DEL MONTE PACIFIC LIMITED

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Third Quarter and Nine Months Ended January 2018

For enquiries, please contact:

Iggy Sison	Jennifer Luy
Tel: +632 856 2888	Tel: +65 6594 0980
isison@delmontepacific.com	jluy@delmontepacific.com

AUDIT

Third Quarter FY2018 results covering the period from 1 November 2017 to 31 January 2018 have neither been audited nor reviewed by the Group's auditors.

ACCOUNTING POLICIES

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

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

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

Applicable 1 May 2018

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

Applicable 1 May 2019

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

Applicable 1 May 2021
- IFRS 17, Insurance Contracts

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

DISCLAIMER

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

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

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

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

SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS

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

DIRECTORS' ASSURANCE

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

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

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

(Signed)
Rolando C Gapud
Executive Chairman

(Signed)
Joselito D Campos, Jr
Executive Director

8 March 2018

NOTES ON THE 3Q FY2018 DMPL RESULTS

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

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

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

FINANCIAL HIGHLIGHTS – THIRD QUARTER AND NINE MONTHS ENDED 31 JANUARY 2018

	For the three months ended 31 January			For the nine months ended 31 January		
in US$'000 unless otherwise stated*	**Fiscal Year 2018**	**Fiscal Year 2017 (Restated)**	**% Change**	**Fiscal Year 2018**	**Fiscal Year 2017 (Restated)**	**% Change**
Turnover	**599,782**	604,225	(0.7)	**1,698,334**	1,707,590	(0.5)
Gross profit	**119,149**	125,697	(5.2)	**345,413**	367,819	(6.1)
Gross margin (%)	***19.9***	*20.8*	*(0.9)*	***20.3***	*21.5*	*(1.2)*
Operating profit**	**16,715**	28,671	(41.7)	**38,957**	91,262	(57.3)
Operating margin (%)	***2.8***	*4.7*	*(1.9)*	***2.3***	*5.3*	*(3.0)*
Net profit attributable to owners of the Company - with one-off items**	**(38,369)**	8,530	(549.8)	**(40,447)**	21,459	(288.5)
Net margin (%)	***(6.4)***	*1.4*	*(7.8)*	***(2.4)***	*1.3*	*(3.7)*
EPS (US cents)	**(2.20)**	0.44	(600.0)	**(2.65)**	1.10	(340.9)
Net profit attributable to owners of the Company – without one-off items**	**3,422**	11,640	(70.6)	**14,909**	28,255	(47.2)
Net debt	**1,605,091**	1,956,164	(17.9)	**1,605,091**	1,956,164	(17.9)
*Gearing*** (%)*	***266.9***	*528.4*	*(261.5)*	***266.9***	*528.4*	*(261.5)*
EBITDA**	**34,938**	43,753	(20.1)	**95,696**	140,481	(31.9)
Cash flow from operations	**218,082**	193,675	12.6	**139,956**	33,679	315.6
Capital expenditure	**32,166**	34,743	(7.4)	**67,497**	100,696	(33.0)
Inventory (days)	**151**	161	(10)	**183**	186	(3)
Receivables (days)	**30**	26	4	**24**	23	1
Account Payables (days)	**35**	40	(5)	**36**	37	(1)

**The Company's reporting currency is US dollars. For conversion to S$, the following exchange rates can be used: 1.36 in January 2018, 1.39 in January 2017. For conversion to Php, these exchange rates can be used: 50.67 in January 2018, 48.30 in January 2017.*

***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

Third Quarter

The Group achieved sales of US$599.8 million for the third quarter of FY2018, down 0.7% versus the prior year period mainly on decreased exports of processed pineapple products and unfavourable impact of lower pineapple juice concentrate pricing.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) contributed US$451.5 million or 75.3% of Group sales. DMFI's sales slightly increased from US$450.6 million last year driven by higher volume of packaged fruit and broth, and increased retail sales partially offset by higher trade promotion. Overall, volume was marginally higher driven by the strong performance of the packaged fruit category in the holiday season which was partly offset by distribution losses in packaged tomatoes.

The *Del Monte Fruit & Chia* cups launched in the second quarter are performing well. These are adult fruit cups which combine fruit and chia seeds. DMFI followed this in the third quarter with the introduction of *Grab and Go Fruit Cups* which are single-serve cups with sporks (spoon and fork in one), for convenient snacking on the go. These new products ride on current consumer trends of healthy living, snacking and convenience.

Investments in consumer advertising and insights are paying dividends as DMFI's market share in canned vegetables and fruit continue to grow driven by growth in Walmart. DMFI increased its market share during the quarter across key categories in retail, i.e. canned vegetable, canned fruit, broth and fruit in plastic cups driven by increased trade and consumer investment.

As part of the Group's strategy to improve operational excellence, DMFI divested its underperforming Sager Creek vegetable business in the second quarter. This involved shutting the production facility in Siloam Springs, Arkansas. DMFI also shut its Plymouth, Indiana tomato production facility in the third quarter to improve efficiency and streamline operations. These resulted in incremental one-off expenses amounting to US$11.2 million pre-tax or US$6.2 million post-tax in the third quarter.

DMFI also wrote off US$39.8 million (gross and net basis, ie no tax impact, and non-cash) of deferred tax assets due to the change in US 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. The total one-off expenses for the third quarter amounted to US$41.8 million post-tax. Please refer to the last page of this MD&A for a schedule of the one-off expenses.

Excluding the one-off expenses, DMFI contributed an EBITDA of US$15.2 million and a net loss of US$13.0 million to the Group.

Sales of DMPL ex-DMFI were lower as compared to the same period last year. DMPL ex-DMFI generated sales of US$155.0 million (inclusive of the US$6.7 million sales by DMPL to DMFI which were netted out during consolidation).

