DEL MONTE PACIFIC LIMITED

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Third Quarter and Nine Months Ended 31 January 2020

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AUDIT

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

Applicable 1 May 2019 which the Group has adopted:

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

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

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

DISCLAIMER

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

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

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

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

SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS

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

DIRECTORS' ASSURANCE

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

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

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

(Signed)
Rolando C Gapud
Executive Chairman

(Signed)
Joselito D Campos, Jr
Executive Director

11 March 2020

NOTES ON THE 3Q FY2020 DMPL RESULTS

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

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

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

4. The Group has adopted IFRS 16 from 1 May 2019. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, recognises right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Please refer to page 24 for a discussion of the impact of IFRS 16.

FINANCIAL HIGHLIGHTS – THIRD QUARTER AND NINE MONTHS ENDED 31 JANUARY 2020

	For the three months ended 31 January			For the nine months ended 31 January		
in US$'000 unless otherwise stated*	**Fiscal Year 2020**	**Fiscal Year 2019**	**% Change**	**Fiscal Year 2020**	**Fiscal Year 2019**	**% Change**
With one-off items**						
Turnover	**555,344**	528,723	5.0	**1,489,949**	1,522,230	(2.1)
Gross profit	**113,444**	116,626	(2.7)	**338,727**	313,361	8.1
Gross margin (%)	***20.4***	*22.1*	*(1.7)*	***22.7***	*20.6*	*2.1*
EBITDA	**56,953**	39,728	43.4	**86,334**	104,885	(17.7)
Operating profit	**30,194**	24,225	24.6	**20,901**	56,234	(62.8)
Operating margin (%)	***5.4***	*4.6*	*0.8*	***1.4***	*3.7*	*(2.3)*
Net profit attributable to owners of the Company	**6,665**	2,574	158.9	**(68,950)**	14,021	(591.8)
Net margin (%)	***1.2***	*0.5*	*0.7*	***(4.6)***	*0.9*	*(5.5)*
EPS (US cents)	**0.09**	(0.12)	175.0	**(4.31)**	(0.04)	nm
EPS before preference dividends (US cents)	**0.34**	0.13	161.5	**(3.55)**	0.72	(593.1)
Without one-off items**						
Gross profit	**113,444**	115,975	(2.2)	**338,727**	319,918	5.9
EBITDA	**57,628**	40,553	42.1	**165,872**	112,839	47.0
Operating profit	**30,869**	25,050	23.2	**100,439**	64,188	56.5
Net profit attributable to owners of the Company	**7,359**	3,038	142.2	**27,433**	6,608	315.1
Net debt	**1,603,081**	1,531,394	4.7	**1,603,081**	1,531,394	4.7
*Gearing*** (%)*	***333.0***	*251.4*	*81.6*	***333.0***	*251.4*	*81.6*
Cash flow from operations	**193,881**	220,316	(12.0)	**57,253**	49,743	15.1
Capital expenditure	**29,969**	38,176	(21.5)	**85,348**	94,071	(9.3)
Inventory (days)	**135**	141	(6)	**165**	169	(4)
Receivables (days)	**28**	33	(5)	**26**	28	(2)
Account Payables (days)	**37**	36	1	**34**	39	(5)

nm – not meaningful

**The Company's reporting currency is US dollars. For conversion to S$, the following exchange rates can be used: 1.37 in January 2020, 1.36 in January 2019. For conversion to Php, these exchange rates can be used: 51.44 in January 2020, 53.16 in January, 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

Third Quarter

The Group achieved sales of US$555.3 million for the third quarter of FY2020, higher by 5.0% versus the prior year quarter driven by higher retail sales in the Philippines, higher export of packaged pineapple products, the strong performance of S&W brand in Asia as well as higher sales from the USA.

