



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 2020

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AUDIT

Second Quarter FY2021 results covering the period from 1 August 2020 to 31 October 2020 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 FY2020 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2020, which the Group has adopted or is currently assessing the impact thereof:

Applicable for the first annual reporting period that begins on or after 1 May 2020 and onwards and are currently being assessed by the Group:

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 3, Definition of a Business
- Amendments to IAS 1, Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material
- Amendments to IFRS 7, Financial Instruments: Disclosures and IFRS 9, Financial Instruments, Interest Rate Benchmark Reform
- Amendments to IFRS 16, COVID-19-related Rent Concessions

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

10 December 2020

NOTES ON THE 2Q FY2021 DMPL RESULTS

- On 30 April 2020, the Group recognised the sale of a 12% stake in Del Monte Philippines, Inc (DMPI) and started recognising this as non-controlling interest (NCI) on 1 May 2020. In addition, DMPL's effective stake in Del Monte Foods, Inc increased to 93.6% starting 15 May 2020 and had henceforth recognised a 6.4% NCI. These two comprise the NCI line in the P&L. Net profit/(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.

FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2020

<i>in US\$'000 unless otherwise stated</i> †	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2021	Fiscal Year 2020	% Change	Fiscal Year 2021	Fiscal Year 2020	% Change
With one-off items**						
Turnover	623,453	558,747	11.6	1,036,511	934,605	10.9
Gross profit	159,745	134,135	19.1	253,851	225,283	12.7
Gross margin (%)	25.6	24.0	1.6	24.5	24.1	0.4
EBITDA	94,368	(7,265)	1,398.9	136,803	29,381	365.6
Operating profit	67,728	(29,560)	329.1	88,378	(9,293)	1,051.0
Operating margin (%)	10.9	(5.3)	16.2	8.5	(1.0)	9.5
Net profit attributable to owners of the Company	21,852	(37,354)	158.5	18,603	(75,615)	124.6
Net margin (%)	3.5	(6.7)	10.2	1.8	(8.1)	9.9
EPS (US cents)	0.87	(2.18)	139.9	0.45	(4.40)	110.2
EPS before preference dividends (US cents)	1.12	(1.92)	158.3	0.96	(3.89)	124.7
Without one-off items**						
Gross profit	159,745	134,135	19.1	253,851	225,283	12.7
EBITDA	94,368	69,514	35.8	136,803	108,244	26.4
Operating profit	67,728	47,219	43.4	88,378	69,570	27.0
Net profit attributable to owners of the Company	21,852	15,925	37.2	18,603	20,074	(7.3)
Net debt	1,464,768	1,738,608	(15.8)	1,464,768	1,738,608	(15.8)
Gearing*** (%)	263.6	363.0	(99.4)	263.6	363.0	(99.4)
Cash flow from operations	(123,953)	(97,825)	(26.7)	(64,643)	(136,628)	52.7
Capital expenditure	33,163	31,058	6.8	63,637	55,379	14.9
Inventory (days)	126	138	(12)	138	202	(64)
Receivables (days)	26	26	0	35	32	3
Account Payables (days)	47	41	6	51	44	7

nm – not meaningful

†The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.39 in October 2020 and 1.37 in October 2019. For conversion to Php, these exchange rates can be used: 49.38 in October 2020 and 51.82 in October 2019.

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

***Gearing = Net Debt / Equity

REVIEW OF OPERATING PERFORMANCE

Second Quarter

The Group generated sales of US\$623.5 million for the second quarter of FY2021, higher by 11.6% versus the prior year quarter driven by higher sales in USA and Philippines from continued surge in demand brought about by the pandemic. The principal categories all experienced strong growth as consumers stayed home.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) generated US\$446.7 million or 71.7% of Group sales. DMFI's sales increased by 12.7% mainly due to pandemic-related demand increases. The main categories delivered robust growth as consumers chose healthy, shelf-stable products in response to COVID-19.

In August, DMFI introduced College Inn Savory Infusions, a delicious base for all dishes. They come in three varieties boosting the flavour of mains, sides and soups or they can be made into broth.

DMFI has launched a number of new products in recent years. New products contributed 5.4% to DMFI's total net sales in the second quarter.

DMFI generated a gross profit of US\$101.8 million, higher by 21.4% versus prior year quarter of US\$83.9 million leading to higher margin of 22.8% from 21.2%. This was mainly driven by favourable sales mix from higher sales of branded products in retail channel as well as lower trade spending, which more than offset higher prior year pack costs (as part of the sales during the second quarter still came from prior year's inventory) and increased freight costs.

DMPL ex-DMFI generated sales of US\$185.3 million (inclusive of the US\$8.5 million sales by DMPL to DMFI which were netted out during consolidation) which were 8.2% higher than US\$171.2 million sales in prior year period. Higher sales were mainly driven by all major segments including Philippines, fresh pineapple and S&W packaged products.

The strong sales performance in the second quarter resulted in DMPL ex-DMFI delivering higher gross margin of 31.4% from 28.7% in the same period last year. Higher volume, favourable sales mix driven by higher sales of retail channel in the Philippines, and lower cost of inputs led to overall margin improvement.

In the Philippines, sales rose 10.4% in US dollar terms and 3.9% in peso terms driven by the beverage and culinary segments. The general trade and modern trade combined grew by 13.4% offsetting the decline in foodservice. The strong retail growth was driven primarily by the beverage category (led by immunity-building Del Monte 100% Pineapple Juice), and the culinary segment (led by Del Monte Quick 'n Easy meal mixes and Del Monte ketchup) as consumers continue to prepare more meals at home. The Company continues to highlight the health benefits of its product portfolio with targeted advertising, as well as meal planning and preparation with Del Monte Kitchenomics.

