



**DEL MONTE PACIFIC LIMITED**

## **Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Third Quarter and Nine Months Ended 31 January 2019**

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### **AUDIT**

Third Quarter FY2019 results covering the period from 1 November 2018 to 31 January 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 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

New standards effective 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

The Group will adopt the following new standards:

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

8 March 2019

## NOTES ON THE 3Q 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 – THIRD QUARTER AND NINE MONTHS ENDED 31 JANUARY 2019

in US\$'000 unless otherwise stated*	For the three months ended 31 January			For the nine months ended 31 January		
	Fiscal Year 2019	Fiscal Year 2018	% Change	Fiscal Year 2019	Fiscal Year 2018	% Change
<b>With one-off items**</b>						
Turnover	<b>528,723</b>	599,783	(11.8)	<b>1,522,230</b>	1,698,334	(10.4)
Gross profit	<b>116,626</b>	119,149	(2.1)	<b>313,361</b>	345,413	(9.3)
<i>Gross margin (%)</i>	<b>22.1</b>	19.9	2.2	<b>20.6</b>	20.3	0.3
EBITDA	<b>39,728</b>	35,150	13.0	<b>104,885</b>	95,696	9.6
Operating profit	<b>24,227</b>	16,715	44.9	<b>56,234</b>	38,957	44.3
<i>Operating margin (%)</i>	<b>4.6</b>	2.8	1.8	<b>3.7</b>	2.3	1.4
Net profit attributable to owners of the Company	<b>2,576</b>	(38,369)	106.7	<b>14,020</b>	(40,446)	134.7
<i>Net margin (%)</i>	<b>0.5</b>	(6.4)	6.9	<b>0.9</b>	(2.4)	3.3
EPS (US cents)	<b>(0.12)</b>	(2.20)	94.5	<b>(0.04)</b>	(2.65)	98.5
EPS before Preference Dividends (US cents)	<b>0.13</b>	(1.97)	106.7	<b>0.72</b>	(2.08)	134.7
<b>Without one-off items**</b>						
Gross profit	<b>115,975</b>	121,451	(4.5)	<b>319,918</b>	347,715	(8.0)
EBITDA	<b>40,554</b>	46,392	(12.6)	<b>112,839</b>	131,412	(14.1)
Operating profit	<b>25,053</b>	27,952	(10.4)	<b>64,188</b>	74,656	(14.0)
Net profit attributable to owners of the Company	<b>3,040</b>	3,425	(11.2)	<b>6,607</b>	14,918	(55.7)
Net debt	<b>1,531,394</b>	1,605,091	(4.6)	<b>1,531,394</b>	1,605,091	(4.6)
<i>Gearing (Net Debt/Equity) (%)</i>	<b>251.4</b>	266.9	(15.5)	<b>251.4</b>	266.9	(15.5)
Cash flow from operations	<b>235,597</b>	218,082	8.0	<b>56,736</b>	139,956	(59.5)
Capital expenditure	<b>53,457</b>	32,166	66.2	<b>101,063</b>	67,497	49.7
Inventory (days)	<b>141</b>	151	(10)	<b>169</b>	183	(14)
Receivables (days)	<b>33</b>	30	3	<b>28</b>	24	4
Account Payables (days)	<b>36</b>	35	1	<b>39</b>	36	3

\*The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.36 in January 2019, 1.36 in January 2018. For conversion to Php, these exchange rates can be used: 53.16 in January 2019, 50.67 in January 2018.

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

## REVIEW OF OPERATING PERFORMANCE

### Third Quarter

The Group generated sales of US\$528.7 million for the third quarter of FY2019, down 11.8% versus the prior year period primarily due to the 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 third quarter would have been lower by 6.0%.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) generated US\$386.2 million or 73% of Group sales. DMFI's sales declined by 14.5% from US\$451.5 million a year ago driven by the Sager Creek divestiture and lower private label sales, in line with strategy, as well as the unfavourable impact of lower pricing in foodservice for PJC.

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. This year *Del Monte Fruit & Oats* was voted Product of the Year in the Breakfast Category in the USA, backed by votes of 40,000 consumers in a national representative survey, conducted by research firm Kantar, a global leader in consumer research.

Consumers can expect further innovation from the brand as Del Monte continues to diversify beyond the canned goods aisle. DMFI is launching four innovative products in adjacent categories – the refrigerated produce and frozen sections.

In February, DMFI launched the new *Del Monte Citrus Bowls* in the refrigerated produce section. These are grapefruit and citrus salad in 100% juice with longer shelf life than fresh cut fruit. Del Monte will also introduce another innovative product, *Del Monte Fruit Crunch Parfaits*, which feature layers of non-dairy coconut crème, crunchy granola, and a full serving of fruit. For the frozen segment, DMFI will be launching *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 will begin shipping in March and April.

DMFI posted higher gross profit than prior year period, generating higher gross margin of 17.9% compared to 15.1% in the same period last year. 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 vegetable 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\$150.2 million (inclusive of the US\$7.7 million sales by DMPL to DMFI which were netted out during consolidation) or 3.0% lower than US\$154.9 million sales in prior year period. Sales were lower mainly due to decreased exports of processed pineapple products, and lower PJC pricing as a result of the oversupply situation in Thailand, the main exporter of PJC partly offset by higher sales of S&W fresh pineapple. In the Philippines, lower sales were driven by lower volume in retail mainly the packaged fruit category and unfavourable mix.

DMPL ex-DMFI delivered slightly lower gross margin of 29.6% from 30.9% in the prior year quarter mainly driven by lower PJC and packaged pineapple pricing for exports, unfavourable sales mix and 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\$25.9 million which was lower by 8% and a net income of US\$11.2 million, lower versus the US\$13.4 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 6.1% and 9.8%, respectively, mainly in the general trade and mixed fruits category as the Group continued to address operational issues in the general trade. Key foodservice channels continued to grow. Price increases were implemented across several categories to offset the impact of sugar tax and mitigate inflation.

