of changes in fair value of cash flow hedges	**4,338**	2,367	**2,245**	4,012
Income tax effect on cash flow hedges	**(795)**	(914)	**-**	(1,539)
	(9,463)	(8,315)	**(5,148)**	(5,972)
Other comprehensive loss for the period, net of tax	**(6,483)**	(5,391)	**(3,744)**	(4,537)
Total comprehensive loss for the period	**(13,091)**	6,310	**(9,176)**	16,308
Total comprehensive loss attributable to:				
Non-controlling interests	**(3,839)**	(764)	**(2,219)**	1,291
Owners of the Company	**(9,252)**	7,074	**(6,957)**	15,017
	(13,091)	6,310	**(9,176)**	16,308

*See Note 26

Unaudited Interim Consolidated Statements of Changes in Equity
Six months ended 31 October 2017

	<---------- Attributable to owners of the Company ---------->											
	Share capital US$'000	**Share premium US$'000**	**Translation reserve US$'000**	**Revalua-tion reserve US$'000**	**Remeasure -ment of retirement plans US$'000**	**Hedging reserve US$'000**	**Share option reserve US$'000**	**Reserve for own shares US$'000**	**Retained earnings US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
2017												
At 1 May 2017	**39,449**	**390,320**	**(78,087)**	**10,885**	**1,808**	**(7,443)**	**1,779**	**(802)**	**159,169**	**517,078**	**61,477**	**578,555**
Total comprehensive income for the period												
Profit (loss) for the period	–	–	–	–	–	–	–	–	**(2,079)**	**(2,079)**	**(4,529)**	**(6,608)**
Other comprehensive income												
Currency translation differences	–	–	**(13,007)**	–	–	–	–	–	–	**(13,007)**	**1**	**(13,006)**
Remeasurement of retirement plans	–	–	–	–	**2,665**	–	–	–	–	**2,665**	**315**	**2,980**
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	**3,169**	–	–	–	**3,169**	**374**	**3,543**
Total other comprehensive income	–	–	**(13,007)**	–	**2,665**	**3,169**	–	–	–	**(7,173)**	**690**	**(6,483)**
Total comprehensive income for the period	–	–	**(13,007)**	–	**2,665**	**3,169**	–	–	**(2,079)**	**(9,252)**	**(3,839)**	**(13,091)**
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Transaction costs related to the issuance of preference share	–	**(88)**	–	–	–	–	–	–	–	**(88)**	–	**(88)**
Value of employee services received for issue of share options	–	–	–	–	–	–	**141**	–	–	**141**	–	**141**
Release of share awards	–	**(50)**	–	–	–	–	**(466)**	**516**	–	–	–	–
Payment of Dividends	–	–	–	–	–	–	–	–	**(18,507)**	**(18,507)**	–	**(18,507)**
Total contributions by and distributions to owners	–	**(138)**	–	–	–	–	**(325)**	**516**	**(18,507)**	**(18,384)**	–	**(18,384)**
At 31 October 2017	**39,449**	**390,182**	**(91,094)**	**10,885**	**4,473**	**(4,274)**	**1,454**	**(286)**	**138,583**	**489,442**	**57,638**	**547,080**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Interim Consolidated Statements of Changes in Equity
Six months ended 31 October 2016 (Restated)*

	<------- Attributable to owners of the Company										------->	
	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasure-ment of retirement plans US$'000	Hedging reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
2016												
At 1 May 2016, restated	19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,006	61,971	376,977
Total comprehensive income for the period												
Profit for the period	–	–	–	–	–	–	–	–	12,926	12,926	(1,225)	11,701
Other comprehensive income												
Currency translation differences	–	–	(9,767)	–	–	–	–	–	–	(9,767)	(1)	(9,768)
Remeasurement of retirement plans	–	–	–	–	2,615	–	–	–	–	2,615	309	2,924
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	1,300	–	–	–	1,300	153	1,453
Total other comprehensive income	–	–	(9,767)	–	2,615	1,300	–	–	–	(5,852)	461	(5,391)
Total comprehensive income for the period	–	–	(9,767)	–	2,615	1,300	–	–	12,926	7,074	(764)	6,310
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Value of employee services received for issue of share options	–	–	–	–	–	–	538	–	–	538	–	538
Payment of dividends	–	–	–	–	–	–	–	–	(25,828)	(25,828)	–	(25,828)
Total contributions by and distributions to owners	–	–	–	–	–	–	538	–	(25,828)	(25,290)	–	(25,290)
At 31 October 2016, as restated	19,449	214,843	(69,580)	8,002	(8,218)	(16,202)	1,569	(802)	147,729	296,790	61,207	357,997

*See Note 26.

Unaudited Interim Consolidated Statements of Cash Flows

	Note	Six months ended 31 October 2017 US$'000	2016 US$'000 (Restated*)
Cash flows from operating activities			
Profit for the period		**(6,608)**	11,699
Adjustments for:			
Finance expense**		**52,606**	55,794
Depreciation of property, plant and equipment	20	**67,820**	60,904
Amortisation of intangible assets	7	**4,450**	4,674
Impairment loss on property, plant and equipment		**21,891**	–
Net loss on derivative settlement		**651**	1,400
Share in net loss of joint ventures	8	**1,148**	776
Equity-settled share-based payment transactions		**211**	537
Loss on disposal of property, plant and equipment		**(12,152)**	203
Finance income**		**(4,076)**	(4,109)
Tax expense		**(20,828)**	(1,574)
		105,115	130,304
Changes in:			
Other noncurrent assets		**18,501**	1,649
Inventories		**(189,566)**	(305,836)
Biological assets		**(15,631)**	(977)
Trade and other receivables		**(97,358)**	(83,092)
Prepaid and other current assets		**11,565**	993
Trade and other payables		**82,484**	89,524
Employee benefits		**7,836**	7,464
Operating cash flow		**(77,054)**	(159,971)
Income taxes paid		**(985)**	(25)
Net cash flows used in operating activities		**(78,039)**	(159,996)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	**(35,331)**	(65,954)
Additional investments in a joint venture		**(949)**	(2,870)
Proceeds from disposal of property, plant and equipment	6	**(12,457)**	1,483
Interest received		**234**	11,808
Net cash flows used in investing activities		**(48,503)**	(55,533)

*See Note 26
** Includes foreign exchange gains and losses

Unaudited Interim Consolidated Statements of Cash Flows (continued)

	Note	Six months ended 31 October 2017 US$'000	Six months ended 31 October 2016 US$'000 (Restated*)
Cash flows from financing activities			
Proceeds from borrowings		**521,167**	611,368
Interest paid		**(48,360)**	(47,826)
Transactions costs related to issuance of preference shares		**(89)**	(1)
Repayment of borrowings		**(352,009)**	(344,300)
Dividends paid		**(18,507)**	(25,828)
Acquisition of treasury shares		**–**	(63)
Net cash flows provided by financing activities		**102,202**	193,413
Net decrease in cash and cash equivalents		**(24,340)**	(22,116)
Cash and cash equivalents at beginning of period		**37,571**	47,203
Effect of exchange rate changes on balances held in foreign currency		**9,799**	(1,599)
Cash and cash equivalents at end of period	14	**23,030**	23,488

Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 10 June 2013, the Company was also listed on the Philippine Stock Exchange ("PSE"). The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is that of investment holding. Its subsidiaries are principally engaged in growing, processing, developing, manufacturing, marketing, distributing and selling packaged fruits and vegetables, canned and fresh pineapples, pineapple concentrate, tropical mixed fruit, tomato-based products, broth and certain other food products mainly under the brand names of *"Del Monte", "S&W"*, *"Contadina*", *"College Inn"* and other brands.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc. ("NAI") and Well Grounded Limited, which at 31 October 2017 held 57.8% and 42.2% (30 April 2017: 57.8% and 42.2%) interest in NutriAsia Pacific Limited respectively, through their intermediary company, NutriAsia Holdings Limited. NutriAsia Pacific Limited, NutriAsia Inc. and Well Grounded Limited are incorporated in the British Virgin Islands.

The financial statements of the Group as at and for the period ended 31 October 2017 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interests in joint ventures.

2. Basis of preparation

2.1 Statement of compliance

The accompanying unaudited interim condensed consolidated financial statements as at 31 October 2017 and for the six months ended 31 October 2017 and 2016 have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2017 annual audited consolidated financial statements, comprising the consolidated statements of financial position as at 30 April 2017 and 2016 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 30 April 2017, 2016, and 2015.

2.2 Basis of measurement

The accompanying financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in United States ("US") dollars, which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Significant accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's 2017 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2017, which did not have significant impact to the Group:

- Amendment to IFRS 12, Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)
- Amendments to IAS 7, Statement of Cash Flows, Disclosure Initiative
- Amendments to IAS 12, Income Taxes, Recognition of Deferred Tax Assets for Unrealised Losses

The Group will adopt the following new standards when they become effective.

Applicable 1 May 2018

- Amendments to IFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4, Insurance Contracts, Applying IFRS 9, Financial Instruments, with IFRS 4
- Amendments to IAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)
- Amendments to IAS 40, Investment Property, Transfers of Investment Property
- IFRIC-22, Foreign Currency Transactions and Advance Consideration
- IFRS 9, Financial Instruments
- IFRS 15, Revenue from Contracts with Customers

Applicable 1 May 2019

- IFRS 16, Leases
- IFRIC 23, Uncertainty over Income Tax Treatments
- Amendments to IFRS 9, Prepayment Features with Negative Compensation
- Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures

Applicable 1 May 2021

- IFRS 17, Insurance Contracts

Deferred by IASB

- Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

4. Operating segments

The Group has two operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment

Geographical segments

Americas

Reported under the Americas segment are sales and profit on sales in USA, Canada, and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales across various channels include retail markets, as well as to the United States military, certain export markets, the food service industry and other food processors.

Asia Pacific

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising primarily of Del Monte branded packaged products, including Del Monte traded goods; S&W products in Asia both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

Europe and Middle East

Included in Europe segment are sales of unbranded products in Europe and Middle East.

Product segments

Packaged fruit and vegetable

The Packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte and S&W brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavours in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This would also include non-branded sales to South America.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Segment assets and liabilities

Segment assets consist primarily of property, plant and equipment, intangible assets and goodwill, trade and other receivables, biological assets, inventories, deferred tax assets - net, and investments in joint ventures. Segment liabilities consist of loans and borrowings, employee benefits, tax liabilities, and trade and other payables.