Stripping out Sager Creek's sales, the Group sales in the third quarter would have been higher by 5.8%.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) generated US$391.8 million or 70.6% of Group sales. DMFI's sales increased by 1.5% from US$386.2 million in the prior year quarter mainly driven by price increases from the last quarter of FY2019 as well as higher sales of private label ahead of the discontinuation of certain product lines.

DMFI has launched a number of new products in recent years. New products contributed 4.3% to DMFI's retail and foodservice sales in the third quarter.

Three of DMFI's new products won "Product of the Year" in the US: *Del Monte Veggieful Veggie Bowl* in the convenience meal category, *Contadina Pizzettas* in the frozen snack category, and *Del Monte Fruit Crunch Parfait* in the snack cup category. This win builds on DMFI's past Product of the Year recognition for *Del Monte Fruit & Oats* in 2019 and *Del Monte Fruit Refreshers* in 2017.

Product of the Year is the world's largest consumer-voted award for product innovation with this year seeing the largest number of participants to date. Winners are determined by the votes of about 40,000 consumers in a nationally representative survey conducted by research partner Kantar, a global leader in consumer research. This year marked the 12th year of the award in the U.S. and more than 30 years globally.

Ready-to-eat *Del Monte Veggieful Veggie Bowl* features one serving of vegetables with quinoa blended with whole grains and flavourful sauce, while *Contadina Pizzettas* offer a delicious and wholesome alternative to traditional pizza, with a crust made with cauliflower. *Del Monte Fruit Crunch Parfait* contains one full serving of fruit, non-dairy coconut crème, a crunchy granola topping and packed with 2 billion probiotics.

However, DMFI generated lower gross profit and margin of 15.8% from 17.9% in the prior year period. Lower gross margin was due to higher product cost mainly from metal packaging, lower yields primarily from fruits and vegetables, and higher trade spending mainly from retail and share stabilisation across most segments.

DMPL ex-DMFI generated sales of US$170.2 million (inclusive of the US$6.7 million sales by DMPL to DMFI which were netted out during consolidation) which were 13.3% higher than US$150.2 million sales in prior year period. Higher sales were mainly driven by all major segments including Philippines, S&W across Asia and exports of packaged pineapple products.

DMPL ex-DMFI delivered marginally lower gross margin of 29.5% from 29.6% in the same period last year mainly from lower gross margin from S&W across Asia attributed to higher product costs due to commodity headwinds and unfavourable forex impact of the stronger peso on international sales.

In the third quarter, the Philippines domestic market sustained its strong performance growth, generating a 6.4% sales increase in peso terms and 10.8% in US dollar terms. Growth was driven by higher volume and sales, buoyed by a stronger peso. Retail grew by 7.3% in peso sales value, while non-retail foodservice was flat. In retail, the General Trade segment, which accounts for about half of Philippines sales, delivered 9.5% growth behind continued improvements in distributor operations. Sales in the Modern Trade Key Accounts, about 35% of Philippines sales, grew by 4.8%. The quarter ended with positive market share improvements across canned and carton Juices and Packaged Fruit, driven by its continuing campaigns to drive category relevance, resulting in better performance for *100% Pineapple Juice*, and the affordable *Pineapple Tidbits* in pouch, as well as growth behind *Fiesta Fruit Cocktail* during the critical holiday season.

Sales of the S&W branded business in Asia and the Middle East rose 10.5% on higher sales from both packaged and fresh business. Packaged pineapple, mixed fruit and sales of other products increased significantly driven by South East Asia and Hong Kong while fresh pineapple sales grew in North Asia and the Middle East as a result of expanded distribution.

DMPL's share in the FieldFresh joint venture in India was a US$0.4 million loss from a breakeven in the prior year quarter, due to lower than planned sales from increased competition, strategic marketing investment to drive growth in the "Italian" range of products coupled with higher supply and logistics costs for the fresh business and key commodities.

DMPL ex-DMFI generated an EBITDA of US$29.8 million which was higher by 15.0% in the same period last year mainly from factors discussed above. DMPL ex-DMFI generated a net profit of US$15.7 million which was 21.1% higher versus the US$12.9 million in the same quarter last year driven by strong operating results across all segments.