Sales of the S&W branded business in Asia and the Middle East grew by 18.6% in the third quarter versus the prior year period mainly driven by higher sales of S&W fresh pineapple. S&W packaged product volume also improved but sales declined due to lower pricing from intense competition from Thailand and Indonesia. Due to the oversupply situation in Thailand, their exporters cut their canned pineapple prices significantly. The S&W business delivered a much higher operating margin, up 5.7 ppts, due to better sales mix, driven by fresh pineapple.

DMPL's share in the Field Fresh joint venture in India was lower at US\$0.01 million profit from a US\$0.1 million profit in the prior year period due to commodity headwinds and devaluation of Indian Rupee.

The Group's EBITDA of US\$39.7 million was higher than prior year quarter's EBITDA of US\$35.1 million. This quarter's EBITDA included a US\$0.7 million one-off net expenses mainly related to 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\$11.2 million pre-tax. Without the one-off adjustments, the Group recurring EBITDA was US\$40.6 million. It was lower versus prior year quarter's recurring EBITDA of US\$46.4 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\$2.6 million for the quarter, a turnaround from the net loss of US\$38.4 million in the prior year quarter. This quarter's net income included US\$0.5 million of one-off expenses (net of tax), while prior year period's included US\$41.8 million of one-off expenses (net of tax). Without the one-off adjustments, the Group generated a recurring net income of US\$3.0 million, lower than last year's recurring net income of US\$3.4 million. The change in tax rate in the US from 35% to 21% lowered the recurring net income by US\$1.8 million.

DMFI contributed an EBITDA of US\$10.7 million and a net loss of US\$17.5 million to the Group. Excluding the one-off items, DMFI contributed an EBITDA of US\$11.5 million and a net loss of US\$16.9 million.

The Group's cash flow from operations in the third quarter was US\$235.6 million, higher than last year's US\$218.1 million driven by higher trade payables and lower current portion of biological assets.

### **Nine Months**

For the nine months of FY2019, the Group generated sales of US\$1.5 billion, down 10.4% versus prior year period. DMFI generated US\$1.1 billion or 73% of Group sales, lower by 12.6% largely driven by the 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, partially offsetting lower 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 2018. *Del Monte Fruit & Oats* combines healthy fruit and wholesome oats in a cup, is delicious, filling as well as convenient for breakfast and snack. As mentioned above, *Del Monte Fruit & Oats* was voted Product of the Year in the Breakfast Category in the USA. The Group also entered new product categories for foodservice with shipments of *Riced Cauliflower* and other vegetables with broadly positive industry reception.

DMFI's gross margin for the nine-month period increased to 16.5% from 15.5% in the same period last year driven by lower trade spend, higher USDA pricing and favourable sales mix, partially offset by higher costs.

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\$8.0 million pre-tax in the nine months, 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\$34.3 million and a net loss of US\$47.3 million to the Group.

The Philippine market sales were down 3.3% and 7.8% 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 increases implemented across several categories in line with inflation.

The S&W branded sales in Asia and the Middle East were higher versus last year driven by S&W fresh pineapple which grew significantly by 17.3% due to higher volume. This was partly offset by lower sales of the packaged segment mostly in North Asia and Turkey.

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 28.3% 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\$72.8 million which was lower by 15.5% and a net income of US\$33.7 million, lower versus the US\$45.8 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\$0.4 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\$8.0 million pre-tax or US\$5.4 million post-tax in the nine months. 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\$14.0 million for the nine months, favourable compared to the prior year period's net loss of US\$40.4 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\$16.3 million pre-tax or US\$12.9 million post-tax from the purchase in May 2018 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\$6.6 million as compared to last year's net income of US\$14.9 million. The change in tax rate in the US from 35% to 21% lowered the recurring net income by US\$6.6 million.

The Group posted an EBITDA of US\$104.9 million of which DMFI accounted for US\$26.4 million. Excluding one-off expenses, the Group's EBITDA would have been US\$112.8 million, 14.3% lower versus the recurring EBITDA of US\$131.6 million in the prior year period.

The Group reduced its gearing to 2.5x equity as of 31 January 2019, from 2.7x in prior year period, primarily due to reduction in inventory in DMFI 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 flow from operations in the nine months was US\$56.7 million, lower versus last year's cash flow of US\$140.0 million driven by lower trade payables and higher other noncurrent assets.

## **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. 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 third quarter ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	145,712	156,664	(7.0)	26,542	26,841	(1.1)	1,112	3,669	(69.7)
Packaged vegetable	160,195	203,830	(21.4)	28,627	29,940	(4.4)	841	(9,896)	108.5
Beverage	2,629	5,796	(54.6)	114	(1,446)	107.9	(1,127)	(2,571)	56.2
Culinary	75,513	84,443	(10.6)	16,939	16,222	4.4	(285)	1,051	(127.1)
Others	923	746	23.7	231	214	7.9	53	65	(18.5)
Total	384,972	451,479	(14.7)	72,453	71,771	1.0	594	(7,682)	107.7

#### For the nine months ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	457,626	466,260	(1.9)	74,455	78,629	(5.3)	(2,963)	(857)	(245.7)
Packaged vegetable	449,073	571,742	(21.5)	77,368	92,345	(16.2)	(885)	(12,572)	93.0
Beverage	11,815	16,259	(27.3)	537	689	(22.1)	(3,066)	(3,434)	10.7
Culinary	187,546	213,192	(12.0)	39,047	36,948	5.7	3,137	(13,441)	123.3
Others	2,945	1,684	74.9	749	414	80.9	108	101	6.9
Total	1,109,005	1,269,137	(12.6)	192,156	209,025	(8.1)	(3,669)	(30,203)	87.9

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 14.7% to US\$385.0 million driven by the 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. 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. This year *Del Monte Fruit & Oats* was voted Product of the Year in the Breakfast Category in the USA.