Information about reportable segments

	Americas Six months ended 31 October		**Asia Pacific Six months ended 31 October**		**Europe and Middle East Six months ended 31 October**		**Total Six months ended 31 October**	
	2017 US$'000	**2016 US$'000 (Restated*)**	**2017 US$'000**	**2016 US$'000 (Restated*)**	**2017 US$'000**	**2016 US$'000 (Restated*)**	**2017 US$'000**	**2016 US$'000 (Restated*)**
Revenue								
Packaged fruit and vegetable	**677,507**	686,644	**69,663**	60,417	**11,245**	6,391	**758,415**	753,452
Beverage	**10,463**	15,873	**60,987**	67,386	**3,960**	1,453	**75,411**	84,712
Culinary	**128,749**	139,547	**63,573**	67,232	**–**	–	**192,321**	206,779
Others	**938**	497	**71,466**	57,924	**–**	–	**72,405**	58,421
Total	**817,658**	842,561	**265,689**	252,959	**15,205**	7,844	**1,098,552**	1,103,364
Gross profit (loss)								
Packaged fruit and vegetable	**114,193**	125,937	**21,437**	17,860	**4,493**	2,335	**140,123**	146,133
Beverage	**2,135**	4,126	**17,647**	22,192	**(319)**	498	**19,462**	26,817
Culinary	**20,726**	25,444	**25,492**	27,561	**–**	–	**46,217**	53,005
Others	**200**	110	**20,260**	16,058	**–**	–	**20,460**	16,168
Total	**137,254**	155,617	**84,836**	83,671	**4,174**	2,833	**226,264**	242,121

*See Note 26

	Americas Six months ended 31 October		Asia Pacific Six months ended 31 October		Europe and Middle East Six months ended 31 October		Total Six months ended 31 October	
	2017 US$'000	2016 US$'000 (Restated*)	2017 US$'000	2016 US$'000 (Restated*)	2017 US$'000	2016 US$'000 (Restated*)	2017 US$'000	2016 US$'000 (Restated*)
Share in net loss of joint ventures								
Packaged fruit and vegetable	–	–	**(157)**	(226)	–	–	**(157)**	(226)
Beverage	–	–	**(37)**	(52)	–	–	**(37)**	(52)
Culinary	–	–	**(300)**	(463)	–	–	**(300)**	(463)
Fresh fruit and others	–	–	**(655)**	(35)	–	–	**(655)**	(35)
Total	–	–	**(1,148)**	(776)	–	–	**(1,148)**	(776)
Profit (loss) before taxation								
Packaged fruit and vegetable	**(46,708)**	(21,676)	**12,494**	8,941	**3,215**	1,508	**(30,999)**	(11,227)
Beverage	**(1,493)**	502	**4,572**	8,781	**(877)**	323	**2,202**	9,606
Culinary	**(22,222)**	(6,723)	**14,039**	10,960	–	–	**(8,183)**	4,237
Others	**(19)**	1,754	**9,563**	5,757	–	–	**9,544**	7,511
Total	**(70,442)**	(26,143)	**40,668**	34,439	**2,338**	1,831	**(27,435)**	10,127

*See Note 26

	Americas		Asia Pacific		Europe and Middle East		Total	
	31 Oct 2017 US$'000	30 April 2017 US$'000	31 Oct 2017 US$'000	30 April 2017 US$'000	31 Oct 2017 US$'000	30 April 2017 US$'000	31 Oct 2017 US$'000	30 April 2017 US$'000
Reportable								
segment assets	**2,470,094**	2,228,986	**496,363**	503,177	**17,021**	24,983	**2,983,477**	2,757,146
segment liabilities	**1,753,354**	1,508,147	**596,186**	610,411	**86,858**	60,033	**2,436,398**	2,178,591
Capital expenditure	**14,048**	42,823	**21,283**	99,532	–	–	**35,331**	142,355

Major customer

Revenues from a major customer of the Americas segment for the quarters ended 31 October 2017 and 2016 amounted to US$326.5 million and US$311.5 million, respectively representing 30% and 28% of the total revenue, respectively

5. Seasonality of operations

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons.

The Group operates several production facilities in the U.S., Mexico, and Philippines. Fruit plants are located in California and Washington in the United States and Philippines, most of its vegetable plants are located in the U.S. Midwest and its tomato plants are located in California and Indiana.

The Del Monte Foods, Inc. ("DMFI") has a seasonal production cycle that generally runs between the months of June and July. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its *College Inn* broth products are produced throughout the year. Additionally, DMFI has contracts to co-pack certain processed fruit and vegetable products for other companies.

6. Property, plant and equipment

During the six months ended 31 October 2017, the Group acquired assets with a cost of US$52.7 million (six months ended 31 October 2016: US$67.4 million), which includes noncash acquisition.

7. Intangible assets and goodwill

	Goodwill	**Indefinite life trademarks**	**Amortisable trademarks**	**Customer relationship**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cost					
At 30 April 2017	203,432	408,043	36,080	120,500	768,055
At 1 May 2017	203,432	408,043	36,080	120,500	768,055
Addition/Disposal	–	–	(9,380)	(9,211)	(18,590)
At 31 October 2017	203,432	408,043	26,700	111,289	749,465
Accumulated amortisation					
At 30 April 2017	–	–	6,405	20,624	27,029
At 1 May 2017	–	–	6,405	20,624	27,029
Amortisation	–	–	1,073	3,378	4,451
At 31 October 2017	–	–	7,478	24,002	31,480
Carrying amounts					
At 30 April 2017	203,432	408,043	29,675	99,876	741,026
At 31 October 2017	**203,432**	**408,043**	**19,222**	**87,287**	**717,985**

Goodwill

Goodwill arising from the acquisition of DMFI was allocated to DMFI and its subsidiaries, which is considered as one cash generating unit ("CGU").

Indefinite life trademarks

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks on a royalty free basis.

America trademarks

The indefinite life trademarks arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademark in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("The Philippines trademarks").

Indian sub-continent trademark

In November 1996, a subsidiary, Del Monte Pacific Resources Limited ("DMPRL"), entered into a sub-license agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademark in the Indian sub-continent territories in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licences to others ("Indian sub-continent trademark"). This led to the acquisition of a joint venture, FieldFresh Foods Private Limited (FFPL) in 2007 and the grant of trademarks to FFPL to market the company's product under the "Del Monte" brand name.

Asia S&W trademark

In November 2007, a subsidiary, S&W Fine Foods International Limited, entered into an agreement with Del Monte Corporation to acquire the exclusive right to use the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa for a total consideration of US$10.0 million.

Amortisable trademarks and customer relationships

	Net Carrying amount		**Remaining amortisation period (years)**	
	31 October 2017 US$'000	**30 April 2017 US$'000**	**31 October 2017**	**30 April 2017**
America Contadina trademark	**17,947**	18,497	**16.3**	16.8
Sager Creek trademarks	–	9,793	–	9.9
America S&W trademark	**1,262**	1,363	**6.3**	6.8
Asia S&W trademark	**13**	22	**0.7**	1.2
	19,222	29,675		

Asia S&W trademark

The amortisable trademark pertains to "Label Development" trademark.

America trademarks

The amortisable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Sager Creek trademarks

The trademarks were acquired when the Group acquired the Sager Creek business in March 2015. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. In September 2017, DMFI entered into an Asset Purchase Agreement and Licensing Agreement with a third party buyer covering these intangible assets.

Customer relationships

Customer relationships relate to the network of customers where DMFI and Sager Creek has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount		Remaining amortisation period (years)	
	31 October 2017 US$'000	**30 April 2017 US$'000**	**31 October 2017**	**30 April 2017**
DMFI customer relationships	**87,287**	89,962	**16.3**	16.8
Sager Creek customer relationships	**–**	9,914	**–**	5.9
	87,287	99,876		

Management has included the DMFI customer relationships in the DMFI CGU impairment assessment and concluded no impairment exist at the reporting date. In September 2017, DMFI entered into an Asset Purchase Agreement with a third party buyer covering certain customer contracts.

Estimating useful lives of amortisable trademarks and customer relationships

The Group estimates the useful lives of its amortisable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortisable trademarks and customer relationships would increase recorded amortisation expense and decrease non-current assets.

8. Investments in joint ventures

Name of joint venture	Principal activities	Place of Incorporation and Business	Effective Equity Held by the Group As at 31 Oct 2017 %	As at 30 Apr 2017 %
FFPL	Production and sale of fresh and processed fruits and vegetable food products	India	**47.47**	47.47
Nice Fruit Hong Kong Limited (NFHKL)	Production and sale of frozen fruits and vegetable food products	Hong Kong	**35.00**	35.00

The summarized financial information of a material joint venture, FFPL, not adjusted for the percentage ownership held by the Group, is as follows:

	31 October 2017 US$'000	**30 April 2017 US$'000**
Assets		
Current assets	**25,268**	20,907
Noncurrent assets	**15,059**	15,877
Total assets	**40,327**	36,784
Liabilities		
Current liabilities	**(16,072)**	(11,616)
Noncurrent liabilities	**(19,767)**	(19,927)
Total liabilities	**(35,837)**	(31,543)
Net Assets	**4,489**	5,241

	31 October 2017 US$'000	**31 October 2016 US$'000**
Results		
Revenue	**37,248**	36,260
Loss from continuing operations	**(1,023)**	(1,585)
Other comprehensive income	–	–
Total comprehensive loss	**(1,023)**	(1,585)

	31 October 2017 US$'000	**30 April 2017 US$'000**
Group's interest in net assets of FFPL at beginning of the year/period	**23,872**	20,661
Capital injection during the year/period	**–**	4,887
Group's share of:		
- loss from continuing operations	**(510)**	(1,676)
- other comprehensive income	**–**	–
- total comprehensive income	**(510)**	(1,676)
Carrying amount of interest at end of the year/period	**23,362**	23,872

Source of Estimation Uncertainty

When the joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgement and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

Since its acquisition, the Indian sub-continent trademark (Note 7) and the investment in FFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

9. Other noncurrent assets

	31 October 2017 US$'000	30 April 2017 US$'000
Advances to growers	**14,104**	11,867
Note Receivables from McCall Farms	**10,000**	–
Advance rentals and deposits	**7,268**	6,289
Excess insurance	**4,279**	4,279
Land expansion (development costs of acquired leased areas)	**4,787**	3,295
Prepayments, noncurrent	**1,533**	508
Deferred charges	**117**	–
Others	**1,020**	874
	43,108	27,112

Excess insurance relate mainly to reimbursements due from insurers to cover the workers' compensation.

Land expansion comprises development costs of newly acquired leased areas including costs such as creation of access roads, construction of bridges and clearing costs. These costs are amortised on a straight-line basis over the lease periods of 10 years.

10. Biological assets

	31 October 2017 US$'000	30 April 2017 US$'000
Livestock		
At beginning of the year/period	**1,420**	1,448
Purchases of livestock	**385**	776
Sales of livestock	**(310)**	(717)
Currency realignment	**(50)**	(87)
At end of the year/period	**1,446**	1,420

	31 October 2017 US$'000	30 April 2017 US$'000
Agricultural produce		
At beginning of the year/period	**44,347**	39,775
Additions	**9,904**	13,547
Harvested	**(8,728)**	(15,079)
Fair value gain on produce prior to harvest	**115**	7,660
Currency realignment	**(3,348)**	(1,556)
At end of the year/period	**42,290**	**44,347**

	31 October 2017 US$'000	30 April 2017 US$'000
Current	**42,290**	44,347
Noncurrent	**1,446**	1,420
Totals	**43,736**	45,767

11. Inventories

	31 October 2017 US$'000	30 April 2017 US$'000
Finished goods		
- at cost	**912,936**	708,637
- at net realisable value	**48,118**	30,902
Semi-finished goods		
- at cost	**394**	299
- at net realisable value	**15,419**	7,235
Raw materials and packaging supplies		
- at net realisable value	**125,136**	169,819
	1,102,004	916,892

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year/period are as follows:

	Note	31 October 2017 US$'000	30 April 2017 US$'000
At beginning of the year/period		**15,086**	12,715
Allowance for the year/period	20	**5,063**	7,415
Write-off against allowance		**(9,551)**	(4,350)
Currency realignment		**(261)**	(694)
At end of the year/period		**10,336**	15,086

The allowance for inventory obsolescence recognised during the period is included in "Cost of sales".

Source of Estimation Uncertainty

The Group recognises allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realised. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date. The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realisable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and decrease current assets.

12. Trade and other receivables

	31 October 2017 US$'000	**30 April** 2017 **US$'000**
Trade receivables	**234,803**	147,167
Non trade receivables	**35,885**	23,812
Allowance for doubtful accounts – trade	**(1,983)**	(2,022)
Allowance for doubtful accounts – nontrade	**(4,491)**	(4,510)
Trade and other receivables	**264,214**	164,447

The ageing of trade and non-trade receivables at the reporting date is:

	Gross		**Impairment losses**	
At 31 October 2017	**Trade US$'000**	**Non trade US$'000**	**Trade US$'000**	**Non trade US$'000**
Not past due	**177,418**	**18,084**	**–**	**–**
Past due 0 - 60 days	**42,871**	**9,447**	**–**	**–**
Past due 61 - 90 days	**4,364**	**429**	**(40)**	**–**
Past due 91 - 120 days	**1,560**	**165**	**(90)**	**–**
More than 120 days	**8,589**	**7,760**	**(1,853)**	**(4,491)**
	234,803	**35,885**	**(1,983)**	**(4,491)**

	Gross		**Impairment losses**	
At 30 April 2017	**Trade US$'000**	**Non trade US$'000**	**Trade US$'000**	**Non trade US$'000**
Not past due	114,730	14,767	–	–
Past due 0 - 60 days	22,997	871	–	–
Past due 61 - 90 days	1,758	245	–	–
Past due 91 - 120 days	1,286	112	–	–
More than 120 days	6,396	7,817	(2,022)	(4,510)
	147,167	23,812	(2,022)	(4,510)

The recorded impairment loss falls within the Group's historical experience in the collection of accounts receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

13. Prepaid expense and other current assets

	31 October 2017 US$'000	**30 April 2017 US$'000**
Prepaid expenses	**23,851**	29,698
Downpayment to contractors and suppliers	**7,911**	9,933
Derivative asset	**2,835**	2,685
Note Receivables from McCall Farms	**15,000**	–
Others	**640**	730
	50,236	43,046

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

14. Cash and cash equivalents

	31 October 2017 US$'000	**30 April 2017 US$'000**
Cash on hand	**59**	48
Cash in banks	**19,681**	33,141
Cash equivalents	**3,290**	4,382
Cash and cash equivalents	**23,030**	37,571

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.65% per annum.