Sales of S&W shelf-stable packaged pineapple products improved significantly by 34.2% over last year with robust sales of canned pineapples. Sales of fresh pineapples, the majority of which are branded S&W, grew by 6.7% in the second quarter versus the same period last year, a turnaround from the 28% decline in the first quarter ending July due to the impact of the pandemic lockdown in China. The Company expects its Fresh business to continue growing in the remainder of the year with more consumers going to retail stores in North Asia.

DMPL's share in the FieldFresh joint venture in India was a US\$0.2 million loss, lower than prior year quarter's share in losses of US\$0.5 million, as business continues to rebound from the impact of COVID-19 on foodservice and QSR business. Retail and e-commerce sales continued to surge.

DMPL ex-DMFI generated an EBITDA of US\$36.8 million which was higher by 31.6% versus the same period last year mainly from the factors discussed above. DMPL ex-DMFI generated a net profit of US\$19.3 million which was 62.6% higher versus the US\$11.8 million in the same quarter last year driven by strong operating results from the Philippine market and exports of packaged pineapples.

DMFI delivered an EBITDA of US\$57.7 million, up 42.8% versus the recurring EBITDA in the prior year quarter due to higher gross profit as explained above, and lower marketing spend. DMFI generated a net profit of US\$9.1

million, a turnaround from quarters of losses in the past. There were no one-off items this quarter. Moreover, the plant closures last year, in line with the Company's asset-light strategy, and other cost saving initiatives delivered incremental savings of US\$10 million in the second quarter.

The Group's EBITDA of US\$94.4 million was a turnaround versus prior year quarter's reported EBITDA loss of US\$7.3 million mainly driven by improved operating performance and the presence of one-off expenses incurred on plant closures in the US last year. Stripping out last year's one-off expenses, the second quarter EBITDA was still higher against prior year quarter's recurring EBITDA of US\$69.5 million due to higher sales, favourable sales mix and overall margin improvement in both Asia Pacific and Americas operations.

The Group reported a net income of US\$21.9 million for the quarter, a turnaround versus prior year quarter's net loss of US\$37.4 million. Last year's net loss included one-off expenses of US\$53.3 million, net of taxes and NCI, mainly relating to plant closure costs and severance expenses in the US. Without the one-off expenses, net income was still higher against prior year quarter's recurring net income of US\$15.9 million.

The Group's cash outflow from operations in the second quarter was US\$124.1 million, higher than last year's cash outflow of US\$97.8 million mainly from higher receivables attributed to higher sales, lower payables and higher tax payments partly offset by higher operating profit this year. 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.

In October 2020, Del Monte Philippines, Inc (DMPI) successfully raised Php6.47 billion (US\$134 million) worth of fixed-rate bonds. The issuance, which consisted of three-year bonds at 3.484% pa interest rate and five-year bonds at 3.7563% pa, was oversubscribed. It was well-received by a good mix of retail and institutional investors that included insurance companies, retirement funds and asset management groups, among others. DMPI's credit rating for this bond is Aaa, the highest rating assigned by the Philippine Rating Services Corporation. The proceeds of the offering were used to refinance existing loans with lower cost funding and longer maturities.

First Half

For the first half of FY2021, the Group generated sales of US\$1.0 billion, up 10.9% versus prior year period. DMFI generated US\$714.9 million or 69.0% of Group sales, higher by 12.1% due to pandemic-related demand increases. The growth in sales across Asia and USA when GDP across geographies contracted in April to September 2020 is a testament to the resilience and strength of DMPL's brands and products.

In June, DMFI successfully launched the premium canned pineapple called Deluxe Gold. This is of the same pineapple variety sold in Asia as fresh. It also launched Del Monte Oats to Go which is a ready-to-eat single-serve oatmeal with half a serving of fruit and 100% whole grains.

Consumers are looking for easily accessible, nutritious foods with wholesome ingredients, and plant-based protein is a perfect category to address those needs. The company introduced a new Del Monte Veggieful line of frozen vegetarian pocket pies which are delicious handheld snacks with plant-based ingredients and real cheese.

New products contributed 5.6% to DMFI's total sales in the first half.

DMFI generated higher gross profit of US\$149.1 million from US\$132.9 million in the prior year period driven by higher sales from branded retail arising from pandemic-related demand and lower trade spend across all key segments.

The Philippine market sales were up 15.3% and 10.0% in US dollar and peso terms, respectively. Sales in the general trade segment grew by 19.8%, while sales in the modern trade increased by 25.8%.

In July, DMPI entered the Dairy segment and successfully launched a new fruit yoghurt milk drink, Mr. Milk, across retail channels nationwide.

Sales of the S&W branded business declined by 14.4% as higher sales of shelf-stable packaged products such as canned pineapples, mixed fruits, beans and corn were offset by lower sales of fresh pineapples in China and the Middle East. The Group expects its Fresh business to grow in the second half of the year.

DMPL ex-DMFI delivered higher gross margin of 30.9% from 28.3% in the same period last year mainly from favourable mix, price increases in the Philippine market in line with inflation, and lower delivered cost.

DMPL's share in the FieldFresh joint venture in India was unfavourable at US\$0.9 million loss from a US\$0.8 million loss in the prior year period due to lower sales from branded packaged products. The pandemic significantly impacted the foodservice category which accounted for half of total sales in India. However, retail and e-commerce sales continued to surge.

The Group posted an EBITDA of US\$136.8 million, significantly higher than the US\$29.4 million in the same period last year due to the presence of one-off expenses last year. DMFI accounted for US\$68.2 million of the US\$136.8 million EBITDA. Excluding one-off expenses, the Group's EBITDA was 26.4% higher versus the recurring EBITDA of US\$108.2 million in the prior year period.