Consumers can expect further innovation from the brand as Del Monte continues to diversify beyond the canned goods aisle. DMFI is launching four innovative products in adjacent categories – the refrigerated produce and frozen sections. Please refer to page 4 for more details.

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\$0.6 million versus prior year quarter's operating loss of US\$7.7 million due to lower trade and marketing spend, partly offset by higher cost of goods sold.

## ASIA PACIFIC

### For the third quarter ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Profit		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	27,478	34,303	(19.9)	8,632	11,624	(25.7)	4,962	7,471	(33.6)
Packaged vegetable	149	309	(51.8)	(12)	97	(112.4)	(25)	58	(143.1)
Beverage	32,054	34,336	(6.6)	7,128	8,965	(20.5)	1,591	2,689	(40.8)
Culinary	36,930	37,416	(1.3)	13,565	14,588	(7.0)	7,059	7,698	(8.3)
Fresh fruit and others	41,802	33,779	23.8	15,739	10,732	46.7	11,528	5,996	92.3
Total	138,413	140,143	(1.2)	45,052	46,006	(2.1)	25,115	23,912	5.0

### For the nine months ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Profit		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	81,120	103,270	(21.4)	23,747	32,843	(27.7)	12,986	20,115	(35.4)
Packaged vegetable	1,030	1,005	2.5	231	315	(26.7)	166	215	(22.8)
Beverage	90,253	95,323	(5.3)	20,438	26,612	(23.2)	2,798	7,430	(62.3)
Culinary	98,647	100,989	(2.3)	37,166	40,080	(7.3)	20,110	22,174	(9.3)
Fresh fruit and others	120,371	105,244	14.4	40,821	30,992	31.7	27,142	16,369	65.8
Total	391,421	405,831	(3.6)	122,403	130,842	(6.4)	63,202	66,303	(4.7)

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



Asia Pacific's sales in the third quarter decreased by 1.2% to US\$138.4 million from US\$140.1 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 6.1% and 9.8%, respectively, mainly in the general trade and mixed fruit categories as a result of operational and transition issues. Key foodservice channels continued to grow. Price increases were implemented across several categories to offset the impact of sugar tax and mitigate inflation.

## EUROPE

### For the third quarter ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	3,470	6,510	(46.7)	296	2,057	(85.6)	(105)	1,297	(108.1)
Beverage	1,868	1,651	13.1	(1,175)	(685)	(71.5)	(1,377)	(812)	(69.6)
Total	5,338	8,161	(34.6)	(879)	1,372	(164.1)	(1,482)	485	(405.6)

### For the nine months ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged fruit	13,994	17,755	(21.2)	2,558	6,550	(60.9)	1,250	4,537	(72.4)
Beverage	7,810	5,611	39.2	(3,756)	(1,004)	(274.1)	(4,549)	(1,680)	(170.8)
Total	21,804	23,366	(6.7)	(1,198)	5,546	(121.6)	(3,299)	2,857	(215.5)

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

For the third quarter ended January 31, 2019, Europe's sales were down by 34.6% to US\$5.3 million from US\$8.2 million mainly on lower volume of beverage and unfavourable pricing for canned pineapples. Gross profit and operating profit decreased by 164.1% and 405.6%, respectively, driven by lower price and volume.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 January			For the nine months ended 31 January		
	FY2019	FY2018	Comments	FY2019	FY2018	Comments
Cost of Goods Sold	77.9	80.1	Lower trade spend and favourable mix in DMFI	79.4	79.7	Driven by lower sales of DMPL ex-DMFI
Distribution and Selling Expenses	11.7	10.4	Higher advertising expense and distribution costs	10.4	10.1	Same as 3Q
G&A Expenses	5.5	7.3	Lower personnel costs, professional fees, and contracted services	6.6	7.7	Same as 3Q
Other Operating Income	0.3	(0.7)	Higher miscellaneous income from sale of assets written down from the closures of several facilities in the US	(0.1)	0.2	Same as 3Q

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US\$'000	For the three months ended 31 January				For the nine months ended 31 January			
	FY2019	FY2018	%	Comments	FY2019	FY2018	%	Comments
Depreciation and amortisation	(35,245)	(39,755)	(11.3)	Mainly due to lower asset base due to plant disposal	(100,430)	(112,025)	(10.4)	Same as 3Q
Provision of asset impairment	(167)	(410)	(59.3)	Impairment loss mainly on Sager Creek assets which was higher in FY2018	(1,425)	(22,301)	(93.6)	Same as 3Q
Reversal/(provision) for inventory obsolescence	(1,797)	(1,097)	63.8	Higher provision for processed pineapple and Contadina products	(2,148)	(1,685)	27.5	Due to reversal of provision for PJC
Reversal/(Provision) for doubtful debts	(4)	33	(112.1)	Higher provision for non-trade receivables	(65)	255	(125.5)	Same as 3Q
Net gain/(loss) on disposal of fixed assets	(598)	(321)	86.3	Mainly due to disposal of assets related to DMFI plant closures	2,507	11,831	(78.8)	Same as 3Q
Foreign exchange gain-net	(1,175)	88	(1,435.2)	Lower favourable impact of peso depreciation for the quarter	282	3,602	(92.2)	Same as 3Q
Interest income	618	148	317.6	Mainly due to gain on purchase of DMFI's 2nd lien loans	18,439	389	4,640.1	Same as 3Q
Interest expense	(25,051)	(25,580)	(2.1)	Lower level of borrowings due to purchase of 2nd lien loans of DMFI refinanced through loans with lower interest rates	(72,791)	(77,865)	(6.5)	Same as 3Q
Share of loss of JV, (attributable to the owners of the Company)	33	(74)	(144.6)	Lower operating expenses of Nice Fruit	(437)	(1,197)	(63.5)	Turnaround in FieldFresh results due to higher sales
Tax benefit	2,114	(36,141)	(105.8)	Due to write-off of non-cash deferred tax assets in DMFI last year	6,064	(15,311)	(139.6)	Same as 3Q

## REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	31	31	30 April	Comments
	January 2019	January 2018	2018	
<i>in US\$'000</i>				
Joint venture	24,764	26,122	25,195	Due to share in the net loss of Nice Fruit
Deferred tax assets	94,734	80,896	79,829	Due to higher future tax benefits from loss carryforwards of DMFI
Other assets	50,813	47,952	41,223	Due to receivable from sale of plant assets, higher land development costs and higher advances to growers
Biological assets	52,441	44,784	43,592	Favourable fair value adjustment in biological assets
Inventories	750,415	905,003	760,981	Lower inventory level at DMFI
Trade and other receivables	191,217	213,342	161,627	Due to timing of collection
Prepaid and other current assets	29,811	29,221	30,782	Higher prepaid rent
Cash and cash equivalents	65,172	41,782	24,246	Mainly due to higher borrowings
Financial liabilities – non-current	935,903	1,165,680	983,603	Due to additional purchase of DMFI 2nd lien term loans
Other non-current liabilities	30,795	36,300	35,195	Lower derivatives and workers compensation
Employee benefits– non-current	71,764	90,110	76,905	Due to lower employee retirement plan of DMFI
Financial liabilities – current	660,663	481,193	481,620	Due to working capital requirements
Trade and other payables	213,045	275,968	276,618	Due to lower trade payables of DMFI
Current tax liabilities	4,577	7,089	2,008	Due to timing of tax payment

## SHARE CAPITAL

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

The Company does not have any subsidiary holdings as at 31 January 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	As at 31 January		As at 30 April
	2019	2018	2018
Gross borrowings	<b>(1,596,566)</b>	(1,646,873)	(1,465,223)
Current	<b>(660,663)</b>	(481,193)	(481,620)
Secured	<b>(225,441)</b>	(134,160)	(10,416)
Unsecured	<b>(435,222)</b>	(347,033)	(471,204)
Non-current	<b>(935,903)</b>	(1,165,680)	(983,603)
Secured	<b>(694,664)</b>	(923,830)	(796,019)
Unsecured	<b>(241,239)</b>	(241,850)	(187,584)
Less: Cash and bank balances	<b>65,172</b>	41,782	24,246
Net debt	<b>(1,531,394)</b>	(1,605,091)	(1,440,977)

The Group's net debt (cash and bank balances less borrowings) amounted to US\$1.5 billion as at 31 January 2019, 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

No dividends were declared for this quarter and the prior year quarter. The Group does not declare dividends based on first quarter, third quarter or nine months results. The last dividend declaration was in October 2018, based on first half FY2018 results, and paid on 8 October 2018.

## 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)	
	For the third quarter of the fiscal year		FY2019	FY2018
	FY2019	FY2018	FY2019	FY2018
NutriAsia, Inc	–	–	759	1,101
DMPI Retirement Fund	–	–	1,414	1,306
NutriAsia, Inc Retirement Fund	–	–	352	409
<b>Aggregate Value</b>	–	–	<b>2,525</b>	<b>2,816</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT**