15. Loans and borrowings

	31 October 2017 US$'000	30 April 2017 US$'000
Current liabilities		
Unsecured bank loans	**358,371**	280,584
Secured bank loans	**256,130**	169,114
	614,501	449,698
Non-current liabilities		
Unsecured bank loans	**341,060**	341,974
Secured bank loans	**923,927**	922,294
	1,264,987	1,264,268
	1,879,488	1,713,966

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

				31 October 2017		30 April 2017	
	Currency	Nominal interest rate %	Year of maturity	Face value US$'000	Carrying amount US$'000	Face value US$'000	Carrying amount US$'000
Group							
Unsecured bank loans	PHP	2.00-4.50	2017	**58,050**	**58,050**	117,835	117,835
Unsecured bank loans	USD	1.65-2.75	2017	**358,371**	**358,371**	222,869	222,869
Unsecured bridging loans	USD	4.50	2020	**130,000**	**130,000**	130,000	129,414
Unsecured bridging loan	USD	90 days LIBOR +3.25%	2019	**154,000**	**153,010**	154,000	152,440
Secured bank loan under ABL Credit Agreement	USD	LIBOR +2.0%	2019	**255,000**	**252,174**	168,000	166,730
Secured First lien term loan	USD	Higher of LIBOR+ 3.25% or 4.57%	2017-2021	**685,150**	**675,144**	686,925	668,109
Secured Second lien term Loan	USD	Higher of LIBOR+ 7.25% or 8.69%	2021	**260,000**	**252,739**	260,000	256,569
				1,900,571	**1,879,488**	1,739,629	1,713,966

New Loan Availment
The Group's financial liabilities slightly increased by US$160 million mainly driven by the increase in DMFI loan under an ABL Credit Agreement (a senior secured asset-based revolving facility) to be used for working capital needs and general corporate purposes (the "ABL Facility") from US$168 million to US$255 million as of 31 October 2017. Unsecured bank loan also increased from US$340 million to US$416 million.

Unsecured Bank Loans
Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover, debt service coverage ratio, and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, and changes in business, dividends and other transfers.

The Group is compliant with its loan covenants as at 31 October 2017 and 30 April 2017.

Long Term Borrowings

Long Term Borrowings	Principal Amount (In Thousands)	Interest Rate	Maturity	Payment Terms (e.g. annually, quarterly, etc.)	Interest already paid 1 May 2017 to 31 Oct 2017	
Senior secured variable rate first lien term loan	USD 710,000	Higher of Libor +3.25% or 4.25%	2021	0.25% quarterly principal payments from 30 April 2014 to July 31, 2021; Balance due in full at its maturity, 18 February 2021.	USD	15,195
Senior secured second lien variable rate term loan	USD 260,000	Higher of Libor + 7.25% or 8.45%	2021	Due in full at its maturity, August 18, 2021.	USD	13,025
BDO bridging facility	USD 154,000	90day Libor + 3.5% margin	2019	Quarterly interest payment and principal on maturity date.	USD	2,390
BDO Long-Term Loan	USD 30,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD	1,016
BDO Long-Term Loan	USD 100,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD	3,387
BDO Long-Term Loan	PHP 3,000,000	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020	Quarterly interest payment and principal on maturity date.	PHP	36,225

The balance of unamortised debt issuance cost follows:

	Six months ended 31 October 2017 US$'000	**Year ended 30 April 2017 US$'000**
Beginning of year/period	**25,663**	32,527
Additions	–	1,749
Amortisation	**(4,580)**	(8,613)
End of year/period	**21,083**	25,663

16. Other noncurrent liabilities

	31 October 2017 US$'000	30 April 2017 US$'000
Workers' compensation	**24,757**	23,410
Derivative liabilities	**4,205**	8,442
Accrued lease liabilities	**6,941**	7,036
Provision for onerous leases	**3,705**	3,818
Other payables	**944**	1,312
	40,552	44,018

17. Trade and other payables

	31 October 2017 US$'000	30 April 2017 US$'000
Trade payables	**168,317**	162,505
Deferred revenue:		
Walmart bulk sale for Great Value vegetable	**43,647**	–
Leasehold intangible	**226**	–
Others	**63**	–
Overdrafts	**19,614**	12,191
Accrued operating expenses:		
Advertising	**18,903**	12,220
Professional fees	**20,312**	13,591
Taxes and insurance	**9,352**	8,639
Freight and warehousing	**15,047**	6,320
Accrued interest	**10,153**	11,133
Trade promotions	**27,632**	39,202
Miscellaneous	**23,664**	6,348
Derivative liabilities	**6,807**	9,531
Accrued payroll expenses	**6,337**	8,282
Withheld from employees (taxes and social security cost)	**2,672**	1,692
Advances from customers	**714**	3,137
Other payables	**5,022**	4,623
VAT payables	**134**	131
	378,616	299,545

18. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
31 October 2017						
Cash and cash equivalents	14	**23,030**	**–**	**–**	**23,030**	**23,030**
Trade and other receivables	12	**264,214**	**–**	**–**	**264,214**	**264,214**
Derivative asset	13	**–**	**989**	**–**	**989**	**989**
		287,244	**989**	**–**	**288,233**	**288,233**
Loans and borrowings	15	–	**–**	**1,879,488**	**1,879,488**	**1,694,511**
Trade and other payables*	17	–	**–**	**327,895**	**327,895**	**327,895**
Derivative liabilities	16, 17	–	**11,012**	–	**11,012**	**11,012**
		–	**11,012**	**2,207,383**	**2,218,395**	**2,033,418**
30 April 2017						
Cash and cash equivalents	14	37,571	–	–	37,571	37,571
Trade and other receivables	12	164,447	–	–	164,447	164,447
Derivative asset	13	–	2,685	–	2,685	2,685
		202,0188	2,685	–	204,703	204,703
Loans and borrowings	15	–	–	1,713,966	1,713,966	1,552,043
Trade and other payables*	17	–	–	286,877	286,877	286,877
Derivative liabilities	16, 17	–	17,973	–	17,973	17,973
		–	17,973	2,000,843	2,018,816	1,856,893

* *excludes advances from customers and derivative liabilities*

19. Determination of fair values

Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

			31 October 2017		
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	13	**–**	**2,835**	**–**	**2,835**
Non-financial assets					
Fair value of agricultural produce harvested under inventories		**–**	**–**	**7,268**	**7,268**
Fair value of growing produce	11	**–**	**–**	**42,290**	**42,290**
Freehold land	6	**–**	**–**	**64,866**	**64,866**
Financial liabilities					
Derivative liabilities	16, 17, 18	**–**	**11,012**	**–**	**11,012**

			30 April 2017		
		Level 1	Level 2	Level 3	Totals
Financial assets					
Derivative assets	13	–	2,685	–	2,685
Non-financial assets					
Fair value of agricultural produce harvested under inventories		–	–	4,535	4,535
Fair value of growing produce	11	–	–	44,347	44,347
Freehold land	6	–	–	68,000	68,000
Financial liabilities					
Derivative liabilities	16, 17, 18	–	17,973	–	17,973

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Determination of fair values of financial assets

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	Market comparison technique: The fair values are based on brokers' quotes. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Interest rate swaps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	Market comparison technique: The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.

Financial instruments not measured at fair value

Type	Valuation technique
Financial liabilities	The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate ranges from 18.7% to 31.0% and 17.4% to 33.6% as at the reporting date 31 July 2017 and 30 April 2017, respectively (Level 2). The fair value of noncurrent loans and borrowings under this category amounted to US$755.5 million and US$759.3 million as of 31 July 2017 and 30 April 2017, respectively. The fair value of the loan is based on the discounted value of expected future cash flows using risk free rates and credit spread ranges from 3.8% to 5.3% as at 31 July 2017 and 2.6% to 4.7% as at 30 April 2017 (Level 3). The fair value of noncurrent loans and borrowings under this category amounted to US$339.2 million and US$343.1 million as at 31 July 2017 and 30 April 2017, respectively. Current loans and borrowings approximate its carrying amount as of 31 October 2017 and 30 April 2017 due to short-term maturities.
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	The unobservable inputs used to determine market value are the net prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighbourhood, utility, terrain, and the time element involved. The freehold land was last revalued in 2016. The market value per square meter ranges from US$62.9 to US$69.6. The market value per acre ranges from US$2,300 to US$80,582.
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit adjusted for margin and costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are now measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices of finished goods less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

20. Profit for the period

The following items have been included in arriving at profit for the period:

	Note	Six months ended 31 October 2017 US$'000	Six months ended 31 October 2016 US$'000
Provision for inventory obsolescence	11	**5,063**	904
Reversal (provision) of allowance for doubtful receivables (trade)		**(7)**	174
Amortisation of intangible assets	7	**4,674**	4,674
Depreciation of property, plant and equipment		**67,820**	60,904

21. General and administrative expenses

This account consists of the following:

	31 October 2017 US$'000	31 October 2016 US$'000
Personnel costs	**43,823**	38,023
Professional and contracted services	**16,884**	19,736
Computer cost	**8,028**	6,910
Facilities expense	**3,516**	3,707
Rental	**2,013**	1,138
Postage and telephone	**1,763**	1,638
Travelling and business meals	**1,354**	1,468
Machinery and equipment maintenance	**1,159**	475
Auto operating and maintenance costs	**599**	155
R&D projects	**443**	298
Employee-related expenses	**376**	972
Utilities	**342**	328
Materials and supplies	**151**	312
Miscellaneous overhead	**7,139**	5,857
	87,589	81,016

Miscellaneous overhead consists of donation, corporate initiatives, and other expenses. Personnel cost last year is net of the DMFI retirement plan change impact.

22. Share capital

		31 October 2017		30 April 2017	
		No. of shares ('000)	**US$'000**	**No. of shares ('000)**	**US$'000**
Authorised:					
Ordinary shares of	US$0.01 each	**3,000,000**	**30,000**	3,000,000	30,000
Preference shares of	US$1.00 each	**600,000**	**600,000**	600,000	600,000
		3,600,000	**630,000**	3,600,000	630,000
Issued and fully paid:					
Ordinary shares of	US$0.01 each	**1,944,936**	**19,449**	1,944,936	19,449
Preference shares of	US$1.00 each	**20,000**	**20,000**	20,000	20,000
		1,964,936	**39,449**	1,964,936	39,449

Reconciliation of number of outstanding ordinary shares in issue:

	Period ended 31 October 2017 ('000)	**Year ended 30 April 2017 ('000)**
At beginning of the year/period	**1,943,214**	1,943,214
Acquisition of own shares	**–**	–
At end of the year/period	**1,943,214**	1,943,214

The holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

In April 2014, the Company increased its authorised share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board of Directors (BOD) may designate. The terms and conditions of the authorised preference share are finalised upon each issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

In April 2017, the Company completed the offering and listing of 20,000,000 Series A-1 Preference Shares which were sold at an offer price of US$10.0 per share (U.S. \$1.0 par value per share) in the Philippines, generating US$200 million in proceeds. The said shares were listed on the PSE.
Undeclared preference dividends as of 31 October 2017 amounted to US$6.6 million.

Capital management

The BOD's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital comprises its share capital and reserves. The BOD monitors the return on capital, which the Company defines as profit or loss for the year divided by total shareholders' equity. The BOD also monitors the level of dividends paid to ordinary shareholders.

The bank loans of the Company contain various capital covenants with respect to capital maintenance and ability to incur additional indebtedness. The BOD ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Company's approach to capital management during the period.