It delivered lower gross margin of 30.9% from 33.6% in the prior year quarter mainly driven by unfavourable impact of lower pineapple juice concentrate pricing and sales mix. DMPL ex-DMFI generated an EBITDA of US$28.2 million which was lower by 22.7% and a net income of US$13.5 million, lower versus the US$21.3 million in the same period last year driven by lower export sales and margin.

The Philippine market sales were up 7.8% in peso terms and up 4.4% in US dollar terms. Sales growth was driven by expanded penetration and increased consumption of its beverage and culinary products into the peak season of Christmas. The Company's thrust on innovation continued with the launch of *100% Pineapple Juice* in Tetra Pak, offering more convenience to consumers. The Company also made an initial foray into the 'juice with particulates' market with the introduction of *Del Monte Juice & Chews* in December 2017, an innovative snack-in-a-drink combining chewy bits of nata and pineapple with fruit juice blends. This is becoming increasingly popular amongst teens. Foodservice sales in the Philippines remained strong, riding on the rapid expansion of quick service restaurants and convenience stores with partnerships and menu creation with major accounts.

Sales of the S&W branded business in Asia and the Middle East declined in the third quarter due to lower packaged pineapple sales in North Asia. There was increased competition from cheaper-priced products from Thailand impacting the Group's business most notably in China.

DMPL's share in the FieldFresh joint venture in India was favourable at US$0.1 million profit from a US$0.5 million loss in the prior year period due to improvement in sales and margin.

The Group's gross profit and operating profit were lower than prior year period due to lower export sales of processed pineapple products, unfavourable impact of lower, cyclical pineapple juice concentrate pricing, higher trade promotions and marketing spending. The incremental one-off expense from the sale of Sager Creek vegetable business, closure of the two plants mentioned above and other one-off expenses largely impacted the operating margin.

The Group's EBITDA of US$35.2 million was lower than prior year quarter's EBITDA of US$43.8 million. This quarter's EBITDA included the US$11.2 million of one-off expenses mentioned above. Without the one-off expenses, the Group recurring EBITDA was US$46.4 million. This was lower versus prior year quarter's recurring EBITDA of US$49.2 million due to planned increased investment in consumer and trade spending to reinvigorate the business in the USA in line with the Group's long range plan. The additional marketing and trade spend in the USA amounted to US$18.7 million.
.
The Group incurred a net loss of US$38.4 million for the quarter, as compared to a net income of US$8.5 million in the prior year quarter. This quarter's net loss included US$41.8 million of one-off expenses (net of tax), while prior year period's included only US$3.1 million of one-off expenses. Without the one-off expenses, the Group reported a recurring net income of US$3.4 million, lower than last year's recurring net income of US$11.6 million reflecting the planned higher investment in consumer and trade spending mentioned above.

The Group's cash flow from operations in the third quarter was US$218.1 million, higher versus last year's US$193.7 million driven by better working capital management mainly on DMFI's reduced inventory.

In December 2017, the Company successfully completed the offering and listing of its second tranche of Preference Shares in the Philippines generating approximately US$100 million in proceeds (or a combined US$ 300 million approximately if including the US$200 million that was raised in April 2017). The Company used the net proceeds to substantially refinance the US$350 million BDO Uni bank, Inc loan due in February 2019. This has improved the Group leverage ratio to 267% from 528% last year.

DMPL has also announced earlier the planned IPO of its wholly-owned subsidiary, Del Monte Philippines, Inc on the Philippine Stock Exchange, by offering to the public 20% of its stake in DMPI. The proceeds of up to US$320 million, subject to book building and market conditions will be used primarily for debt repayment and general corporate purposes. This will result in a further reduction of the leverage of the DMPL Group.

Nine Months

For the nine months of FY2018, the Group generated sales of US$1.7 billion, down 0.5% versus prior year period. DMFI generated US$1.3 billion or 75.0% of Group sales, lower by 1.6% largely driven by distribution losses in the tomato category, unfavourable pricing in foodservice and USDA, and higher trade promotion spending. The key retail segments of canned vegetable, canned fruit, broth and plastic fruit cup all grew sales in the nine months despite some category declines. DMFI increased its market share during the nine months across key categories in retail, i.e. canned vegetable, canned fruit, broth and fruit in plastic cups driven by increased trade and consumer investment.

The Philippine market sales were up 5.7% in peso terms and 0.1% in US dollar terms due to peso depreciation. The Group continued to invest in driving inclusion of Del Monte products in consumers' weekly menu behind 360-degree campaigns across brands. Foodservice sales in the Philippines also continued to expand, riding on the rapid expansion of quick service restaurants and convenience stores.

Sales of the S&W business, the fastest growing business of DMPI in Asia and the Middle East, were up driven by double-digit sales growth of fresh pineapple and expansion into Turkey, a new market for packaged products.

DMFI's gross margin for the nine-month period declined to 15.5% from 16.8% in the same period last year mainly driven by higher trade spend and unfavourable USDA and foodservice pricing.

DMPL ex-DMFI's gross profit at US$140.9 million was lower than last year and its gross margin decreased to 30.8% from 32.7% due to unfavourable sales mix and lower pineapple concentrate pricing.

The Group's gross profit and operating profit were lower than prior year period due to higher trade promotions and unfavourable pricing in USDA, foodservice and pineapple juice concentrate. The one-off expenses related to the sale of Sager Creek vegetable business and closure of two plants in the USA amounted to US$35.7 million pre-tax or US$19.8 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 including the non-cash US$39.8 million write-off of deferred tax assets due to the change in US Federal income tax rate from 35% to 21%.

DMPL's share of loss in the FieldFresh joint venture in India at US$0.4 million was lower versus the US$1.2 million in the prior year, as FieldFresh continued to invest behind the business to grow the Del Monte packaged business in India.