The Group reported a net income of US\$18.6 million for the first half of FY2021, a turnaround versus the prior year period's net loss of US\$75.6 million. Last year's net loss included one-off expenses incurred by DMFI due to plant closures as well as dividend tax paid from receipt of dividend from DMPI. Without these one-off expenses, the Group's net income of US\$18.6 million was 7% lower than the recurring net income of US\$20.1 million last year.

In May 2020, DMFI raised new financing of US\$1.3 billion consisting of a US\$500 million five-year bond issue due 2025 at 11.875% pa, a new three-year ABL of US\$450 million due 2023, and equity of US\$379.5 million from DMPL (comprising of US\$150 million in new preference equity in DMPL Foods Limited, the holding company of DMFI, and US\$229.5 million of Second Lien Repurchase Loans converted into common equity in DMFI) thereby recapitalising DMFI's balance sheet.

The Group gearing decreased to 2.6x equity as of 31 October 2020, from 3.6x in prior year quarter, due to lower loans from improved operating performance and increased shareholder's equity from the gain on sale of 12% stake in DMPI last year.

As at 31 October 2020, the Group improved its working capital to US\$94.4 million from a negative working capital of US\$667.3 million at the end of FY2020. This was mainly driven by the successful refinancing of DMFI's secured loans as mentioned above.

VARIANCE FROM PROSPECT STATEMENT

The Group incurred a net profit of US\$18.6 million for the six months ended October 2020. The Group further expects to generate a net profit for the balance of the year and a net profit for the full year which is in line with earlier guidance.

BUSINESS OUTLOOK

To meet sustained demand for its trusted, healthy and shelf-stable products, the Group will continue to optimise its production facilities while implementing strict safety measures and protecting its people against COVID-19. The Group will strengthen its core business and expand the product portfolio, in response to market trends for health and wellness, and grow its branded business, while reducing non-strategic business segments.

The Group will continue to strengthen its product offerings and enter new categories. It will continue to focus on business segments which are on-trend, pursue innovation to address growing consumer needs for more convenient, healthy and flavourful solutions, as well as build its distribution base in emerging channels.

DMFI's Asset-Light Strategy undertaken in the last fiscal year was a complex exercise, but a critical step in repositioning DMFI for the future. It led to more efficient and lower cost operations necessary for DMFI to remain competitive in a rapidly changing marketplace. In the first half of FY2021, the Group recognised cost savings of US\$15 to 16 million which favourably impacted profitability. A portion of these cost savings will be reinvested in the growth and expansion of DMFI's iconic brands. DMFI is capitalising on growing consumer desire for convenient, healthy and tasty plant-based foods. It is expanding its brands beyond centre store grocery into higher growth categories such as frozen, produce and deli. DMFI is well-positioned for better results in FY2021 with better sales mix and management of costs.

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.

The Group has been exploring e-commerce opportunities for its range of products across markets.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the quarter ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg
Packaged vegetable	167,848	154,089	8.9	62,924	42,431	48.3	40,499	14,802	173.6
Packaged fruit	191,110	176,866	8.1	23,516	29,774	(21.0)	(5,444)	654	(932.4)
Beverage	4,654	4,830	(3.6)	284	258	10.1	(245)	(846)	71.0
Culinary	86,522	63,313	36.7	16,524	13,341	23.9	3,051	4,704	(35.1)
Others	698	302	131.1	(421)	(448)	6.0	(618)	(72,092)	99.1
Total	450,832	399,400	12.9	102,827	85,356	20.5	37,243	(52,778)	170.6

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg
Packaged vegetable	265,349	241,512	9.9	87,748	64,267	36.5	47,663	20,560	131.8
Packaged fruit	312,176	284,165	9.9	37,839	51,573	(26.6)	(14,520)	530	nm
Beverage	8,501	7,602	11.8	566	939	(39.7)	(721)	(1,078)	33.1
Culinary	136,170	105,777	28.7	27,041	20,737	30.4	3,079	3,899	(21.0)
Others	1,161	537	116.2	(1,215)	(751)	(61.8)	(2,860)	(74,317)	nm
Total	723,357	639,593	13.1	151,979	136,765	11.1	32,641	(50,406)	164.8

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

Sales in the Americas increased by 12.9% to US\$450.8 million mainly due to pandemic-related demand increases. The principal categories delivered strong growth as consumers chose healthy, shelf-stable products in response to COVID-19.

Gross profit was higher by 20.5% this quarter as a result of higher sales and lower retail trade spending.

Americas reported an operating profit for the quarter of US\$37.2 million versus prior year quarter's operating loss of US\$52.8 million due to one-off expenses from plant closures as earlier mentioned.

ASIA PACIFIC

For the quarter ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg
Packaged vegetable	439	420	4.5	8	62	(87.1)	9	56	(83.9)
Packaged fruit	34,221	34,784	(1.6)	10,701	9,924	7.8	7,054	6,398	10.3
Beverage	37,869	29,122	30.0	11,338	7,076	60.2	6,071	1,632	272.0
Culinary	45,138	40,842	10.5	19,302	15,029	28.4	13,702	8,922	53.6
Others	48,820	46,066	6.0	14,318	16,225	(11.8)	2,855	6,081	(53.1)
Total	166,487	151,234	10.1	55,667	48,316	15.2	29,691	23,089	28.6

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg
Packaged vegetable	916	869	5.4	155	156	(0.6)	131	143	(8.4)
Packaged fruit	59,163	57,172	3.5	17,872	15,706	13.8	11,637	9,831	18.4
Beverage	78,914	61,450	28.4	25,827	16,436	57.1	16,667	7,227	130.6
Culinary	79,009	67,042	17.9	33,532	25,138	33.4	24,549	15,765	55.7
Others	84,355	94,311	(10.6)	22,432	31,661	(29.1)	1,436	9,730	(85.2)
Total	302,357	280,844	7.7	99,818	89,097	12.0	54,420	42,696	27.5

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

Asia Pacific's sales in the second quarter increased by 10.1% to US\$166.5 million from US\$151.2 million mainly due to increase in all major segments including Philippines, S&W packaged and fresh pineapples.