23. Earnings (loss) per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 31 October	
	2017	**2016 (Restated*)**
Basic profit per share is based on:		
Profit (loss) attributable to owners of the Company (US$'000)	**(2,079)**	12,926
Cumulative preference share dividends (US$'000)	**(6,625)**	–
	(8,704)	12,926
Basic weighted average number of ordinary shares ('000):		
Issued ordinary shares at 1 May	**1,943,214**	1,943,214
Effect of shares option exercised	**86**	–
Weighted average number of ordinary shares at end of period (basic)	**1,943,300**	1,943,214
Basic loss per share (in U.S. cents)	**(0.45)**	0.67

*See Note 26

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

	Six months ended 31 October 2017	Six months ended 31 October 2016 (Restated*)
Diluted profit per share is based on:		
Profit (loss) attributable to owners of the Company (US$'000)	**(2,079)**	12,926
Cumulative preference share dividends (US$'000)	**(6,625)**	–
	(8,704)	12,926
Diluted weighted average number of shares ('000):		
Weighted average number of ordinary shares (basic)	**1,943,300**	1,943,214
Effect of share options on issue	**–**	746
Weighted average number of ordinary issued and potential shares assuming full conversion	**1,943,300**	1,943,960
Diluted loss per share (in U.S. cents)	**(0.45)**	0.66

The potential ordinary shares issuable under the Executive Stock Options Plan (ESOP) were excluded from the diluted weighted average number of ordinary shares calculation because they have an anti-dilutive effect.

*See Note 26

24. Commitments and contingencies

Operating lease commitments

The Group leases certain property, equipment and office and warehouse facilities. At the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases at approximately US$242.8 million.

The leases typically run for an initial period of 2 to 25 years, with an option to renew the lease after that date. Some of the leases contain escalation clauses but do not provide for contingent rents. Lease terms do not contain any restrictions on Group activities concerning dividends, additional debts or further leasing.

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes and packaging services. At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements at approximately US$1,003.5 million.

DMPL India Limited

As at 31 October 2017, a subsidiary, DMPL India Limited has a contingent liability amounting to INR174.0 million or an equivalent of US$2.7 million (30 April 2017: US$4.3 million) in the form of a letter of undertaking securing 50% of the obligations of FFPL under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

25. Related parties

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

Category/ Transaction	Period (as of)	Amount of the transaction US$'000	Outstanding balance – receivables/ (payables) US$'000	Terms	Conditions
Under Common Control					
▪ Shared IT & JYCC Fit-out services	October 2017	**242**	**240**	Due and demandable;	Unsecured;
	April 2017	351	57	non–interest bearing	no impairment
▪ Sale of tomato paste	October 2017	**23**	**–**	Due and demandable;	Unsecured;
	April 2017	34	–	non–interest bearing	no impairment
▪ Purchases	October 2017	**–**	**–**	Due and demandable;	Unsecured;
	April 2017	247	(24)	non–interest bearing	no impairment
▪ Share in JYCC Fit Out Project	October 2017	**–**	**–**	Due and demandable;	Unsecured
	April 2017	16	–	non–interest bearing	no impairment
▪ Tollpack fees	October 2017	**476**	–	Due and demandable;	Unsecured
	April 2017	666	(60)	non–interest bearing	
▪ Others	October 2017	**–**	**(53)**	Due and demandable;	Unsecured
	April 2017	–	–	non–interest bearing	
Other Related Party					
▪ Management fees from Del Monte Philippines, Inc. ("DMPI") Retirement fund	October 2017	**2**	**478**	Due and demandable;	Unsecured;
	April 2017	4	241	non–interest bearing	no impairment
▪ Rental to DMPI Retirement	October 2017	**870**	**–**	Due and demandable;	Unsecured
	April 2017	1,619	(277)	non–interest bearing	
▪ Rental to NAI Retirement	October 2017	**270**	**–**	Due and demandable;	Unsecured
	April 2017	572	(48)	non–interest bearing	
▪ Rental to DMPI provident fund	October 2017	–	–	Due and demandable;	Unsecured;
	April 2017	5	–	non–interest bearing	no impairment
Receivables included under "Trade and other receivables" in Note 12			**718**		
Payables included under "Trade and other payables" in Note 17			**(53)**		

Category/ Transaction	Period (as of)	Amount of the transaction US$'000	Outstanding balance – receivables/ (payables) US$'000	Terms	Conditions

Receivables included under ”Trade and other receivables” in Note 12	298
Payables included under “Trade and other payables” in Note 17	(409)

The transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group policy is to solicit competitive quotations. Bids from any related party are evaluated on arm’s length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price.

26. Other Matters

a. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group’s liquidity.

b. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or revenues or income from continuing operations.

c. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual statements of financial position date.

d. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.

e. The effects of seasonality or cyclicality on the interim operations of the Group’s businesses are explained in Note 5, Seasonality of operations.

f. The Group’s material commitments for capital expenditure projects have been approved but are still ongoing and not yet completed as of end of 31 October 2017. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to the next quarter until its completion. The fund to be used for these projects will come from available cash, short and long-term loans.

g. In fiscal year 2017, the Group has adopted the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants). The change in accounting standard was applied retrospectively and comparative statements for the period have been restated to reflect the changes in accounting policy.

The following table summarises the material impact resulting from the above change in accounting policy:

	As previously reported US$'000	Adjustments US$'000	As restated US$'000
Income Statement			
Revenue	1,101,725	1,639	1,103,364
Tax credit/expense - net	1,728	(155)	1,573
Profit (loss) for the period	**10,217**	1,482	**11,699**
Owners of the Company	**11,442**	1,482	**12,924**
Loss per share			
Basic loss per share (US cents)	0.59	0.08	0.67
Diluted loss per share (US cents)	0.59	0.07	0.66

h. The Group is the subject of, or a party to, various suits and pending or threatened litigations. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

i. The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries and unrealised asset revaluation reserve. The accumulated equity in net earnings of the subsidiaries is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.

j. On 28 June 2017, the Company announced a series of new joint ventures with Fresh Del Monte Produce, Inc. (NYSE: FDP) that will result in expanded refrigerated offerings sold across all distribution and sales channels, and a new retail food and beverage concept modelled after an already successful FDP business in the Middle East. These joint ventures will initially focus on the U.S. market with the potential for expansion into other territories where the companies' businesses complement each other. The joint ventures are also facilitated by the full and final settlement of all active litigation between DMPL and DMFI on the one hand, and FDP on the other hand, effective immediately. Such long-standing litigation had centered on licensing rights and product distribution in various territories around the world. In addition to retail and new product ventures, the companies also agreed to a long-term mutual supply agreement that would expand Del Monte product sales in various markets around the world.

   As of 31 October 2017, the Company has not made any significant investments with respect to the aforementioned agreement with FDP.

k. In September 2017, DMFI entered into an Asset Purchase Agreement and other accessory contracts covering certain equipment, intangible assets and contracts of Sager Creek for a total consideration of US$55.0 million.

Annex A

Key Performance Indicators

The following sets forth the explanation why certain performance ratios (i.e. current ratio, debt to equity ratio, net profit margin, return on asset, and return on equity) do not fall within the benchmarks indicated by SEC.

A. Current Ratio

	31-Oct-17	31-Oct-16	30-Apr-17	Benchmark
Current Ratio	**1.4318**	**1.0533**	**1.5614**	**Minimum of 1.20**

Current ratio increased versus last year due to lower current financial liabilities and trade and other payables.

B. Debt to Equity

	31-Oct-17	31-Oct-16	30-Apr-17	Benchmark
Debt to Equity	**4.4535**	**7.5488**	**3.7656**	**Maximum of 2.50**

Debt ratio decreased versus last year due to loan payment and higher equity from preference share offering.

C. Net Profit Margin

	31-Oct-17	31-Oct-16	30-Apr-17	Benchmark
Net Profit Margin attributable to owners of the company	**-0.19%**	**1.17%**	**1.08%**	**Minimum of 3%**

Lower net profit than last year due to higher trade promotions and one-off expenses related to the Sager Creek vegetable business and closure of two plants in the USA

D. Return on Asset

	31-Oct-17	31-Oct-16	30-Apr-17	Benchmark
Return on Asset	**-0.22%**	**0.38%**	**0.72%**	**Minimum of 1.21**

Unfavourable than last year due to lower net profit as mentioned above.

E. Return on Equity

	31-Oct-17	31-Oct-16	30-Apr-17	Benchmark
Return on Equity	**-1.21%**	**3.27%**	**3.44%**	**Minimum of 8%**

Unfavourable than last year due to lower net profit as mentioned above.

Material Changes in Accounts

A. Cash and cash equivalent

Lower cash mainly on decreased borrowings.

B. Inventories

Increase in inventory is due to inventory build-up to support the increased demand in the second and third quarters of the fiscal year and due to DMFI's seasonal production.

C. Trade and other receivables

The increase in trade and other receivables is mainly on the timing of collection.

E. Intangible assets

Decrease in intangibles is mainly attributed to the amortization for the year and sale of intangible assets of Sager Creek.

F. Trade & other payables

Increase in trade and other payables are mainly due to higher accrued expenses and deferred revenue of DMFI.

H. Financial liabilities

Increase in financial liabilities mainly driven by the increase in DMFI loan under ABL Credit Agreement and unsecured bank loans.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover, and maximum annual capital expenditure restrictions.[1]

For the U.S.$154.0 million loan, the debt shall not exceed 8 times the equity; the interest cover shall not be lower than 1.5 (EBIT over interest); and the capital expenditures shall not exceed U.S.$40.0 million.

For the U.S.$130 million loan, the debt shall not exceed 6.7 times the equity by end of FY 2017 and 3.0 times from FY 2018 to FY 2020; and the interest cover shall not be lower than 1.5 (EBIT over interest) in FY 2016 and 2.0 from FY 2017 to FY 2020.

The foregoing financial covenants apply to the Company and its subsidiaries, as Borrower, excluding DMFHL and its subsidiaries, including, but not limited to, DMFI.

The Group monitors its liquidity risk to ensure that it has sufficient resources to meet its liabilities as they become due, under both normal and stressed circumstances without incurring unacceptable losses or risk to the Group's reputation. The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks and constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

As at 31 October 2017 and 30 April 2017, the Company is in compliance with the covenants stipulated in its loan agreements.

Use of Proceeds

DMPL completed in March 2015 a rights offering in the Philippines which was simultaneously conducted with the rights issue in Singapore. 641,935,335 Ordinary Shares ("Rights Shares") were offered to eligible shareholders at an issue price per share of S$0.325 in Singapore and ₱10.60 in the Philippines. The application of proceeds from this offering is broken down as follows:

Use of Proceeds	Amounts in U.S. Dollars
Balance of Proceeds as at 30 April 2017	483,011.95
Less:	
Expenses incurred from 1 May 2017 to 31 October 2017	0.00
Balance of Proceeds as of 30 April 2017	483,011.95

Annex B

DEL MONTE PACIFIC, LTD.
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	For the six months ended October 31, 2017	October 31, 2016
(i) Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.4	1.1
Quick Ratio	(Current Assets - Inventory - Prepaid expense - Biological - Assets held for sale) / Current Liabilities	0.3	0.2
(ii) Solvency Ratio	Total Assets / Total Debt*	1.2	1.1
Financial Leverage Ratios:			
Debt Ratio	Total Debt*/Total Assets	0.8	0.9
Debt-to-Equity Ratio	Total Debt*/Total Stockholders' Equity	4.5	7.5
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	5.5	8.5
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT)** / Interest Charges	0.5	1.2
(v) Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	20.60%	21.94%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	-0.19%	1.17%
Net Profit Margin	Net Profit / Sales	-0.60%	1.06%
Return on Assets	Net Income / Total Assets	-0.22%	0.38%
Return on Equity	Net Income / Total Stockholders' Equity	-1.21%	3.27%

* *Total Debt refers to total liabilities which composed of financial liabilities, trade payables, accrued expenses, and other liabilities.*
*** EBIT =Profit before tax plus finance expenses excluding foreign exchange gain/loss*

DEL MONTE PACIFIC LIMITED

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended October 2017

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AUDIT

Second Quarter FY2018 results covering the period from 1 August 2017 to 31 October 2017 have neither been audited nor reviewed by the Group's auditors.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's FY2017 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2017, which did not have significant impact to the Group:

- Amendment to IFRS 12, Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)
- Amendments to IAS 7, Statement of Cash Flows, Disclosure Initiative
- Amendments to IAS 12, Income Taxes, Recognition of Deferred Tax Assets for Unrealised Losses

The Group will adopt the following new standards when they become effective.