DMPL's net income without DMFI was US$45.8 million, up versus prior year period's US$44.7 million mainly from lower operating expenses and increased sales despite unfavourable impact from lower pineapple juice concentrate pricing.

The DMPL Group generated a net loss of US$40.4 million for the nine months of FY2018, unfavourable versus prior year period's net income of US$21.5 million due to the one-off expenses of US$55.4 million mentioned above.

Excluding the one-off expenses, the Group's net income would have been US$14.9 million, lower versus the recurring net income in the same period last year of US$28.3 million mainly driven by increased investment in trade and consumer spending to reinvigorate the business in the USA in line with Group's long range plan. The additional marketing and trade spend in the USA amounted to US$42.1 million.

The Group posted an EBITDA of US$95.9 million of which DMFI accounted for US$3.1 million. Excluding one-off expenses, the Group's EBITDA would have been US$131.6 million, 13.6% lower versus the recurring EBITDA of US$152.3 million in the prior year period.

The Group's cash flow from operations in the nine months was US$140.0 million, better versus last year's cash flow of US$33.7 million driven by better working capital management particularly due to the reduction in DMFI's inventory.

VARIANCE FROM PROSPECT STATEMENT

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

BUSINESS OUTLOOK

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

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

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

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

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

Barring unforeseen circumstances and excluding one-off expenses, the Group is expected to be profitable for FY2018.

As part of the Group's deleveraging plan subject to all regulatory approvals and market conditions, DMPL's wholly-owned Philippine subsidiary, Del Monte Philippines, Inc, (DMPI) has filed application documents for a proposed initial public offering of common shares comprising the sale of 20% of its issued capital, by way of a secondary offer, to be listed on the Philippine Stock Exchange. The Company will make further announcements as and when required and/or material developments arise in respect of the Offering.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the third quarter ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**156,664**	149,403	4.9	**26,841**	24,431	9.9	**3,668**	2,450	49.7
Packaged vegetable	**203,830**	205,351	(0.7)	**29,940**	29,273	2.3	**(9,895)**	(3,863)	(156.1)
Beverage	**5,796**	7,098	(18.3)	**(1,446)**	2,400	(160.3)	**(2,571)**	1,479	(273.8)
Culinary	**84,443**	87,643	(3.7)	**16,222**	15,853	2.3	**1,051**	980	7.2
Others	**746**	315	136.8	**214**	70	205.7	**65**	(1,662)	(103.9)
Total	**451,479**	449,810	0.4	**71,771**	72,027	(0.4)	**(7,682)**	(616)	nm

For the nine months ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**466,260**	459,068	1.6	**78,629**	79,868	(1.6)	**(858)**	10,309	(108.3)
Packaged vegetable	**571,742**	582,333	(1.8)	**92,345**	99,773	(7.4)	**(12,571)**	9,852	(227.6)
Beverage	**16,259**	22,971	(29.2)	**689**	6,526	(89.4)	**(3,434)**	3,009	(214.1)
Culinary	**213,192**	227,190	(6.2)	**36,948**	41,297	(10.5)	**(13,441)**	2,348	(672.4)
Others	**1,684**	812	107.4	**414**	180	130.0	**101**	121	(16.5)
Total	**1,269,137**	1,292,374	(1.8)	**209,025**	227,644	(8.2)	**(30,203)**	25,639	(217.8)

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 0.4% in the third quarter to US$451.1 million mainly driven by higher volume of packaged fruit and broth, and increased retail sales partially offset by higher trade promotion. Overall, volume was marginally higher driven by the strong performance of the packaged fruit category in the holiday season which was partly offset by distribution losses in packaged tomatoes. Investments in consumer advertising and insights are paying dividends as DMFI's market share in canned vegetables and fruit continue to grow driven by growth in Walmart. DMFI increased its market share during the quarter across key categories in retail, i.e. canned vegetable, canned fruit, broth and fruit in plastic cups driven by increased trade and consumer investment.

Gross profit was lower than prior year period due to lower food service pricing and higher trade promotions related to key retail initiatives.

Americas reported an operating loss for the quarter of US$30.2 million versus prior year quarter's operating income of US$25.6 million due to the sale of its underperforming Sager Creek vegetable business, closure of two plants and other one-off expenses which impacted operating margin. The total one-off expenses amounted to US$11.2 million pre-tax for the third quarter. Please refer to the last page of this MD&A for a schedule of the one-off expenses.

ASIA PACIFIC

For the third quarter ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income		
	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg
Packaged fruit	**34,303**	42,350	(19.0)	**11,624**	14,084	(17.5)	**7,471**	7,986	(6.4)
Packaged vegetable	**309**	443	(30.2)	**97**	110	(11.8)	**58**	51	13.7
Beverage	**34,336**	30,855	11.3	**8,965**	8,904	0.7	**2,689**	2,693	(0.1)
Culinary	**37,416**	35,593	5.1	**14,588**	13,448	8.5	**7,698**	8,371	(8.0)
Others	**33,778**	31,801	6.2	**10,732**	10,969	(2.2)	**5,996**	5,485	9.3
Total	**140,142**	141,042	(0.6)	**46,006**	47,515	(3.2)	**23,912**	24,586	(2.7)

For the nine months ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income		
	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg
Packaged fruit	**103,270**	101,808	1.4	**32,843**	31,619	3.9	**20,115**	16,513	21.8
Packaged vegetable	**1,005**	1,402	(28.3)	**315**	435	(27.6)	**215**	264	(18.6)
Beverage	**95,323**	98,241	(3.0)	**26,612**	31,096	(14.4)	**7,430**	11,047	(32.7)
Culinary	**100,989**	102,825	(1.8)	**40,080**	41,009	(2.3)	**22,174**	19,326	14.7
Others	**105,244**	89,722	17.3	**30,992**	27,027	14.7	**16,369**	11,996	36.5
Total	**405,831**	393,998	3.0	**130,842**	131,186	(0.3)	**66,303**	59,146	12.1

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

Asia Pacific's sales in the third quarter slightly decreased by 0.6% to US$140.1 million from US$141.0 million on lower packaged fruit, partially offset by higher beverage and culinary sales. The decrease in packaged fruit was mainly driven by lower sales in North Asia due to increased competition from lower-priced canned fruit from Thailand.