Sales in the Philippines domestic market were up in both US dollar and peso terms by 10.4% and 3.9%, respectively, driven by the beverage and culinary segments.

Moreover, sales of S&W shelf-stable packaged pineapple products in Asia and the Middle East improved significantly by 34.2% over last year with robust sales of canned pineapples. Sales of fresh pineapples, the majority of which are branded S&W, grew by 7% in the second quarter versus the same period last year.

EUROPE

For the quarter ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg
Packaged fruit	4,891	5,702	(14.2)	1,070	449	138.3	697	257	171.2
Beverage	1,201	2,411	(50.2)	163	14	nm	84	(128)	165.6
Culinary	42	-	nm	18	-	nm	13	-	nm
Total	6,134	8,113	(24.4)	1,251	463	170.2	794	129	515.5

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg	FY2021	FY2020	% Chg
Packaged fruit	8,630	9,491	(9.1)	1,735	53	nm	1,138	(585)	294.5
Beverage	2,080	4,677	(55.5)	278	(632)	144.0	150	(998)	115.0
Culinary	87	-	nm	41	-	nm	29	-	nm
Total	10,797	14,168	(23.8)	2,054	(579)	454.7	1,317	(1,583)	183.2

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

For the second quarter, Europe's sales decreased by 24.4% to US\$6.1 million from US\$8.1 million in prior year's quarter. Gross profit, however, increased by 170.2%, and Europe generated an operating income of US\$0.8 million higher against US\$0.1 million income last year, driven by better prices for pineapple juice.

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		
	FY2021	FY2020	Comments	FY2021	FY2020	Explanatory Notes
Cost of Goods Sold	74.4	76.0	Overall impact of increase in sales, than increase in cost of production, resulting to lower turnover rate	75.5	75.9	Same as 2Q
Distribution and Selling Expenses	9.2	11.0	Driven by lower spending on advertising and selling/marketing overhead	9.2	10.8	Same as 2Q
G&A Expenses	5.8	6.0	Total administrative expense is higher mainly from higher personnel cost this year. Lower turnover rate is due to overall impact of increase in sales	6.9	6.8	Higher administrative expenses in DMFI driven by higher personnel cost as well as professional contracted services
Other Operating Expenses (Income)	(0.2)	12.2	Higher miscellaneous losses last year driven by plant closures	(0.1)	7.5	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			
	FY2021	FY2020	%	Comments	FY2021	FY2020	%	Explanatory Notes
Depreciation and amortization	(45,951)	(43,733)	(5.1)	Higher amortisation of ROU assets	(81,456)	(78,815)	(3.4)	Same as 2Q
Reversal/ (Provision) of asset impairment	16	(40,793)	100.0	Higher impairment of assets last year from DMFI plant closures	31	(40,777)	100.1	Same as 2Q
Reversal/ (Provision) for inventory obsolescence	(168)	(296)	43.2	Higher inventory obsolescence reversal as a result of higher inventory turnover	(27)	(882)	96.9	Same as 2Q
Reversal/ (Provision) for doubtful debts	(38)	(16)	(137.5)	Higher provision for nontrade receivables due to aged accounts	113	(71)	259	Due to reversal of allowance for nontrade accounts
Net gain/(loss) on disposal of fixed assets	2,828	152	1,760.5	Driven by DMFI due to gain on sale assets	2,777	(1,436)	293.4	Same as 2Q
Foreign exchange gain/(loss)- net	887	(461)	292.4	Mainly driven by appreciation of Mexican Peso	3,152	3,002	5.0	Same as 2Q
Interest income	125	269	(53.5)	Driven by DMFI mainly on lower interest income from interest bearing notes receivables	290	528	(45.1)	Same as 2Q
Interest expense	(28,866)	(27,050)	(6.7)	Driven by interest on newly issued Senior Secured Notes	(55,874)	(52,070)	(7.3)	Same as 2Q
Share in net loss of JV	(206)	(832)	75.2	Lower losses in FieldFresh	(907)	(1,215)	25.3	Same as 2Q
Taxation Benefit (Expense)	(14,363)	14,011	(202.5)	Tax benefit last year due to net loss before tax	(11,754)	(24,706)	52.4	High tax expense last year, driven by payment of final taxes on dividends from subsidiaries