Amounts in US\$'000	For the three months ended			For the nine months ended		
	31 January			31 January		
	FY2019 (Unaudited)	FY2018 (Unaudited)	%	FY2019 (Unaudited)	FY2018 (Unaudited)	%
Turnover	528,723	599,782	(11.8)	1,522,230	1,698,334	(10.4)
Cost of sales	<u>(412,097)</u>	<u>(480,633)</u>	(14.3)	<u>(1,208,869)</u>	<u>(1,352,921)</u>	(10.6)
<b>Gross profit</b>	<b>116,626</b>	<b>119,149</b>	<b>(2.1)</b>	<b>313,361</b>	<b>345,413</b>	<b>(9.3)</b>
Distribution and selling expenses	<b>(61,879)</b>	<b>(62,424)</b>	<b>(0.9)</b>	<b>(158,741)</b>	<b>(171,234)</b>	<b>(7.3)</b>
General and administration expenses	<b>(29,185)</b>	<b>(44,002)</b>	<b>(33.7)</b>	<b>(100,259)</b>	<b>(131,591)</b>	<b>(23.8)</b>
Other operating income/(loss)	<b>(1,335)</b>	<b>3,992</b>	<b>133.4</b>	<b>1,873</b>	<b>(3,631)</b>	<b>(151.6)</b>
<b>Profit from operations</b>	<b>24,227</b>	<b>16,715</b>	<b>44.9</b>	<b>56,234</b>	<b>38,957</b>	<b>44.3</b>
Financial income*	<b>(644)</b>	<b>236</b>	<b>(372.9)</b>	<b>19,128</b>	<b>4,312</b>	<b>343.6</b>
Financial expense*	<b>(24,964)</b>	<b>(25,580)</b>	<b>(2.4)</b>	<b>(73,198)</b>	<b>(78,186)</b>	<b>(6.4)</b>
<b>Net finance expense</b>	<b>(25,608)</b>	<b>(25,344)</b>	<b>1.0</b>	<b>(54,070)</b>	<b>(73,874)</b>	<b>(26.8)</b>
Share in net loss of joint venture, net of tax	<b>33</b>	<b>(70)</b>	<b>147.1</b>	<b>(429)</b>	<b>(1,218)</b>	<b>64.8</b>
<b>Profit/(loss) before taxation</b>	<b>(1,348)</b>	<b>(8,699)</b>	<b>(84.5)</b>	<b>1,735</b>	<b>(36,135)</b>	<b>(104.8)</b>
Taxation	<b>2,114</b>	<b>(36,141)</b>	<b>(105.8)</b>	<b>6,064</b>	<b>(15,311)</b>	<b>(139.6)</b>
<b>Profit/(loss) after taxation</b>	<b>766</b>	<b>(44,840)</b>	<b>(101.7)</b>	<b>7,799</b>	<b>(51,446)</b>	<b>(115.2)</b>
<b>Profit(loss) attributable to:</b>						
Owners of the Company	<b>2,576</b>	<b>(38,369)</b>	<b>(106.7)</b>	<b>14,020</b>	<b>(40,446)</b>	<b>(134.7)</b>
Non-controlling interest**	<b>(1,810)</b>	<b>(6,471)</b>	<b>(72.0)</b>	<b>(6,222)</b>	<b>(11,000)</b>	<b>(43.4)</b>
<b>Profit/(loss) for the period</b>	<b>766</b>	<b>(44,840)</b>	<b>(101.7)</b>	<b>7,798</b>	<b>(51,446)</b>	<b>(115.2)</b>
<b>Notes:</b>						
Depreciation and amortisation	<b>(35,245)</b>	<b>(39,755)</b>	<b>(11.3)</b>	<b>(100,430)</b>	<b>(112,025)</b>	<b>(10.4)</b>
Provision of asset impairment	<b>(167)</b>	<b>(410)</b>	<b>(59.3)</b>	<b>(1,425)</b>	<b>(22,301)</b>	<b>(93.6)</b>
(Provision)/reversal for inventory	<b>(1,797)</b>	<b>(1,097)</b>	<b>63.8</b>	<b>(2,148)</b>	<b>(1,685)</b>	<b>27.5</b>
Provision for doubtful debts	<b>(4)</b>	<b>33</b>	<b>(112.1)</b>	<b>(65)</b>	<b>255</b>	<b>(125.5)</b>
Loss on disposal of fixed assets	<b>(598)</b>	<b>(321)</b>	<b>86.3</b>	<b>2,507</b>	<b>11,831</b>	<b>(78.8)</b>
<b>*Financial income comprise:</b>						
Interest income	<b>618</b>	<b>148</b>	<b>317.6</b>	<b>18,439</b>	<b>389</b>	<b>4,640.1</b>
Foreign exchange gain	<b>(1,262)</b>	<b>88</b>	<b>(1,534.1)</b>	<b>689</b>	<b>3,923</b>	<b>(82.4)</b>
	<b>(644)</b>	<b>236</b>	<b>(372.9)</b>	<b>19,128</b>	<b>4,312</b>	<b>343.6</b>
<b>*Financial expense comprise:</b>						
Interest expense	<b>(25,051)</b>	<b>(25,580)</b>	<b>(2.1)</b>	<b>(72,791)</b>	<b>(77,866)</b>	<b>(6.5)</b>
Foreign exchange loss	<b>87</b>	<b>-</b>	<b>n.m.</b>	<b>(407)</b>	<b>(320)</b>	<b>26.8</b>
	<b>(24,964)</b>	<b>(25,580)</b>	<b>(2.4)</b>	<b>(73,198)</b>	<b>(78,186)</b>	<b>(6.4)</b>

n.m. – not meaningful

Earnings per ordinary share in US cents	For the three months ended		For the nine months ended	
	31 January		31 January	
	FY2019	FY2018	FY2019	FY2018
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	<b>(0.12)</b>	<b>(2.20)</b>	<b>(0.04)</b>	<b>(2.65)</b>
(ii) On a fully diluted basis	<b>(0.12)</b>	<b>(2.20)</b>	<b>(0.04)</b>	<b>(2.65)</b>

\*\*Includes (US\$6,230m) for DMFI and US\$9m for FieldFresh in the nine months ended FY2019 and (US\$10,978m) for DMFI and (US\$20m) for FieldFresh in the nine months ended of FY2018.

\*\*Includes (US\$1,810m) for DMFI and US\$0.5m for FieldFresh in the third quarter of FY2019 and (US\$6,475m) for DMFI and US\$5m for FieldFresh in the third quarter of FY2018.

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

Amounts in US\$'000

	For the nine months ended 31 Jan		
	FY2019	FY2018	%
<b>Loss for the period</b>	<b>7,799</b>	<b>(51,446)</b>	<b>(115.2)</b>
<b>Other comprehensive income/(loss) (after reclassification adjustment):</b>			
<i>Items that will or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating of foreign operations	<b>(2,343)</b>	(10,772)	(78.2)
Effective portion of changes in fair value of cash flow hedges	<b>1,219</b>	6,939	(82.4)
Income tax benefit on cash flow hedge	<b>(299)</b>	(3,512)	(91.5)
	<b>(1,423)</b>	<b>(7,345)</b>	<b>(80.6)</b>
<i>Items that will not be classified to profit or loss</i>			
Remeasurement of retirement benefit	<b>5,543</b>	3,827	44.8
Income tax benefit (expense) on retirement benefit	<b>(1,289)</b>	(1,872)	(31.1)
	<b>4,254</b>	<b>1,955</b>	<b>117.6</b>
<b>Other comprehensive loss for the period</b>	<b>2,831</b>	<b>(5,390)</b>	<b>(152.5)</b>
<b>Total comprehensive loss for the period</b>	<b>10,630</b>	<b>(56,836)</b>	<b>(118.7)</b>
<b>Attributable to:</b>			
Owners of the Company	<b>16,287</b>	(46,431)	(135.1)
Non-controlling interests	<b>(5,657)</b>	(10,405)	(45.6)
<b>Total comprehensive loss for the period</b>	<b>10,630</b>	<b>(56,836)</b>	<b>(118.7)</b>

