



DEL MONTE PACIFIC LIMITED

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended 31 October 2018

For enquiries, please contact:

Iggy Sison

Tel: +632 856 2888

isison@delmontepacific.com

Jennifer Luy

Tel: +65 6594 0980

jluy@delmontepacific.com

AUDIT

Second Quarter FY2019 results covering the period from 1 August 2018 to 31 October 2018 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 FY2018 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2018, which did not have significant impact to the Group:

- Amendment to IFRS 12, Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2017 Cycle)
- Amendments to IAS 7, Statement of Cash Flows, Disclosure Initiative
- Amendments to IAS 12, Income Taxes, Recognition of Deferred Tax Assets for Unrealised Losses

The Group will adopt the following new standards on the respective effective dates:

Applicable 1 May 2018

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

Applicable 1 May 2019

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

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

13 December 2018

NOTES ON THE 2Q FY2019 DMPL RESULTS

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

FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2018

in US\$'000 unless otherwise stated*	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2019	Fiscal Year 2018	% Change	Fiscal Year 2019	Fiscal Year 2018	% Change
With one-off items**						
Turnover	556,278	624,708	(11.0)	993,507	1,098,552	(9.6)
Gross profit	118,709	128,380	(7.5)	196,735	226,264	(13.1)
Gross margin (%)	21.3	20.6	0.7	19.8	20.6	(0.8)
EBITDA	46,311	28,581	62.0	65,157	60,758	7.2
Operating profit	29,986	7,398	305.3	32,009	22,242	43.9
Operating margin (%)	5.4	1.2	4.2	3.2	2.0	1.2
Net profit attributable to owners of the Company	8,424	(2,820)	398.7	11,446	(2,080)	650.3
Net margin (%)	1.5	(0.5)	2.0	1.2	(0.2)	1.4
EPS (US cents)	0.18	(0.32)	156.3	0.08	(0.45)	117.8
Without one-off items**						
Gross profit	122,517	128,380	(4.6)	203,943	226,264	(9.9)
EBITDA	44,998	52,147	(13.7)	72,286	85,231	(15.2)
Operating profit	28,673	30,952	(7.4)	39,138	46,704	(16.2)
Net profit attributable to owners of the Company	7,300	10,247	(28.8)	3,569	11,490	(68.9)
Net debt	1,685,012	1,856,458	(9.2)	1,685,012	1,856,458	(9.2)
Gearing (Net Debt/Equity) (%)	281.3	339.3	(58.0)	281.3	339.3	(58.0)
Cash outflow from operations	(136,460)	(42,472)	221.3	(173,803)	(78,040)	122.7
Capital expenditure	22,507	12,829	75.4	47,606	35,331	34.7
Inventory (days)	137	153	(16)	188	209	(21)
Receivables (days)	29	27	2	32	31	1
Account Payables (days)	38	38	-	42	44	(2)

*The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.35 in October 2018, 1.37 in October 2017. For conversion to Php, these exchange rates can be used: 53.40 in October 2018, 50.52 in October 2017.

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

REVIEW OF OPERATING PERFORMANCE

Second Quarter

The Group achieved sales of US\$556.3 million for the second quarter of FY2019, down 11.0% versus the prior year period mainly due to the planned divestiture of the Sager Creek vegetable business in September 2017, lower sales in the USA, decreased exports of processed pineapple products and lower pineapple juice concentrate (PJC) pricing. Sales in the Philippines were slightly lower mainly driven by operational issues and distribution transition in the general trade channel.

Stripping out Sager Creek's sales, the Group sales in the second quarter would have been lower by 6.0%.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) generated US\$418.5 million or 75% of Group sales. DMFI's sales declined by 13.8% from US\$485.6 million driven by the Sager Creek divestiture, lower volume across categories, most significantly branded tomatoes, and private label sales as well as the unfavourable impact of lower pricing in foodservice for PJC. The decline in sales was in line with DMFI's strategy to deprioritise non-profitable businesses, including private label in retail channel.

DMFI's commitment to innovation continues to be on track. In synch with trends for health and convenience, DMFI continued to expand its successful launch of the new *Del Monte Fruit & Oats* snack cups, the first shelf stable oatmeal item containing real fruit.

Despite lower gross profit due to lower sales, DMFI generated higher gross margin of 17.8% from 16.5% in the prior year period. Higher gross margin was in line with DMFI's strategy to lower trade spend plus the favourable impact of the divestiture of low margin Sager Creek business, partly offset by higher delivered costs. DMFI generated a higher operating income for the quarter driven by the improvement in gross margin and lower operating expenses.

DMPL ex-DMFI generated sales of US\$147.9 million (inclusive of the US\$10.0 million sales by DMPL to DMFI which were netted out during consolidation). Sales were lower mainly due to decreased exports of processed pineapple products, and significantly lower PJC pricing as a result of the oversupply situation in Thailand, the main exporter of PJC. The Group has been shifting to more branded consumer beverage given the volatile nature of this industrial and commodity PJC. In the Philippines, lower sales were driven by lower volume in retail mainly the packaged fruit category, unfavourable mix and depreciation of peso.

