FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::NOTIFICATION OF RESULTS RELEASE

Issuer & Securities

Issuer/ Manager
DEL MONTE PACIFIC LIMITED

Securities
DEL MONTE PACIFIC LIMITED - VGG270541169 - D03

Stapled Security
No

Announcement Details

Announcement Title
Financial Statements and Related Announcement

Date &Time of Broadcast
27-Nov-2019 14:53:02

Status
New

Announcement Sub Title
Notification of Results Release

Announcement Reference
SG191127OTHRDBGT

Submitted By (Co./ Ind. Name)
Antonio E S Ungson

Designation
Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Del Monte Pacific Limited will announce the Group's 2Q FY2020 (August-October 2019) results on Friday, 6 December 2019, after market closes. (This supersedes an earlier announcement stating the results will be released on 11 December 2019.)

Online Access

The Press Release, Management Discussion and Analysis Report (MDA), and Powerpoint Presentation will be posted on www.sgx.com, https://edge.pse.com.ph and www.delmontepacific.com.

Conference Call

A conference call will be held on the same day, Friday, 6 December 2019, at 5:30 P.M. Singapore/Manila time.

Please contact Jennifer Luy at jluy@delmontepacific.com if you wish to join the call. A recording will also be made available on the Company website.

Additional Details

For Financial Period Ended

31/10/2019

DEL MONTE PACIFIC LIMITED

6 December 2019

SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the second quarter ending 31 October 2019)

Contacts:
Iggy Sison
Tel: +632 8856 2888
isison@delmontepacific.com

Jennifer Luy
Tel: +65 6594 0980
jluy@delmontepacific.com

Del Monte Pacific's Second Quarter FY2020 Results

Highlights

- Positive outcomes backed by strong sales growth in fresh pineapple in North Asia, increased sales in the Philippine market, and transformational initiatives at US subsidiary
- Gross profit, gross margin, recurring EBITDA and net profit recorded significant improvement
- Without one-off expenses, operating profit increased by 65% to US$47.2m while net profit more than doubled to US$15.9m
- Planned one-offs, mainly non-cash, attributed to US plant closures/sale in line with asset-light strategy, led to a net loss of US$37.4m, with expected immediate and ongoing savings of US$50-60m over the next 24 months
- Maintaining solid market share across legacy categories, while expanding into other new growth categories and channels

Singapore/Manila, 6 December 2019 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DELM PM) reported today its second quarter FY2020 results ending October.

The Group reported a gross profit of US$134.1 million, 13% higher than the prior year quarter, and improved gross margin by 270 basis points to 24% mainly due to higher Philippines and S&W fresh pineapple sales, and reduced sales of low-margin businesses in the United States.

Without one-off expenses, the Group's EBITDA was US$69.5 million, 55% better than the prior year quarter while operating profit was US$47.2m, up by 65%. Recurring net profit more than doubled to US$15.9 million.

However, this quarter's EBITDA included US$76.8 million of one-off expenses, mostly non-cash charges, due to the four plant closures/sale in the USA (please refer to the announcement on 19 November 2019). The Group, therefore, reported an EBITDA loss of US$7.3 million and a net loss of US$37.4 million, versus prior year quarter's EBITDA of US$46.2 million and net profit of US$8.4 million.

The Asset-Light Strategy of the Group's US subsidiary, Del Monte Foods, Inc (DMFI), has been a critical step in repositioning DMFI for the future. Execution of this strategy and other cost saving initiatives should improve the Group's EBITDA margin by an estimated 225–275 basis points (US$50-60 million) over the next 24 months.

A portion of these improved cost savings will be reinvested in the growth and expansion of DMFI's iconic brands. DMFI is capitalising on growing consumer desire for convenient, healthy and tasty plant-based foods. It is expanding its brands beyond centre store grocery into higher growth categories such as frozen, produce and deli, and expanding its presence within the foodservice, convenience store and club store channels.

The Group generated second quarter sales of US$558.7 million, which were marginally higher due to improved sales in the Philippines and S&W business in Asia partly offset by lower sales in the USA.

DMFI contributed US$396.2 million or 71% of Group sales. Sales declined by 5% mainly due to the divested low-margin Sager Creek business and reduced sales of low-margin non-branded businesses which DMFI is making a concerted effort to reduce and eliminate. As such, gross margin increased by 340 basis points to 21.2% versus the prior year quarter's 17.8%.

Del Monte continued to diversify beyond the canned goods aisle and introduced innovative plant-based products catering to demand for health and wellness, snacking and convenience. Following the introductions in the previous quarter of *Del Monte Fruit Crunch Parfaits, Del Monte Veggieful Bites, Contadina Pizzettas* and *Del Monte Bubble Fruit*, Del Monte launched *Del Monte Veggieful Bowls* nationwide in the US in October. Ready-to-eat *Veggieful Bowls* feature one serving of vegetables with quinoa blended with whole grains and flavourful sauce. DMFI also introduced *College Inn Culinary Stock* with fine artisanal ingredients such as free-range chicken and grass-fed beef, and *College Inn Simple Starter,* convenient for one pot meals.

In the second quarter, the Philippines domestic market reversed its FY2019 decline, delivering 5% growth in peso terms and 9% in US dollar terms. Higher volume and sales were buoyed by a stronger peso driving growth. Retail sales grew by 2% in volume and 7% in peso sales value, while non-retail foodservice declined as focus was shifted to more profitable parts of the business. In retail, sales in the General Trade segment, about 50% of Philippines sales, grew by 6% as the Group continued to make progress in improving its distributor business that had impacted results in the prior year. Sales in the Modern Trade, about 30% of Philippines sales, increased by 9%. The quarter ended with positive market share improvements across Beverages, Fruits and Culinary, driven by its continuing campaigns to drive category relevance including its new *Tomato Sauce* “Sauce Special” and affordable line extensions such as *Pineapple Tidbits* and *Ketchup* in pouch designed to expand downline sales.

Sales of the S&W branded business in Asia and the Middle East saw strong growth driven by a 25% increase in fresh pineapple sales, mainly in North Asia. The Group continues to supply sliced pineapple to McDonald’s and Burger King in China for their burgers.

First Half

The Group generated sales of US$934.6 million for the first half of FY2020, 6% lower than prior year period, but gross margin improved by 430 basis points to 24.1% for the same reason as that for the second quarter. Without one-off expenses, the Group generated an EBITDA of US$108.2 million and a net profit of US$20.1 million. However, the Group reported an EBITDA of US$29.4 million and a net loss of US$75.6 million due to one-off expenses and dividend tax amounting to US$95.7 million (US$53.4 million from the plant closures/sale in the US, mostly non-cash expenses, and US$42.3 million for dividend tax). In preparation for its capital raising initiatives, DMPL’s Philippine subsidiary, Del Monte Philippines, Inc, declared a dividend to its parent which was taxed at 15%.

Prospects

The Group will continue to strengthen its product offerings and enter new categories, in line with market trends for health and wellness, snacking and convenience. It will grow its branded business and reduce non-strategic, non-branded business segments. The Group also continues to review its manufacturing and distribution footprint in the US to further improve operational efficiency, reduce costs and increase margins.

"The plant restructuring in the US is a necessary step for us to remain competitive in a rapidly changing marketplace," said DMPL Managing Director and Chief Executive Officer Joselito D Campos, Jr. "Ongoing transformational initiatives at DMFI are already showing a positive impact on FY2020 results, and DMFI is on track to exceed recurring EBITDA targets for this financial year. We are maintaining solid market share across legacy categories, while expanding into other new growth categories and channels," he added.

The Group is currently evaluating options and is expected to refinance existing DMFI loan facilities of approximately US$1.4 billion, comprising of: US$442.5 million (Asset Based Loan facility), US$670 million (First Lien Term Loan) and US$260 million (Second Lien Term Loan), which will mature in November 2020, February 2021, and August 2021, respectively. The Group has continued to support the capital structure requirements and deleveraging efforts of DMFI, including the purchase, over the last 20 months, of approximately US$231 million of DMFI's Second Lien Term Loan.

Barring unforeseen circumstances, the DMPL Group is expected to remain profitable in FY2020 on a recurring basis.

About Del Monte Pacific Limited (www.delmontepacific.com)

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc, Del Monte Pacific Limited (Bloomberg: DELM SP/ DELM PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its heritage brands - *Del Monte, S&W, Contadina* and *College Inn* – majority of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while for *S&W*, it owns it globally except Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc (DMFI) (www.delmontefoods.com) owns other trademarks such as *Fruit Naturals, Orchard Select, SunFresh* and *Fruit Refreshers,* while DMPL's Philippines subsidiary, Del Monte Philippines, Inc (www.delmontephil.com), has the trademark rights to *Del Monte*, *Today's*, *Fiesta*, *202*, *Fit 'n Right*, *Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines.

The Group sells packaged fruit, vegetable and tomato, sauces, condiments, pasta, broth, juices and frozen pineapple, under various brands and also sells fresh pineapple under the *S&W* brand.

DMFI has joint ventures with Fresh Del Monte Produce Inc in chilled products – juices, packaged fruit, guacamole and avocado, and *Del Monte*-branded retail food and beverage outlets.

The Group owns approximately 95% of a holding company that owns 50% of FieldFresh Foods Private Limited in India (www.fieldfreshfoods.in). FieldFresh markets *Del Monte*-branded packaged products in the domestic market and *FieldFresh*-branded fresh produce. The Group's partner in FieldFresh India is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL's USA subsidiary operates six plants in the USA and two in Mexico, while its Philippines subsidiary operates the world's largest fully-integrated pineapple operation with its 26,000-hectare pineapple plantation in the Philippines and a factory that is about an hour's drive away. It also operates a beverage bottling plant and a frozen fruit processing facility in the Philippines.

Except the joint venture companies with Fresh Del Monte Produce Inc, DMPL and its subsidiaries are not affiliated with the other Del Monte companies in the world, including Fresh Del Monte Produce Inc, Del Monte Canada, Del Monte Asia Pte Ltd and these companies' affiliates.

To subscribe to our email alerts, please send a request to jluy@delmontepacific.com.

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.

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended 31 October 2019

For enquiries, please contact:

Iggy Sison	Jennifer Luy
Tel: +632 8856 2888	Tel: +65 6594 0980
isison@delmontepacific.com	jluy@delmontepacific.com

AUDIT

Second Quarter FY2020 results covering the period from 1 August 2019 to 31 October 2019 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 FY2019 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2019, which the Group has adopted or is currently assessing the impact thereof:

Applicable 1 May 2019 which the Group has adopted:

- IFRS 16, Leases. The Group has adopted IFRS 16 effective 1 May 2019

Applicable for the first annual reporting period that begins on or after 1 May 2019 and onwards and are currently being assessed by the Group:

- IFRIC 23, Uncertainty over Income Tax Treatments Amendments to IAS 19, Plan Amendment, Curtailment or Settlement
- Amendments to IAS 12, Income Tax Consequences of Payments on Financial Instruments Classified as Equity
- Amendments to IAS 23, Borrowing Costs, Borrowing Costs Eligible for Capitalisation
- Amendments to IFRS 9, Prepayment Features with Negative Compensation
- Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures

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 2019

NOTES ON THE 2Q FY2020 DMPL RESULTS

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

2. FY means 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.

4. The Group has adopted IFRS 16 from 1 May 2019. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, recognises right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Please refer to page 23 for a discussion of the impact of IFRS 16.

FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2019

	For the three months ended 31 October			For the six months ended 31 October		
in US$'000 unless otherwise stated*	**Fiscal Year 2020**	**Fiscal Year 2019**	**% Change**	**Fiscal Year 2020**	**Fiscal Year 2019**	**% Change**
With one-off items**						
Turnover	**558,747**	556,278	0.4	**934,605**	993,507	(5.9)
Gross profit	**134,135**	118,709	13.0	**225,283**	196,735	14.5
Gross margin (%)	***24.0***	*21.3*	*2.7*	***24.1***	*19.8*	*4.3*
EBITDA	**(7,265)**	46,159	(115.7)	**29,381**	65,005	(54.8)
Operating profit	**(29,560)**	29,986	(198.6)	**(9,293)**	32,009	(129.0)
Operating margin (%)	***(5.3)***	*5.4*	*(10.7)*	***(1.0)***	*3.2*	*(4.2)*
Net profit attributable to owners of the Company	**(37,354)**	8,425	(543.4)	**(75,615)**	11,447	(760.6)
Net margin (%)	***(6.7)***	*1.5*	*(8.2)*	***(8.1)***	*1.2*	*(9.3)*
EPS (US cents)	**(2.18)**	0.19	(1,247.4)	**(4.40)**	0.09	(4,988.9)
EPS before preference dividends (US cents)	**(1.92)**	0.44	(535.5)	**(3.89)**	0.60	(751.9)
Without one-off items**						
Gross profit	**134,135**	122,517	9.5	**225,283**	203,943	10.5
EBITDA	**69,514**	44,846	55.0	**108,244**	72,134	50.1
Operating profit	**47,219**	28,673	64.7	**69,570**	39,138	77.8
Net profit attributable to owners of the Company	**15,925**	7,301	118.1	**20,074**	3,570	462.3
Net debt	**1,738,608**	1,685,012	3.2	**1,738,608**	1,685,012	3.2
*Gearing*** (%)*	***363.0***	*281.2*	*81.7*	***363.0***	*281.2*	*81.7*
Cash flow from operations	**(97,825)**	(136,468)	28.3	**(136,628)**	(170,573)	19.9
Capital expenditure	**31,058**	27,558	12.7	**55,379**	55,895	(0.9)
Inventory (days)	**138**	137	1	**202**	188	14
Receivables (days)	**26**	29	(3)	**32**	32	0
Account Payables (days)	**41**	38	3	**44**	42	2

**The Company's reporting currency is US dollars. For conversion to S$, the following exchange rates can be used: 1.37 in October 2019, 1.35 in October 2018. For conversion to Php, these exchange rates can be used: 51.82 in October 2019, 53.40 in October 2018.*

***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$558.7 million for the second quarter of FY2020, marginally higher at 0.4% versus the prior year quarter driven by better retail sales in the Philippines and the strong performance of S&W brand in Asia partially offset by lower sales from the USA.

Stripping out Sager Creek's sales, the Group sales in the second quarter would have been higher by 1.9%.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) generated US$396.2 million or 70.9% of Group sales. DMFI's sales decreased by 5.3% from US$418.5 million mainly driven by the Sager Creek divestiture, lower sales to USDA in line with strategy and timing of holiday shipments resulting from a later Thanksgiving. Volume decline in packaged fruit was due to the impact of pricing.

DMFI continues to fast-track its innovation pipeline. In synch with trends for health, snacking and convenience, it launched innovative products in the Packaged Vegetable category. Del Monte continued to diversify beyond the canned goods aisle, which is a declining category. New products contributed 5.0% to DMFI's retail and foodservice sales in the second quarter.

In August, Del Monte introduced an innovative product - the ready-to-eat *Del Monte Veggieful Bowl* - in four varieties which feature one serving of vegetables with quinoa blended with whole grain and flavourful sauce. These items are being accepted by retailers across the US and have been launched nationwide in October. Del Monte "Veggieful" introduces a new way to make vegetable crave-worthy.

DMFI also introduced *College Inn Culinary Stock* with fine artisanal ingredients such as free-range chicken and grass-fed beef, and *College Inn Simple Starter*, convenient for one pot meals.

DMFI generated higher gross profit and margin of 21.2% from 17.8% in the prior year period. Higher gross margin was in line with DMFI's strategy to increase list price in the fourth quarter of FY2019 after several years of no price increase, lower trade spend, favourable sales mix due to lower non-retail sales, partly offset by higher delivered costs.

DMPL ex-DMFI generated sales of US$171.2 million (inclusive of the US$8.7 million sales by DMPL to DMFI which were netted out during consolidation) which were 15.8% higher than US$147.9 million sales in prior year period. Higher sales were mainly driven by all major segments including Philippines, S&W across Asia and exports of packaged pineapple products.

DMPL ex-DMFI delivered marginally higher gross margin of 28.7% from 28.6% in the same period last year mainly from higher sales of fresh pineapple and price increases in the Philippine market, in line with inflation, partly offset by lower pineapple juice concentrate (PJC) and packaged pineapple pricing for exports.

Coming from a decline in FY2019, sales in the Philippines domestic market reversed, growing by 5.0% in peso terms and 9.1% in US dollar terms due to peso appreciation. Retail sales grew by 2.4% in volume and 7% in peso sales value. Non-retail foodservice declined as focus was shifted to more profitable parts of the business. Price increase and lower direct promotion spend contributed +2.7% to net sales growth, driven by a series of price increases across all categories mostly in 2019. Sales in the General Trade segment (about 50% of Philippines sales) grew by 5.8% year on year and by 20% quarter on quarter, as the Group continued to make progress in improving its distributor business that had impacted results in the prior year. Sales in the Modern Trade (about

30% of Philippines sales) increased by 8.8% quarter on quarter. The quarter ended with positive market share improvements across Beverages, Fruits and Culinary, driven by its continuing campaigns to drive category relevance (including its new *Tomato Sauce* “Sauce Special”) and affordable line extensions such as *Pineapple Tidbits* and *Ketchup* in pouch designed to expand downline sales.

Sales of the S&W branded business in Asia and the Middle East saw strong growth driven by a 24.7% increase in fresh pineapple sales, mainly to North Asia. The Group continues to supply sliced pineapple to McDonald’s and Burger King in China for their burgers.

On 20 August 2019, DMFI announced the closure and sale of four facilities. On 1 November 2019, DMFI successfully sold and transitioned its Cambria, Wisconsin operations and related employees to Seneca Foods Inc. DMFI has also entered into an agreement to sell its production facilities in Sleepy Eye, Minnesota and Mendota, Illinois and expects the closure and sale of these facilities to be completed during 4Q FY2020. DMFI has also sold equipment at its Crystal City, Texas facility and is considering additional proposals to sell the balance of the Crystal City assets. Production at rationalised facilities is being transitioned to other DMFI production facilities in the United States as well as to strategic co-packers. These divestitures will enable DMFI to significantly improve capacity utilisation at the remaining plants in its production network. While DMFI’s Asset-Light Strategy has been a complex undertaking, it has been a critical step in repositioning DMFI for the future. These resulted in incremental one-off expenses amounting to US$75.5 million pre-tax, among others, in the second quarter of FY2020. Please refer to the last page of this MD&A for a schedule of the one-off items.

In view of the above, DMFI generated an EBITDA of (US$36.4) million and net loss for the quarter of US$52.8 million, significantly lower than the generated EBITDA of US$19.8 million and net loss of US$10.8 million in the same period last year.

Excluding the one-off items, DMFI contributed an EBITDA of US$40.4 million and a net loss of US$0.9 million to the Group, an increase of 92.3% versus same period of last year.

DMPL ex-DMFI generated an EBITDA of US$28.0 million which was higher by 13.8% in the same period last year mainly from factors discussed above. However, DMPL ex-DMFI generated net profit of US$11.8 million, lower versus the US$13.4 million in the same period last year driven by higher interest expense, higher loss from FieldFresh (JV in India) and tax.

DMPL’s share in the FieldFresh joint venture in India was a US$0.5 million loss from a breakeven in the prior year quarter, due to lower than planned sales from increased competition, strategic marketing investment to drive growth in the “Italian” range of products coupled with higher supply and logistics costs for the fresh business and key commodities.

The Group’s EBITDA of (US$7.3) million was significantly lower than prior year quarter’s EBITDA of US$46.2 million. This quarter’s EBITDA included US$76.7 million of one-off expenses mainly related to plant closure cost and severance expenses in the US. Without the one-off expenses, the Group recurring EBITDA was US$69.5 million, higher versus prior year quarter’s recurring EBITDA of US$44.8 million due to margin improvement from higher sales in Asia and increase in list price that DMFI took in the second half of FY2019. (Impact from change in accounting for leases under IFRS 16 is explained on page 23 of this report.)

Also, in view of the abovementioned one-off expenses, the Group reported a net loss of US$37.4 million for the quarter versus a net profit of US$8.4 million in the prior year quarter. Last year’s net profit had also included a net one-off gain of US$1.1 million post-tax.

Without the one-off items, the Group reported a recurring net profit of US$15.9 million as compared to last year’s recurring net profit of US$7.3 million.

The Group’s cash outflow from operations in the second quarter was US$97.8 million, lower than last year’s US$136.5 million mainly on inventory and trade and other receivables build up due to selling season offset by increase in trade and other payables this year while there were net settlements of trade and other payables in prior year. The cash flow from operations is negative in the second quarter due to the seasonality of the production cycle which peaks in the second quarter.

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 FY2020, the Group generated sales of US$934.6 million, down 5.9% versus prior year period. DMFI generated US$0.6 billion or 68.2% of Group sales, lower by 12.3% largely driven by the planned divestiture of the Sager Creek vegetable business in September 2017, lower volume of private label and USDA sales, in line with company strategy. Volume decline in packaged fruit was also due to the impact of pricing.

In May, Del Monte introduced an innovative product, *Del Monte Fruit Crunch Parfait*, which features layers of non-dairy coconut crème, crunchy granola with probiotics, and a full serving of fruit. For the frozen segment, DMFI launched *Del Monte Veggieful Bites* and *Contadina Pizzettas*, frozen snacks made with cauliflower crust, with a full serving of vegetable in five bites. These items are being accepted by retailers across the US and have been launched nationwide in May.

In June, DMFI started shipping *Del Monte Bubble Fruit*, exciting fruit cups with juicy popping boba great for kids' snacks. DMFI also started shipping new flavours of *Del Monte Fruit & Oats* - *Strawberry Apple* and *Blueberry Apple*, and *Del Monte Fruit & Chia Apple Raspberry Cherry*.

New products contributed 5.2% to DMFI's retail and foodservice sales in the first half.

DMFI generated higher gross profit and margin of 20.8% from 15.7% in the prior year period. Higher gross margin was in line with DMFI's strategy to increase list price in the fourth quarter of FY2019 after several years of no price increase, favourable impact of the divestiture of low margin Sager Creek vegetable business, partly offset by higher delivered costs. FY2019 was also impacted by increased costs to liquidate Sager Creek products.

The Philippine market sales were up 3.9% and 6.9% in peso and US terms, respectively. Price increase and lower direct promotion spend contributed +2.4% to net sales growth, driven by a series of price increases across all categories mostly in 2019. Sales in the General Trade segment (about 50% of Philippines sales) grew by 4.9%, as the Group continued to make progress in improving its distributor business that had impacted results in the prior year. Sales in the Modern Trade (about 30% of Philippines sales) increased by 8.4%.

Sales of the S&W branded business in Asia and the Middle East grew strongly by 23.5% in the first half mainly driven by higher sales of fresh pineapple in North Asia.

DMPL ex-DMFI delivered higher gross margin of 28.3% from 27.6% in the same period last year mainly from higher sales of fresh pineapple and price increases in the Philippine market in line with inflation, partly offset by higher delivered cost.

DMPL's share in the FieldFresh joint venture in India was unfavourable at US$0.8 million loss from a US$0.2 million profit in the prior year period due to higher cost of commodities, increased overheads and increased marketing investments to drive growth of the Italian range of products.

The Group posted an EBITDA of US$29.4 million of which DMFI accounted for (US$26.9) million. Excluding one-off expenses, the Group's EBITDA would have been US$108.2 million, 50.0% higher versus the recurring EBITDA of US$72.1 million in the prior year period. (Impact from change in accounting for leases under IFRS 16 is explained on page 23 of this report.)

In preparation for its capital raising initiatives, in the first quarter of this fiscal year, DMPL's Philippine subsidiary, Del Monte Philippines, Inc, declared a dividend to its parent which was taxed at 15% amounting to US$39.6 million. In view of this and the one-off expenses incurred by DMFI due to plant closures/sale, the Group reported a net loss of US$75.6 million for the first half of FY2020, unfavourable compared to the prior year period's net profit of US$11.4 million. Last year's net profit had also included a one-off gain of US$16.2 million pre-tax or US$12.8 million post-tax from the purchase of US$99.0 million of DMFI's second lien loan at a discount in the secondary market.

Without the one-off items, the Group reported a recurring net profit of US$20.1 million higher as compared to last year's recurring net profit of US$3.6 million.