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	31 Oct 2020 (Unaudited)	31 Oct 2019 (Unaudited)	30 April 2020 (Audited)	1st Half Variance %	Explanatory Notes
In US\$'000					
ASSETS					
Property, plant and equipment - net	521,010	520,835	507,497	2.7	nm
Right-of-use (ROU) assets	153,145	216,801	166,085	(7.8)	Mainly due to amortisation
Investment in joint ventures	21,948	22,997	22,855	(4.0)	nm
Intangible assets and goodwill	698,022	704,672	701,347	(0.5)	nm
Other noncurrent assets	24,806	32,239	34,937	(29.0)	Mainly on lower advance rentals and advances to growers
Deferred tax assets - net	145,965	137,344	144,974	0.7	nm
Pension assets	5,756	8,013	6,675	(13.8)	No actual funding due to overpayment of fund in prior years
Biological assets	57,463	58,306	63,278	(9.2)	Due to higher harvested tons this year
Inventories	718,408	926,220	482,463	48.9	Due to inventory builds for the coming peak season
Trade and other receivables	259,786	218,564	323,065	(19.6)	Mainly on collection of US\$120M receivable from sale of shares
Prepaid expenses and other current assets	40,460	43,908	67,712	(40.2)	Reclassification of prepaid consultancy fees to deferred financing costs following completion of DMFI refinancing
Cash and cash equivalents	32,825	35,221	33,465	(1.9)	nm
Noncurrent assets held for sale	-	4,543	-	nm	nm
EQUITY					
Share capital	49,449	49,449	49,449	0.0	nm
Share premium	478,339	478,339	478,339	0.0	nm
Retained earnings	38,235	(241)	60,763	(37.1)	Net loss during the period and dividend payout
Reserves	(65,152)	(81,228)	(77,474)	15.9	Driven by translation reserve and remeasurement gain on retirement plans
Non-controlling interest	54,809	32,681	54,820	(0.0)	Share in net comprehensive income, offset by dividends received
LIABILITIES					
Loans and borrowings	1,497,593	1,773,829	1,396,029	7.3	Driven by issuance of DMPI Bonds
Lease liabilities	145,386	205,857	158,525	(8.3)	Due to lease payments
Derivative liabilities	2,565	-	2,565	0.0	nm
Other noncurrent liabilities	20,454	19,896	20,815	(1.7)	nm
Employee benefits	106,023	122,127	105,345	0.6	nm
Environmental remediation liabilities	9,545	14,786	9,587	(0.4)	nm
Deferred tax liabilities - net	11,121	6,953	12,447	(10.7)	Reversal of deferred final tax on dividends declared by subsidiaries
Trade and other current liabilities	325,581	303,722	276,893	17.6	Mainly on increases in purchases of materials for increased production due to coming peak season
Current tax liabilities	5,646	3,493	6,250	(9.7)	Driven by DMFI due to lower income tax payable from ICMOSA

SHARE CAPITAL

Total shares outstanding were 1,973,960,024 (common shares 1,943,960,024 and preference shares 30,000,000) as of 31 October 2020 and 2019. Share capital was US\$49.5 million as of 31 October 2020 and 2019. 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 included 975,802 shares held by the Company as treasury shares as at 31 October 2020 and 2019. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 31 October 2020.

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

In April 2017, the Company successfully completed the offering and listing of 20 million Series A-1 Preference Shares at an offer price of US\$10 per share in the Philippines generating US\$200 million in proceeds. In December 2017, the Company raised and listed another US\$100 million of Preference Shares (10 million Series A-2 shares).

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

BORROWINGS AND NET DEBT

Liquidity in US\$'000	31	31	30
	Oct 2020 (Unaudited)	Oct 2019 (Unaudited)	April 2020 (Audited)
Gross borrowings	(1,497,593)	(1,773,829)	(1,396,029)
Current	(626,853)	(974,068)	(1,298,292)
Secured	(313,729)	(473,192)	(825,140)
Unsecured	(313,124)	(500,876)	(473,152)
Non-current	(870,740)	(799,761)	(97,737)
Secured	(630,882)	(687,520)	(22,737)
Unsecured	(239,858)	(112,241)	(75,000)
Less: Cash and bank balances	32,825	35,221	33,465
Net debt	(1,464,768)	(1,738,608)	(1,362,564)

The Group's net debt (borrowings less cash and bank balances) amounted to US\$1.5 billion as at 31 October 2020, higher than the US\$1.4 billion as at 30 April 2020 due to issuance of DMPI Bonds. But it was lower than the US\$1.7 billion as at 31 October 2019 due to improved operating performance and increased shareholder's equity from the gain on sale of 12% stake in DMPI last year.

DIVIDENDS

In October 2020, 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 2020 to 7 October 2020 (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\$ 0.325 per Series A-2 Preference Share for the six-month period from 8 April 2020 to 7 October 2020 (the “Series A2 Dividend”).

The cash dividends were paid on 7 October 2020, the dividend payment date.

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

INTERESTED PERSON TRANSACTIONS

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

In US\$’000 For the six months ended 31 October	Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule		Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2021	FY2020	FY2021	FY2020
NutriAsia, Inc	-	-	912	275
DMPI Retirement Fund	-	-	870	821
NutriAsia, Inc Retirement Fund	-	-	297	296
Aggregate Value	-	-	2,079	1,392

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENT

<i>Amounts in US\$'000</i>	For the three months ended			For the six months ended		
	31 October			31 October		
	FY2021 (Unaudited)	FY2020 (Unaudited)	%	FY2021 (Unaudited)	FY2020 (Unaudited)	%
Turnover	623,453	558,747	11.6	1,036,511	934,605	10.9
Cost of sales	(463,708)	(424,612)	(9.2)	(782,660)	(709,322)	(10.3)
Gross profit	159,745	134,135	19.1	253,851	225,283	12.7
Distribution and selling expenses	(57,447)	(61,739)	7.0	(95,089)	(100,807)	5.7
General and administration expenses	(35,991)	(33,740)	(6.7)	(71,048)	(63,952)	(11.1)
Other operating income/(loss)	1,421	(68,216)	102.1	664	(69,817)	101.0
Profit from operations	67,728	(29,560)	329.1	88,378	(9,293)	1,051.0
Financial income*	1,043	(92)	1,233.7	3,556	3,845	(7.5)
Financial expense*	(28,897)	(27,150)	(6.4)	(55,988)	(52,385)	(6.9)
Share in net loss of joint venture	(206)	(832)	75.2	(907)	(1,215)	25.3
Profit/(loss) before taxation	39,668	(57,634)	168.8	35,039	(59,048)	159.3
Taxation	(14,363)	14,011	(202.5)	(11,754)	(24,706)	52.4
Profit/(loss) after taxation	25,305	(43,623)	158.0	23,285	(83,754)	127.8
Profit/(loss) attributable to:						
Owners of the Company	21,852	(37,354)	158.5	18,603	(75,615)	124.6
Non-controlling interest**	3,453	(6,269)	155.1	4,682	(8,139)	157.5
Profit/(loss) for the period	25,305	(43,623)	158.0	23,285	(83,754)	127.8
Notes:						
Depreciation and amortisation	(45,951)	(43,733)	(5.1)	(81,456)	(78,815)	(3.4)
Reversal (Provision) of asset impairment	16	(40,793)	100.0	31	(40,777)	100.1
Reversal of (provision for) inventory obsolescence	(168)	(296)	43.2	(27)	(882)	96.9
Provision for doubtful debts	(38)	(16)	(137.5)	113	(71)	259.2
Gain (loss) on disposal of fixed assets	2,828	152	1,760.5	2,777	(1,436)	293.4
*Financial income comprise:						
Interest income	125	269	(53.5)	290	528	(45.1)
Foreign exchange gain	918	(361)	354.3	3,266	3,317	(1.5)
	1,043	(92)	1,233.7	3,556	3,845	(7.5)
*Financial expense comprise:						
Interest expense	(28,866)	(27,050)	(6.7)	(55,874)	(52,070)	(7.3)
Foreign exchange loss	(31)	(100)	69.0	(114)	(315)	63.8
	(28,897)	(27,150)	(6.4)	(55,988)	(52,385)	(6.9)