DMPL ex-DMFI delivered lower gross margin of 28.6% from 30.3% in the prior year quarter mainly driven by lower PJC and packaged pineapple pricing for exports, unfavourable sales mix, higher product costs due to commodity headwinds and devaluation of peso. These were partly offset by price increases in the Philippine market in line with inflation. DMPL ex-DMFI generated an EBITDA of US\$24.7 million which was lower by 18.7% and a net income of US\$11.7 million, lower versus the US\$17.1 million in the same period last year driven by lower margin as explained above partially offset by lower operating expenses.

The Philippine market sales were down in both peso and US dollar terms by 2.6% and 7.8%, respectively, mainly in the general trade and mixed fruits category as the Group continued to address operational issues in the general trade. Price increases were implemented across several categories to offset the impact of sugar tax and mitigate inflation.

Foodservice sales in the Philippines remained strong, riding on the rapid expansion of quick service restaurants and convenience stores with partnerships and menu creation with major accounts.

Sales of the S&W branded business in Asia and the Middle East grew by 16.6% in the second quarter versus the prior year period mainly driven by higher sales of S&W fresh pineapple. S&W packaged products continued to decline mostly in North Asia and Turkey. Lower canned pineapple sales in North Asia were due to intense competition from cheaper products from Thailand and Indonesia. Due to the oversupply situation in Thailand, their exporters cut their canned pineapple prices significantly. Turkey, on the other hand, was impacted by political instability and currency devaluation. To diversify its business, the Group had introduced tomato and pasta sauces from the Philippines into S&W's Asian markets in FY2018. The S&W business delivered a much higher operating margin, up 9 ppts, due to better sales mix.

DMPL's share in the Field Fresh joint venture in India was almost flat compared to the same period last year.

The Group's EBITDA of US\$46.3 million was higher than prior year quarter's EBITDA of US\$28.6 million. This quarter's EBITDA included a US\$1.3 million one-off credit from sale of assets written down from the closures of several facilities in the US. In the same period last year, these plant closures and Sager Creek divestiture, which were part of the Group's strategy to improve operational excellence and streamline operations, largely resulted in one-off expenses amounting to US\$23.6 million pre-tax. Without the one-off adjustments, the Group recurring EBITDA was US\$45.0 million. It was lower versus prior year quarter's recurring EBITDA of US\$52.1 million due to the factors mentioned above. Please refer to the last page of this MD&A for a schedule of the one-off items.

The Group reported a net income of US\$8.4 million for the quarter, a turnaround from the net loss of US\$2.8 million in the prior year quarter. This quarter's net income included US\$1.1 million of one-off gain (net of tax), while prior year period's included US\$13.1 million of one-off expenses. Without the one-off adjustments, the Group generated a recurring net income of US\$7.3 million, lower than last year's recurring net income of US\$10.2 million. The change in tax rate in the US from 35% to 21% lowered the recurring net income by US\$2.3 million.

The Group's cash outflow from operations in the second quarter was US\$136.5 million, higher than last year's US\$42.5 million mainly on higher inventories and lower payables.

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

First Half

For the first half of FY2019, the Group generated sales of US\$1.0 billion, down 9.6% versus prior year period. DMFI generated US\$0.7 billion or 73.2% of Group sales, lower by 11.6% largely driven by the planned divestiture of the Sager Creek vegetable business in September 2017, lower volume of retail branded products due to promotion reduction and distribution losses. There was also a decline in non-branded products which was in line with DMFI's strategy to deprioritise non-profitable businesses, including private label in retail, partially offsetting decrease in retail trade spend.

The Company's thrust on innovation continued. Following the success of *Del Monte Fruit Refreshers* and *Del Monte Fruit & Chia*, *Del Monte Fruit & Oats* was launched in the USA in June. *Del Monte Fruit & Oats* combines healthy fruit and wholesome oats in a cup, is delicious, filling as well as convenient for breakfast and snack. Feedback from the trade has been encouraging. The Group also entered new product categories for foodservice with shipments of *Riced Cauliflower* and other vegetables with broadly positive industry reception.

Continued investments in consumer advertising and insights are paying dividends as DMFI's market share in canned vegetable and canned fruit continues to grow.

DMFI's gross margin for the first half of FY2019 marginally declined to 15.7% from 15.8% in the same period last year impacted by lower volume and higher costs. Higher costs were driven by prior year pack's lower production and weather-related issues, and higher packaging, raw product and logistics costs due to inflation, partly offset by lower trade spend.

As part of the Group's strategy to improve operational excellence and streamline operations, DMFI divested its underperforming Sager Creek vegetable business and also shut its Plymouth, Indiana tomato production facility in FY2018. These resulted in incremental one-off expenses amounting to US\$7.1 million pre-tax in the first half of FY2019, mostly for Sager Creek. Please refer to the last page of this MD&A for a schedule of the one-off items.

Excluding the one-off items, DMFI contributed an EBITDA of US\$24.2 million and a net loss of US\$30.4 million to the Group.

The Philippine market sales were down 1.6% and 6.7% in peso and US terms, respectively. Decline was mainly in the general trade and mixed fruit categories as a result of operational issues and distributor transition. Decline in sales was further driven by unfavourable sales mix in the Philippines and higher direct promotion spending. These were partly offset by price increase implemented across several categories in line with inflation.