The Group gearing increased to 3.6x equity as of 31 October 2019, from 2.8x in prior year quarter, primarily due to higher loans during this period historically due to inventory buildup post pack season as well as reduction of retained earnings from net loss booked in the first half of the year resulting from closure of facilities and tax on dividend declared by DMPL's Philippines subsidiary in the first quarter.

The Group's cash outflow from operations in the first half was US$136.6 million, lower versus last year's cash outflow of US$170.6 million mainly from increase in trade and other payables.

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 from the long-term structural decline of canned categories in which it competes. Del Monte is "thinking outside the can" to meet the rapidly changing world of consumer preferences and eating habits. With consumers gravitating towards fresh, healthy food and away from physical retail stores, Del Monte had to rethink its products and how to get them in front of customers.

The Group will continue to strengthen its product offerings and enter new categories, in line with market trends for health and wellness, snacking and convenience. It will continue to focus on business segments which are on-trend, pursue innovation to address growing consumer needs for more convenient, healthy and flavourful solutions, as well as build its distribution base in the growing store perimeter and emerging channels. At the same time, it will rationalise non-profitable businesses, in particular the low-margin, non-branded segment.

Over time, the product portfolio in the USA will no longer be mostly canned but will have increasingly meaningful contribution from non-can formats such as cups, cartons and pouches. New categories of frozen and snacking will be further developed. In FY2020, innovation will be out of the can. It will no longer focus solely on retail centre-of-store, but also on retail perimeter, convenience stores, foodservice and e-commerce.

While DMFI's Asset-Light Strategy has been a complex undertaking, it has been a critical step in repositioning DMFI for the future. Execution of this strategy and other cost saving initiatives should improve the Group's EBITDA margin by an estimated 225–275 basis points (US$50-60 million) over the next 24 months.

A portion of these improved cost savings will be reinvested in the growth and expansion of DMFI's iconic brands. DMFI is capitalising on growing consumer desire for convenient, healthy and tasty plant-based foods. It is expanding its brands beyond center store grocery into higher growth categories such as frozen, produce and deli, and expanding its presence within the foodservice, convenience store and club store channels.

"The restructuring is a necessary step for us to remain competitive in a rapidly changing marketplace," said DMPL Managing Director and Chief Executive Officer Joselito D Campos, Jr. "Our asset-light strategy will lead to more efficient and lower cost operations," he added. The facilities are part of Del Monte Foods' 10 plants in the US. It also has two plants in Mexico.

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 branded Del Monte sales and maintain its positive EBITDA.

The Nice Fruit frozen pineapple plant is in operation, with shipments to the USA, Japan, China and South Korea. We expect to make Nice Fruit frozen pineapple available across more markets.

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

Barring unforeseen circumstances, the Group is expected to remain profitable in FY2020 on a recurring basis (without one-off items).

The Group is currently evaluating options and is expected to refinance existing DMFI loan facilities of approximately US$1.4 billion, comprising of: US$442.5 million (Asset Based Loan facility), US$670 million (First Lien Term Loan) and US$260 million (Second Lien Term Loan), which will mature in November 2020, February 2021, and August 2021, respectively. The Group has continued to support the capital structure requirements and deleveraging efforts of DMFI, including the purchase, over the last 20 months, of approximately US$231 million of DMFI's Second Lien Term Loan.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the quarter ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**154,089**	158,787	(3.0)	**42,431**	33,612	26.2	**14,802**	7,239	104.5
Packaged fruit	**176,866**	183,785	(3.8)	**29,774**	26,944	10.5	**654**	(1,764)	137.1
Beverage	**4,830**	4,226	14.3	**258**	19	1,257.9	**(846)**	(1,215)	30.4
Culinary	**63,313**	69,875	(9.4)	**13,341**	16,533	(19.3)	**4,704**	5,596	(15.9)
Others	**302**	1,061	(71.5)	**(448)**	280	(260.0)	**(72,092)**	(53)	nm
Total	**399,400**	417,734	(4.4)	**85,356**	77,388	10.3	**(52,778)**	9,803	(638.4)

For the six months ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**241,512**	288,878	(16.4)	**64,267**	48,741	31.9	**20,560**	(1,726)	1,291.2
Packaged fruit	**284,165**	311,914	(8.9)	**51,573**	47,913	7.6	**530**	(4,075)	113.0
Beverage	**7,602**	9,186	(17.2)	**939**	423	122.0	**(1,078)**	(1,939)	44.4
Culinary	**105,777**	112,033	(5.6)	**20,737**	22,108	(6.2)	**3,899**	3,422	13.9
Others	**537**	2,022	(73.4)	**(751)**	518	(245.0)	**(74,317)**	55	nm
Total	**639,593**	724,033	(11.7)	**136,765**	119,703	14.3	**(50,406)**	(4,263)	(1,082.4)

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 4.4% to US$399.4 million driven by the Sager Creek divestiture and lower sales from USDA. The decline in sales was in line with DMFI's strategy to deprioritise non-profitable businesses, including private label. Stripping out Sager Creek's sales, Americas sales would have been lower by 2.5%.

DMFI has fast-tracked its innovation pipeline. In synch with trends for health, snacking and convenience, it launched innovative products in the growing refrigerated produce and frozen categories. Del Monte continues to diversify beyond the canned goods aisle which is a declining category. Please refer to page 4 for more details.

Gross profit was higher this quarter as a result of price increase and the divestiture of low-margin Sager Creek business.

Americas reported an operating loss for the quarter of US$52.8 million versus prior year quarter's operating profit of US$9.8 million due to one-off expenses from plant closures/sale as earlier mentioned.

ASIA PACIFIC

For the quarter ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**420**	272	54.4	**62**	72	(13.9)	**56**	75	(25.3)
Packaged fruit	**34,784**	32,348	7.5	**9,924**	9,321	6.5	**6,398**	5,411	18.2
Beverage	**29,122**	26,954	8.0	**7,076**	5,467	29.4	**1,632**	(670)	343.6
Culinary	**40,842**	36,901	10.7	**15,029**	13,813	8.8	**8,922**	7,295	22.3
Others	**46,066**	35,957	28.1	**16,225**	12,113	33.9	**6,081**	8,182	(25.7)
Total	**151,234**	132,432	14.2	**48,316**	40,786	18.5	**23,089**	20,293	13.8

For the six months ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**869**	881	(1.4)	**156**	243	(35.8)	**143**	191	(25.1)
Packaged fruit	**57,172**	53,642	6.6	**15,706**	15,115	3.9	**9,831**	8,024	22.5
Beverage	**61,450**	58,199	5.6	**16,436**	13,310	23.5	**7,227**	1,207	498.8
Culinary	**67,042**	61,717	8.6	**25,138**	23,601	6.5	**15,765**	13,051	20.8
Others	**94,311**	78,569	20.0	**31,661**	25,082	26.2	**9,730**	15,616	(37.7)
Total	**280,844**	253,008	11.0	**89,097**	77,351	15.2	**42,696**	38,089	12.1

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 increased by 14.2% to US$151.2 million from US$132.4 million mainly due to increase in exports of fresh pineapples as well as increase in sales from the Philippine market mainly from price increases, in line with inflation, and the continuous improvement in distribution channels that impacted sales in prior years.

Sales in the Philippines domestic market were up in both peso and US dollar terms by 5.0% and 9.1%, respectively, mainly due to peso appreciation, price increases and lower sales returns.

EUROPE

For the quarter ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg
Packaged fruit	**5,702**	4,230	34.8	**449**	1,010	(55.5)	**257**	684	(62.4)
Beverage	**2,411**	1,882	28.1	**14**	(475)	102.9	**(128)**	(794)	83.9
Total	**8,113**	6,112	32.7	**463**	535	(13.5)	**129**	(110)	217.3

For the six months ended 31 October

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg
Packaged fruit	**9,491**	10,524	(9.8)	**53**	2,262	(97.7)	**(585)**	1,355	(143.2)
Beverage	**4,677**	5,942	(21.3)	**(632)**	(2,581)	75.5	**(998)**	(3,172)	68.5
Total	**14,168**	16,466	(14.0)	**(579)**	(319)	(81.5)	**(1,583)**	(1,817)	12.9

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

For the second quarter, Europe's sales increased by 32.7% to US$8.1 million from US$6.1 million. Gross profit and operating profit decreased by 13.5% and increased by 217.3%, respectively, driven by lower sales volume.

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		
	FY2020	FY2019	Comments	FY2020	FY2019	Explanatory Notes
Cost of Goods Sold	**76.0**	78.7	Overall, higher impact of increase in retail prices, than increase in cost of production, resulting in higher margin rate	**75.9**	80.2	Same as 2Q
Distribution and Selling Expenses	**11.0**	9.8	Driven by DMFI mainly on Fruits and Innovation	**10.8**	9.7	Same as 2Q
G&A Expenses	**6.0**	6.4	Driven by DMFI mainly from lower fringe and medical expenses	**6.8**	7.2	Same as 2Q
Other Operating Expenses (Income)	**12.2**	(0.2)	Losses incurred on DMFI plant closures	**7.5**	(0.3)	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			
	FY2020	**FY2019**	**%**	**Comments**	**FY2020**	**FY2019**	**%**	**Explanatory Notes**
Depreciation and amortization	**(43,733)**	(33,362)	(31.1)	Amortisation of right-of-use assets (Adoption of IFRS 16)	**(78,815)**	(65,186)	(20.9)	Amortisation of right-of-use assets (Adoption of IFRS 16)
Reversal/ (Provision) of asset impairment	**(40,793)**	(1,284)	(3,077.0)	Impairment relating to closure of plant assets	**(40,777)**	(1,259)	(3,138.8)	Impairment relating to closure of plant assets
Reversal/ (Provision) for inventory obsolescence	**(296)**	(510)	42.0	Higher provision last year, on processed pineapple and Contadina products	**(882)**	(351)	(151.3)	Mostly on unrealised demand, resulting to higher obsolescence
Provision for doubtful debts	**(16)**	(49)	67.3	Higher provision last year on nontrade receivables	**(71)**	(61)	(16)	Impaired receivable from customer claims
Net gain/(loss) on disposal of fixed assets	**152**	4,991	(97.0)	Higher gain last year recognised on sale of DMFI plant assets	**(1,436)**	3,105	(146.2)	Higher gain last year recognised on sale of DMFI plant assets
Foreign exchange gain/(loss)- net	**(461)**	(306)	(50.7)	Depreciation of peso, affecting mainly US-denominated obligations	**3,002**	1,457	106.0	Appreciation of peso, affecting mainly US-denominated obligations
Interest income	**269**	1,711	(84.3)	Recognised gain on second lien buyout last year, none this year	**528**	17,821	(97.0)	Recognised gain on second lien buyout last year, none this year
Interest expense	**(27,050)**	(24,714)	(9.5)	Higher amount of borrowings this year compared to last year	**(52,070)**	(47,740)	(9.1)	Higher amount of borrowings this year compared to last year
Share in net loss of JV	**(832)**	(378)	(120.1)	Higher losses of the joint ventures	**(1,215)**	(461)	(163.6)	Higher losses of the joint ventures
Taxation Benefit (Expense)	**14,011**	1,098	1,176.0	Higher tax loss carryforward	**(24,706)**	3,949	(725.6)	Final taxes paid on intercompany dividends