nm – not meaningful

Earnings per ordinary share in US cents	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2021	FY2020	FY2021	FY2020
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	0.87	(2.18)	0.45	(4.40)
(ii) On a fully diluted basis	0.87	(2.18)	0.45	(4.40)

** Includes (US\$366) for DMFI, US\$5,092 for DMPI and (US\$44) for FieldFresh in the first half ended 31 October of FY2021 and (US\$8,097) for DMFI and (US\$42) for FieldFresh in the first half ended 31 October of FY2020. Includes US\$623 for DMFI, US\$2,840 for DMPI and (US\$10) for FieldFresh in second quarter ended 31 October of FY2021 and (US\$6,240) for DMFI and (US\$29) for FieldFresh for the second quarter ended 31 October of FY2020.

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in US\$'000</i>	For the six months ended 31 October		
	FY2021 (Unaudited)	FY2020 (Unaudited)	%
Profit /(Loss) for the period	23,285	(83,754)	127.8
Other comprehensive income (after reclassification adjustment):			
<i>Items that will or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating of foreign operations	6,300	3,953	59.4
Effective portion of changes in fair value of cash flow hedges	2,523	(1,050)	340.2
Income tax expense on cash flow hedge	(618)	257	(340.1)
	8,205	3,160	159.7
<i>Items that will not be classified to profit or loss</i>			
Remeasurement of retirement benefit	7,346	(26,301)	127.9
Income tax expense on retirement benefit	(1,794)	5,454	(132.9)
	5,552	(20,847)	126.6
Other comprehensive loss for the period	13,757	(17,687)	177.8
Total comprehensive income/(loss) for the period	37,042	(101,441)	136.5
Attributable to:			
Owners of the Company	30,925	(91,016)	134.0
Non-controlling interests	6,117	(10,425)	158.7
Total comprehensive income /(loss)for the period	37,042	(101,441)	136.5
<i>nm – not meaningful</i>			

Please refer to page 3 for the Notes

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION

<i>Amounts in US\$'000</i>	Group			Company		
	31 Oct 2020 (Unaudited)	31 Oct 2019 (Unaudited)	30 April 2020 (Audited)	31 Oct 2020 (Unaudited)	31 Oct 2019 (Unaudited)	30 April 2020 (Audited)
Non-Current Assets						
Property, plant and equipment - net	521,010	520,835	507,497	-	-	-
Right-of-use (ROU) assets	153,145	216,801	166,085	75	-	-
Investment in subsidiaries	-	-	-	835,699	549,862	620,027
Investment in joint ventures	21,948	22,997	22,855	-	377	-
Intangible assets and goodwill	698,022	704,672	701,347	-	-	-
Other noncurrent assets	24,806	32,239	34,937	-	-	-
Deferred tax assets - net	145,965	137,344	144,974	34	23	40
Pension assets	5,756	8,013	6,675	-	-	-
Biological assets	2,411	1,901	2,118	-	-	-
Amount due from related company	-	-	-	-	213,911	228,683
	1,573,063	1,644,802	1,586,488	835,808	764,173	848,750
Current Assets						
Inventories	718,408	926,220	482,463	-	-	-
Biological assets	55,052	56,405	61,160	-	-	-
Trade and other receivables	259,786	218,564	323,065	86,264	98,938	95,131
Prepaid expenses and other current assets	40,460	43,908	67,712	107	178	180
Cash and cash equivalents	32,825	35,221	33,465	3,519	1,482	766
	1,106,531	1,280,318	967,865	89,890	100,598	96,077
Noncurrent assets held for sale	-	4,543	-	-	-	-
	1,106,531	1,284,861	967,865	89,890	100,598	96,077
Total Assets	2,679,594	2,929,663	2,554,353	925,698	864,771	944,827
Equity attributable to equity holders of the Company						
Share capital	49,449	49,449	49,449	49,449	49,449	49,449
Share premium	478,339	478,339	478,339	478,478	478,478	478,478
Retained earnings	38,235	(241)	60,763	38,235	(241)	60,763
Reserves	(65,152)	(81,228)	(77,474)	(65,152)	(81,228)	(77,474)
Equity attributable to owners of the Company	500,871	446,319	511,077	501,010	446,458	511,216
Non-controlling interest	54,809	32,681	54,820	-	-	-
Total Equity	555,680	479,000	565,897	501,010	446,458	511,216
Non-Current Liabilities						
Loans and borrowings	870,740	799,761	97,737	248,392	112,241	75,000
Lease liabilities	120,617	176,086	127,696	-	-	-
Other noncurrent liabilities	20,454	19,896	20,815	-	-	-
Employee benefits	76,767	86,450	82,398	244	185	221
Derivative Liabilities	2,565	-	2,565	-	-	-
Environmental remediation liabilities	9,545	14,786	9,587	-	-	-
Deferred tax liabilities - net	11,121	6,953	12,447	-	-	-
	1,111,809	1,103,932	353,245	248,636	112,426	75,221
Current Liabilities						
Trade and other current liabilities	325,581	303,722	276,893	53,411	41,902	67,108
Loans and borrowings	626,853	974,068	1,298,292	122,641	263,985	291,282
Lease liabilities	24,769	29,771	30,829	-	-	-
Current tax liabilities	5,646	3,493	6,250	-	-	-
Employee benefits	29,256	35,677	22,947	-	-	-
	1,012,105	1,346,731	1,635,211	176,052	305,887	358,390
Total Liabilities	2,123,914	2,450,663	1,988,456	424,688	418,313	433,611
Total Equity and Liabilities	2,679,594	2,929,663	2,554,353	925,698	864,771	944,827
NAV per ordinary share (US cents)	10.33	9.21	10.86	10.34	7.53	10.87
NTAV per ordinary share (US cents)	(25.57)	(27.04)	(25.22)	10.34	7.53	10.87