The S&W branded sales in Asia and the Middle East were marginally lower versus last year driven by lower sales of the packaged segment mostly in North Asia and Turkey. S&W fresh grew significantly by 12.6% due to higher sales volume.

The Group's Nice Fruit joint venture successfully launched frozen pineapple spears in 7-Eleven Japan last June. Individually packaged and known as *Pineapple Stick*, it is positioned as an on-the-go healthy snack placed in the store's chiller section, and has received good consumer response. The JV followed this with the launch of frozen pineapple chunks called *Golden Pineapple* in the same convenience store chain in November.

DMPL ex-DMFI posted lower gross profit and margin of 27.6% from 31.0% in the prior year period due to unfavourable impact of lower, cyclical PJC pricing, unfavourable sales mix and higher product costs. These were partly offset by price increases in the Philippine market in line with inflation. DMPL ex-DMFI generated an EBITDA of US\$46.9 million which was lower by 19.1% and a net income of US\$22.5 million, lower versus the US\$32.3 million in the same period last year driven by lower margin as explained above partially offset by lower operating expenses.

DMPL's share in the Field Fresh joint venture in India was favourable at US\$0.2 million profit, a significant improvement from the US\$0.5 million loss in the prior year period due to higher sales and margins.

The Group's gross profit was lower than prior year due to lower exports of processed pineapple products, lower sales of branded products in the US, unfavourable impact of lower, cyclical PJC pricing, unfavourable sales mix in the Philippines, incremental costs to liquidate residual Sager Creek inventory, and higher product costs both in the Asian operations and in the US. These were partly offset by the price increase in the Philippines in line with inflation, and lower trade spend in the US.

Despite lower gross profit, the Group posted higher operating profit than prior year period due to lower marketing and administrative expenses in the US. The one-off expenses related to the sale of the Sager Creek vegetable business and closure of two plants in the USA amounted to US\$7.1 million pre-tax or US\$4.9 million post-tax in the first half. Please refer to the last page of this MD&A for a schedule of the one-off expenses.

The Group reported a net income of US\$11.4 million for the first half of FY2019, favourable compared to the prior year period's net loss of US\$2.1 million. This period's one-off adjustments from DMFI's continued restructuring initiatives and sale of Sager Creek were more than offset by the one-off gain worth US\$16.2 million pre-tax or US\$12.8 million post-tax from the additional purchase of US\$99.0 million of DMFI's second lien loan at a discount in the secondary market. Total loans bought back including the one from FY2018 amounted to US\$225 million out of the total US\$260 million.

Without the one-off items, the Group reported a recurring net income of US\$3.6 million as compared to last year's recurring net income of US\$11.5 million. The change in tax rate in the US from 35% to 21% lowered the recurring net income by US\$6.5 million.

The Group posted an EBITDA of US\$66.5 million of which DMFI accounted for US\$17.0 million. Excluding one-off expenses, the Group's EBITDA would have been US\$73.6 million, 13.6% lower versus the recurring EBITDA of US\$85.2 million in the prior year period.

The Group reduced its gearing to 2.8x equity as of 31 October 2018, from 3.4x in prior year period, primarily due to the US\$100 million Preference Shares issued by DMPL in December 2017 to raise equity and the purchase of DMFI loans at a discount in the fourth quarter of FY2018 and in the first quarter of FY2019.

The Group's cash outflow from operations in the first half was US\$173.8 million, higher versus last year's cash outflow of US\$78.0 million driven by higher receivables and settlement of payables.

VARIANCE FROM PROSPECT STATEMENT

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

BUSINESS OUTLOOK

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

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

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

The Nice Fruit frozen pineapple plant is in operation, with trial shipments to key markets.

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

Barring unforeseen circumstances, the Group is expected to be profitable for FY2019.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the second quarter ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	183,785	179,401	2.4	26,944	27,935	(3.5)	(1,764)	(4,146)	(57.5)
Packaged vegetable	158,787	219,075	(27.5)	33,612	39,404	(14.7)	7,239	398	1,718.8
Beverage	4,226	4,270	(1.0)	19	1,069	(98.2)	(1,215)	(387)	214.0
Culinary	69,875	78,565	(11.1)	16,533	15,599	6.0	5,596	(11,081)	150.5
Others	1,061	602	76.2	280	128	118.8	(53)	(616)	(91.4)
Total	417,734	481,913	(13.3)	77,388	84,135	(8.0)	9,803	(15,832)	161.9

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	311,914	309,596	0.7	47,913	51,788	(7.5)	(4,075)	(4,526)	(10.0)
Packaged vegetable	288,878	367,912	(21.5)	48,741	62,405	(21.9)	(1,726)	(2,676)	(35.5)
Beverage	9,186	10,463	(12.2)	423	2,135	(80.2)	(1,939)	(863)	124.7
Culinary	112,033	128,749	(13.0)	22,108	20,726	6.7	3,422	(14,492)	123.6
Others	2,022	938	115.6	518	200	159.0	55	36	52.8
Total	724,033	817,658	(11.5)	119,703	137,254	(12.8)	(4,263)	(22,521)	(81.1)

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 13.3% to US\$417.7 million driven by the planned divestiture of the Sager Creek vegetable business in September 2017, lower volume of retail branded products as a result of price increase, promotion reduction and distribution losses. There was also a decline in sales of non-branded products which was in line with DMFI's strategy to deprioritise non-profitable businesses, including private label. These were partly offset by the decrease in retail trade spend. Stripping out Sager Creek's sales, sales in the Americas would have been down by 6.8%.