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	31 October 2019	31 October 2018	30 April 2019	1H Variance %	Explanatory Notes
In US$'000					
ASSETS					
Property, plant and equipment - net	**520,835**	588,401	582,033	(10.5)	Attributable to DMFI's disposal of its machineries and equipment
Right-of-use assets	**216,801**	-	-	nm	Change in accounting policy (IFRS 16)
Investment in joint ventures	**22,997**	24,885	24,212	(5.0)	nm
Intangible assets and goodwill	**704,672**	711,322	707,997	(0.5)	nm
Other noncurrent assets	**32,239**	45,693	39,096	(17.5)	Reposition of deferred rent as part of Right of Use Asset due to IFRS 16 change
Deferred tax assets - net	**137,344**	87,825	106,321	29.2	Higher tax loss carry forward from DMFI
Pension assets	**8,013**	10,842	8,240	(2.8)	nm
Biological assets	**58,306**	45,595	54,002	nm	nm
Inventories	**926,220**	904,367	664,922	39.3	Build up of inventories for the peak season/holidays in US and other markets.
Trade and other receivables	**218,564**	240,564	149,054	46.6	Timing of collection of sales revenue
Prepaid expenses and other current assets	**43,908**	28,794	36,716	19.6	Increased spending on prepaid promotions
Cash and cash equivalents	**35,221**	33,863	21,636	62.8	Net loan availments during 1st half
Noncurrent assets held for sale	**4,543**	679	4,465	1.7	nm
EQUITY					
Share capital	**49,449**	49,449	49,449	-	nm
Share premium	**478,339**	478,339	478,339	-	nm
Retained earnings	**(241)**	97,077	96,074	(100.3)	Net loss during the 1st half and dividend pay-out
Reserves	**(81,228)**	(70,818)	(65,827)	(23.4)	Change in discount rate on remeasurement of retirement plans
Non-controlling interest	**32,681**	45,082	43,106	(24.2)	Share in the loss of DMFI during the 1st half
LIABILITIES					
Loans and borrowings	**1,773,829**	1,718,875	1,478,655	20.0	New loans were acquired during the 1st half of the fiscal year
Lease liabilities	**205,857**	-	-	nm	Change in accounting policy (IFRS 16)
Other noncurrent liabilities	**19,896**	30,043	30,015	(33.7)	Attributable to the decrease in derivative liability of DMFI. Also, lease liabilities are presented separately due to the adoption of IFRS 16
Employee benefits	**122,127**	105,615	91,421	33.6	Change in discount rate on remeasurement of retirement plans
Environmental remediation liabilities	**14,786**	159	697	2,021.4	Higher provisions relating to plant closures
Deferred tax liabilities - net	**6,953**	10,099	6,404	8.6	nm
Trade and other current liabilities	**303,722**	258,414	188,669	61.0	increase in purchases of DMFI, relating to Inventory buildup for peak season
Current tax liabilities	**3,493**	496	1,692	106.4	Taxes on Non PEZA activities increased during the year.

SHARE CAPITAL

Total shares outstanding were at 1,973,960,024 (common shares 1,943,960,024 and preference shares 30,000,000) as of 31 October 2019 and 2018. Share capital is at US$49.5 million as of 31 October 2019 and 2018. 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 2015	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 2019 and 2018. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 31 October 2019.

In April 2019, the parent Company converted its advances to wholly owned subsidiaries Del Monte Pacific Resources Limited (DMPRL) and DMPL India, Pte Ltd (DMPLI) in the amounts of US$167.6 million and US$70.1 million, respectively into additional paid in capital. The conversion was approved by the Board of directors on 30 April 2019.

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. In December 2017, the Company raised and listed another US$100 million of Preference Shares (10 million Series A-2 shares).

The Company used the net proceeds to substantially refinance the US$350 million BDO Unibank, Inc loan due in February 2019.

BORROWINGS AND NET DEBT

Liquidity in US$'000	31 October 2019	31 October 2018	30 April 2019
Gross borrowings	**(1,773,829)**	(1,718,875)	(1,478,655)
Current	**(974,068)**	(776,436)	(492,740)
Secured	**(473,192)**	(277,490)	(138,870)
Unsecured	**(500,876)**	(498,946)	(353,870)
Non-current	**(799,761)**	(942,439)	(985,915)
Secured	**(687,520)**	(888,439)	(874,674)
Unsecured	**(112,241)**	(54,000)	(111,241)
Less: Cash and bank balances	**35,221**	33,863	21,636
Net debt	**(1,738,608)**	(1,685,012)	(1,457,019)

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.7 billion as at 31 October 2019, higher than last year due to additional borrowings made during the first half of the year for payment of dividend taxes as well as for general use purposes.

DIVIDENDS

In October 2019, the Company paid dividends to holders of the following:

- The Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US$ 0.33125 per Series A-1 Preference Share for the six-month period from 8 April 2019 to 8 October 2019 (the "Series A-1 Dividend"); and,
- The Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$ 0.20403 per Series A-2 Preference Share for the six-month period from 9 April 2019 to 8 October 2019 (the "Series A2 Dividend").

The cash dividends were paid on 8 October 2019, the dividend payment date.

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 six months ended 31 October	**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)**	
	FY2020	FY2019	**FY2020**	FY2019
NutriAsia, Inc	**-**	-	**275**	503
DMPI Retirement Fund	**-**	-	**821**	762
NutriAsia, Inc Retirement Fund	**-**	-	**296**	269
Aggregate Value	**-**	-	**1,392**	1,533

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		
	FY2020 (Unaudited)	FY2019 (Unaudited)	%	**FY2020 (Unaudited)**	FY2019 (Unaudited)	%
Turnover	**558,747**	556,278	0.4	**934,605**	993,507	(5.9)
Cost of sales	**(424,612)**	(437,569)	3.0	**(709,322)**	(796,772)	11.0
Gross profit	**134,135**	118,709	13.0	**225,283**	196,735	14.5
Distribution and selling expenses	**(61,739)**	(54,314)	(13.7)	**(100,807)**	(96,862)	(4.1)
General and administration expenses	**(33,740)**	(35,430)	4.8	**(63,952)**	(71,074)	10.0
Other operating income/(loss)	**(68,216)**	1,021	(6,781.3)	**(69,817)**	3,210	(2,275.0)
Profit from operations	**(29,560)**	29,986	(198.6)	**(9,293)**	32,009	(129.0)
Financial income*	**(92)**	1,862	(104.9)	**3,845**	19,772	(80.6)
Financial expense*	**(27,150)**	(25,171)	(7.9)	**(52,385)**	(48,234)	(8.6)
Share in net loss of joint venture	**(832)**	(378)	(120.1)	**(1,215)**	(461)	(163.6)
Profit /(loss) before taxation	**(57,634)**	6,299	(1,015.0)	**(59,048)**	3,086	(2,013.4)
Taxation	**14,011**	1,098	1,176.0	**(24,706)**	3,949	(725.6)
Profit/(loss) after taxation	**(43,623)**	7,397	(689.7)	**(83,754)**	7,035	(1,290.5)
Profit(loss) attributable to:						
Owners of the Company	**(37,354)**	8,425	(543.4)	**(75,615)**	11,447	(760.6)
Non-controlling interest**	**(6,269)**	(1,028)	(509.8)	**(8,139)**	(4,412)	(84.5)
Profit/(loss) for the period	**(43,623)**	7,397	(689.7)	**(83,754)**	7,035	(1,290.5)
Notes:						
Depreciation and amortisation	**(43,733)**	(41,651)	(5.0)	**(78,815)**	(73,475)	(7.3)
Reversal (Provision) of asset impairment	**(40,793)**	(1,284)	(3,077.0)	**(40,777)**	(1,259)	(3,138.8)
Reversal of (provision for) inventory obsolescence	**(296)**	(510)	42.0	**(882)**	(351)	(151.3)
Provision for doubtful debts	**(16)**	(49)	67.3	**(71)**	(61)	(16.4)
Gain (loss) on disposal of fixed assets	**152**	4,991	(97.0)	**(1,436)**	3,105	(146.2)
***Financial income comprise:**						
Interest income	**269**	1,711	(84.3)	**528**	17,821	(97.0)
Foreign exchange gain	**(361)**	151	(339.1)	**3,317**	1,951	70.0
	(92)	1,862	(104.9)	**3,845**	19,772	(80.6)
***Financial expense comprise:**						
Interest expense	**(27,050)**	(24,714)	(9.5)	**(52,070)**	(47,740)	(9.1)
Foreign exchange loss	**(100)**	(457)	78.1	**(315)**	(494)	36.2
	(27,150)	(25,171)	(7.9)	**(52,385)**	(48,234)	(8.6)

nm – not meaningful

Earnings per ordinary share in US cents	For the three months ended 31 October		For the six months ended 31 October	
	FY2020	FY2019	**FY2020**	FY2019
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	**(2.18)**	0.18	**(4.40)**	0.08
(ii) On a fully diluted basis	**(2.18)**	0.18	**(4.40)**	0.08

**Includes (US$8,097m) for DMFI and (US$42m) for FieldFresh in the first half ended FY2020 and (US$4,420m) for DMFI and US$8m for FieldFresh in the first half ended FY2019.*
***Includes (US$6,240) for DMFI and (US$29) for FieldFresh in the second quarter of FY2020 and (US$1,028m) for DMFI and US$1m for FieldFresh in the second quarter of FY2019.*

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

Amounts in US$'000	**For the six months ended 31 October**		
	FY2020 (Unaudited)	FY2019 (Unaudited)	**%**
Profit /(Loss) for the period	**(83,754)**	7,035	(1,290.5)
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	**3,953**	(12,272)	132.2
Effective portion of changes in fair value of cash flow hedges	**(1,050)**	2,214	(147.4)
Income tax expense on cash flow hedge	**257**	(542)	147.5
	3,160	(10,600)	129.8
Items that will not be classified to profit or loss			
Remeasurement of retirement benefit	**(26,301)**	3,423	(868.4)
Income tax expense on retirement benefit	**5,454**	718	659.6
	(20,847)	4,141	(603.4)
Other comprehensive loss for the period	**(17,687)**	(6,459)	(173.8)
Total comprehensive income/(loss) for the period	**(101,441)**	576	nm
Attributable to:			
Owners of the Company	**(91,016)**	4,433	(2,153.1)
Non-controlling interests	**(10,425)**	(3,857)	(170.3)
Total comprehensive income /(loss)for the period	**(101,441)**	576	nm

nm – not meaningful

Please refer to page 3 for the Notes

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION

	Group			Company		
Amounts in US$'000	**31 Oct 2019 (Unaudited)**	31 Oct 2018 (Unaudited)	30 April 2019 (Audited)	**31 Oct 2019 (Unaudited)**	31 Oct 2018 (Unaudited)	30 April 2019 (Audited)
Non-Current Assets						
Property, plant and equipment - net	**520,835**	588,401	582,033	**-**	-	-
Right-of-use assets	**216,801**	-	-	**-**	-	-
Investment in subsidiaries	**-**	-	-	**549,862**	716,475	830,855
Investment in joint ventures	**22,997**	24,885	24,212	**377**	1,167	766
Intangible assets and goodwill	**704,672**	711,322	707,997	**-**	-	-
Other noncurrent assets	**32,239**	45,693	39,096	**-**	-	-
Deferred tax assets - net	**137,344**	87,825	106,321	**23**	12	27
Pension assets	**8,013**	10,842	8,240	**-**	-	-
Biological assets	**1,901**	1,621	1,682	**-**	-	-
Amount due from related company	**-**	-	-	**213,911**	175,049	202,471
	1,644,802	1,470,589	1,469,581	**764,173**	892,703	1,034,119
Current Assets						
Inventories	**926,220**	904,367	664,922	**-**	-	-
Biological assets	**56,405**	43,974	52,320	**-**	-	-
Trade and other receivables	**218,564**	240,564	149,054	**98,938**	173,472	3,187
Prepaid expenses and other current assets	**43,908**	28,794	36,716	**178**	229	192
Cash and cash equivalents	**35,221**	33,863	21,636	**1,482**	432	886
	1,280,318	1,251,562	924,648	**100,598**	174,133	4,265
Noncurrent assets held for sale	**4,543**	679	4,465	**-**	-	-
	1,284,861	1,252,241	929,113	**100,598**	174,133	4,265
Total Assets	**2,929,663**	2,722,830	2,398,694	**864,771**	1,066,836	1,038,384
Equity attributable to equity holders of the Company						
Share capital	**49,449**	49,449	49,449	**49,449**	49,449	49,449
Share premium	**478,339**	478,339	478,339	**478,478**	478,477	478,478
Retained earnings	**(241)**	97,077	96,074	**(241)**	97,077	96,074
Reserves	**(81,228)**	(70,818)	(65,827)	**(81,228)**	(70,592)	(65,827)
Equity attributable to owners of the Company	**446,319**	554,047	558,035	**446,458**	554,411	558,174
Non-controlling interest	**32,681**	45,082	43,106	**-**	-	-
Total Equity	**479,000**	599,129	601,141	**446,458**	554,411	558,174
Non-Current Liabilities						
Loans and borrowings	**799,761**	942,439	985,915	**112,241**	183,684	241,015
Lease liabilities	**176,086**	-	-	**-**	-	-
Other noncurrent liabilities	**19,896**	30,043	30,015	**-**	-	148
Employee benefits	**86,450**	71,688	63,781	**185**	-	-
Environmental remediation liabilities	**14,786**	159	697	**-**	-	-
Deferred tax liabilities - net	**6,953**	10,099	6,404	**-**	-	-
	1,103,932	1,054,428	1,086,812	**112,426**	183,684	241,163
Current Liabilities						
Trade and other current liabilities	**303,722**	258,414	188,669	**41,902**	104,834	103,977
Loans and borrowings	**974,068**	776,436	492,740	**263,985**	223,902	135,070
Lease liabilities	**29,771**	-	-	**-**	-	-
Current tax liabilities	**3,493**	496	1,692	**-**	-	-
Employee benefits	**35,677**	33,927	27,640	**-**	5	-
	1,346,731	1,069,273	710,741	**305,887**	328,741	239,047
Total Liabilities	**2,450,663**	2,123,701	1,797,553	**418,313**	512,425	480,210
Total Equity and Liabilities	**2,929,663**	2,722,830	2,398,694	**864,771**	1,066,836	1,038,384
NAV per ordinary share (US cents)	23.10	29.28	29.38	21.42	26.98	27.17
NTAV per ordinary share (US cents)	(13.15)	(7.31)	(7.04)	21.42	26.98	27.17