*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 Jan 2019 (Unaudited)	31 Jan 2018 (Unaudited)	30 April 2018 (Audited)	31 Jan 2019 (Unaudited)	31 Jan 2018 (Unaudited)	30 April 2018 (Audited)
<b>Non-Current Assets</b>						
Property, plant and equipment	572,367	594,036	610,889	–	–	–
Subsidiaries	–	–	–	728,833	750,880	707,644
Joint ventures	24,764	26,122	25,195	1,037	2,665	1,636
Intangible assets and goodwill	709,660	716,318	714,651	–	–	–
Other noncurrent assets	50,813	47,952	41,223	–	–	–
Deferred tax assets – net	94,734	80,896	79,829	15	8	9
Employee benefits	11,348	4,610	10,607	–	–	–
Biological assets	1,674	1,547	1,629	–	–	–
Due from a related party	–	–	–	175,421	–	88,880
	<b>1,470,589</b>	<b>1,471,481</b>	<b>1,484,023</b>	<b>905,306</b>	<b>753,553</b>	<b>798,169</b>
<b>Current Assets</b>						
Inventories	750,415	905,003	760,981	–	–	–
Biological assets	50,767	43,237	41,963	–	–	–
Trade and other receivables	191,217	213,342	161,627	177,754	105,038	180,948
Prepaid and other current assets	29,811	29,221	30,782	205	292	212
Cash and cash equivalents	65,172	41,782	24,246	384	8,987	2,709
	<b>1,087,382</b>	<b>1,232,585</b>	<b>1,019,599</b>	<b>178,343</b>	<b>114,317</b>	<b>183,869</b>
Noncurrent assets held for sale	13,550	–	5,504	–	–	–
	<b>1,100,932</b>	<b>1,232,585</b>	<b>1,025,103</b>	<b>178,343</b>	<b>114,317</b>	<b>183,869</b>
<b>Total Assets</b>	<b>2,566,292</b>	<b>2,704,066</b>	<b>2,509,126</b>	<b>1,083,649</b>	<b>867,870</b>	<b>982,038</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	49,449	39,449	49,449	49,449	49,449	49,449
Retained earnings	99,651	100,217	95,505	99,651	100,216	95,505
Reserves	416,852	410,535	414,241	416,990	400,848	414,380
Equity attributable to owners of the Company	565,952	550,201	559,195	566,090	550,513	559,334
Non-controlling interest	43,288	51,245	49,065	–	–	–
<b>Total Equity</b>	<b>609,240</b>	<b>601,446</b>	<b>608,260</b>	<b>566,090</b>	<b>550,513</b>	<b>559,334</b>
<b>Non-Current Liabilities</b>						
Loans and borrowings	935,903	1,165,680	983,603	183,729	183,410	129,594
Other non-current liabilities	30,795	36,300	35,195	–	–	–
Employee benefits	71,764	90,110	76,905	–	–	3
Environmental remediation liabilities	689	4,346	144	–	–	–
Deferred tax liabilities	8,231	2,921	7,128	–	–	–
	<b>1,047,382</b>	<b>1,299,357</b>	<b>1,102,975</b>	<b>183,729</b>	<b>183,410</b>	<b>129,597</b>

To be continued

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

Amounts in US\$'000	Group			Company		
	31 Jan 2019 (Unaudited)	31 Jan 2018 (Unaudited)	30 April 2018 (Audited)	31 Jan 2019 (Unaudited)	31 Jan 2018 (Unaudited)	30 April 2018 (Audited)
<b>Current Liabilities</b>						
Trade and other payables	213,045	378,613	276,618	109,894	98,439	87,073
Loans and borrowings	660,663	614,501	481,620	223,936	35,532	206,034
Current tax liabilities	4,577	2,531	2,008	–	(35)	–
Employee benefits	31,385	39,013	37,645	–	11	–
	<b>909,670</b>	803,263	797,891	<b>333,830</b>	133,947	293,107
<b>Total Liabilities</b>	<b>1,957,052</b>	2,102,620	1,900,866	<b>517,559</b>	317,357	422,704
<b>Total Equity and Liabilities</b>	<b>2,566,292</b>	2,704,066	2,509,126	<b>1,083,649</b>	867,870	982,038
NAV per ordinary share (US cents)	<b>29.80</b>	29.40	29.75	<b>27.58</b>	26.77	27.23
NTAV per ordinary share (US cents)	<b>(6.71)</b>	(7.45)	(7.02)	<b>27.58</b>	26.77	27.23



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

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>												
<b>Fiscal Year 2019</b>												
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
<b>Total comprehensive income for the period</b>												
Profit/(Loss) for the period	–	–	–	–	–	–	–	14,021	–	14,021	(6,222)	7,799
<b>Other comprehensive income</b>												
Currency translation differences recognised directly in equity	–	–	(2,364)	–	–	–	–	–	–	(2,364)	21	(2,343)
Remeasurement of retirement plan	–	–	–	–	3,807	–	–	–	–	3,807	447	4,254
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	823	–	–	–	823	97	920
<b>Total other comprehensive income/(loss)</b>	–	–	(2,364)	–	3,807	823	–	–	–	2,266	565	2,831
<b>Total comprehensive loss for the period</b>	–	–	(2,364)	–	3,807	823	–	14,021	–	16,287	(5,657)	10,630
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
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	–	–	–	–	–	–	329	–	–	329	(120)	209
<b>Total contributions by and distributions to owners</b>	–	16	–	–	–	–	329	(9,875)	–	(9,530)	(126)	(9,650)
<b>At 31 January 2019</b>	<b>49,449</b>	<b>478,339</b>	<b>(93,879s)</b>	<b>10,885</b>	<b>22,032</b>	<b>(1,941)</b>	<b>1,702</b>	<b>99,651</b>	<b>(286)</b>	<b>565,952</b>	<b>43,288</b>	<b>609,240</b>