DMFI's commitment to innovation continues to be on track. In synch with trends for health and convenience, DMFI continued to expand its successful launch of the new *Del Monte Fruit & Oats* snack cups, the first shelf stable oatmeal item containing real fruit.

Continued investments in consumer advertising and insights are paying dividends as DMFI's market share in canned vegetables and fruit continue to grow.

Gross profit was lower than prior year impacted by higher pack costs and procurement costs, partly offset by lower trade spend.

Americas reported a higher operating income for the quarter of US\$9.8 million versus prior year quarter's operating loss of US\$15.8 million due to lower trade and marketing spend, partly offset by higher cost of goods sold.

ASIA PACIFIC

For the second quarter ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Profit		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	32,348	39,903	(18.9)	9,321	12,875	(27.6)	5,411	8,523	(36.5)
Packaged vegetable	272	372	(26.9)	72	114	(36.8)	75	82	(8.5)
Beverage	26,954	28,806	(6.4)	5,467	7,137	(23.4)	(670)	970	(169.1)
Culinary	36,901	37,647	(2.0)	13,813	14,944	(7.6)	7,295	8,842	(17.5)
Fresh fruit and others	35,957	28,670	25.4	12,113	7,613	59.1	8,182	4,010	104.0
Total	132,432	135,398	(2.2)	40,786	42,683	(4.4)	20,293	22,427	(9.5)

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Profit		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	53,642	68,967	(22.2)	15,115	21,219	(28.8)	8,024	12,644	(36.5)
Packaged vegetable	881	696	26.6	243	218	11.5	191	157	21.7
Beverage	58,199	60,987	(4.6)	13,310	17,647	(24.6)	1,207	4,741	(74.5)
Culinary	61,717	63,573	(2.9)	23,601	25,492	(7.4)	13,051	14,476	(9.8)
Fresh fruit and others	78,569	71,466	9.9	25,082	20,260	23.8	15,616	10,373	50.5
Total	253,008	265,689	(4.8)	77,351	84,836	(8.8)	38,089	42,391	(10.1)

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 decreased by 2.2% to US\$132.4 million from US\$135.4 million mainly due to decreased exports of processed pineapple products and unfavourable sales mix in the Philippines. The sales of Del Monte packaged fruit declined in the Philippines, and S&W packaged sales in North Asia and Middle East were also impacted.

Sales in the Philippines domestic market were down in both peso and US dollar terms by 2.6% and 7.8%, respectively, mainly in the general trade and mixed fruit categories as a result of operational and transition issues. Price increases were implemented across several categories to offset the impact of sugar tax and mitigate inflation.

EUROPE

For the second quarter ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	4,230	4,972	(14.9)	1,010	1,768	(42.9)	684	1,317	(48.1)
Beverage	1,882	2,425	(22.4)	(475)	(206)	130.6	(794)	(514)	54.5
Total	6,112	7,397	(17.4)	535	1,562	(65.7)	(110)	803	(113.7)

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	10,524	11,245	(6.4)	2,262	4,493	(49.7)	1,355	3,240	(58.2)
Beverage	5,942	3,960	50.1	(2,581)	(319)	709.1	(3,172)	(868)	265.4
Total	16,466	15,205	8.3	(319)	4,174	(107.6)	(1,817)	2,372	(176.6)

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

For the second quarter, Europe's sales were down by 17.4% to US\$6.1 million from US\$7.4 million mainly on lower volume of beverage and unfavourable pricing for canned pineapples. Gross profit and operating profit decreased by 65.7% and 113.7%, respectively, driven by lower price and 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		
	FY2019	FY2018	Comments	FY2019	FY2018	Comments
Cost of Goods Sold	78.7	79.4	Lower trade spend and favourable mix in DMFI	80.2	79.4	Driven by lower sales of DMPL ex-DMFI
Distribution and Selling Expenses	9.8	10.1	Lower advertising expense and distribution costs	9.7	9.9	Same as 2Q
G&A Expenses	6.4	7.8	Lower personnel costs, professional fees, and contracted services	7.2	8.0	Same as 2Q
Other Operating Income	(0.2)	1.5	Higher miscellaneous income from sale of assets written down from the closures of several facilities in the US	(0.3)	0.7	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			
	FY2019	FY2018	%	Comments	FY2019	FY2018	%	Comments
Depreciation and amortisation	(33,362)	(34,687)	(3.8)	Mainly due to lower asset base due to plant disposal	(65,186)	(72,270)	(9.8)	Same as 2Q
Provision of asset impairment	(1,283)	(21,891)	(94.1)	Impairment loss mainly on Sager Creek assets	(1,259)	(21,892)	(94.2)	Same as 2Q
Reversal/(provision) for inventory obsolescence	(511)	131	(490.1)	Higher provision for processed pineapple and Contadina products	(351)	(588)	(40.3)	Due to reversal of provision for PJC
Reversal/(Provision) for doubtful debts	(49)	18	(372.2)	Higher provision for non-trade receivables	(61)	223	(127.4)	Same as 2Q
Net gain/(loss) on disposal of fixed assets	4,992	12,264	(59.3)	Mainly on disposal of assets due to DMFI plant closures	3,105	12,152	(74.4)	Same as 2Q
Foreign exchange gain- net	(306)	1,869	(116.4)	Lower favourable impact of peso depreciation for the quarter	1,457	3,452	(57.8)	Same as 2Q
Interest income	1,711	115	n.m.	Mainly on gain on purchase of DMFI's 2nd lien loans	17,821	241	n.m.	Same as 2Q
Interest expense	(24,714)	(26,141)	(5.5)	Lower level of borrowings due to purchase of 2nd lien loans of DMFI refinanced through loans with lower interest rates	(47,740)	(52,223)	(8.6)	Same as 2Q
Share of loss of JV, (attributable to the owners of the Company)	(380)	(630)	(39.7)	Lower operating expenses of Nice Fruit	(470)	(1,123)	(58.1)	Turnaround in FieldFresh results due to higher sales
Tax benefit	1,098	11,956	(90.8)	Due to lower DMFI loss position	3,949	20,828	(81.0)	Same as 2Q