Applicable 1 May 2018

- Amendments to IFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4, Insurance Contracts, Applying IFRS 9, Financial Instruments, with IFRS 4
- Amendments to IAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)
- Amendments to IAS 40, Investment Property, Transfers of Investment Property
- IFRIC-22, Foreign Currency Transactions and Advance Consideration
- IFRS 9, Financial Instruments
- IFRS 15, Revenue from Contracts with Customers

Applicable 1 May 2019

- IFRS 16, Leases
- IFRIC 23, Uncertainty over Income Tax Treatments
- Amendments to IFRS 9, Prepayment Features with Negative Compensation
- Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures

Applicable 1 May 2021

- IFRS 17, Insurance Contracts

Deferred by IASB

- Amendments to IFRS 10 and IAS 28, Sale on Contribution of Assets between an Investor and its Associate on Joint Venture

DISCLAIMER

This announcement may contain statements regarding the business of Del Monte Pacific Limited and its subsidiaries (the "Group") that are of a forward looking nature and are therefore based on management's assumptions about future developments. Such forward looking statements are typically identified by words such as 'believe', 'estimate', 'intend', 'may', 'expect', and 'project' and similar expressions as they relate to the Group. Forward looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to various factors.

Representative examples of these factors include (without limitation) general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, service providers' performance, production efficiencies, input costs and availability, competition, shifts in customer demands and preferences, market acceptance of new products, industry trends, and changes in government and environmental regulations. Such factors that may affect the Group's future financial results are detailed in the Annual Report. The reader is cautioned to not unduly rely on these forward-looking statements.

Neither the Group nor its advisers and representatives shall have any liability whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this announcement or its contents.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in Del Monte Pacific.

SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7.7 under Rule 720(1) have been procured.

DIRECTORS' ASSURANCE

Confirmation by Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Del Monte Pacific Limited which may render these interim financial statements to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of Del Monte Pacific Limited

(Signed)
Rolando C Gapud
Executive Chairman

(Signed)
Joselito D Campos, Jr
Executive Director

6 December 2017

NOTES ON THE 2Q FY2018 DMPL RESULTS

1. DMPL's effective stake in DMFI is 89.4%, hence the non controlling interest line (NCI) in the P&L. Net income is net of NCI.

2. FY would mean Fiscal Year for the purposes of this MD&A.

3. DMPL Group adopted the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants in April 2017). The change in accounting standard was applied retrospectively. This involved reclassifying a portion of biological assets to plant, property and equipment leading to much higher depreciation expense. However, for EBITDA calculation, the Group retained the old calculation using the lower depreciation for comparability.

FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2017

	For the three months ended 31 October			For the six months ended 31 October		
in US$'000 unless otherwise stated*	**Fiscal Year 2018**	**Fiscal Year 2017 (Restated)**	**% Change**	**Fiscal Year 2018**	**Fiscal Year 2017 (Restated)**	**% Change**
Turnover	**624,708**	635,989	(1.8)	**1,098,552**	1,103,364	(0.4)
Gross profit	**128,380**	146,685	(12.5)	**226,264**	242,121	(6.5)
Gross margin (%)	***20.6***	*23.1*	*(2.5)*	***20.6***	*21.9*	*(1.3)*
Operating profit**	**7,398**	53,981	(86.3)	**22,242**	62,587	(64.5)
Operating margin (%)	***1.2***	*8.5*	*(7.3)*	***2.0***	*5.7*	*(3.7)*
Net profit attributable to owners of the Company - with one-off items**	**(2,820)**	19,969	(114.1)	**(2,079)**	12,924	(116.1)
Net margin (%)	***(0.5)***	*3.1*	*(3.6)*	***(0.2)***	*1.2*	*(1.4)*
EPS (US cents)	**(0.32)**	1.03	(131.1)	**(0.45)**	0.67	(167.2)
Net profit attributable to owners of the Company – without one-off items**	**10,237**	20,822	(50.8)	**11,485**	16,601	(30.8)
Net debt	**1,856,458**	2,085,636	(11.0)	**1,856,458**	2,085,636	(11.0)
*Gearing*** (%)*	***339.2***	*582.6*	*(243.4)*	***339.2***	*582.6*	*(243.4)*
EBITDA**	**28,586**	71,227	(59.9)	**60,758**	96,728	(37.2)
Cash flow/(outflow) from operations	**(72,041)**	(136,519)	(47.2)	**(107,591)**	(159,996)	(32.8)
Capital expenditure	**12,829**	29,805	(57.0)	**35,331**	65,954	(46.4)
Inventory (days)	**153**	154	(1)	**209**	209	–
Receivables (days)	**27**	25	2	**31**	31	–
Account Payables (days)	**38**	46	(8)	**44**	46	(2)

**The Company's reporting currency is US dollars. For conversion to S$, the following exchange rates can be used: 1.36 in October 2017, 1.37 in October 2016. For conversion to PhP, these exchange rates can be used: 50.52 in October 2017, 45.84 in October 2016.*

***Please refer to the last page of this MD&A for a schedule of the one-off items*

****Gearing = Net Debt / Equity*

REVIEW OF OPERATING PERFORMANCE

Second Quarter

The Group achieved sales of US$624.7 million for the second quarter of FY2018, down 1.8% versus the prior year period mainly driven by lower sales in the USA.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) contributed US$485.6 million or 77.7% of Group sales. DMFI's sales declined by 1.6% mainly due to unfavourable pricing in foodservice and USDA, and higher trade promotion spending. Overall, volume was marginally higher driven by strong performance of the packaged vegetable and fruit categories ahead of the holiday season which was partly offset by distribution losses in packaged tomatoes. Investments in consumer advertising and insights are paying dividends as DMFI's market share in canned fruit grew by 800 basis points to 42% in Walmart. DMFI increased its market share during the quarter in a number of key categories in retail, ie canned vegetable, canned fruit and fruit in cups driven by increased trade and consumer investment.
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As part of the Group's strategy to improve operational excellence, DMFI divested its underperforming Sager Creek vegetable business. This involved shutting the production facility in Siloam Springs, Arkansas. DMFI also shut its Plymouth, Indiana tomato production facility to improve efficiency and streamline operations. These resulted in one-off expenses amounting to US$23.6 million pre-tax or US$13.1 million post-tax in the second quarter. Please refer to the last page of this MD&A for a schedule of the one-off expenses.

The Group's gross profit and operating profit were lower than prior year period due to lower sales mainly on DMFI, higher trade promotions, and unfavourable pricing in foodservice and USDA. The incremental cost from the sale of Sager Creek vegetable business, closure of the two plants mentioned above and other one-off expenses largely impacted the operating margin. Excluding the one-off expenses, DMFI contributed an EBITDA of US$19.7 million and a net loss of US$9.1 million to the Group.

Sales of DMPL ex-DMFI were almost flat as compared to the same period last year. DMPL ex-DMFI generated sales of US$154.5 million (inclusive of the US$15.3 million sales by DMPL to DMFI which were netted out during consolidation).

It delivered lower gross margin of 29.9% from 32.0% in the prior year quarter driven by lower pineapple juice concentrate pricing and unfavourable sales mix. DMPL ex-DMFI generated an EBITDA of US$30.3 million which was higher by 13.9% and a net income of US$17.1 million, significantly higher versus the US$12.3 million in the same period last year driven by optimisation of selling and G&A costs.

The Philippine market sales were up 4.0% in peso terms but down 2.9% in US dollar terms due to peso depreciation. Sales growth was driven by expanded penetration and increased consumption of its packaged pineapple fruit following improvement in supply. The company's thrust on innovation continued with the launch of 100% Pineapple Juice in Tetra Pak, offering more convenience to the consumers. Foodservice sales in the Philippines also continued to grow, riding on the rapid expansion of quick service restaurants and convenience stores with partnerships and menu creation with major accounts.

Sales of the S&W packaged business continued its good performance with sales up 12% in the second quarter mainly due to strong sales of canned juices and tropical fruit to North Asia. However, S&W fresh business sales declined due to lower supply.

DMPL's share in the FieldFresh joint venture in India was favourable at US$0.01 million income from a US$0.4 million loss in the prior year period due to improvement in sales and margin.

The Group's EBITDA of US$28.6 million was lower than prior year quarter's EBITDA of US$71.2 million. This quarter's EBITDA included the US$23.6 million of one-off expenses mentioned above. Without the one-off expenses, the Group recurring EBITDA of US$52.2 million was lower versus last year's recurring EBITDA of US$72.8 million reflecting planned increased investment in consumer and trade spending to reinvigorate the business in the USA in line with Group's Long range plan. The additional marketing and trade spend in the USA amounted to US$29.7 million.
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The Group incurred a net loss of US$2.8 million for the quarter, as compared to a net income of US$20.0 million in the prior year quarter. This quarter's net loss included US$13.1 million of one-off expenses (net of tax), while prior year period's included only US$0.9 million of one-off expenses. Without the one-off expenses, the Group reported a recurring net income of US$10.2 million, lower than last year's recurring net income of US$20.8 million reflecting the planned higher investment in consumer and trade spending mentioned above.

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The Group's cash outflow from operations in the second quarter was US$42.5 million, driven by inventory build-up in preparation for the seasonally stronger second semester. Despite this, cash outflow was lower versus last year's US$136.5 million driven by better working capital management with higher payables and lower inventory.

Past the production peak in October, cash flows are expected to improve in the seasonally stronger second semester with peak sales around Thanksgiving and Christmas, as well as Easter in the last quarter ending April.

First Half

For the first half of FY2018, the Group generated sales of US$1.1 billion, down 0.4% versus prior year period. DMFI generated US$0.8 billion or 74.8% of Group sales, lower by 2.6% largely driven by distribution losses in the tomato category, unfavourable pricing in foodservice and USDA, and higher trade promotion spending. The key retail segments of canned vegetable, canned fruit, and plastic fruit cup all grew sales in the first half despite some category declines. DMFI increased its market share during the first half in a number of key categories in retail, i.e. canned vegetable, canned fruit and fruit in cups driven by increased trade and consumer investment.

The Group's gross profit and operating profit were lower than prior year period due to higher trade promotions and unfavourable pricing in USDA, foodservice and pineapple juice concentrate. The one-off expenses related to the sale of Sager Creek vegetable business and closure of two plants in the USA amounted to US$24.5 million pre-tax or US$13.6 million post-tax in the first half. Please refer to the last page of this MD&A for a schedule of the one-off expenses.

The Philippine market sales were up 4.5% in peso terms but down 2.3% in US dollar terms due to peso depreciation. Sales growth was driven by expanded penetration and increased consumption of its packaged pineapple fruit following improvement in supply, coupled with higher sales of culinary products. The Group continued to invest in driving inclusion of Del Monte products in consumers' weekly menu behind 360-degree campaigns across brands. Foodservice sales in the Philippines also continued to expand, riding on the rapid expansion of quick service restaurants and convenience stores.

The S&W branded sales in Asia and the Middle East grew 25% versus last year on higher sales from both the fresh and packaged segments, as well as expansion into Turkey, a new market for packaged products.

DMFI's gross margin for the full year declined to 15.8% from 17.9% in the same period last year mainly driven by higher trade spend and unfavourable USDA and foodservice pricing.

DMPL ex-DMFI's gross profit grew to US$92.9 million but its gross margin decreased to 30.8% from 32.1% due to unfavourable sales mix and lower pineapple concentrate pricing.

DMPL's share of loss in the FieldFresh joint venture in India at US$0.5 million was lower versus the US$0.8 million in the prior year, as FieldFresh continued to invest behind the business to grow the Del Monte packaged business in India.

DMPL's net income without DMFI was US$32.3 million, significantly up versus prior year period's US$23.4 million mainly from lower operating expenses and increased sales.