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

Amounts in US$'000	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure-ment of retirement plan**	**Hedging Reserve**	**Share Option reserve**	**Reserve for own shares**	**Retained earnings**	**Totals**	**Non-controlling interest**	**Total equity**
Group												
Fiscal Year 2020												
At 1 May 2019	49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,035	43,106	601,141
Change in accounting policy	-	-	-	-	-	-	-	-	(713)	(713)	-	(713)
At 1 May 2019, as restated	49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,361	557,322	43,106	600,428
Total comprehensive income for the period												
Loss for the year	-	-	-	-	-	-	-	-	(75,615)	(75,615)	(8,139)	(83,754)
Other comprehensive income												
Currency translation differences recognised directly in equity	-	-	3,950	-	-	-	-	-	-	3,950	3	3,953
Remeasurement of retirement plan, net of tax	-	-	-	-	(18,642)	-	-	-	-	(18,642)	(2,205)	(20,847)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(709)	-	-	-	(709)	(84)	(793)
Total other comprehensive income	-	-	3,950	-	(18,642)	(709)	-	-	-	(15,401)	(2,286)	(17,687)
Total comprehensive (loss)/income for the period	-	-	3,950	-	(18,642)	(709)	-	-	(75,615)	(91,016)	(10,425)	(101,441)
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Payment of Dividends	-	-	-	-	-	-	-	-	(19,987)	(19,987)	-	(19,987)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(19,987)	(19,987)	-	(19,987)
At 31 October 2019	**49,449**	**478,339**	**(89,425)**	**10,885**	**(994)**	**(3,161)**	**1,753**	**(286)**	**(241)**	**446,319**	**32,681**	**479,000**

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

Amounts in US$'000	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
Group												
Fiscal Year 2019												
At 1 May 2018	49,449	478,323	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,195	49,065	608,260
Total comprehensive income for the period												
Loss for the year	-	-	-	-	-	-	-	-	11,447	11,447	(4,412)	7,035
Other comprehensive income												
Currency translation differences recognised directly in equity	-	-	(12,315)	-	-	-	-	-	-	(12,315)	43	(12,272)
Remeasurement of retirement plan, net of tax	-	-	-	-	3,806	-	-	-	-	3,806	335	4,141
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,495	-	-	-	1,495	177	1,672
Total other comprehensive income	-	-	(12,315)	-	3,806	1,495	-	-	-	(7,014)	555	(6,459)
Total comprehensive (loss)/income for the period	-	-	(12,315)	-	3,806	1,495	-	-	11,447	4,433	(3,857)	576
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Value of employee services received for issue of share options	-	-	-	-	-	-	278	-	-	278	(126)	152
Transaction cost from issue of preference shares	-	16	-	-	-	-	-	-	-	16	-	16
Release of share awards	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(9,875)	(9,875)	-	(9,875)
Total contributions by and distributions to owners	-	16	-	-	-	-	278	-	(9,875)	(9,581)	(126)	(9,707)
At 31 October 2018	**49,449**	**478,339**	**(103,830)**	**10,885**	**22,031**	**(1,269)**	**1,651**	**(286)**	**97,077**	**554,047**	**45,082**	**599,129**

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

Amounts in US$'000	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure-ment of retirement plan**	**Hedging Reserve**	**Share Option reserve**	**Reserve for own shares**	**Retained earnings**	**Total equity**
Company										
Fiscal Year 2020										
At 1 May 2019	49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,174
Change in accounting policy	-	-	-	-	-	-	-	-	(713)	(713)
At 1 May 2019, as restated	49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,361	557,461
Total comprehensive income for the period										
Loss for the year	-	-	-	-	-	-	-	-	(75,615)	(75,615)
Other comprehensive income										
Currency translation differences recognised directly in equity	-	-	3,950	-	-	-	-	-	-	3,950
Remeasurement of retirement plan, net of tax	-	-	-	-	(18,642)	-	-	-	-	(18,642)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(709)	-	-	-	(709)
Total other comprehensive income	-	-	3,950	-	(18,642)	(709)	-	-	-	(15,401)
Total comprehensive (loss)/income for the period	-	-	3,950	-	(18,642)	(709)	-	-	(75,615)	(91,016)
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Payment of Dividends	-	-	-	-	-	-	-	-	(19,987)	(19,987)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(19,987)	(19,987)
At 31 October 2019	**49,449**	**478,478**	**(89,425)**	**10,885**	**(994)**	**(3,161)**	**1,753**	**(286)**	**(241)**	**446,458**

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

Amounts in US$'000	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure-ment of retirement plan**	**Hedging Reserve**	**Share Option reserve**	**Reserve for own shares**	**Retained earnings**	**Total equity**
Company										
Fiscal Year 2019										
At 1 May 2018	49,449	478,462	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,334
Total comprehensive income for the period										
Loss for the year	-	-	-	-	-	-	-	-	11,447	11,447
Other comprehensive income										
Currency translation differences recognised directly in equity	-	-	(12,310)	-	-	-	-	-	-	(12,310)
Remeasurement of retirement plan, net of tax	-	-	-	-	4,304	-	-	-	-	4,304
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,495	-	-	-	1,495
Total other comprehensive income	-	-	(12,310)	-	4,304	1,495	-	-	-	(6,511)
Total comprehensive (loss)/income for the period	-	-	(12,310)	-	4,304	1,495	-	-	11,447	4,936
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Transaction cost from issue of preference shares	-	16	-	-	-	-	-	-	-	16
Release of share awards	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(9,875)	(9,875)
Total contributions by and distributions to owners	-	16	-	-	-	-	-	-	(9,875)	(9,859)
At 31 October 2018	**49,449**	**478,478**	**(103,825)**	**10,885**	**22,529**	**(1,269)**	**1,373**	**(286)**	**97,077**	**554,411**

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**	
	FY2020 (Unaudited)	FY2019 (Unaudited)	**FY2020 (Unaudited)**	FY2019 (Unaudited)
Cash flows from operating activities				
Profit (loss) for the period	**(43,623)**	7,397	**(83,754)**	7,035
Adjustments for:				
Depreciation of property, plant and equipment	**42,071**	31,699	**75,490**	61,857
Amortisation of intangible assets	**1,662**	1,663	**3,325**	3,329
Impairment loss on property, plant and equipment	**40,793**	1,284	**40,777**	1,259
Gain/(loss) on disposal of property, plant and equipment	**(152)**	(4,991)	**1,436**	(3,105)
Equity-settled share-based payment transactions	**-**	(124)	**-**	152
Share in net loss of joint venture	**832**	226	**1,215**	309
Finance income	**92**	(1,862)	**(3,845)**	(19,772)
Finance expense	**27,150**	25,171	**52,385**	48,234
Tax expense - current	**3,653**	7,212	**46,966**	2,680
Tax credit - deferred	**(17,664)**	(8,310)	**(22,260)**	(6,629)
Net loss (gain) on derivative financial instrument	**212**	(352)	**633**	(9,613)
Operating profit before working capital changes	**55,026**	59,013	**112,368**	85,736
Changes in:				
Other assets	**5,021**	9,016	**(9,349)**	5,503
Inventories	**(157,195)**	(110,116)	**(270,653)**	(143,585)
Biological assets	**(368)**	(883)	**(318)**	(3,469)
Trade and other receivables	**(82,859)**	(73,011)	**(54,615)**	(73,921)
Prepaid and other current assets	**15,604**	7,423	**(3,076)**	2,477
Trade and other payables	**65,401**	(29,909)	**123,422**	(48,949)
Employee Benefit	**(1,777)**	3,767	**2,042**	7,403
Operating cash flow	**(101,147)**	(134,700)	**(100,179)**	(168,805)
Income taxes paid	**3,322**	(1,768)	**(36,449)**	(1,768)
Net cash flows from operating activities	**(97,825)**	(136,468)	**(136,628)**	(170,573)
Cash flows from investing activities				
Interest received	**158**	107	**311**	245
Proceeds from disposal of property, plant and equipment	**239**	6,908	**540**	9,245
Purchase of property, plant and equipment	**(31,058)**	(27,558)	**(55,379)**	(55,895)
Net cash flows used in investing activities	**(30,661)**	**(20,543)**	**(54,528)**	(46,405)
Cash flows from financing activities				
Interest paid	**(26,730)**	(19,900)	**(47,998)**	(41,688)
Proceeds of borrowings	**388,738**	285,388	**506,980**	567,799
Repayment of borrowings	**(203,268)**	(98,952)	**(222,166)**	(299,963)
Payments of lease liability	**(14,373)**	-	**(14,373)**	-
Dividends paid	**(9,875)**	(9,875)	**(19,987)**	(9,875)
Proceeds from issuance of preference shares	**-**	-	**-**	16
Transactions costs related to issuance of preference shares	**-**	-	**-**	-
Payments of debt related costs	**-**		**-**	-
Net cash flows from financing activities	**134,492**	**156,661**	**202,456**	216,289
Net decrease in cash and cash equivalents	**6,006**	(350)	**11,300**	(689)
Cash and cash equivalents, beginning	**27,198**	33,296	**21,636**	24,246
Effect of exchange rate fluctuations on cash held in foreign currency	**2,017**	917	**2,285**	10,306
Cash and cash equivalents at 31 October	**35,221**	33,863	**35,221**	33,863

IMPACT OF CHANGE IN ACCOUNTING POLICY

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings as at 1 May 2019 (see Statement of Changes in Stockholder's Equity). Accordingly, the comparative information presented for fiscal year 2019 has not been restated. In relation to those leases under IFRS 16, the Group recognized depreciation and interest costs, instead of operating lease expense.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risk and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases, except for some short-term and low-value assets.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 May 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application (the Group applied this approach for leases under DMPI); or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (the Group applied this approach for leases under DMFI).

For leases classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 May 2019 were determined at the carrying amount of lease asset and lease liability under IAS 17 immediately before that date. The Group has no finance leases under IAS 17.

Right-of-use assets and lease liabilities are presented separately in the consolidated statement of financial position.

The impact of adoption of IFRS 16 as at 1 May 2019 is as follows*:

Consolidated Statement of Financial Position

Amounts in US$'000	**1 May 2019**
ASSETS	
Prepaid expenses and other current assets[1]	**(1,661)**
Right-of-use assets (ROU)-net	**235,909**
Deferred tax assets	**2,473**
Other noncurrent assets[1]	**(23,896)**
	212,825
LIABILITIES AND EQUITY	
Lease liability - current portion	**29,165**
Lease liability - noncurrent portion	**191,979**
Other noncurrent liabilities[1]	**(7,606)**
Total Liabilities	**213,538**
Retained earnings	**(713)**
Total Equity	**(713)**
	212,825

** Adjusted as of October 2019 from the earlier numbers presented as at July 2019 mainly from future land rental recalculation as well as impact of transition adjustments on deferred taxes.*

[1] The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied (DMPI). Other right-of use assets were measured at the amount equal to the lease liability (DMFI). The right-of-use assets were adjusted by the amount of any prepaid rent expense (previously classified under "Prepaid

expenses and other current assets"), deferred rent (previously classified under "Other noncurrent assets"), and accrued rent expense (previously classified under "Other noncurrent liabilities") relating to the lease recognised in the balance sheet as at 30 April 2019 resulting to the respective reduction amounting to US$ 1.6 million, US$ 23.9 million, and US$ 7.6 million, respectively, as at 1 May 2019.