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	31 October 2018	31 October 2017	30 April 2018	Comments
<i>in US\$'000</i>				
Joint venture	24,885	25,598	25,195	Due to share in the net loss of Nice Fruit
Deferred tax assets	87,825	114,986	79,829	Due to higher future tax benefits from loss carryforwards of DMFI
Other assets	45,693	43,107	41,223	Due to receivable from sale of plant assets, higher land development costs and higher advances to growers
Biological assets	45,595	43,736	43,592	Favourable fair value adjustment in biological assets
Inventories	904,367	1,102,004	760,981	Higher inventory level of DMFI
Trade and other receivables	240,564	264,212	161,627	Due to timing of collection
Prepaid and other current assets	28,800	50,236	30,782	Lower prepaid rent
Cash and cash equivalents	33,863	23,030	24,246	Mainly on higher borrowings
Financial liabilities – non-current	942,439	1,264,987	983,603	Due to additional purchase of DMFI 2nd lien term loans
Other non-current liabilities	30,043	40,552	35,195	Lower derivatives and workers compensation
Employee benefits– non-current	71,688	88,662	76,905	Due to lower employee retirement plan of DMFI
Financial liabilities – current	776,436	614,501	481,620	Due to working capital requirements
Trade and other payables	258,420	378,613	276,618	Due to lower trade payables of DMFI
Current tax liabilities	496	2,531	2,008	Due to timing of tax payment

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 2018; (31 October 2017: common shares 1,943,214,106). Share capital is at US\$49.5 million as of 31 October 2018 (31 October 2017: US\$39.5 million). Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below.

Date of Grant	Options	Share Awards	Recipient(s)
7 March 2008	1,550,000	1,725,000	Key Executives
20 May 2008	–	1,611,000	CEO
12 May 2009	–	3,749,000	Key Executives
29 April 2011	–	2,643,000	CEO
21 November 2011	–	67,700	Non-Executive Director
30 April 2013	150,000	486,880	Key Executives
22 August 2013	–	688,000	Executive/Non-Executive Directors
1 July 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 2018 (31 October 2017: 1,721,720). There was no sale, disposal and cancellation of treasury shares during the period and as at 31 October 2018.

The Company does not have any subsidiary holdings as at 31 October 2018.

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	As at 31 October		As at 30 April
	2018	2017	2018
Gross borrowings	(1,718,875)	(1,879,488)	(1,465,223)
Current	(776,436)	(614,501)	(481,620)
Secured	(277,489)	(256,130)	(10,416)
Unsecured	(498,947)	(358,371)	(471,204)
Non-current	(942,439)	(1,264,987)	(983,603)
Secured	(702,715)	(923,927)	(796,019)
Unsecured	(239,724)	(341,060)	(187,584)
Less: Cash and bank balances	33,863	23,030	24,246
Net debt	(1,685,012)	(1,856,458)	(1,440,977)

The Group's net debt (cash and bank balances less borrowings) amounted to US\$1.7 billion as at 31 October 2018, lower than last year due to payment of borrowings, including the extinguishment of DMFI's second lien loans amounting to US\$225.0 million purchased from the secondary market at a discount.

DIVIDENDS

In October 2018, 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 2018 to 8 October 2018 (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 8 April 2018 to 8 October 2018 (the “Series A-2 Dividend”).

The cash dividends were paid on 8 October 2018, 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	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)	
	FY2019	FY2018	FY2019	FY2018
For the second quarter of the fiscal year				
NutriAsia, Inc	–	–	502	741
DMPI Retirement Fund	–	–	1,031	872
NutriAsia, Inc Retirement Fund	–	–	351	270
Aggregate Value	–	–	1,884	1,883