**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
<b>Group</b>												
<b>Fiscal Year 2018</b>												
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
<b>Total comprehensive income for the period</b>												
Loss for the period	–	–	–	–	–	–	–	(40,446)	–	(40,446)	(11,000)	(51,446)
<b>Other comprehensive income</b>												
Currency translation differences recognised directly in equity	–	–	(10,774)	–	–	–	–	–	–	(10,774)	2	(10,772)
Remeasurement of retirement plan	–	–	–	–	1,724	–	–	–	–	1,724	231	1,955
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	3,065	–	–	–	3,065	362	3,427
<b>Total other comprehensive income</b>	–	–	(10,774)	–	1,724	3,065	–	–	–	(5,985)	595	(5,390)
<b>Total comprehensive (loss)/income for the period</b>	–	–	(10,774)	–	1,724	3,065	–	(40,446)	–	(46,431)	(10,405)	(56,836)
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Value of employee services received for issue of share options	–	–	–	–	–	–	146	–	–	146	172	318
Issuance of new ordinary/preference shares	10,000	90,000	–	–	–	–	–	–	–	100,000	–	100,000
Transaction cost from issue of preference shares	–	(2,085)	–	–	–	–	–	–	–	(2,085)	–	(2,085)
Release of share awards	–	(50)	–	–	–	–	(466)	–	516	–	–	–
Payment of Dividends	–	–	–	–	–	–	–	(18,507)	–	(18,507)	–	(18,507)
<b>Total contributions by and distributions to owners</b>	10,000	87,865	–	–	–	–	(320)	(18,507)	516	79,554	172	79,726
<b>At 31 January 2018</b>	<b>49,449</b>	<b>478,185</b>	<b>(88,861)</b>	<b>10,885</b>	<b>3,532</b>	<b>(4,378)</b>	<b>1,459</b>	<b>100,216</b>	<b>(286)</b>	<b>550,201</b>	<b>51,244</b>	<b>601,445</b>

**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
<b>Fiscal Year 2019</b>										
At 1 May 2018	49,449	478,462	(91,515)	10,885	18,225	1,373	(2,764)	(286)	95,505	559,334
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	-	-	14,021	14,021
<b>Other comprehensive income</b>										
Currency translation differences recognised directly in equity	-	-	(2,364)	-	-	-	-	-	-	(2,364)
Remeasurement of retirement plan	-	-	-	-	3,807	-	-	-	-	3,807
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	823	-	-	823
<b>Total other comprehensive income</b>	-	-	(2,364)	-	3,807	-	823	-	-	2,266
<b>Total comprehensive loss for the period</b>	-	-	(2,364)	-	3,807	-	823	-	14,021	16,287
<b>Transactions with owners, recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Value of employee services received for issue of share options	-	-	-	-	-	329	-	-	-	329
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	-	-	-	329	-	-	(9,875)	(9,531)
<b>At 31 January 2019</b>	<b>49,449</b>	<b>478,477</b>	<b>(93,879)</b>	<b>10,885</b>	<b>22,032</b>	<b>1,702</b>	<b>(1,941)</b>	<b>(286)</b>	<b>99,651</b>	<b>566,090</b>

**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	Remeas- -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
<b>Fiscal Year 2018</b>										
At 1 May 2017	39,449	390,459	(78,087)	10,885	1,808	1,779	(7,443)	(802)	159,169	517,217
<b>Total comprehensive loss for the period</b>										
Loss for the period	-	-	-	-	-	-	-	-	(40,446)	(40,446)
<b>Other comprehensive income</b>										
Currency translation differences recognised directly in equity	-	-	(10,774)	-	-	-	-	-	-	(10,774)
Remeasurement of retirement plan	-	-	-	-	1,724	-	-	-	-	1,724
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	3,065	-	-	3,065
<b>Total other comprehensive income</b>	-	-	(10,774)	-	1,724	-	3,065	-	-	(5,985)
<b>Total comprehensive loss for the period</b>	-	-	(10,774)	-	1,724	-	3,065	-	(40,446)	(46,431)
<b>Transactions with owners, recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Value of employee services received for issue of share options	-	-	-	-	-	319	-	-	-	319
Issuance of preference shares	10,000	90,000	-	-	-	-	-	-	-	100,000
Transaction cost from issue of preference shares	-	(2,085)	-	-	-	-	-	-	-	(2,085)
Release of share awards granted	-	(50)	-	-	-	(466)	-	516	-	-
Payment of dividends	-	-	-	-	-	-	-	-	(18,507)	(18,507)
Total contributions by and distributions to owners	-	87,865	-	-	-	(147)	-	516	(18,507)	79,727
<b>At 31 January 2018</b>	<b>49,449</b>	<b>478,324</b>	<b>(88,861)</b>	<b>10,885</b>	<b>3,532</b>	<b>1,632</b>	<b>(4,378)</b>	<b>(286)</b>	<b>100,216</b>	<b>550,513</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