The Philippine market sales were up 7.8% in peso terms and up 4.4% in US dollar terms. Sales growth was driven by expanded penetration and increased consumption of its beverage and culinary products into the peak season of Christmas. The Company's thrust on innovation continuesd with the launch of *100% Pineapple Juice* in Tetra Pak, offering more convenience to consumers, and an initial foray into the 'juice with particulates market' with the introduction of *Del Monte Juice & Chews* in December 2017, an innovative snack-in-a-drink combining chewy bits of nata and pineapple with fruit juice blends. This is becoming increasingly popular amongst teens. Foodservice sales in the Philippines remained strong, riding on the rapid expansion of quick service restaurants and convenience stores with partnerships and menu creation with major accounts.

Sales of the S&W business declined in the third quarter due to lower packaged pineapple sales in North Asia. There was increased competition from cheaper-priced products from Thailand impacting the Group's business most notably in China.

Operating profit in the third quarter rose 9.3% to US$6.0 million mainly driven by higher sales, partially offset by higher product cost and higher selling and distribution expenses.

EUROPE

For the third quarter ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**6,510**	8,029	(18.9)	**2,057**	3,552	(42.1)	**1,297**	2,657	(51.2)
Packaged vegetable	**–**	–	–	**–**	–	–	**–**	–	–
Beverage	**1,651**	5,345	(69.1)	**(685)**	2,604	(126.3)	**(812)**	2,045	(139.7)
Culinary	**–**	–	–	**–**	–	–	**–**	–	–
Others	**–**	–	–	**–**	–	–	**–**	–	–
Total	**8,161**	13,374	(39.0)	**1,372**	6,156	(77.7)	**485**	4,702	(89.7)

For the nine months ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**17,755**	14,420	23.1	**6,550**	5,887	11.3	**4,537**	4,119	10.1
Packaged vegetable	**–**	–	–	**–**	–	–	**–**	–	–
Beverage	**5,611**	6,798	(17.5)	**(1,004)**	3,102	(132.4)	**(1,680)**	2,358	(171.2)
Culinary	**–**	–	–	**–**	–	–	**–**	–	–
Others	**–**	–	–	**–**	–	–	**–**	–	–
Total	**23,366**	21,218	10.1	**5,546**	8,989	(38.3)	**2,857**	6,477	(55.9)

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

For the third quarter, Europe's sales declined by 39.0% to US$8.2 million from US$13.4 million mainly on lower volume of pineapple juice concentrate and canned pineapple.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	**For the three months ended 31 January**			**For the nine months ended 31 January**		
	FY2018	FY2017	**Comments**	**FY2018**	FY2017	**Comments**
Cost of Goods Sold	**28.3**	28.0	Higher production and transportation costs	79.7	78.5	Same as 3Q
Distribution and Selling Expenses	**3.7**	3.3	Mainly due to timing of spending	10.1	9.1	Same as 3Q

G&A Expenses	**2.6**	2.4	Higher G&A cost due to plant closures	7.7	7.1	Same as 3Q
Other Operating Income	**(0.2)**	-	Higher miscellaneous income due to transfer of previously written off asset to other plant.	0.2	(0.1)	Higher miscellaneous expense due to the sale of Sager Creek business and plant closures

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**			
	FY2018	FY2017 (Restated)	**%**	**Comments**	**FY2018**	FY2017 (Restated)	**%**	**Comments**
Depreciation and amortisation	**(39,755)**	(34,852)	14.1	Mainly due to higher depreciation from higher asset base	**(112,025)**	(100,429)	11.5	Same as 3Q
Provision of asset impairment	**(410)**	-	100	Mainly on the impairment loss for Sager Creek PPE	**(22,301)**	–	100	Same as 3Q
Provision for inventory obsolescence	**(1,097)**	(4,255)	(74.2)	Due to timing of the provision	**(1,685)**	(5,159)	(67.3)	Same as 3Q
Reversal/(Provision) for doubtful debts	**33**	40	(17.5)	Due to timing of the reversal	**255**	(134)	(290.3)	Same as 3Q
Net gain/(loss) on disposal of fixed assets	**(321)**	(181)	77.3	Mainly on sale of Sager	**11,831**	(385)	nm	Same as 3Q
Foreign exchange gain/(loss)- net	**150**	(710)	(121.1)	Favourable impact of peso depreciation for the quarter	**3,603**	3,129	15.1	Same as 3Q
Interest income	**148**	98	51.0	Higher interest income from operating assets	**389**	349	11.5	Same as 3Q
Interest expense	**(25,642)**	(27,742)	(7.6)	Lower level of borrowings	**(77,866)**	(83,517)	(6.8)	Same as 3Q
Share of income/(loss) of JV, (attributable to the owners of the Company)	**(74)**	(429)	(82.8)	Due to FieldFresh higher income	**(1,197)**	(1,163)	2.9	Same as 3Q
Taxation	**(36,141)**	6,916	(622.6)	Due to DMFI write-off of non-cash deferred tax asset	**(15,311)**	8,490	(280.3)	Same as 3Q