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENT

Amounts in US\$'000	For the three months ended			For the six months ended		
	31 October			31 October		
	FY2019 (Unaudited)	FY2018 (Unaudited)	%	FY2019 (Unaudited)	FY2018 (Unaudited)	%
Turnover	556,278	624,709	(11.0)	993,507	1,098,552	(9.6)
Cost of sales	<u>(437,569)</u>	<u>(496,328)</u>	(11.8)	<u>(796,772)</u>	<u>(872,288)</u>	(8.7)
Gross profit	118,709	128,380	(7.5)	196,735	226,264	(13.1)
Distribution and selling expenses	(54,314)	(63,263)	(14.1)	(96,862)	(108,810)	(11.0)
General and administration expenses	(35,430)	(48,541)	(27.0)	(71,074)	(87,589)	(18.9)
Other operating income/(loss)	<u>1,021</u>	<u>(9,178)</u>	111.1	<u>3,210</u>	<u>(7,623)</u>	(142.1)
Profit from operations	29,986	7,398	305.3	32,009	22,242	43.9
Financial income*	1,862	2,321	(19.8)	19,772	4,076	385.1
Financial expense*	<u>(25,171)</u>	<u>(26,478)</u>	(4.9)	<u>(48,234)</u>	<u>(52,606)</u>	(8.3)
Net finance expense	(23,309)	(24,157)	(3.5)	(28,462)	(48,530)	(41.4)
Share in net loss of joint venture, net of tax	<u>(379)</u>	<u>(629)</u>	39.7	<u>(461)</u>	<u>(1,148)</u>	59.8
Profit/(loss) before taxation	6,298	(17,388)	(136.2)	3,086	(27,436)	(111.2)
Taxation	<u>1,098</u>	<u>11,956</u>	(90.8)	<u>3,949</u>	<u>20,828</u>	(81.0)
Profit/(loss) after taxation	7,396	(5,432)	(236.2)	7,035	(6,608)	(206.5)
Profit(loss) attributable to:						
Owners of the Company	8,424	(2,820)	(398.7)	11,446	(2,080)	(650.3)
Non-controlling interest**	<u>(1,028)</u>	<u>(2,612)</u>	(60.6)	<u>(4,412)</u>	<u>(4,528)</u>	(2.6)
Profit/(loss) for the period	7,396	(5,432)	(236.2)	7,034	(6,608)	(206.4)
Notes:						
Depreciation and amortization	(33,362)	(34,687)	(3.8)	(65,186)	(72,270)	(9.8)
Provision of asset impairment	(1,283)	(21,891)	(94.1)	(1,259)	(21,892)	(94.2)
(Provision)/reversal for inventory	(511)	131	(490.1)	(351)	(588)	(40.3)
Provision for doubtful debts	(49)	18	(372.2)	(61)	223	(127.4)
Loss on disposal of fixed assets	4,992	12,264	(59.3)	3,105	12,152	(74.4)
*Financial income comprise:						
Interest income	1,711	115	n.m.	17,821	241	n.m.
Foreign exchange gain	<u>151</u>	<u>2,206</u>	(93.2)	<u>1,951</u>	<u>3,835</u>	(49.1)
	1,862	2,321	(19.8)	19,772	4,076	385.1
*Financial expense comprise:						
Interest expense	(24,714)	(26,141)	(5.5)	(47,740)	(52,223)	(8.6)
Foreign exchange loss	<u>(457)</u>	<u>(337)</u>	35.6	<u>(494)</u>	<u>(383)</u>	29.0
	(25,171)	(26,478)	(4.9)	(48,234)	(52,606)	(8.3)

n.m. – not meaningful

Earnings per ordinary share in US cents	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2019	FY2018	FY2019	FY2018
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	0.18	(0.32)	0.08	(0.45)
(ii) On a fully diluted basis	0.18	(0.32)	0.08	(0.45)

**Includes (US\$4,420m) for DMFI and US\$8m for FieldFresh in the first half ended FY2019 and (US\$4,503m) for DMFI and (US\$25m) for FieldFresh in the first half ended of FY2018.

**Includes (US\$1,028m) for DMFI and US\$1m for FieldFresh in the second quarter of FY2019 and (US\$2,612m) for DMFI and US\$1m for FieldFresh in the second quarter of FY2018.

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

Amounts in US\$'000

	For the six months ended 31 Oct		
	FY2019	FY2018	%
Loss for the period	7,035	(6,608)	(206.5)
Other comprehensive income/(loss) (after reclassification adjustment):			
<i>Items that will or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating of foreign operations	(12,272)	(13,006)	(5.6)
Effective portion of changes in fair value of cash flow hedges	2,214	4,338	(49.0)
Income tax benefit on cash flow hedge	(542)	(795)	(31.8)
	(10,600)	(9,463)	12.0
<i>Items that will not be classified to profit or loss</i>			
Remeasurement of retirement benefit	3,423	4,752	(28.0)
Income tax benefit (expense) on retirement benefit	718	(1,772)	(140.5)
	4,141	2,980	39.0
Other comprehensive loss for the period	(6,459)	(6,483)	(0.4)
Total comprehensive loss for the period	576	(13,091)	(104.4)
Attributable to:			
Owners of the Company	4,433	(9,252)	(147.9)
Non-controlling interests	(3,857)	(3,839)	0.5
Total comprehensive loss for the period	576	(13,091)	(104.2)