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
Group												
Fiscal Year 2021												
At 1 May 2020	49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,077	54,820	565,897
Impact of IFRS 16	-	-	-	-	-	-	-	-	(1,019)	(1,019)	-	(1,019)
At 1 May 2020, as restated	49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	59,744	510,058	54,820	564,878
Total comprehensive income for the period												
Income for the year	-	-	-	-	-	-	-	-	18,603	18,603	4,682	23,285
Other comprehensive income												
Currency translation differences recognised directly in equity	-	-	5,342	-	-	-	-	-	-	5,342	958	6,300
Gain on property revaluation, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of retirement plan, net of tax	-	-	-	-	5,198	-	-	-	-	5,198	354	5,552
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,782	-	-	-	1,782	123	1,905
Total other comprehensive income	-	-	5,342	-	5,198	1,782	-	-	-	12,322	1,435	13,757
Total comprehensive (loss)/income for the period	-	-	5,342	-	5,198	1,782	-	-	18,603	30,925	6,117	37,042
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Sale of shares of a subsidiary	-	-	-	-	-	-	-	-	(182)	(182)	-	(182)
Payment of Dividends	-	-	-	-	-	-	-	-	(39,930)	(39,930)	(6,128)	(46,058)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(40,112)	(40,112)	(6,128)	(46,240)
At 31 October 2020	49,449	478,339	(82,655)	13,731	2,325	(20)	1,753	(286)	38,235	500,871	54,809	555,680

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

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
Group												
Fiscal Year 2020												
At 1 May 2019	49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,035	43,106	601,141
Impact of IFRS 16	-	-	-	-	-	-	-	-	(713)	(713)	-	(713)
At 1 May 2019, as restated	49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,361	557,322	43,106	600,428
Total comprehensive income for the period												
Loss for the year	-	-	-	-	-	-	-	-	(75,615)	(75,615)	(8,139)	(83,754)
Other comprehensive income												
Currency translation differences recognised directly in equity	-	-	3,950	-	-	-	-	-	-	3,950	3	3,953
Remeasurement of retirement plan, net of tax	-	-	-	-	(18,642)	-	-	-	-	(18,642)	(2,205)	(20,847)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(709)	-	-	-	(709)	(84)	(793)
Total other comprehensive income	-	-	3,950	-	(18,642)	(709)	-	-	-	(15,401)	(2,286)	(17,687)
Total comprehensive (loss)/income for the period	-	-	3,950	-	(18,642)	(709)	-	-	(75,615)	(91,016)	(10,425)	(101,441)
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Value of employee services received for issue of share options	-	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of new preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Transaction cost from issue of preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Release of share awards	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(19,987)	(19,987)	-	(19,987)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(19,987)	(19,987)	-	(19,987)
At 31 October 2019	49,449	478,339	(89,425)	10,885	(994)	(3,161)	1,753	(286)	(241)	446,319	32,681	479,000

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

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
Company										
Fiscal Year 2021										
At 1 May 2020	49,449	478,478	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,216
Impact of IFRS 16	-	-	-	-	-	-	-	-	(1,019)	(1,019)
At 1 May 2020, as restated	49,449	478,478	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	59,744	510,197
Total comprehensive income for the period										
Loss for the year	-	-	-	-	-	-	-	-	18,603	18,603
Other comprehensive income										
Currency translation differences recognised directly in equity	-	-	5,342	-	-	-	-	-	-	5,342
Remeasurement of retirement plan, net of tax	-	-	-	-	5,198	-	-	-	-	5,198
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,782	-	-	-	1,782
Total other comprehensive income	-	-	5,342	-	5,198	1,782	-	-	-	12,322
Total comprehensive (loss)/income for the period	-	-	5,342	-	5,198	1,782	-	-	18,603	30,925
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Sale of shares of a subsidiary	-	-	-	-	-	-	-	-	(182)	(182)
Payment of Dividends	-	-	-	-	-	-	-	-	(39,930)	(39,930)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(40,112)	(40,112)
At 31 October 2020	49,449	478,478	(82,655)	13,731	2,325	(20)	1,753	(286)	38,235	501,010