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	**31 January 2018**	**31 January 2017 (Restated)**	**30 April 2017**	**Comments**
in US$'000				
Joint venture	**26,124**	25,161	22,820	Driven by additional capital call for Nice Fruit joint venture
Deferred tax assets	**80,896**	107,316	100,899	Due to write-off of non-cash deferred tax assets
Other assets	**47,952**	31,982	25,941	Due to receivable from sale of Sager Creek vegetable business
Biological assets	**44,784**	40,766	125,462	Mainly due to higher field mix
Inventories	**905,003**	1,004,767	845,233	Mainly due to reduced inventory driven by plant closure
Trade and other receivables	**213,344**	164,061	175,532	Due to timing of collection
Prepaid and other current assets	**29,221**	25,360	35,597	Due to increase in prepaid trade and advertising
Cash and cash equivalents	**41,782**	31,937	47,203	Due to better working capital management mainly on lower inventories
Financial liabilities – non-current	**1,165,680**	1,112,939	1,116,422	Reclassification of loans from current to non-current
Other non-current liabilities	**36,301**	46,677	62,586	Lower workers compensation
Employee benefits– non-current	**90,110**	88,386	97,118	Due to higher employee retirement plan
Financial liabilities – current	**481,193**	875,162	727,360	Due to payment of borrowings
Trade and other payables	**248,689**	283,066	281,043	Due to lower trade and accrued expenses
Current tax liabilities	**7,089**	4,113	3,827	Due to timing of tax payment

SHARE CAPITAL

Total shares outstanding were at 1,973,960,024 (common shares 1,943,960,024 and preference shares 30,000,000) as of 31 January 2018; (31 January 2017: 1,943,214,106). Share capital is at US$49.5 million as of 31 January 2018 (31 January 2017: US$19.5 million). Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below.

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

The number of shares outstanding includes 975,802 shares held by the Company as treasury shares as at 31 January 2018 (31 January 2017: 1,721,720). There was no sale, disposal and cancellation of treasury shares during the period and as at 31 January 2018.

The company does not have any subsidiary holdings as at 31 January 2018.

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

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

BORROWINGS AND NET DEBT

Liquidity in US$'000	As at 31 January **2018**	2017	As at 30 April 2017
Gross borrowings	**(1,646,873)**	(1,988,101)	(1,713,966)
Current	**(481,193)**	(875,162)	(449,698)
Secured	**(134,160)**	(290,680)	(169,114)
Unsecured	**(347,033)**	(584,482)	(280,584)
Non-current	**(1,165,680)**	(1,112,939)	(1,264,268)
Secured	**(923,830)**	(924,144)	(922,294)
Unsecured	**(241,850)**	(188,795)	(341,974)
Less: Cash and bank balances	**41,782**	31,937	37,571
Net debt	**(1,605,091)**	(1,956,164)	(1,676,395)

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.6 billion as at 31 January 2018, lower than last year due to payment of borrowings. The Company raised approximately US$300 million from the two tranches of Preference Share Offering in the Philippines in April and December 2017 and used the proceeds to pay down the BDO loan due in February 2019.

DIVIDENDS

No dividends were declared for this quarter and 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 third quarter of the fiscal year**	**Aggregate value of all IPTs (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	FY2018	FY2017	**FY2018**	FY2017
NutriAsia, Inc	**–**	–	**1,101**	1,054
DMPI Retirement Fund	**–**	–	**1,306**	1,229
NutriAsia, Inc Retirement Fund	**–**	–	**409**	409
Aggregate Value	**–**	–	**2,816**	2,692

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENT

Amounts in US$'000	For the three months ended 31 January **FY2018** (Unaudited)	FY2017 (Unaudited) (Restated)	%	For the nine months ended 31 January **FY2018** (Unaudited)	FY2017 (Unaudited) (Restated)	%
Turnover	**599,782**	604,225	(0.7)	**1,698,334**	1,707,590	(0.5)
Cost of sales	**(480,633)**	(478,528)	0.4	**(1,352,921)**	(1,339,771)	1.0
Gross profit	**119,149**	125,697	(5.2)	**345,413**	367,819	(6.1)
Distribution and selling expenses	**(62,424)**	(55,762)	11.9	**(171,234)**	(155,444)	10.2
General and administration expenses	**(44,002)**	(41,016)	7.3	**(131,591)**	(122,031)	7.8
Other operating income/(loss)	**3,992**	(248)	1,709.7	**(3,631)**	918	(495.5)
Profit from operations	**16,715**	28,671	(41.7)	**38,957**	91,262	(57.3)
Financial income*	**236**	526	(55.1)	**4,312**	5,411	(20.3)
Financial expense*	**(25,580)**	(28,880)	(11.4)	**(78,186)**	(85,450)	(8.5)
Net finance expense	**(25,344)**	(28,354)	(10.6)	**(73,874)**	(80,039)	(7.7)
Share in net loss of joint venture, net of tax	**(70)**	(454)	84.6	**(1,218)**	(1,230)	1.0
Profit /(loss) before taxation	**(8,699)**	(137)	nm	**(36,135)**	9,993	(461.6)
Taxation	**(36,141)**	6,916	(622.6)	**(15,311)**	8,490	(280.3)
Profit/(loss) after taxation	**(44,840)**	6,779	(761.5)	**(51,446)**	18,483	(378.3)
Profit(loss) attributable to:						
Owners of the Company	**(38,369)**	8,530	(549.8)	**(40,446)**	21,459	(288.5)
Non-controlling interest**	**(6,471)**	(1,751)	269.6	**(11,000)**	(2,976)	269.6
Profit/(loss) for the period	**(44,840)**	6,779	(761.5)	**(51,446)**	18,483	(378.3)
Notes:						
Depreciation and amortization	**(39,755)**	(34,852)	14.1	**(112,025)**	(100,429)	11.5
Provision of asset impairment	**(410)**	-	100.0	**(22,301)**	-	100.0
Provision for inventory obsolescence	**(1,097)**	(4,255)	(74.2)	**(1,685)**	(5,159)	(67.3)
Reversal (provision) for doubtful debts	**33**	40	(17.5)	**255**	(134)	(290.3)
Gain (loss) on disposal of fixed assets	**(321)**	(181)	77.3	**11,831**	(385)	nm
***Financial income comprise:**						
Interest income	**148**	98	51.0	**389**	349	11.5
Foreign exchange gain	**88**	428	(79.4)	**3,923**	5,062	(22.5)
	236	526	(55.1)	**4,312**	5,411	(20.3)
***Financial expense comprise:**						
Interest expense	**(25,580)**	(27,742)	(7.8)	**(77,866)**	(83,517)	(6.8)
Foreign exchange loss	**-**	(1,138)	(100.0)	**(320)**	(1,933)	(83.4)
	(25,580)	(28,880)	(11.4)	**(78,186)**	(85,450)	(8.5)