The DMPL Group generated a net loss of US$2.1 million for the first half FY2018, unfavourable versus prior year period's net income of US$12.9 million due to the one-off expenses of US$13.6 million mentioned above.

Excluding the one-off expenses, the Group's net income would have been US$11.5 million, lower versus the recurring net income last year of US$16.6 million mainly driven by increased investment in trade and consumer spending to reinvigorate the business in the USA in line with Group's Long range plan. The additional marketing and trade spend in the USA amounted to US$27.8 million.

The Group posted an EBITDA of US$60.8 million of which DMFI accounted for US$0.9 million of negative EBITDA. Excluding one-off expenses, the Group's EBITDA would have been US$85.2 million, 2.6% higher versus the recurring EBITDA of US$103.1 million in the prior year period.

The Group's cash outflow from operations in the first half was US$78.0 million, better versus last year's cash outflow of US$160.0 million driven by better working capital management particularly in inventory.

VARIANCE FROM PROSPECT STATEMENT

The Group expects to generate a net profit for the balance of the year on a recurring basis. It is on track to achieving a net profit for the full year on a recurring basis which is in line with earlier guidance.

BUSINESS OUTLOOK

DMFI faces headwinds due to shifts in consumer demographics, shifts in the way American consumers are eating and shopping, as well as shifts in consumer preferences. It will continue to build on its Del Monte brand heritage and will realign its business with those consumer trends over time. Its plan focuses on business segments which are on-trend and will rationalise non-profitable businesses, in particular the non-branded segment. It will continue to optimise its cost structure and investing in a multiyear restructuring project for its operations and supply chain footprint to more efficiently support its commercial strategy.

With the four new joint ventures with Fresh Del Monte Produce Inc, DMFI has the potential to greatly extend the reach of the Del Monte brand to the growing store perimeter while allowing both companies to optimise economies of scale. Business plans are being finalised for the joint ventures in prepared refrigerated fruit snacks, chilled juices, guacamole and avocado products, and retail food and beverage outlets.

The Group will continue to expand its existing branded business in Asia, through the Del Monte brand in the Philippines, where it is a dominant market leader. S&W, both packaged and fresh, will continue to gain more traction as it leverages its distribution expansion in Asia and the Middle East, while the Group's joint venture in India will continue to generate higher sales and maintain its positive EBITDA.

The Nice Fruit frozen pineapple plant is in operation, with trial shipments to the USA, Japan and South Korea.

The Group will be exploring e-commerce opportunities for its range of products across markets.

Barring unforeseen circumstances, the Group is expected to be profitable for FY2018 on a recurring basis.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the second quarter ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**179,401**	180,649	(0.7)	**27,935**	34,195	(18.3)	**398**	10,421	(97.7)
Packaged vegetable	**219,075**	221,801	(1.2)	**39,404**	45,584	(13.6)	**(4,146)**	17,274	(139.8)
Beverage	**4,270**	5,958	(28.3)	**1,069**	1,440	(25.8)	**(387)**	831	(146.6)
Culinary	**78,565**	83,594	(6.0)	**15,599**	17,933	(13.0)	**(11,081)**	5,655	(296.0)
Others	**602**	400	50.5	**128**	189	(32.3)	**(616)**	1,390	(144.3)
Total	**481,913**	492,402	(2.1)	**84,135**	99,341	(15.3)	**(15,832)**	35,571	(144.5)

For the first half ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**309,596**	309,665	(0.0)	**51,788**	55,437	(6.6)	**(2,676)**	7,858	(119.5)
Packaged vegetable	**367,912**	376,982	(2.4)	**62,405**	70,500	(11.5)	**(4,526)**	13,714	(157.6)
Beverage	**10,463**	15,873	(34.1)	**2,135**	4,126	(48.3)	**(863)**	1,530	(156.4)
Culinary	**128,749**	139,547	(7.7)	**20,726**	25,444	(18.5)	**(14,492)**	1,368	(1,159.4)
Others	**938**	497	88.7	**200**	110	81.8	**36**	1,783	(98.0)
Total	**817,658**	842,564	(3.0)	**137,254**	155,617	(11.8)	**(22,521)**	26,253	(185.8)

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

Sales in the Americas declined by 2.1% to US$481.9 million mainly due to unfavourable pricing in foodservice and USDA and higher trade promotion spending. Overall, volume was marginally higher driven by the strong performance of the packaged vegetable and fruit categories ahead of the holiday season which was partly offset by distribution losses in packaged tomatoes. Investments in consumer advertising and insights are paying dividends as DMFI's market share in canned fruit grew by 800 basis points to 42% in Walmart. DMFI increased its market share during the quarter in a number of key categories in retail, i.e. canned vegetable, canned fruit and fruit in cups driven with increased trade and consumer investment.

Gross profit was lower than prior year period due to lower sales, higher trade promotions and higher product costs.

Americas reported an operating loss for the quarter of US$15.8 million versus prior year quarter's operating income of US$35.6 million due to the sale of its underperforming Sager Creek vegetable business, closure of two plants and other one-off expenses which impacted operating margin. The total one-off expenses amounted to US$23.6 million pre-tax for the second quarter.

ASIA PACIFIC

For the second quarter ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg
Packaged fruit	**39,903**	32,867	21.4	**12,875**	10,012	28.6	**8,523**	5,265	61.9
Packaged vegetable	**372**	450	(17.3)	**114**	177	(35.6)	**82**	112	(26.8)
Beverage	**28,806**	32,862	(12.3)	**7,137**	9,954	(28.3)	**970**	3,211	(69.8)
Culinary	**37,647**	40,951	(8.1)	**14,944**	16,816	(11.1)	**8,842**	5,421	63.1
Others	**28,670**	33,052	(13.3)	**7,613**	9,130	(16.6)	**4,010**	3,622	10.7
Total	**135,398**	140,182	(3.4)	**42,683**	46,089	(7.4)	**22,427**	17,631	27.2

For the first half ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg
Packaged fruit	**68,967**	59,458	16.0	**21,219**	17,535	21.0	**12,644**	8,527	48.3
Packaged vegetable	**696**	959	(27.4)	**218**	325	(32.9)	**157**	213	(26.3)
Beverage	**60,987**	67,386	(9.5)	**17,647**	22,192	(20.5)	**4,741**	8,354	(43.2)
Culinary	**63,573**	67,232	(5.4)	**25,492**	27,561	(7.5)	**14,476**	10,955	32.1
Others	**71,466**	57,921	23.4	**20,260**	16,058	26.2	**10,373**	6,511	59.3
Total	**265,689**	252,956	5.0	**84,836**	83,671	1.4	**42,391**	34,560	22.7

Reported under this segment are sales and profit on sales in the Philippines, comprising primarily of Del Monte branded packaged products, including Del Monte traded goods; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

Asia Pacific's sales in the second quarter declined by 3.4% to US$135.4 million from US$140.2 million on lower packaged fruit, culinary sales and others.

The Philippine market sales were up 4.0% in peso terms but down 2.9% in US dollar terms due to peso depreciation. Sales growth was driven by expanded penetration and increased consumption of its packaged pineapple fruit following improvement in supply. The Group continued to invest in driving inclusion of Del Monte products in consumers' weekly menu behind 360-degree campaigns across brands. Foodservice sales in the Philippines also continued to expand, riding on the rapid expansion of quick service restaurants and convenience stores.

Operating profit in the second quarter rose 27.2% to US$22.4 million due to lower spending on direct promotions, advertising, and operating expenses.

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EUROPE

For the second quarter ended 31 October

In US$'000	**Turnover**			**Gross Profit**			**Operating Income/(Loss)**		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**4,972**	2,881	72.6	**1,768**	1,131	56.3	**1,317**	741	77.7
Packaged vegetable	**–**	–	–	**–**	–	–	**–**	–	–
Beverage	**2,425**	525	361.9	**(206)**	125	(264.8)	**(514)**	39	(1,417.9)
Culinary	**–**	–	–	**–**	–	–	**–**	–	–
Others	**–**	–	–	**–**	–	–	**–**	–	–
Total	**7,397**	3,406	117.2	**1,562**	1,256	24.4	**803**	780	2.9

For the first half ended 31 October

In US$'000	**Turnover**			**Gross Profit**			**Operating Income/(Loss)**		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**11,245**	6,391	76.0	**4,493**	2,335	92.4	**3,240**	1,462	121.6
Packaged vegetable	**–**	–	–	**–**	–	–	**–**	–	–
Beverage	**3,960**	1,453	172.5	**(319)**	498	(164.1)	**(868)**	313	(377.3)
Culinary	**–**	–	–	**–**	–	–	**–**	–	–
Others	**–**	–	–	**–**	–	–	**–**	–	–
Total	**15,205**	7,844	93.8	**4,174**	2,833	47.3	**2,372**	1,775	33.6

Included in this segment are sales of unbranded products in Europe.

For the second quarter, Europe's sales improved by 117.2% to US$7.4 million from US$3.4 million mainly on higher volume of pineapple juice concentrate and canned pineapple.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	**For the three months ended 31 October**			**For the six months ended 31 October**		
	FY2018	FY2017	**Comments**	**FY2018**	FY2017	**Comments**
Cost of Goods Sold	**45.2**	44.3	Higher production and transportation costs	79.4	78.1	Same as 2Q
Distribution and Selling Expenses	**5.8**	4.9	Mainly due to timing of spending	9.9	9.0	Same as 2Q
G&A Expenses	**4.4**	3.6	Higher G&A cost due to plant closures	8.0	7.3	Same as 2Q
Other Operating Income	**0.8**	(0.1)	Higher miscellaneous expenses due to the sale of Sager Creek business and plant closures	0.7	(0.1)	Same as 2Q

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US$'000	**For the three months ended 31 October**				**For the six months ended 31 October**			
	FY2018	FY2017 (Restated)	**%**	**Comments**	**FY2018**	FY2017 (Restated)	**%**	**Comments**
Depreciation and amortisation	**(34,911)**	(32,099)	8.8	Mainly due to higher depreciation from higher asset base	**(72,494)**	(65,578)	10.5	Same as 2Q
Provision of asset impairment	**(21,891)**	–	n.m.	Mainly on the impairment loss for Sager Creek PPE	**(21,891)**	–	n.m.	Same as 2Q
(Provision)/reversal for inventory obsolescence	**131**	6,036	(97.8)	Due to timing of the provision	**(588)**	(904)	(35.0)	Same as 2Q
Reversal/(Provision) for doubtful debts	**18**	(125)	(114.4)	Due to timing of the provision	**223**	(174)	(228.2)	Same as 2Q
Net gain/(loss) on disposal of fixed assets	**3,488**	540	545.9	Mainly on sale of Sager	**3,375**	(203)	n.m.	Same as 2Q
Foreign exchange gain-net	**1,870**	3,746	(50.1)	Lower favourable impact of peso depreciation for the quarter	**3,453**	3,839	(10.1)	Same as 2Q
Interest income	**115**	124	(7.3)	Lower interest income from operating assets	**241**	251	(4.0)	Same as 2Q
Interest expense	**(26,142)**	(28,926)	(9.6)	Lower level of borrowings	**(52,224)**	(55,775)	(6.4)	Same as 2Q
Share of loss/(income) of JV, (attributable to the owners of the Company)	**(390)**	512	(176.0)	Higher Nice fruit expenses	**(1,123)**	(341)	229.3	Same as 2Q
Taxation	**11,956**	(7,664)	(256.0)	Due to higher DMFI loss position	**20,828**	1,573	n.m.	Same as 2Q

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	**31 October 2017**	**31 October 2016 (Restated)**	**30 April 2017**	**Comments**
in US$'000				
Joint venture	**25,598**	24,915	22,820	Driven by additional capital call for Nice Fruit joint venture
Deferred tax assets	**114,986**	104,127	100,899	Due to higher loss
Other assets	**43,108**	28,072	25,941	Due to receivable from sale of Sager Creek vegetable business
Biological assets	**43,736**	41,118	125,462	Mainly due to higher field mix
Inventories	**1,102,004**	1,158,585	845,233	Mainly due to reduced inventory driven by plant closure
Trade and other receivables	**264,214**	245,201	175,532	Due to timing of collection
Prepaid and other current assets	**50,236**	30,857	35,597	Due to increase in DMPI's downpayments for capex
Cash and cash equivalents	**23,030**	23,488	47,203	Mainly on decreased borrowings
Financial liabilities – non-current	**1,264,987**	1,115,417	1,116,422	Reclassification of loans from current to non-current
Other non-current liabilities	**40,552**	57,157	62,586	Lower derivatives and workers compensation
Employee benefits– non-current	**88,662**	99,482	97,118	Due to higher employee retirement plan
Financial liabilities – current	**614,501**	993,707	727,360	Due to working capital requirements
Trade and other payables	**334,702**	388,185	281,043	Due to lower trade and accrued expenses
Current tax liabilities	**2,531**	4,250	3,827	Due to timing of tax payment

SHARE CAPITAL

Total shares outstanding were at 1,963,960,024 (common shares 1,943,960,024 and preference shares 20,000,000) as of 31 October 2017; (31 October 2016: 1,943,214,106). Share capital is at US$39.5 million as of 31 October 2017 (31 October 2016: US$19.5 million). Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below.