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

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
Company										
Fiscal Year 2020										
At 1 May 2019	49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,174
Impact of IFRS 16	-	-	-	-	-	-	-	-	(713)	(713)
At 1 May 2019, as restated	49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,361	557,461
Total comprehensive income for the period										
Loss for the year	-	-	-	-	-	-	-	-	(75,615)	(38,261)
Other comprehensive income										
Currency translation differences recognised directly in equity	-	-	3,950	-	-	-	-	-	-	3,950
Remeasurement of retirement plan, net of tax	-	-	-	-	(18,642)	-	-	-	-	(18,642)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(709)	-	-	-	(709)
Total other comprehensive income	-	-	3,950	-	(18,642)	(709)	-	-	-	(15,401)
Total comprehensive (loss)/income for the period	-	-	3,950	-	(18,642)	(709)	-	-	(75,615)	(91,016)
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Value of employee services received for issue of share options	-	-	-	-	-	-	-	-	-	-
Transaction cost from issue of preference shares	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(19,987)	(19,987)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(19,987)	(19,987)
At 31 October 2019	49,449	478,478	(89,425)	10,885	(994)	(3,161)	1,753	(286)	(241)	446,458

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in US\$'000</i>	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2021	FY2020	FY2021	FY2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities				
Profit (loss) for the period	25,305	(43,623)	23,285	(83,754)
Adjustments for:				
Depreciation of property, plant and equipment	33,647	35,057	59,120	66,107
Amortisation of right-of-use assets	10,642	7,014	19,011	9,383
Amortisation of intangible assets	1,662	1,662	3,325	3,325
Impairment loss on property, plant and equipment	(16)	40,793	(31)	40,777
Gain/(loss) on disposal of property, plant and equipment	(2,828)	(152)	(2,777)	1,436
Share in net loss of joint venture	206	832	907	1,215
Finance income	(1,043)	92	(3,556)	(3,845)
Finance expense	28,897	27,150	55,988	52,385
Tax expense - current	5,527	3,653	18,021	46,966
Tax credit - deferred	8,836	(17,664)	(6,267)	(22,260)
Net loss (gain) on derivative financial instrument	(366)	212	11	633
Operating profit before working capital changes	<u>110,469</u>	<u>55,026</u>	<u>167,037</u>	<u>112,368</u>
Changes in:				
Other assets	7,218	5,021	8,760	(9,349)
Inventories	(137,225)	(157,195)	(231,847)	(270,653)
Biological assets	6,095	(368)	8,493	(318)
Trade and other receivables	(99,635)	(75,929)	(52,388)	(47,685)
Prepaid and other current assets	1,513	15,604	2,057	(3,076)
Trade and other payables	(9,429)	65,401	36,633	123,422
Employee Benefit	5,730	(1,777)	12,146	2,042
Operating cash flow	<u>(115,264)</u>	<u>(94,217)</u>	<u>(49,109)</u>	<u>(93,249)</u>
Income taxes paid	<u>(8,689)</u>	<u>(3,608)</u>	<u>(15,534)</u>	<u>(43,379)</u>
Net cash flows used in operating activities	<u>(123,953)</u>	<u>(97,825)</u>	<u>(64,643)</u>	<u>(136,628)</u>
Cash flows from investing activities				
Interest received	88	158	207	311
Proceeds from disposal of property, plant and equipment	1,985	239	2,429	540
Purchase of property, plant and equipment	(33,163)	(31,058)	(63,637)	(55,379)
Collection of receivables from prior year sale of shares of subsidiary and settlement of transaction costs	(23)	-	105,751	-
Net cash flows provided by (used in) investing activities	<u>(31,113)</u>	<u>(30,661)</u>	<u>44,750</u>	<u>(54,528)</u>
Cash flows from financing activities				
Interest paid	(9,495)	(26,730)	(24,779)	(47,998)
Proceeds of borrowings	1,549,222	388,738	3,020,934	506,980
Repayment of borrowings	(1,328,873)	(203,268)	(2,892,848)	(222,166)
Payments of lease liability	(10,991)	(14,373)	(18,643)	(14,373)
Dividends paid	(39,930)	(9,875)	(46,058)	(19,987)
Payments of debt related costs	(2,396)	-	(18,787)	-
Net cash flows provided by financing activities	<u>157,537</u>	<u>134,492</u>	<u>19,819</u>	<u>202,456</u>
Net increase (decrease) in cash and cash equivalents	2,471	6,006	(74)	11,300
Cash and cash equivalents, beginning	31,822	27,198	33,465	21,636
Effect of exchange rate fluctuations on cash held in foreign currency	(1,468)	2,017	(566)	2,285
Cash and cash equivalents at end of period	<u>32,825</u>	<u>35,221</u>	<u>32,825</u>	<u>35,221</u>

ONE-OFF EXPENSES/(INCOME)

<i>Amounts in US\$ million</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2021 (Unaudited)	FY2020 (Unaudited)	%	FY2021 (Unaudited)	FY2020 (Audited)	%
DMFI one-off expenses:						
Plant closures	-	75.5	nm	-	77.2	nm
Severance	-	1.2	nm	-	1.6	nm
Others	-	0.0	nm	-	0.1	nm
Total (pre-tax basis)	-	76.8	nm	-	78.9	nm
Tax impact	-	(18.7)	nm	-	(19.2)	nm
Non-controlling interest	-	(6.1)	nm	-	(6.3)	nm
Total DMFI one-off expenses (post tax, post NCI basis)	-	51.9	nm	-	53.3	nm
Second Lien Loan Purchase:						
Net (gain) cost due to the purchase of DMFI's second lien loan at a discount	-	0.1	nm	-	0.1	nm
Tax impact for the other one-off items	-	(0.0)	nm	-	(0.0)	nm
Total one-off gain on second lien loan purchase (post tax basis)	-	0.0	nm	-	0.1	nm
Intercompany Dividends Tax:						
Final tax paid on intercompany dividends	-	-	nm	-	39.6	nm
Deferred tax on undistributed share in profits	-	1.3	nm	-	2.7	nm
Total one-off final taxes on intercompany dividends	-	1.3	nm	-	42.3	nm
Total (post-tax and post non-controlling interest)	-	53.3	nm	-	95.7	nm