nm. – not meaningful

Earnings per ordinary share in US cents	For the three months ended 31 January **FY2018**	FY2017	For the nine months ended 31 January **FY2018**	FY2017
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	**(2.20)**	0.44	**(2.65)**	1.10
(ii) On a fully diluted basis	**(2.20)**	0.44	**(2.65)**	1.10

***Includes (US$10,978m) for DMFI and (US$20m) for FieldFresh in the Nine Months ended FY2018 and (US$2,909m) for DMFI and (US$67m) for FieldFresh in the Nine Months ended of FY2017.*
Includes (US$6,475m) for DMFI and US$5m for FieldFresh in the third quarter of FY2018 and (US$1,726m) for DMFI and (US$25m) for FieldFresh in the third quarter of FY2017.

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

Amounts in US$'000	**For the nine months ended 31 January**		
	FY2018 (Unaudited)	**FY2017 (Restated)**	**%**
Profit /(Loss) for the period	**(51,446)**	18,483	(378.3)
Other comprehensive income (after reclassification adjustment):			
Items that will or may be reclassified subsequently to profit or loss			
Exchange differences on translating of foreign operations	**(10,772)**	(17,438)	(38.2)
Effective portion of changes in fair value of cash flow hedges	**6,939**	15,137	(54.2)
Income tax expense on cash flow hedge	**(3,512)**	(5,752)	(38.9)
	(7,345)	(8,053)	(8.8)
Items that will not be classified to profit or loss			
Remeasurement of retirement benefit	**3,827**	4,450	(14.0)
Income tax expense on retirement benefit	**(1,872)**	(66)	nm
	1,955	4,384	(55.4)
Other comprehensive loss for the period	**(5,390)**	(3,669)	46.9
Total comprehensive income/(loss) for the period	**(56,836)**	14,814	(483.7)
Attributable to:			
Owners of the Company	**(46,431)**	16,337	(384.2)
Non-controlling interests	**(10,405)**	(1,523)	583.2
Total comprehensive income /(loss)for the period	**(56,836)**	14,814	(483.7)

nm – not meaningful

DEL MOTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION

Amounts in US$'000	Group			Company		
	31 Jan 2018 (Unaudited)	31 Jan 2017 (Restated)	30 April 2017 (Audited)	31 Jan 2018 (Unaudited)	31 Jan 2017 (Restated)	30 April 2017 (Audited)
Non-Current Assets						
Property, plant and equipment – net	**594,036**	653,469	657,185	–	–	–
Subsidiaries	–	–	–	**750,880**	807,671	831,888
Joint ventures	**26,124**	25,161	25,797	**2,665**	2,551	1,924
Intangible assets and goodwill	**716,318**	743,362	741,026	–	–	–
Other noncurrent assets	**47,952**	31,982	27,112	–	–	–
Deferred tax assets – net	**80,896**	107,316	92,786	8	–	2
Employee benefits	**4,610**	–	5,517	–	–	–
Biological assets	**1,547**	1,383	1,420	–	–	–
	1,471,483	1,562,673	1,550,843	**753,553**	810,222	833,814
Current Assets						
Inventories	**905,003**	1,004,767	916,892	–	–	–
Biological assets	**43,237**	39,414	44,347	–	–	–
Trade and other receivables	**213,344**	164,061	164,447	**105,038**	125,743	119,703
Prepaid and other current assets	**29,221**	25,360	43,046	**292**	305	328
Cash and cash equivalents	**41,782**	31,937	37,571	**8,987**	580	6,767
	1,232,587	1,265,539	1,206,303	**114,317**	126,628	126,798
Noncurrent assets held for sale	**–**	1,050	–	–	–	–
	1,232,587	1,266,589	1,206,303	**114,317**	126,628	126,798
Total Assets	**2,704,070**	2,829,262	2,757,146	**867,870**	936,850	960,612
Equity attributable to equity holders of the Company						
Share capital	**49,449**	19,449	39,449	**49,449**	19,449	39,449
Retained earnings	**100,216**	156,262	159,169	**100,216**	156,262	159,169
Reserves	**400,708**	133,917	318,460	**400,848**	134,056	318,599
Equity attributable to owners of the Company	**550,373**	309,628	517,078	**550,513**	309,767	517,217
Non-controlling interest	**51,072**	60,578	61,477	–	–	–
Total Equity	**601,445**	370,206	578,555	**550,513**	309,767	517,217
Non-Current Liabilities						
Loans and borrowings	**1,165,680**	1,112,939	1,264,268	**183,410**	128,494	281,854
Other noncurrent liabilities	**36,301**	46,677	44,018	–	–	–
Employee benefits	**90,110**	88,386	87,599	–	–	–
Environmental remediation liabilities	**4,346**	4,515	6,198	–	–	–
Deferred tax liabilities	**2,921**	3,019	3,913	–	–	–
	1,299,358	1,255,536	1,405,996	**183,410**	128,494	281,854