Date of Grant	Options	Share Awards	Recipient(s)
7 March 2008	1,550,000	1,725,000	Key Executives
20 May 2008	–	1,611,000	CEO
12 May 2009	–	3,749,000	Key Executives
29 April 2011	–	2,643,000	CEO
21 November 2011	–	67,700	Non-Executive Director
30 April 2013	150,000	486,880	Key Executives
22 August 2013	–	688,000	Executive/Non-Executive Directors
1 July 2016	75,765	57,918	Executive/Non-Executive Directors

The number of shares outstanding includes 975,802 shares held by the Company as treasury shares as at 31 October 2017 (31 October 2016: 1,721,720). There was no sale, disposal and cancellation of treasury shares during the period and as at 31 October 2017.

The company does not have any subsidiary holdings as at 31 July 2017.

In April 2017, the Company successfully completed the offering and listing of 20 million Series A-1 Preference Shares at an offer price of US$10 per share in the Philippines generating US$200 million in proceeds. The Company used the net proceeds to partly refinance the US$350 million BDO Unibank, Inc loan which was extended in February 2017 for two years.

To raise more equity and repay loans, DMPL is offering US$80 million Series A-2 Preference Shares with an oversubscription option of up to US$80 million at a coupon rate of 6.5% per annum. The offer period is 28 November to 8 December 2017, with the listing set for 15 December 2017 on the Philippine Stock Exchange.

BORROWINGS AND NET DEBT

	As at 30 October		As at 30 April
Liquidity in US$'000	**2017**	2016	2017
Gross borrowings	**(1,879,488)**	(2,109,124)	(1,713,966)
Current	**(614,501)**	(993,707)	(449,698)
Secured	**(256,130)**	(357,480)	(169,114)
Unsecured	**(358,371)**	(636,227)	(280,584)
Non-current	**(1,264,987)**	(1,115,417)	(1,264,268)
Secured	**(923,927)**	(924,203)	(922,294)
Unsecured	**(341,060)**	(191,214)	(341,974)
Less: Cash and bank balances	**23,030**	23,488	37,571
Net debt	**(1,856,458)**	(2,085,636)	(1,676,395)

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.9 billion as at 31 October 2017, lower than last year due to payment of borrowings.

Past the production peak in October, cash flows are expected to further improve in the seasonally stronger second semester with peak sales around Thanksgiving and Christmas, as well as Easter in the last quarter ending April. This will allow the Group to deleverage in the second semester.

DIVIDENDS

In September 2017, the Company declared dividends to holders of Series A-1 Preference Shares, calculated on the basis of 180 days from (and including) 7 April 2017 to (but excluding) 7 October 2017 (being the relevant dividend period) at the coupon rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share. The cash dividends were paid on 9 October 2017 as 7 October 2017, the dividend payment date, fell on a Saturday.

Except for the above, no other dividends have been declared for this quarter and for the corresponding prior year quarter.

INTERESTED PERSON TRANSACTIONS

The aggregate value of IPT conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

In US$'000 **For the second quarter of the fiscal year**	**Aggregate value of all IPTs (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	FY2018	FY2017	**FY2018**	FY2017
NutriAsia, Inc	**–**	–	**741**	767
DMPI Retirement Fund	**–**	–	**872**	919
NutriAsia, Inc Retirement Fund	**–**	–	**270**	280
Aggregate Value	**–**	–	**1,883**	1,966

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENT

Amounts in US$'000	For the three months ended 31 October			For the six months ended 31 October		
	FY2018	FY2017	**%**	**FY2018**	FY2017	**%**
	(Unaudited)	(Unaudited) (Restated)		**(Unaudited)**	(Unaudited) (Restated)	
Turnover	**624,708**	635,989	(1.8)	**1,098,552**	1,103,364	(0.4)
Cost of sales	**(496,328)**	(489,304)	1.4	**(872,288)**	(861,243)	1.3
Gross profit	**128,380**	146,685	(12.5)	**226,264**	242,121	(6.5)
Distribution and selling expenses	**(63,263)**	(54,378)	16.3	**(108,810)**	(99,684)	9.2
General and administration expenses	**(48,541)**	(39,254)	23.7	**(87,589)**	(81,016)	8.1
Other operating income/(loss)	**(9,178)**	928	1,089.0	**(7,623)**	1,166	(753.8)
Profit from operations	**7,398**	53,981	(86.3)	**22,242**	62,587	(64.5)
Financial income*	**2,321**	4,151	(44.1)	**4,076**	4,885	(16.6)
Financial expense*	**(26,478)**	(29,207)	(9.3)	**(52,606)**	(56,570)	(7.0)
Net finance expense	**(24,157)**	(25,056)	(3.6)	**(48,530)**	(51,685)	(6.1)
Share in net loss of joint venture, net of tax	**(629)**	(416)	(51.2)	**(1,148)**	(776)	(47.9)
Profit /(loss) before taxation	**(17,388)**	28,509	(161.0)	**(27,436)**	10,126	(370.9)
Taxation	**11,956**	(7,664)	(256.0)	**20,828**	1,573	1,224.1
Profit/(loss) after taxation	**(5,432)**	20,845	(126.1)	**(6,608)**	11,699	(156.5)
Profit(loss) attributable to:						
Owners of the Company	**(2,820)**	19,969	(114.1)	**(2,079)**	12,924	(116.1)
Non-controlling interest**	**(2,612)**	876	(398.2)	**(4,529)**	(1,225)	269.7
Profit/(loss) for the period	**(5,432)**	20,845	(126.1)	**(6,608)**	11,699	(156.5)
Notes:						
Depreciation and amortization	**(34,911)**	(32,099)	8.8	**(72,494)**	(65,578)	10.5
Provision of asset impairment	**(21,891)**	-	n.m.	**(21,893)**	-	n.m.
(Provision)/reversal for inventory	**131**	6,036	(97.8)	**(588)**	(904)	(35.0)
Provision for doubtful debts	**18**	(125)	(114.4)	**223**	(174)	(228.2)
Loss on disposal of fixed assets	**3,488**	540	545.9	**3,375**	(203)	n.m.
***Financial income comprise:**						
Interest income	**115**	124	(7.3)	**241**	251	(4.0)
Foreign exchange gain	**2,206**	4,027	(45.2)	**3,835**	4,634	(17.2)
	2,321	4,151	(44.1)	**4,076**	4,885	(16.6)
***Financial expense comprise:**						
Interest expense	**(26,142)**	(28,926)	(9.6)	**(52,224)**	(55,775)	(6.4)
Foreign exchange loss	**(336)**	(281)	19.6	**(382)**	(795)	(51.9)
	(26,478)	(29,207)	(9.3)	**(52,606)**	(56,570)	(7.0)

n.m. – not meaningful

Earnings per ordinary share in US cents	For the three months ended 31 October		For the six months ended 31 October	
	FY2018	FY2017	**FY2018**	FY2017
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	**(0.32)**	1.03	**(0.45)**	0.67
(ii) On a fully diluted basis	**(0.32)**	1.03	**(0.45)**	0.66

***Includes (US$4,503m) for DMFI and (US$25m) for FieldFresh in the first half ended FY2018 and (US$1,183m) for DMFI and (US$42m) for FieldFresh in the first half ended of FY2017.*
Includes (US$2,612m) for DMFI and US$1m for FieldFresh in the second quarter of FY2018 and US$899m for DMFI and (US$23m) for FieldFresh in the second quarter of FY2017.

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

Amounts in US$'000	**For the six months ended 31 October**		
	FY2018 (Unaudited)	**FY2017 (Restated)**	**%**
Profit /(Loss) for the period	**(6,608)**	11,699	(156.5)
Other comprehensive income (after reclassification adjustment):			
Items that will or may be reclassified subsequently to profit or loss			
Exchange differences on translating of foreign operations	**(13,006)**	(9,769)	33.1
Effective portion of changes in fair value of cash flow hedges	**4,338**	2,367	83.3
Income tax benefit (expense) on cash flow hedge	**(795)**	(914)	(13.0)
	(9,463)	(8,315)	13.8
Items that will not be classified to profit or loss			
Remeasurement of retirement benefit	**4,752**	4,086	16.3
Income tax benefit on retirement benefit	**(1,772)**	(1,162)	52.5
	2,980	2,924	1.9
Other comprehensive loss for the period	**(6,483)**	(5,391)	20.3
Total comprehensive income/(loss) for the period	**(13,091)**	6,310	(307.5)
Attributable to:			
Owners of the Company	**(9,252)**	7,074	(230.8)
Non-controlling interests	**(3,839)**	(764)	402.6
Total comprehensive income /(loss)for the period	**(13,091)**	6,310	(307.5)

nm – not meaningful

Please refer to page 3 for the Notes

DEL MOTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION

Amounts in US$'000		**Group**			**Company**	
	31 Oct 2017 (Unaudited)	**31 Oct 2016 (Restated)**	**30 April 2017 (Audited)**	**31 Oct 2017 (Unaudited)**	**31 Oct 2016 (Restated)**	**30 April 2017 (Audited)**
Non-Current Assets						
Property, plant and equipment – net	**593,417**	657,331	657,185	–	–	–
Subsidiaries	–	–	–	**781,195**	786,394	831,888
Joint ventures	**25,598**	24,915	25,797	**2,235**	2,551	1,924
Intangible assets and goodwill	**717,985**	745,699	741,026	–	–	–
Other noncurrent assets	**43,108**	28,072	27,112	–	–	–
Deferred tax assets – net	**114,986**	104,127	92,786	8	3	2
Employee benefits	**5,163**	–	5,517		–	–
Biological assets	**1,446**	1,397	1,420	–	–	–
	1,501,703	1,561,541	1,550,843	**783,438**	788,948	833,814
Current Assets						
Inventories	**1,102,004**	1,158,585	916,892	–	–	–
Biological assets	**42,290**	39,721	44,347	–	–	–
Trade and other receivables	**264,214**	245,201	164,447	**108,953**	129,837	119,703
Prepaid and other current assets	**50,236**	30,857	43,046	**206**	228	328
Cash and cash equivalents	**23,030**	23,488	37,571	**468**	380	6,767
	1,481,774	1,497,852	1,206,303	**109,627**	130,445	126,798
Noncurrent assets held for sale	**–**	1,050	–	–	–	–
	1,481,774	1,498,902	1,206,303	**109,627**	130,445	126,798
Total Assets	**2,983,477**	3,060,443	2,757,146	**893,065**	919,393	960,612
Equity attributable to equity holders of the Company						
Share capital	**39,449**	19,449	39,449	**39,449**	19,449	39,449
Retained earnings	**138,583**	147,729	159,169	**138,583**	147,729	159,169
Reserves	**311,410**	129,613	318,460	**311,479**	129,751	318,599
Equity attributable to owners of the Company	**489,442**	296,791	517,078	**489,511**	296,929	517,217
Non-controlling interest	**57,638**	61,206	61,477	–	–	–
Total Equity	**547,080**	357,997	578,555	**489,511**	296,929	517,217
Non-Current Liabilities						
Loans and borrowings	**1,264,987**	1,115,417	1,264,268	**283,010**	129,324	281,854
Other noncurrent liabilities	**40,552**	57,157	44,018	–	–	–
Employee benefits	**88,662**	99,482	87,599	–	–	–
Environmental remediation liabilities	**4,336**	4,507	6,198	–	–	–
Deferred tax liabilities	**2,921**	2,885	3,913	–	–	–
	1,401,458	1,279,448	1,405,996	**283,010**	129,324	281,854