Amounts in US\$'000	For the three months ended		For the nine months ended	
	31 January		31 January	
	FY2019 (Unaudited)	FY2018 (Unaudited)	FY2019 (Unaudited)	FY2018 (Unaudited)
<b>Cash flows from operating activities</b>				
Profit for the period	766	(44,840)	7,799	(51,446)
Adjustments for:				
Depreciation of property, plant and equipment	33,582	38,088	95,439	105,080
Amortisation of intangible assets	1,663	1,667	4,991	6,117
Impairment loss on property, plant and equipment	167	410	1,425	22,301
Gain/(loss) on disposal of property, plant and equipment	598	321	(2,507)	(11,831)
Equity-settled share-based payment transactions	57	103	209	314
Share of loss of joint venture, net of tax	120	70	429	1,218
Finance income	644	(236)	(19,128)	(4,312)
Finance expense	24,964	25,580	73,198	78,186
Tax expense (benefit) – net	(2,114)	36,141	(6,064)	15,311
Net loss on derivative financial instrument	(417)	(123)	(10,030)	528
Operating profit before working capital changes	<b>60,030</b>	57,181	<b>145,761</b>	161,466
Changes in:				
Other assets	(5,108)	3,440	395	21,940
Inventories	164,876	196,308	21,294	6,551
Biological assets	20,094	(8,343)	8,336	(23,971)
Trade and other receivables	51,467	60,978	(22,453)	(36,379)
Prepaid and other current assets	511	5,650	2,988	17,215
Trade and other payables	(65,062)	(100,793)	(114,010)	(17,379)
Employee Benefit	4,415	4,174	11,819	12,010
Operating cash flow	<b>231,223</b>	218,595	<b>54,130</b>	141,453
Income taxes paid	4,374	(513)	2,606	(1,497)
<b>Net cash flows from operating activities</b>	<b>235,597</b>	218,082	<b>56,736</b>	139,956
<b>Cash flows from investing activities</b>				
Interest received	261	145	506	378
Proceeds from disposal of property, plant and equipment	59	26	9,304	(12,432)
Purchase of property, plant and equipment	(53,457)	(32,166)	(101,063)	(67,497)
Additional investment in joint venture	–	(595)	–	(1,544)
<b>Net cash flows used in investing activities</b>	<b>(53,137)</b>	(32,590)	<b>(91,253)</b>	(81,095)
<b>Cash flows from financing activities</b>				
Interest paid	(23,132)	(23,811)	(65,315)	(72,170)
Proceeds of borrowings	109,485	60,872	677,284	582,039
Repayment of borrowings	(232,475)	(296,705)	(531,942)	(648,715)
Dividends paid	(9,875)	–	(9,875)	(18,507)
Proceeds from issue of share capital	–	100,000	–	100,000
Refund of transactions costs related to rights issue	–	(2,086)	16	(2,086)
<b>Net cash flows from financing activities</b>	<b>(146,122)</b>	(161,730)	<b>70,168</b>	(59,439)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>36,338</b>	23,762	<b>35,651</b>	(578)
<b>Cash and cash equivalents at 1 May</b>	<b>33,863</b>	23,030	<b>24,246</b>	37,571
<b>Effect of exchange rate fluctuations on cash held</b>	<b>(5,029)</b>	(5,010)	<b>5,275</b>	4,789
<b>Cash and cash equivalents at 31 January</b>	<b>33,863</b>	41,782	<b>65,172</b>	41,782

<b><u>One-off expenses/(income)</u></b>	<b>For the three months ended</b>			<b>For the nine months ended</b>		
	<b>31 January</b>			<b>31 January</b>		
<b>in US\$ million</b>	<b>FY2019</b>	<b>FY2018</b>	<b>%</b>	<b>FY2019</b>	<b>FY2018</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Change</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Change</b>
<b>DMFI one-off expenses:</b>						
Closure of Sager Creek Arkansas plant	<b>(0.7)</b>	8.1	(108.3)	<b>6.6</b>	14.6	(55.0)
Closure of Plymouth, Indiana plant	<b>0.8</b>	(0.8)	(195.2)	<b>(0.1)</b>	13.3	(100.6)
Seed operations	–	–	–	<b>(1.1)</b>	–	nm
Severance	<b>1.4</b>	1.8	(24.2)	<b>3.2</b>	3.1	2.0
Others	<b>(0.8)</b>	2.1	(136.0)	<b>(0.7)</b>	4.7	(113.8)
<b>Total (pre-tax basis)</b>	<b>0.7</b>	11.2	(93.7)	<b>8.0</b>	35.7	(77.7)
Write off of deferred tax assets (non-cash)*	–	39.8	(100.0)	–	39.8	(100.0)
Tax impact	<b>(0.2)</b>	(4.3)	(95.9)	<b>(1.9)</b>	(13.6)	(86.2)
Non-controlling interest	<b>(0.1)</b>	(4.9)	(98.7)	<b>(0.6)</b>	(6.5)	(90.2)
<b>Total DMFI one-off expenses (post-tax, post NCI basis)</b>	<b>0.5</b>	41.8	(98.9)	<b>5.4</b>	55.4	(90.2)
<b>Second Lien Loan purchase:</b>						
Gain due to the purchase of DMFI's second lien loan at a discount	–	–	–	<b>(16.3)</b>	–	nm
Tax impact	–	–	–	<b>3.5</b>	–	nm
<b>Total one-off gain on second lien loan purchase (post-tax basis)</b>	–	–	–	<b>(12.9)</b>	–	nm
<b>Total (post-tax and post non-controlling interest)</b>	<b>0.5</b>	41.8	(98.9)	<b>(7.4)</b>	55.4	(113.4)

nm. – not meaningful

\*The Group wrote off US\$39.8 million of deferred tax assets at DMFI due to the change in Federal income tax rate from 35% to 21%. Other companies in the US with deferred tax assets have similar write-offs due to the reduction in income tax rates. However, this should be more than offset by the reduced tax rates in future years which will be substantial.