To be continued

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

Amounts in US$'000	**Group**			**Company**		
	31 Jan 2018 (Unaudited)	**31 Jan 2017 (Restated)**	**30 April 2017 (Audited)**	**31 Jan 2018 (Unaudited)**	**31 Jan 2017 (Restated)**	**30 April 2017 (Audited)**
Current Liabilities						
Trade and other payables	**275,972**	283,066	299,545	**98,439**	109,473	118,471
Loans and borrowings	**481,193**	875,162	449,698	**35,532**	389,138	43,070
Current tax liabilities	**7,089**	4,113	1,187	**(35)**	(22)	–
Employee benefits	**39,013**	41,179	22,165	**11**	–	–
	803,267	1,203,520	772,595	**133,947**	498,589	161,541
Total Liabilities	**2,102,625**	2,459,056	2,178,591	**317,357**	627,083	443,395
Total Equity and Liabilities	**2,704,070**	2,829,262	2,757,146	**867,870**	936,850	960,612
NAV per ordinary share (US cents)	**30.47**	19.06	29.77	**27.89**	15.94	26.35

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group												
Fiscal Year 2017												
At 1 May 2016, restated	19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	160,631	(802)	315,006	61,971	376,977
Total comprehensive income for the period												
Profit for the period	–	–	–	–	–	–	–	21,459	–	21,459	(2,976)	18,483
Other comprehensive income												
Currency translation differences recognised directly in equity	–	–	(17,437)	–	–	–	–	–	–	(17,437)	(1)	(17,438)
Gain on property revaluation	–	–	–	3,481	–	–	–	–	–	3,481	–	3,481
Remeasurement of retirement plan	–	–	–	–	3,921	–	–	–	–	3,921	463	4,384
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	8,394	–	–	–	8,394	991	9,385
Total other comprehensive income	–	–	(17,437)	3,481	3,921	8,394	–	–	–	(1,641)	1,453	(188)
Total comprehensive (loss)/income for the period	–	–	(17,437)	3,481	3,921	8,394	–	21,459	–	19,818	(1,523)	18,295
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Value of employee services received for issue of share options	–	–	–	–	–	–	632	–	–	632	130	762
Payment of dividends	–	–	–	–	–	–	–	(25,828)	–	(25,828)	–	(25,828)
Total contributions by and distributions to owners	–	–	–	–	–	–	632	(25,828)	–	(25,196)	130	(25,066)
At 31 January 2017	**19,449**	**214,843**	**(77,250)**	**11,483**	**(6,912)**	**(9,108)**	**1,663**	**156,262**	**(802)**	**309,628**	**60,578**	**370,206**

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

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Group												
Fiscal Year 2018												
At 1 May 2017	39,449	390,320	(78,087)	10,885	1,808	(7,443)	1,779	159,169	(802)	517,078	61,477	578,555
Total comprehensive income for the period												
Loss for the period	–	–	–	–	–	–	–	(40,446)	–	(40,446)	(11,000)	(51,446)
Other comprehensive income												
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
Total other comprehensive income	–	–	(10,774)	–	1,724	3,065	–	–	–	(5,985)	595	(5,390)
Total comprehensive (loss)/income for the period	–	–	(10,774)	–	1,724	3,065	–	(40,446)	–	(46,431)	(10,405)	(56,836)
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Value of employee services received for issue of share options	–	–	–	–	–	–	318	–	–	318	–	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)
Total contributions by and distributions to owners	10,000	87,865	–	–	–	–	(148)	(18,507)	516	79,726	–	79,726
At 31 January 2018	**49,449**	**478,185**	**(88,861)**	**10,885**	**3,532**	**(4,378)**	**1,631**	**100,216**	**(286)**	**550,373**	**51,072**	**601,445**

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

Company	**Share Capital US$'000**	**Share Premium US$'000**	**Translation Reserve US$'000**	**Revaluation reserve US$'000**	**Remeasure -ment retirement plan US$'000**	**Share option reserve US$'000**	**Hedging Reserve US$'000**	**Reserve for own shares US$'000**	**Retained earnings US$'000**	**Total Equity US$'000**
Fiscal Year 2017										
At 1 May 2016, as restated	19,449	214,982	(59,813)	8,002	(10,833)	1,031	(17,502)	(802)	160,631	315,145
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	–	–	21,459	21,459
Other comprehensive income										
Currency translation differences	–	–	(17,437)	–	–	–	–	–	–	(17,437)
Gain on property revaluation, net of tax	–	–	–	3,481	–	–	–	–	–	3,481
Remeasurement of retirement plans, net of tax	–	–	–	–	3,921	–	–	–	–	3,921
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	–	–	–	8,394	–	–	8,394
Total other comprehensive income (loss)	–	–	(17,437)	3,481	3,921	–	8,394	–	–	(1,641)
Total comprehensive income (loss) for the period	–	–	(17,437)	3,481	3,921	–	8,394	–	21,459	19,818
Transactions with owners of the Company recognized directly in equity										
Contributions by and distributions to owners of the Company										
Value of employee services received for issue of share options	–	–	–	–	–	632	–	–	–	632
Payment of dividends	–	–	–	–	–	–	–	–	(25,828)	(25,828)
Total contributions by and distributions to owners	–	–	–	–	–	632	–	–	(25,828)	(25,196)
At 31 January 2017	**19,449**	**214,982**	**(77,250)**	**11,483**	**(6,912)**	**1,663**	**(9,108)**	**(802)**	**156,262**	**309,767**