nm – not meaningful

Please refer to page 3 for the Notes

DEL MOTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION

Amounts in US\$'000	Group			Company		
	31 Oct 2018 (Unaudited)	31 Oct 2017 (Unaudited)	30 April 2018 (Audited)	31 Oct 2018 (Unaudited)	31 Oct 2017 (Unaudited)	30 April 2018 (Audited)
Non-Current Assets						
Property, plant and equipment	588,401	593,417	610,889	–	–	–
Subsidiaries	–	–	–	716,475	781,195	707,644
Joint ventures	24,885	25,598	25,195	1,167	2,235	1,636
Intangible assets and goodwill	711,322	717,985	714,651	–	–	–
Other noncurrent assets	45,693	43,107	41,223	–	–	–
Deferred tax assets – net	87,825	114,986	79,829	12	8	9
Employee benefits	10,842	5,163	10,607	–	–	–
Biological assets	1,621	1,446	1,629	–	–	–
Due from a related party	–	–	–	175,049	–	88,880
	1,470,589	1,501,702	1,484,023	892,703	783,438	798,169
Current Assets						
Inventories	904,367	1,102,004	760,981	–	–	–
Biological assets	43,974	42,290	41,963	–	–	–
Trade and other receivables	240,564	264,212	161,627	173,472	108,953	180,948
Prepaid and other current assets	28,800	50,236	30,782	229	206	212
Cash and cash equivalents	33,863	23,030	24,246	432	468	2,709
	1,251,568	1,481,772	1,019,599	174,133	109,627	183,869
Noncurrent assets held for sale	679	–	5,504	–	–	–
	1,252,247	1,481,772	1,025,103	174,133	109,627	183,869
Total Assets	2,722,836	2,983,474	2,509,126	1,066,836	893,065	982,038
Equity attributable to equity holders of the Company						
Share capital	49,449	39,449	49,449	49,449	39,449	49,449
Retained earnings	97,077	138,583	95,505	97,077	138,583	95,505
Reserves	407,522	311,410	414,241	407,885	311,479	414,380
Equity attributable to owners of the Company	554,048	489,442	559,195	554,411	489,511	559,334
Non-controlling interest	45,081	57,638	49,065	–	–	–
Total Equity	599,129	547,080	608,260	554,411	489,511	559,334
Non-Current Liabilities						
Loans and borrowings	942,439	1,264,987	983,603	183,684	283,010	129,594
Other non-current liabilities	30,043	40,552	35,195	–	–	–
Employee benefits	71,688	88,662	76,905	–	–	3
Environmental remediation liabilities	159	4,336	144	–	–	–
Deferred tax liabilities	10,099	2,921	7,128	–	–	–
	1,054,428	1,401,458	1,102,975	183,684	283,010	129,597

To be continued

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

Amounts in US\$'000	Group			Company		
	31 Oct 2018 (Unaudited)	31 Oct 2017 (Unaudited)	30 April 2018 (Audited)	31 Oct 2018 (Unaudited)	31 Oct 2017 (Unaudited)	30 April 2018 (Audited)
Current Liabilities						
Trade and other payables	258,420	378,613	276,618	104,834	70,616	87,073
Loans and borrowings	776,436	614,501	481,620	223,902	49,970	206,034
Current tax liabilities	496	2,531	2,008	–	(31)	–
Employee benefits	33,927	39,291	37,645	5	(11)	–
	1,069,279	1,034,936	797,891	328,741	120,544	293,107
Total Liabilities	2,123,707	2,436,394	1,900,866	512,425	403,554	422,704
Total Equity and Liabilities	2,722,836	2,983,474	2,509,126	1,066,836	893,065	982,038
NAV per ordinary share (US cents)	30.35	28.16	30.81	28.09	24.92	28.34

**DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY**

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure- ment of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non- controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group												
Fiscal Year 2019												
At 1 May 2018, as previously stated	49,449	478,323	(91,515)	10,885	18,225	(2,764)	1,373	95,505	(286)	559,195	49,065	608,260
Total comprehensive income for the period												
Profit/(Loss) for the period	–	–	–	–	–	–	–	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	–	–	–	–	3,806	–	–	–	–	3,806	335	4,141
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	1,495	–	–	–	1,495	177	1,672
Total other comprehensive income/(loss)	–	–	(12,315)	–	3,806	1,495	–	–	–	(7,014)	555	(6,459)
Total comprehensive loss 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												
Transaction costs related to the issuance of preference share	–	16	–	–	–	–	–	–	–	16	–	16
Payment of dividends	–	–	–	–	–	–	–	(9,875)	–	(9,875)	–	(9,875)
Value of employee services received for issue of share options	–	–	–	–	–	–	278	–	–	278	(126)	152
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	97,077	(286)	554,047	45,082	599,129

DEL MONTE PACIFIC LIMITED

UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

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

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

Company	Share Capital US\$'000	Share Premium US\$'000	Translation Reserve US\$'000	Revaluation reserve US\$'000	Remeasure- ment retirement plan US\$'000	Share option reserve US\$'000	Hedging Reserve US\$'000	Reserve for own shares US\$'000	Retained earnings US\$'000	Total Equity US\$'000
Fiscal Year 2019										
At 1 May 2018	49,449	478,462	(91,515)	10,885	18,225	1,373	(2,764)	(286)	95,505	559,334
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	11,447	11,447
Other comprehensive income										
Currency translation differences recognised directly in equity	-	-	(12,309)	-	-	-	-	-	-	(12,309)
Remeasurement of retirement plan	-	-	-	-	4,304	-	-	-	-	4,304
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	1,495	-	-	1,495
Total other comprehensive income	-	-	(12,309)	-	4,304	-	1,495	-	-	(6,510)
Total comprehensive loss for the period	-	-	(12,309)	-	4,304	-	1,495	-	11,447	4,937
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Refund of transaction costs related to the issuance of share capital	-	15	-	-	-	-	-	-	-	15
Dividends	-	-	-	-	-	-	-	-	(9,875)	(9,875)
Total contributions by and distributions to owners	-	15	-	-	-	-	-	-	(9,875)	(9,860)
At 31 Oct 2018	49,449	478,477	(103,824)	10,885	22,529	1,373	(1,269)	(286)	97,077	554,411