Impact of adoption of IFRS 16 in the statement of financial performance of the Group for the six months ended 31 October 2019:

Consolidated Statement of Financial Performance

Amounts in US$'000	**Six Months Ended 31**
Turnover	**-**
Cost of Sales	**(917)**
Gross profit	**917**
Less: General and administration expenses	**(122)**
Add: ROU Amortization	**7,361**
EBITDA	**8,400**
Less: ROU Amortization	**7,361**
Profit from operations	**1,039**
Financial expense	**4,173**
Profit /(loss) before taxation	**(3,134)**
Taxation	**(855)**
Profit/(loss) after taxation	**(2,279)**
Profit(loss) attributable to:	
Owners of the Company	**(1,999)**
Non-controlling interest	**(280)**
Profit/(loss) for the period	**(2,279)**

ONE-OFF EXPENSES/(INCOME)

Amounts in US$ million	**For the three months ended 31 October**			**For the six months ended 31 October**		
	FY2020 (Unaudited)	FY2019 (Unaudited)	**%**	**FY2020 (Unaudited)**	FY2019 (Unaudited)	**%**
DMFI one-off expenses:						
Plant closures	**75.5**	(1.9)	(4,073.7)	**77.2**	6.4	(1,106.3)
Seed operation	**-**	(1.1)	(100.0)	**-**	(1.1)	(100.0)
Severance	**1.2**	1.7	27.5	**1.6**	1.8	11.1
Others	**0.1**	(0.4)	nm	**0.2**	-	nm
Total (pre-tax basis)	**76.8**	(1.7)	(4,737.7)	**79.0**	7.1	(1,012.7)
Tax impact	**(18.7)**	0.4	4,775.0	**(19.2)**	(1.7)	1,029.4
Non-controlling interest	**(6.1)**	0.1	4,336.1	**(6.3)**	(0.6)	950.0
Total DMFI one-off expenses (post tax, post NCI basis)	**52.0**	(1.1)	(4,776.3)	**53.5**	4.8	(1,014.6)
Second Lien Loan Purchase:						
Gain due to the purchase of DMFI's second lien loan at a discount	**-**	-	nm	**-**	(16.2)	(100.0)
Tax impact for the other one-off items	**-**	-	nm	**-**	3.4	nm
Total one-off gain on second lien loan purchase (post tax basis)	**-**	-	-	**-**	(12.8)	(100.0)
Intercompany Dividends Tax:						
Final tax paid on intercompany dividends	**-**	-	nm	**39.6**	-	nm
Deferred tax on undistributed share in profits	**1.3**	-	nm	**2.7**	-	nm
Total one-off final taxes on intercompany dividends	**1.3**	-	nm	**42.3**	-	nm
Total (post-tax and post non-controlling interest)	**53.3**	(1.1)	(4,893.2)	**95.8**	(8.0)	nm

DEL MONTE PACIFIC

2Q FY2020 RESULTS

6 December 2019

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY. ®

DISCLAIMER

This presentation 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 presentation or its contents.

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

CONTENTS

NOTES TO THE 2Q FY2020 RESULTS

- Second quarter is 1 August to 31 October 2019.
- DMPL's effective stake in DMFI is 89.4%, hence the non controlling interest line (NCI) in the P&L. Net income/(loss) is net of NCI.
- 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.
- The Group has adopted IFRS 16 from 1 May 2019. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, recognises right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Please refer to page 23 of the MD&A for a discussion of the impact of IFRS 16.

2Q FY2020 HIGHLIGHTS

- Positive outcomes backed by strong sales growth in fresh pineapple in North Asia, increased sales in the Philippine market, and transformational initiatives at US subsidiary
- Gross profit, gross margin, recurring EBITDA and net profit recorded significant improvement
- Without one-off expenses, operating profit increased by 65% to US$47.2m while net profit more than doubled to US$15.9m
- Planned one-offs, mainly non-cash, attributed to US plant closures/sale in line with asset-light strategy, led to a net loss of US$37.4m, with expected immediate and ongoing savings of US$50-60m over the next 24 months
- Maintaining solid market share across legacy categories, while expanding into other new growth categories and channels

OUTLOOK

- Barring unforeseen circumstances, the DMPL Group is expected to remain profitable in FY2020 on a recurring basis (without one-offs).
- Major emphasis on responding to consumer trends through:
  - ✓ Strengthening the core business and innovating
    - -- Healthier options and new products (innovate outside the can)
    - -- Strategic investments in marketing in USA
  - ✓ Focusing on growing our branded business
    - -- Shifting to more branded consumer beverage in place of industrial pineapple juice concentrate
    - -- Introducing more value-added, less commoditised foodservice

- Improving financial performance through:
  - ✓ Four plant closures/sale in the USA within FY2020 to improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including higher metal packaging prices and impact of tariffs imposed by the US
  - ✓ Improving cash flow and strengthening the balance sheet

DMPL 2Q FY2020 GROUP RESULTS SUMMARY

- Sales of US$558.7m, +0.4%

Sales	% Change
US	-4
Philippines	+9 (in peso terms +5)
S&W	+27
FieldFresh India (equity accounted)	+5 (in rupee terms +6)

All figures below without one-off items and vs prior year quarter:

- EBITDA of US$69.5m, up 55% from US$44.8m due to higher prices in the USA and Philippines, plus the favourable impact of the divestiture of low-margin Sager Creek vegetable business and reduced sales of low-margin businesses in the United States, thus improving sales mix
- Operating profit of US$47.2m, up 65% from US$28.7m
- Net profit of US$15.9m, more than double prior year's US$7.3m

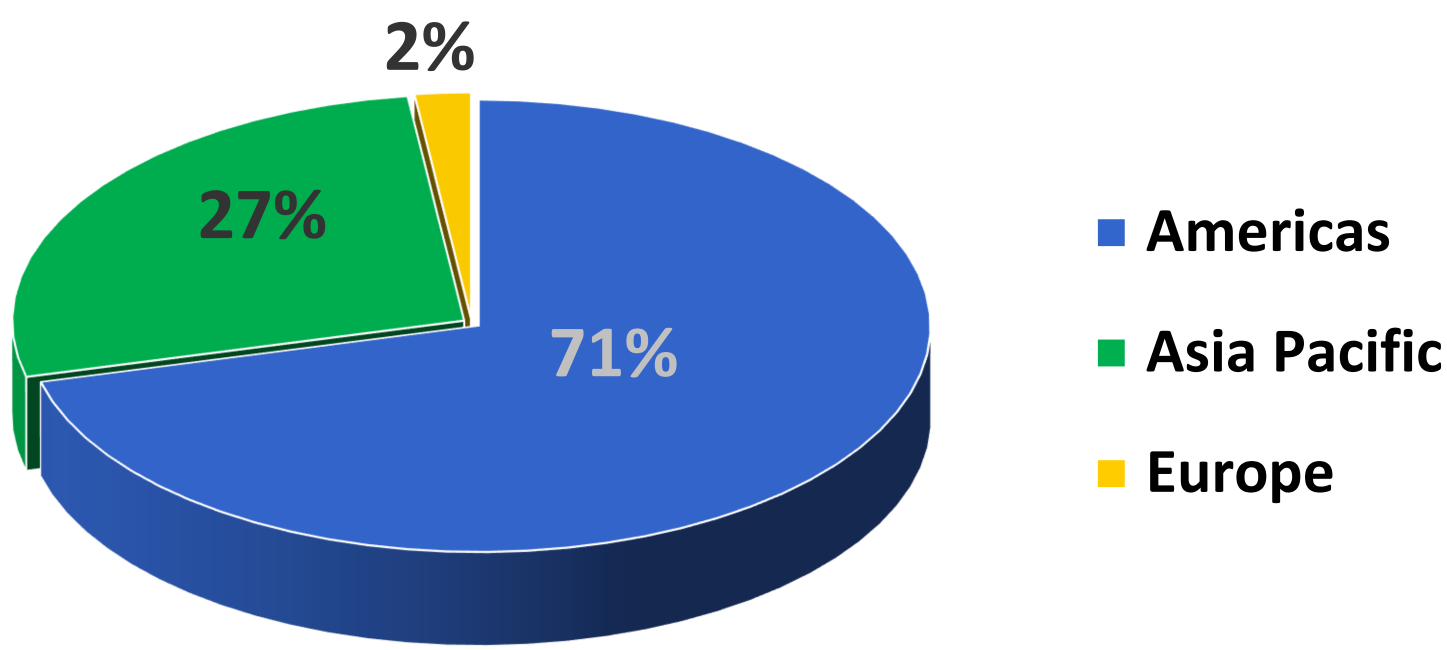
DMPL 2Q FY2020 ONE-OFF EXPENSE/(INCOME)

In US$ m	2Q FY19	2Q FY20	Booked under
Plant closures	(1.9)	75.5	CGS/G&A/Misc Expense
Seed operation	(1.1)	-	Other Expense
Severance	1.7	1.2	G&A Expense
Others	(0.4)	0.1	Interest income and Other expense/ (income)
Total one-off expense/(income) (pre-tax basis)	**(1.7)**	**76.8**	
Deferred tax on undistributed share in profits	-	1.3	Tax
Tax impact on other one-offs	0.4	(18.7)	
Non-controlling interest	0.1	(6.1)	
Total one-offs (net of tax and NCI)	**(1.1)**	**53.3**	

DMPL 2Q FY2020 RESULTS – AS REPORTED

In US$m	2Q FY2019	2Q FY2020	Chg (%)	Comments
Turnover	556.3	**558.7**	+0.4	Higher Philippines and S&W Asia offset by lower US sales
Gross profit	118.7	**134.1**	+13.0	Price increase in the US and Philippines, divested Sager and reduced sales of low margin businesses, thus improving sales mix
EBITDA	46.2	**(7.3)**	-115.7	One-off expenses due to 4 plant closures/sale in the US
Operating profit	30.0	**(29.6)**	-198.6	Same as EBITDA comment
Net finance income/ (expense)	(23.3)	**(27.2)**	-16.7	Higher level of borrowings
FieldFresh equity share	0.0	**(0.5)**	nm	Higher supply and logistics cost from fresh business and key commodities
Tax benefit	1.1	**14.0**	nm	Higher tax loss carryforward due to one-off expenses
Net profit/(loss)	8.4	**(37.4)**	nm	Same as EBITDA comment
Net debt	1,685.0	**1,738.6**	+3.2	Slightly higher due to payment of dividend tax in 1Q as well as for general use purposes
Gearing (%)	281.2	**363.0**	+81.7ppts	Same as above

DMPL 2Q FY2020 TURNOVER ANALYSIS



Americas	-4.4%	▪ In line with strategy, divested the low-margin Sager business. Stripping it out, sales would have been down 2.5% ▪ Lower sales of low-margin non-branded businesses ▪ Timing of holiday shipments resulting from a later Thanksgiving
Asia Pacific	+14.2%	▪ Philippines sales increased across Modern Trade (+9%) and General Trade (+6%), as all categories delivered growth behind consumption-building activities, as well as improvements in distributor business that had constrained growth in prior year ▪ Higher *S&W* sales due to strong sales of fresh pineapple, mainly in North Asia
Europe	+32.7%	▪ Higher packaged fruit and beverage sales

DMPL 1H FY2020 GROUP RESULTS SUMMARY

- Sales of US$934.6m, -5.9%

Sales	% Change
US	-12
Philippines	+7 (in peso terms +4)
S&W	+23
FieldFresh India (equity accounted)	+4 (in rupee terms +7)

All figures below without one-off items and vs prior year quarter:

- EBITDA of US$108.2m, up 50% from US$72.1m due to higher prices in the USA and Philippines, plus the favourable impact of the divestiture of low-margin Sager Creek vegetable business and reduced sales of low-margin businesses in the United States, thus improving sales mix
- Operating profit of US$69.6m, up 78% from US$39.1m
- Net profit of US$20.1m, significantly higher than prior year's US$3.6m