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

Company	Share capital	Share premium	Translation Reserve	Revaluation Reserve	Remeasure-ment Retirement Plan	Share Option Reserve	Hedging Reserve	Reserve for own shares	Retained earnings	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Fiscal Year 2018										
At 1 May 2017	39,449	390,459	(78,087)	10,885	1,808	1,779	(7,443)	(802)	159,169	517,217
Total comprehensive loss for the period										
Loss for the period	–	–	–	–	–	–	–	–	(40,446)	(40,446)
Other comprehensive income										
Currency translation differences	–	–	(10,774)	–	–	–	–	–	–	(10,774)
Remeasurement of retirement plans, net of tax	–	–	–	–	1,724	–	–	–	–	1,724
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	–	–	–	3,065	–	–	3,065
Total other comprehensive income (loss)	–	–	(10,774)	–	1,724	–	3,065	–	–	(5,985)
Total comprehensive income (loss) for the period	–	–	(10,774)	–	1,724	–	3,065	–	(40,446)	(46,431)
Transactions with owners of the Company recognised directly in equity										
Contributions by and distributions to owners of the Company										
Value of employee services received for issue of share options	–	–	–	–	–	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
At 31 January 2018	**49,449**	**478,324**	**(88,861)**	**10,885**	**3,532**	**1,632**	**(4,378)**	**(286)**	**100,216**	**550,513**

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in US$'000	**For the three months ended 31 January**		**For the nine months ended 31 January**	
	FY2018 (Unaudited)	FY2017 (Restated, Unaudited)	**FY2018 (Unaudited)**	FY2017 (Restated, Unaudited)
Cash flows from operating activities				
Profit (loss) for the period	**(44,840)**	4,924	**(51,446)**	18,483
Adjustments for:				
Depreciation of property, plant and equipment	**38,088**	32,515	**105,908**	93,419
Amortisation of intangible assets	**1,667**	2,337	**6,117**	7,010
Impairment loss on property, plant and equipment	**410**	–	**22,301**	–
Gain/(loss) on disposal of property, plant and equipment	**321**	181	**(11,831)**	385
Equity-settled share-based payment transactions	**103**	225	**314**	763
Share in net loss of joint venture, net of tax	**70**	454	**1,218**	1,230
Finance income	**(236)**	(1,313)	**(4,312)**	(5,411)
Finance expense	**25,580**	29,929	**78,186**	85,450
Tax expense (benefit) – net	**36,141**	(6,920)	**15,311**	(8,490)
Net loss (gain) on derivative financial instrument	**(123)**	(217)	**528**	1,183
Operating profit before working capital changes	**57,181**	62,115	**162,294**	194,022
Changes in:				
Other assets	**3,440**	622	**21,940**	2,271
Inventories	**196,308**	150,155	**5,723**	(155,682)
Biological assets	**(8,343)**	(2,789)	**(23,971)**	(3,766)
Trade and other receivables	**60,978**	87,357	**(36,379)**	2,437
Prepaid and other current assets	**5,650**	7,458	**17,215**	8,452
Trade and other payables	**(100,793)**	(105,730)	**(17,379)**	(15,980)
Employee Benefit	**4,174**	(3,714)	**12,010**	3,749
Operating cash flow	**218,595**	195,474	**141,453**	35,503
Income taxes paid	**(513)**	(1,799)	**(1,497)**	(1,824)
Net cash flows from operating activities	**218,082**	193,675	**139,956**	33,679
Cash flows from investing activities				
Interest received	**145**	(11,495)	**378**	313
Proceeds from disposal of property, plant and equipment	**26**	356	**(12,432)**	1,839
Purchase of property, plant and equipment	**(32,166)**	(34,743)	**(67,497)**	(100,696)
Additional investment in joint venture	**(595)**	(700)	**(1,544)**	(3,570)
Net cash flows used in investing activities	**(32,590)**	(46,582)	**(81,095)**	(102,114)

To be continued

Amounts in US$'000	**For the three months ended 31 January**		**For the nine months ended 31 January**	
	FY2018 (Unaudited)	FY2017 (Restated, Unaudited)	**FY2018 (Unaudited)**	FY2017 (Restated, Unaudited)
Cash flows from financing activities				
Interest paid	**(23,811)**	(24,014)	**(72,170)**	(71,840)
Proceeds of borrowings	**60,872**	135,322	**582,039**	746,690
Repayment of borrowings	**(296,705)**	(249,544)	**(648,715)**	(593,844)
Dividends paid	**–**	–	**(18,507)**	(25,828)
Proceeds from issue of share capital	**100,000**	–	**100,000**	–
Transactions costs related to rights issue	**(2,086)**	–	**(2,086)**	(1)
Net cash flows from financing activities	**(161,730)**	(138,236)	**(59,439)**	55,177
Net increase/(decrease) in cash and cash equivalents	**23,762**	8,857	**(578)**	(13,258)
Cash and cash equivalents at 1 May	**23,030**	23,489	**37,571**	47,203
Effect of exchange rate fluctuations on cash held	**(5,010)**	(409)	**4,789**	(2,008)
Cash and cash equivalents at 31 January	**41,782**	31,937	**41,782**	31,937

One-off expenses/(income)

	For the three months ended 31 January			**For the nine months ended 31 January**		
in US$ million	**FY2018 (Unaudited)**	FY2017 (Unaudited)	% Change	**FY2018 (Unaudited)**	FY2017 (Unaudited)	% Change
Closure of North Carolina plant	**–**	0.9	nm	–	3.6	nm
Closure of Sager Creek Arkansas plant	**6.8**	–	nm	**13.3**	–	nm
Closure of Plymouth, Indiana plant	**(0.8)**	–	nm	**13.3**	–	nm
Severance	**2.5**	4.5	(44.4)	**3.8**	8.2	(53.7)
Others	**2.7**	–	nm	**5.3**	–	nm
Total (pre-tax basis)	**11.2**	5.4	107.4	**35.7**	11.8	202.5
Write off of deferred tax assets (non-cash)*	**39.8**	–	100.0	**39.8**	–	100.0
Tax impact for the other one-off items	**(4.3)**	(2.0)	115.0	**(13.6)**	(4.2)	223.8
Non-controlling interest	**(4.9)**	(0.4)	nm	**(6.5)**	(0.8)	712.5
Total (post-tax and post non-controlling interest)	**41.8**	3.1	nm	**55.4**	6.8	714.7

*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.