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

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

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in US\$'000	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2019	FY2018	FY2019	FY2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities				
Profit for the period	7,396	(5,432)	7,035	(6,608)
Adjustments for:				
Depreciation of property, plant and equipment	31,699	32,574	61,857	67,820
Amortisation of intangible assets	1,663	2,113	3,329	4,450
Impairment loss on property, plant and equipment	1,283	21,891	1,259	21,892
Gain/(loss) on disposal of property, plant and equipment	(4,992)	(12,264)	(3,105)	(12,152)
Equity-settled share-based payment transactions	(277)	106	-	211
Share of loss of joint venture, net of tax	379	629	461	1,148
Finance income	(1,582)	(2,321)	(19,772)	(4,076)
Finance expense	24,892	26,478	48,234	52,606
Tax expense (benefit) – net	(1,098)	(11,956)	(3,949)	(20,828)
Net loss on derivative financial instrument	(353)	(454)	(9,613)	651
Operating profit before working capital changes	59,010	51,364	85,736	105,114
Changes in:				
Other assets	9,016	56,065	5,503	18,501
Inventories	(110,111)	(98,138)	(143,583)	(189,566)
Biological assets	(5,933)	(33,609)	(11,758)	(15,631)
Trade and other receivables	(65,153)	(101,776)	(66,063)	(97,358)
Prepaid and other current assets	7,417	12,439	2,472	11,565
Trade and other payables	(32,706)	68,345	(51,745)	82,484
Employee Benefit	3,768	3,823	7,403	7,836
Operating cash flow	(134,692)	(41,487)	(172,035)	(77,055)
Income taxes paid	(1,768)	(985)	(1,768)	(985)
Net cash flows from operating activities	(136,460)	(42,472)	(173,803)	(78,040)
Cash flows from investing activities				
Interest received	107	102	245	234
Proceeds from disposal of property, plant and equipment	6,908	(12,498)	9,245	(12,457)
Purchase of property, plant and equipment	(22,507)	(12,829)	(47,606)	(35,331)
Additional investment in joint venture	-	(949)	-	(949)
Net cash flows used in investing activities	(15,492)	(26,174)	(38,116)	(48,503)
Cash flows from financing activities				
Interest paid	(19,899)	(25,197)	(41,688)	(48,360)
Proceeds of borrowings	285,388	147,754	567,799	521,167
Repayment of borrowings	(103,999)	(32,583)	(305,010)	(352,009)
Dividends paid	(9,875)	(18,507)	(9,875)	(18,507)
Refund of transactions costs related to rights issue	-	(18)	16	(89)
Net cash flows from financing activities	151,615	71,449	211,242	102,202
Net increase/(decrease) in cash and cash equivalents	(337)	2,803	(677)	(24,341)
Cash and cash equivalents at 1 May	33,295	19,486	24,246	37,571
Effect of exchange rate fluctuations on cash held	905	741	10,294	9,800
Cash and cash equivalents at 31 October	33,863	23,030	33,863	23,030

One-off expenses/(income)	For the three months ended 31 October			For the six months ended 31 October		
	FY2019 (Unaudited)	FY2018 (Unaudited)	% Change	FY2019 (Unaudited)	FY2018 (Unaudited)	% Change
in US\$ million						
DMFI one-off expenses:						
Closure of Sager Creek Arkansas plant	(0.2)	6.5	(102.6)	7.2	6.5	11.5
Closure of Plymouth, Indiana plant	(1.7)	14.1	(112.1)	(0.8)	14.1	(105.9)
Seed operations	(1.1)	–	nm	(1.1)	–	nm
Severance	1.7	0.4	303.2	1.8	1.3	38.1
Others	(0.4)	2.6	(113.8)	–	2.6	nm
Total (pre-tax basis)	(1.7)	23.6	(107.1)	7.1	24.5	(70.9)
Tax impact	0.4	(9.0)	(104.9)	(1.7)	(9.3)	(82.1)
Non-controlling interest	0.1	(1.5)	(106.7)	(0.6)	(1.6)	(64.0)
Total DMFI one-off expenses (post-tax, post NCI basis)	(1.1)	13.1	(108.6)	4.9	13.6	(64.0)
Second Lien Loan purchase:						
Gain due to the purchase of DMFI's second lien loan at a discount	–	–	–	(16.2)	–	nm
Tax impact	–	–	–	3.4	–	nm
Total one-off gain on Second Lien loan purchase (post-tax basis)	–	–	–	(12.8)	–	nm
Total (post-tax and post non-controlling interest)	(1.1)	13.1	(108.6)	(7.9)	13.6	(158.0)

nm. – not meaningful