DMPL 1H FY2020 ONE-OFF EXPENSE/(INCOME)

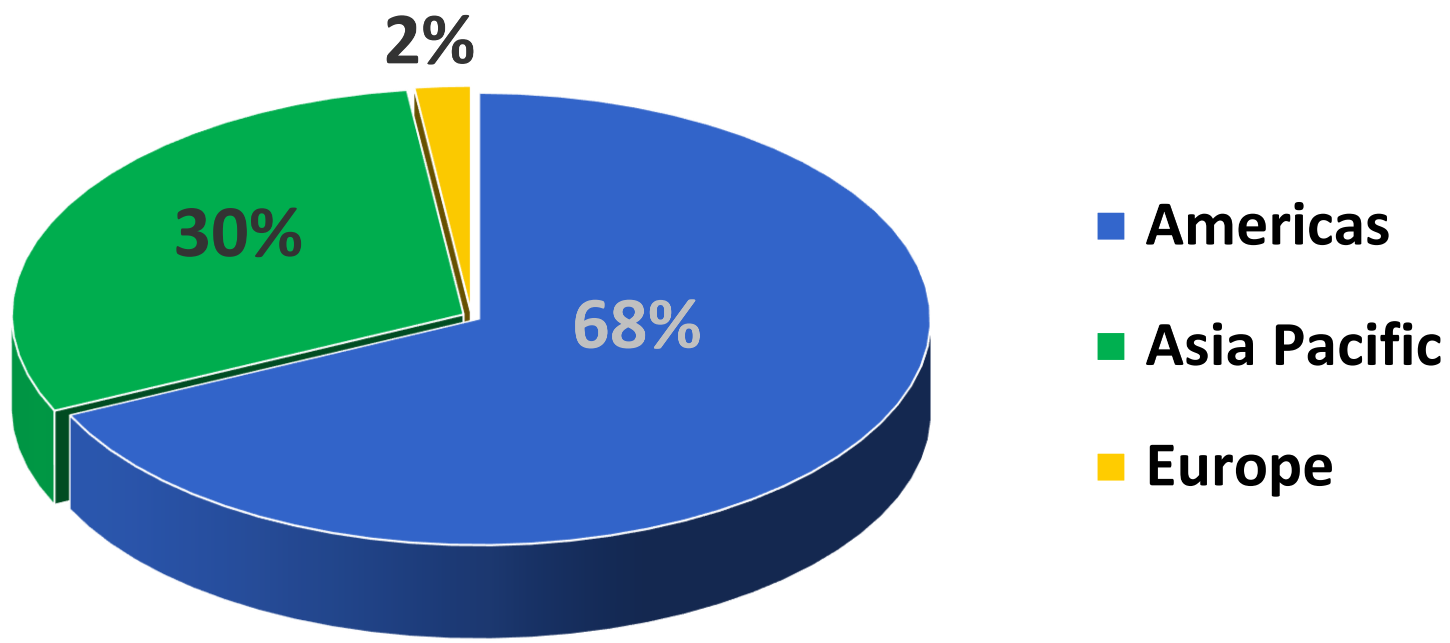
In US$ m	1H FY19	1H FY20	Booked under
Plant closures	6.4	77.2	CGS/G&A/Misc Expense
Seed operation	(1.1)	-	Other Expense
Severance	1.8	1.6	G&A Expense
Others	-	0.2	Interest income and Other exp/(income)
Gain due to the purchase of DMFI's 2nd lien loan at a discount to par value	(16.2)	-	Interest Income
Total one-off expense/(income) (pre-tax basis)	**(9.1)**	**79.0**	
Final tax on intercompany dividends*	-	39.6	Tax
Deferred tax on undistributed share in profits	-	2.7	Tax
Tax impact on other one-offs	1.7	(19.2)	
Non-controlling interest	(0.6)	(6.3)	
Total one-offs (net of tax and NCI)	**(8.0)**	**95.8**	

*In preparation for its capital raising initiatives, DMPL's Philippine subsidiary, Del Monte Philippines, Inc (DMPI), declared a dividend to its parent which was taxed at 15%

DMPL 1H FY2020 RESULTS – AS REPORTED

In US$m	1H FY2019	1H FY2020	Chg (%)	Comments
Turnover	993.5	**934.6**	-5.9	Higher Philippines and S&W Asia offset by lower US sales
Gross profit	196.7	**225.3**	+14.5	Price increase in the US and Philippines, divested Sager and reduced sales of low margin businesses, thus improving sales mix
EBITDA	65.0	**29.4**	-54.9	One-off expenses due to 4 plant closures/sale in the US
Operating profit	32.0	**(9.3)**	nm	Same as EBITDA comment
Net finance income/ (expense)	(28.5)	**(48.5)**	-70.2	Higher level of borrowings; prior year included a one-off gain of US$16m on purchase of second lien loan
FieldFresh equity share	0.2	**(0.8)**	nm	Commodity headwinds and higher overheads
Tax benefit/(expense)	3.9	**(24.7)**	nm	Final taxes paid on dividends
Net profit/(loss)	11.4	**(75.6)**	nm	Same as EBITDA comment
Net debt	1,685.0	**1,738.6**	+3.2	Slightly higher due to payment of dividend tax in 1Q as well as for general use purposes
Gearing (%)	281.2	**363.0**	+81.7ppts	Same as above

DMPL 1H FY2020 TURNOVER ANALYSIS



Americas	-11.7%	▪ In line with strategy, divested the low-margin Sager business ▪ Lower sales of low-margin non-branded businesses ▪ Lower packaged fruit volume due to higher pricing
Asia Pacific	+11.0%	▪ Philippines sales increased across Modern Trade (+8%) and General Trade (+5%), as all categories delivered growth behind consumption-building activities, as well as improvements in distributor business that had constrained growth in prior year ▪ Higher *S&W* sales due to strong sales of fresh pineapple, mainly in North Asia
Europe	-14.0%	▪ Lower packaged fruit and beverage sales

Market Updates for 2Q FY2020

USA

29%	25%	27%	8%
Market Share (#1)	**Market Share (#1)**	**Market Share (#2)**	**Market Share (#2)**
Canned Vegetable	Canned Fruit	Fruit Cup Snacks	Canned Tomato

- Maintaining solid share across legacy categories, while expanding into perimeter and frozen categories
- Innovation capitalising on growing consumer desire for convenient, healthy and tasty plant-based foods
- Business fundamentals remain on solid ground with strong shelving, new innovation and sustained marketing investments
- Continued to expand presence in new and underdeveloped channels (foodservice, e-commerce, convenience and club)

To drive growth in market, Del Monte will continue to invest in building its brands, bringing differentiated and innovative products to market, and expanding distribution channels.

Source for market shares: Nielsen Scantrack dollar share, Total xAOC, 3M ending 26 October 2019
Canned market shares are for branded only, ex-private labels; Canned tomato is a combined share for Del Monte, S&W and Contadina

DEL MONTE FOODS USA 2Q RESULTS

DMFI’s 2Q sales down 5% to US$396.2m

- Divested low-margin Sager Creek vegetable business
- Reduced sales of low-margin non-branded business
- Timing of holiday shipments resulting from a later Thanksgiving
- Lower packaged fruit volume as a result of price increase

DMFI gross margin improved by 340 basis points to 21.2% from 17.8% in prior year quarter due to better pricing and sales mix

New Products

- Del Monte continued to diversify beyond the canned goods aisle, a declining category
- Introduced innovative plant-based products catering to demand for health and wellness, snacking and convenience
  - Launched *Del Monte Veggieful Bowls* nationwide in the US in October
  - Ready-to-eat *Veggieful Bowls* feature one serving of vegetables with quinoa blended with whole grains and flavourful sauce
- Introduced *College Inn Culinary Stock* with fine artisanal ingredients such as free-range chicken and grass-fed beef, and *College Inn Simple Starter,* convenient for one pot meals

USA - INNOVATION

Del Monte Veggieful Veggie Bowls

Pinterest

FB/Instagram

Retail Search

Targeted Programmatic

Start Ship: August

Each bowl delivers:

- ✓ I full serving of vegetables
- ✓ Non GMO
- ✓ Good source of fibre
- ✓ No artificial flavours or preservatives
- ✓ Ready-to-eat in microwavable container

Contadina Pizzettas Mobile Tour

The Pizzettas Mobile Tour covering 12 cities!


Branded Food Truck


Sampling

Photo Booth

Promotion


Radio


Local PR / Influencer

USA - INNOVATION

College Inn Culinary Stock

Social Media

Consumer Promotion

Start Ship: July

Each glass jar:

- ✓ Finest artisanal ingredients, free-range chicken and grass-fed beef
- ✓ Is kettle cooked in small batches
- ✓ Always 100% natural

College Inn Simple Starter

Digital Display

Consumer Promotion

Social Media

Start Ship: July

Each container:

- ✓ Perfectly balanced herbs, natural flavours and seasonings
- ✓ "Pour, add, cook" convenience for one pot meals
- ✓ Versatile for use in slow cookers, pressure cookers and stove-top

USA – BACK TO SCHOOL

Fruit Cup Snacks Promotions and Performance

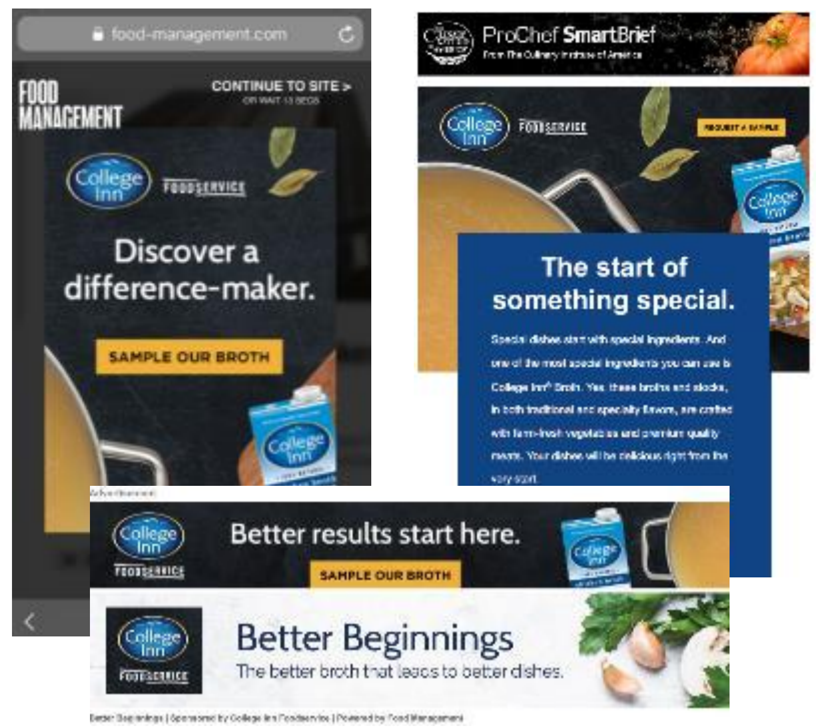
- Higher volume with better pricing, quality, and duration
- New product *Del Monte Bubble Fruit* helps bring new news and traction to this category

USA - FOODSERVICE

Pouch Pineapple win at Barro's Pizza

- Barro's Pizza, a 43-unit family owned pizza chain in Arizona has selected *Del Monte Pouch Pineapple Tidbits* for their menu. This placement displaced a key competitor, based on the operator's focus on quality and consistent supply of pineapple from the Philippines.