To be continued

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in US$'000	**Group**			**Company**		
	31 Oct 2017 (Unaudited)	**31 Oct 2016 (Restated)**	**30 April 2017 (Audited)**	**31 Oct 2017 (Unaudited)**	**31 Oct 2016 (Restated)**	**30 April 2017 (Audited)**
Current Liabilities						
Trade and other payables	**378,616**	388,185	299,545	**70,616**	93,985	118,471
Loans and borrowings	**614,501**	993,707	449,698	**49,970**	399,155	43,070
Current tax liabilities	**2,531**	4,250	1,187	**(31)**	–	–
Employee benefits	**39,291**	36,856	22,165	**(11)**	–	–
	1,034,939	1,422,998	772,595	**120,544**	493,140	161,541
Total Liabilities	**2,436,397**	2,702,446	2,178,591	**403,554**	622,464	443,395
Total Equity and Liabilities	**2,982,513**	3,060,443	2,757,146	**893,065**	919,393	960,612
NAV per ordinary share (US cents)	**27.86**	18.43	29.77	**24.92**	15.28	26.62

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Group												
Fiscal Year 2017												
At 1 May 2016, restated	19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	160,631	(802)	315,006	61,971	376,977
Total comprehensive income for the period												
Profit for the period	–	–	–	–	–	–	–	12,926	–	12,926	(1,225)	11,701
Other comprehensive income												
Currency translation differences recognised directly in equity	–	–	(9,767)	–	–	–	–	–	–	(9,767)	(1)	(9,768)
Remeasurement of retirement plan	–	–	–	–	2,615	–	–	–	–	2,615	309	2,924
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	1,300	–	–	–	1,300	153	1,453
Total other comprehensive income	–	–	(9,767)	–	2,615	1,300	–	–	–	(5,852)	461	(5,391)
Total comprehensive (loss)/income for the period	–	–	(9,767)	–	2,615	1,300	–	12,926	–	7,074	(764)	6,310
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Value of employee services received for issue of share options	–	–	–	–	–	–	538	–	–	538	–	538
Payment of dividends	–	–	–	–	–	–	–	(25,828)	–	(25,828)	–	(25,828)
Total contributions by and distributions to owners	–	–	–	–	–	–	538	(25,828)	–	(25,290)	–	(25,290)
At 31 October 2016	**19,449**	**214,843**	**(69,580)**	**8,002**	**(8,218)**	**(16,202)**	**1,569**	**147,729**	**(802)**	**296,790**	**61,207**	**357,997**

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Group												
Fiscal Year 2018												
At 1 May 2017	39,449	390,320	(78,087)	10,885	1,808	(7,443)	1,779	159,169	(802)	517,078	61,477	578,555
Total comprehensive income for the period												
Loss for the period	–	–	–	–	–	–	–	(2,079)	–	(2,079)	(4,529)	(6,608)
Other comprehensive income												
Currency translation differences recognised directly in equity	–	–	(13,007)	–	–	–	–	–	–	(13,007)	1	(13,006)
Remeasurement of retirement plan	–	–	–	–	2,665	–	–	–	–	2,665	315	2,980
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	3,169	–	–	–	3,169	374	3,543
Total other comprehensive income	–	–	(13,007)	–	2,665	3,169	–	–	–	(7,173)	690	(6,483)
Total comprehensive (loss)/income for the period	–	–	(13,007)	–	2,665	3,169	–	(2,079)	–	(9,252)	(3,839)	(13,091)
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Value of employee services received for issue of share options	–	–	–	–	–	–	141	–	–	141	–	141
Transaction cost from issue of preference shares	–	(88)	–	–	–	–	–	–	–	(88)	–	(88)
Release of share awards	–	(50)	–	–	–	–	(466)	–	516	–	–	–
Payment of Dividends	–	–	–	–	–	–	–	(18,507)	–	(18,507)	–	(18,507)
Total contributions by and distributions to owners	–	(138)	–	–	–	–	(325)	(18,507)	516	(18,384)	–	(18,384)
At 31 October 2017	**39,449**	**390,182**	**(91,094)**	**10,885**	**4,473**	**(4,274)**	**1,454**	**138,583**	**(286)**	**489,442**	**57,638**	**547,080**

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Share Capital US$'000	Share Premium US$'000	Translation Reserve US$'000	Revaluation reserve US$'000	Remeasure -ment retirement plan US$'000	Share option reserve US$'000	Hedging Reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total Equity US$'000
Fiscal Year 2017										
At 1 May 2016, as restated	19,449	214,982	(59,813)	8,002	(10,833)	1,031	(17,502)	(802)	160,631	315,145
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	–	–	12,926	12,926
Other comprehensive income										
Currency translation differences recognised directly in equity	–	–	(9,767)	–	–	–	–	–	–	(9,767)
Remeasurement of retirement plan	–	–	–	–	2,615	–	–	–	–	2,615
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	–	1,300	–	–	1,300
Total other comprehensive income	–	–	(9,767)	–	2,615	–	1,300	–	–	(5,852)
Total comprehensive (loss)/income for the period	–	–	(9,767)	–	2,615	–	1,300	–	12,926	7,074
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Transaction costs related to the issuance of share capital	–	–	–	–	–	–	–	–	–	–
Value of employee services received for issue of share options	–	–	–	–	–	538	–	–	–	538
Payment of dividends	–	–	–	–	–	–	–	–	(25,828)	(25,828)
Total contributions by and distributions to owners	–	–	–	–	–	538	–	–	(25,828)	(25,290)
At 31 October 2016	**19,449**	**214,982**	**(69,580)**	**8,002**	**(8,218)**	**1,569**	**(16,202)**	**(802)**	**147,729**	**296,929**

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	**Share capital**	**Share premium**	**Translation Reserve**	**Revaluation Reserve**	**Remeasure -ment retirement plan**	**Share Option Reserve**	**Hedging Reserve**	**Reserve for own shares**	**Retained earnings**	**Total Equity**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Fiscal Year 2018										
At 1 May 2017	39,449	390,459	(78,087)	10,885	1,808	1,779	(7,443)	(802)	159,169	517,217
Total comprehensive loss for the period										
Loss for the period	–	–	–	–	–	–	–	–	(2,079)	(2,079)
Other comprehensive income										
Currency translation differences recognised directly in equity	–	–	(13,007)	–	–	–	–	–	–	(13,007)
Remeasurement of retirement plan	–	–	–	–	2,665	–	–	–	–	2,665
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	–	3,169	–	–	3,169
Total other comprehensive income	–	–	(13,007)	–	2,665	–	3,169	–	–	(7,173)
Total comprehensive loss for the period	–	–	(13,007)	–	2,665	–	3,169	–	(2,079)	(9,252)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Value of employee services received for issue of share options	–	–	–	–	–	141	–	–	–	141
Transaction cost from issue of preference shares	–	(88)	–	–	–	–	–	–	–	(88)
Release of share awards granted	–	(50)	–	–	–	(466)	–	516	–	–
Payment of dividends	–	–	–	–	–	–	–	–	(18,507)	(18,507)
Total contributions by and distributions to owners	–	(138)	–	–	–	(325)	–	516	(18,507)	(18,454)
At 31 October 2017	**39,449**	**390,321**	**(91,094)**	**10,885**	**4,473**	**1,454**	**(4,274)**	**(286)**	**138,583**	**489,511**

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in US$'000	**For the three months ended 31 October**		**For the six months ended 31 October**	
	FY2018 (Unaudited)	FY2017 (Restated, Unaudited)	**FY2018** (Unaudited)	FY2017 (Restated, Unaudited)
Cash flows from operating activities				
Profit for the period	**(5,432)**	20,845	**(6,608)**	11,699
Adjustments for:				
Depreciation of property, plant and equipment	**32,574**	29,189	**67,820**	60,904
Amortisation of intangible assets	**2,113**	2,910	**4,450**	4,674
Impairment loss on property, plant and equipment	**21,891**	–	**21,891**	–
Gain/(loss) on disposal of property, plant and equipment	**(12,264)**	(540)	**(12,152)**	203
Equity-settled share-based payment transactions	**106**	221	**211**	537
Share of loss of joint venture, net of tax	**630**	416	**1,148**	776
Finance income	**(2,321)**	(3,375)	**(4,076)**	(4,109)
Finance expense	**26,478**	28,431	**52,606**	55,794
Tax expense (benefit) – net	**(11,840)**	7,839	**(20,828)**	(1,574)
Net loss on derivative financial instrument	**(454)**	(941)	**651**	1,400
Operating profit before working capital changes	**51,481**	84,995	**105,115**	130,304
Changes in:				
Other assets	**56,066**	(9,088)	**18,501**	1,649
Inventories	**(98,137)**	(140,296)	**(189,566)**	(305,836)
Biological assets	**(33,609)**	(510)	**(15,631)**	(977)
Trade and other receivables	**(101,955)**	(97,504)	**(97,358)**	(83,092)
Prepaid and other current assets	**12,438**	3,042	**11,565**	993
Trade and other payables	**68,390**	19,196	**82,484**	89,524
Employee Benefit	**3,823**	3,671	**7,836**	7,464
Operating cash flow	**(41,503)**	(136,494)	**(77,054)**	(159,971)
Income taxes paid	**(985)**	(25)	**(985)**	(25)
Net cash flows from operating activities	**(42,488)**	(136,519)	**(78,039)**	(159,996)
Cash flows from investing activities				
Interest received	**102**	11,682	**234**	11,808
Proceeds from disposal of property, plant and equipment	**(12,498)**	1,426	**(12,457)**	1,483
Purchase of property, plant and equipment	**(12,829)**	(29,805)	**(35,331)**	(65,954)
Additional investment in joint venture	**(949)**	(1,511)	**(949)**	(2,870)
Net cash flows used in investing activities	**(26,174)**	(18,208)	**(48,503)**	(55,533)

To be continued

Amounts in US$'000	For the three months ended 31 October		For the six months ended 31 October	
	FY2018 **(Unaudited)**	FY2017 (Restated, Unaudited)	**FY2018** **(Unaudited)**	FY2017 (Restated, Unaudited)
Cash flows from financing activities				
Interest paid	**(25,197)**	(25,189)	**(48,360)**	(47,826)
Proceeds of borrowings	**147,754**	525,379	**521,167**	611,368
Repayment of borrowings	**(32,583)**	(316,175)	**(352,009)**	(344,300)
Dividends paid	**(18,507)**	(25,828)	**(18,507)**	(25,828)
Transactions costs related to rights issue	**–**	–	**(89)**	(1)
Acquisition of treasury shares	**–**	(63)	**–**	(63)
Net cash flows from financing activities	**71,467**	158,187	**102,202**	193,413
Net increase/(decrease) in cash and cash equivalents	**2,805**	3,460	**(24,340)**	(22,116)
Cash and cash equivalents at 1 May	**19,486**	20,494	**37,571**	47,203
Effect of exchange rate fluctuations on cash held	**739**	(466)	**9,799**	(1,599)
Cash and cash equivalents at 31 October	**23,030**	23,488	**23,030**	23,488

<u>One-off expenses/(income)</u>

	For the three months ended 31 October			For the six months ended 31 October		
in US$ million	**FY2018 (Unaudited)**	FY2017 (Unaudited)	% Change	**FY2018 (Unaudited)**	FY2017 (Unaudited)	% Change
Closure of North Carolina plant	**–**	1.2	nm	–	2.7	nm
Closure of Sager Creek Arkansas plant	**6.5**	–	nm	**6.5**	–	nm
Closure of Plymouth, Indiana plant	**14.1**	–	nm	**14.1**	–	nm
Severance	**0.4**	0.3	46.0	**1.3**	3.7	(64.4)
Others	**2.6**	–	nm	**2.6**	–	nm
Total (pre-tax basis)	**23.6**	1.5	nm	**24.5**	6.4	282.2
Total (post-tax and post non-controlling interest)	**13.1**	0.9	nm	**13.6**	3.7	269.1