College Inn Digital Promotions



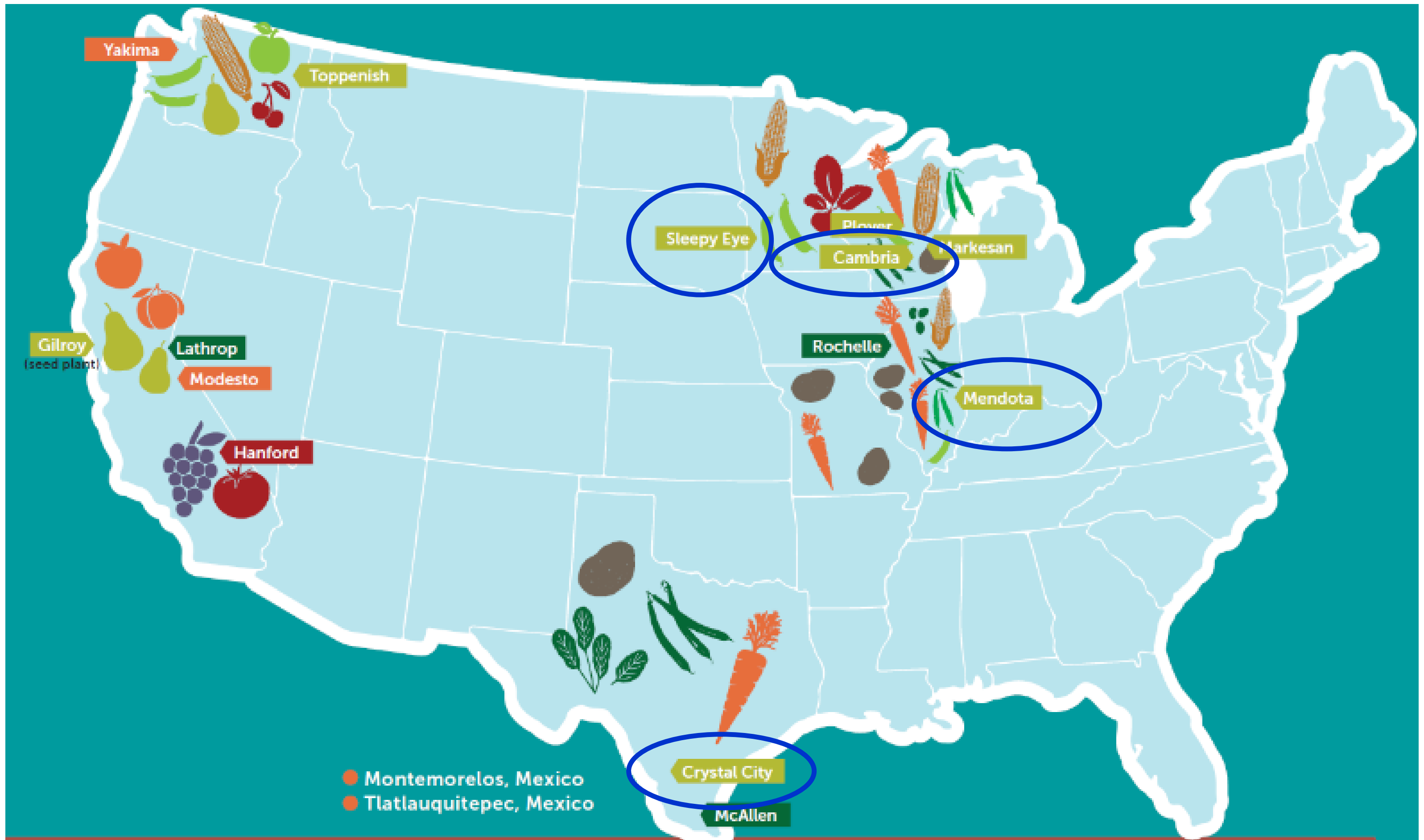
- New digital campaigns have been launched to Foodservice operators, focusing on the unbeatable quality of *College Inn Broths*.
- Operators are driven to a web page that invites them to request a sample. Sales and Broker team members are following up directly with qualified leads.

Getting Social with *Riced Cauliflower*

- *Del Monte Harvest Selects Riced Veggies* are a big hit with Chopt Creative Salad Company, a 75-unit chain focused on healthy and delicious items.
- Chopt added the Riced Cauliflower as an upcharge option in many of its bowls, and they are promoting the new additions frequently via social media.

FY2020 ASSET-LIGHT STRATEGY

- On 1 November 2019, DMFI successfully sold and transitioned Cambria, Wisconsin operations and related employees to Seneca Foods Corporation
- Also entered into an agreement to sell production facilities in Sleepy Eye, Minnesota and Mendota, Illinois and expects the closure and sale of these facilities to be completed during 4Q FY2020
- Sold equipment at Crystal City, Texas facility and is considering additional proposals to sell the balance of the Crystal City assets
- Production at rationalised facilities is being transitioned to other DMFI production facilities in the US as well as to strategic co-packers
- These divestitures will enable DMFI to significantly improve capacity utilisation at the remaining plants in the production network
- Cost saving initiatives should improve DMFI's EBITDA margin by an estimated 325-375 basis points (US$50-60m) over the next 24 months



PHILIPPINES

86% +3.6pts
Market Share (#1)
Packaged Pineapple

73% +2.3pts
Market Share (#1)
Canned Mixed Fruit

85% +0.5pts
Market Share (#1)
Canned and Carton Juices

83% +1.3pts
Market Share (#1)
Tomato Sauce

40% -0.1pts
Market Share (#1)
Spaghetti Sauce

- Del Monte is market leader, gaining share, and helping to drive category growth in the key categories above. The only exception is Spaghetti, where share is flat (-0.1)
- General Trade and Modern trade are growing: General Trade accounts for about 50% of Philippine sales while Modern trade accounts for about 30%
- E-commerce is an emerging channel, increasingly extending to grocery items.

To sustain growth and competitiveness: Continue to drive core category consumption in key channels and markets, and penetrate new categories

Source for market shares: Nielsen Retail Index as of 3 months to October 2019; Canned mixed fruit is a combined share for Del Monte and Today's brands; Spaghetti sauce is a combined share for Del Monte, Today's and Contadina brands

PHILIPPINES

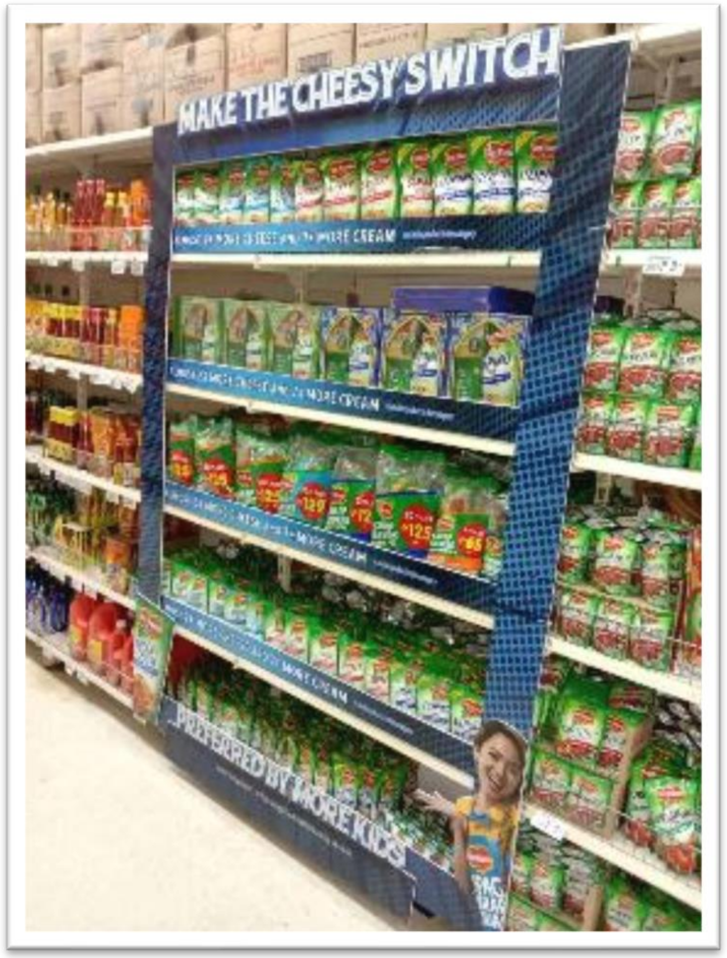
- In 2Q, the Philippines domestic market reversed its FY2019 decline, with sales growing by 5% in peso terms and 9% in US dollar terms
- Retail sales grew by 2% in volume and 7% in peso sales value. Non-retail foodservice declined as focus was shifted to more profitable parts of the business
- Sales in the General Trade (~50% of Philippines sales) grew by 6% as the Group continued to make progress in improving its distributor business that had impacted results in the prior year
- Sales in the Modern Trade (~30% of Philippines sales) increased by 9%
- Positive market share improvements across Beverages, Fruits and Culinary

Del Monte Tomato Sauce "Sauce-special" integrated campaign to push relevance in everyday meals

PHILIPPINES - CULINARY

Launch of *Del Monte* Condiments in Stand-Up-Pouches to recruit new users for the category

Del Monte Quick 'n Easy 'Mommadiskarte' Weekly Menu Youtube Campaign



Aggressive in-store display and advertising for *Del Monte Creamy & Cheesy* in the growing cheesy sauce segment

PHILIPPINES - BEVERAGE

Re-air of the 100% Fruitection TVC campaign highlighting *Del Monte 100% Pineapple Juice's* value

Broaden relevance of *Del Monte Fit 'n Right Juice* from just weight loss to holistic fitness

New *Del Monte Pineapple Juice Heart Smart* campaign

PHILIPPINES - FRUITS

Consumption-drive of packaged pineapple, by levelling up core Filipino recipes by simply adding pineapple

Expand accessibility with the launch of lower-priced Stand-Up-Pouches

Christmas season behind *Del Monte Fiesta Fruit Cocktail*

S&W ASIA

- Consumers moving towards less processed and more natural food: S&W expanding sales of *S&W Sweet 16* fresh pineapple
- E-commerce and digital are growing with North Asia having the largest share of E-commerce pie: S&W is actively developing this channel

To drive growth, realise *S&W*'s full potential in fresh pineapple, frozen and other products, channels, and build *S&W*'s brand equity in key markets

S&W ASIA

- Sales of the *S&W* branded business in Asia and the Middle East grew strongly by 27% in 2Q
- Mainly driven by higher sales of fresh pineapple in North Asia
- S&W packaged product also delivered higher volume and sales
- Continues to supply sliced pineapple to McDonald's and Burger King in China for their burgers

McDonald's burger in China with *S&W Pineapple Slices*

Participation in China International Import Expo in Shanghai

S&W IN SINGAPORE

In-store display promotions at NTUC Finest stores

Cross-promotion in newspaper of *S&W Fruit & Chia* and *S&W Sweet 16 Fresh Pineapples*

FIELDFRESH INDIA

- FieldFresh sales were up 6% in Rupee terms in 2Q due to higher *Del Monte* packaged product sales and *FieldFresh*-branded fresh sales
- DMPL's share of loss in 2Q was US$0.5m, versus prior year quarter's breakeven due to commodity headwinds and higher overheads

1st TV campaign in 8 years on Del Monte Italian range

- The platform focuses on the origin of our Italian ingredients as well as the 'people' who make them
- It seeks to highlight the effort and care that goes into making each of the ingredients so that our consumers in India can enjoy great Italian experiences at home

SUSTAINABILITY

- Del Monte Foods (DMFI) is working with Walmart on Project Gigaton which aims to avoid 1 billion metric tons (a gigaton) of GHG from the global value chain by 2030
- DMFI has partnered with:
  - ✓ Kellogg's and Hormel Foods to help fight hunger through an online food drive in Amazon.com for Feeding America
  - ✓ GrowingGreat™ to bring hands-on nutrition education to elementary and middle school children
- Del Monte Philippines (DMPI) launched the share-a-chair project that is converting the company's plastic waste into school chairs
- Conducted four Occupational Health and Safety workshop for office employees
- Participated in Sustainability conferences with leading companies in the Philippines and Southeast Asia to promote Sustainable Development Goals

OUTLOOK

- Barring unforeseen circumstances, the DMPL Group is expected to remain profitable in FY2020 on a recurring basis (without one-offs).
- Major emphasis on responding to consumer trends through:
  - ✓ Strengthening the core business and innovating
    - -- Healthier options and new products (innovate outside the can)
    - -- Strategic investments in marketing in USA
  - ✓ Focusing on growing our branded business
    - -- Shifting to more branded consumer beverage in place of industrial pineapple juice concentrate
    - -- Introducing more value-added, less commoditised foodservice

- Improving financial performance through:
  - ✓ Four plant closures/sale in the USA within FY2020 to improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including higher metal packaging prices and impact of tariffs imposed by the US
  - ✓ Improving cash flow and strengthening the balance sheet