The Group's EBITDA of US$56.9 million was significantly higher than prior year quarter's EBITDA of US$39.9 million. This quarter's EBITDA included US$0.7 million of one-off expenses mainly related to plant closure cost and severance expenses in the US. Without the one-off expenses, the Group recurring EBITDA was US$57.6 million, higher versus prior year quarter's recurring EBITDA of US$40.7 million due to margin improvement from higher sales and price increase in the Philippines, higher sales in Asia and higher exports of fresh pineapples and packaged pineapple products. (Impact from change in accounting for leases under IFRS 16 is explained on page 24 of this report.)

Also, in view of the abovementioned one-off expenses, the Group reported a net profit of US$6.7 million for the quarter versus a net profit of US$2.6 million in the prior year quarter. Last year's net profit had also included a net one-off loss of US$0.5 million post-tax.

Without the one-off items, the Group reported a recurring net profit of US$7.4 million as compared to last year's recurring net profit of US$3.0 million.

The Group's cash flow from operations in the third quarter was US$193.9 million, lower than last year's US$220.3 million mainly on trade and other receivables build-up due to selling season partially offset by increase in trade and other payables, and higher operating profit this quarter.

On 24 January 2020, it was announced that DMPL and its indirectly wholly-owned subsidiaries, Central American Resources, Inc (CARI) and Del Monte Philippines, Inc (DMPI) have entered into an agreement with SEA Diner Holdings Pte Ltd for the proposed sale of 363,651,600 existing ordinary shares of DMPI (representing 13% of the total number of issued and paid-up ordinary shares in DMPI), subject to certain closing conditions. The proceeds will be mainly used to settle loans with banks. For more details, please refer to the said announcement.

Nine Months

For the nine months of FY2020, the Group generated sales of US$1.5 billion, down 2.1% versus prior year period. DMFI generated US$1.0 billion or 69.1% of Group sales, lower by 7.5% largely driven by the planned divestiture of the Sager Creek vegetable business in September 2017, and other deprioritised businesses including USDA and sundry, and fewer co-pack awards, in line with company strategy. Packaged fruit and vegetable volume declined due to the impact of pricing. The volume decline of 7.8% on branded business was offset by favourable pricing action of 6.8%.

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

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

In August, Del Monte introduced the ready-to-eat *Del Monte Veggieful Bowl* in four varieties which feature one serving of vegetables with quinoa blended with whole grain and flavourful sauce.

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

New products contributed 4.9% to DMFI's retail and foodservice sales in the first nine months of FY2020.

DMFI generated higher gross profit and margin of 18.9% from 16.5% in the prior year period. This increase was due primarily to higher pricing across multiple channels and improved product mix as a result of the de-prioritisation of lower margin sales. These improvements were partially offset by increase in metal packaging costs and higher delivered costs. FY2019 was also impacted by increased costs to liquidate Sager Creek products.

The Philippine market sales were up 4.8% and 8.3% in peso and US terms, respectively. Price increase and lower direct promotion spend contributed +2.8% to net sales growth, driven by a series of price increases across all categories mostly in 2019. Sales in the General Trade segment (about 50% of Philippines sales) grew by 6.5%, as the Group continued to make progress in improving its distributor business that had impacted results in the prior year. Sales in the Modern Trade (about 35% of Philippines sales) increased by 6.1%.

Sales of the S&W branded business in Asia and the Middle East grew strongly by 12.1% in the nine months mainly driven by higher sales of fresh pineapple in North Asia.

DMPL ex-DMFI delivered higher gross margin of 28.7% from 28.3% in the same period last year mainly from higher sales of fresh pineapple and price increases in the Philippine market in line with inflation.

DMPL's share in the FieldFresh joint venture in India was unfavourable at US$1.1 million loss from a US$0.2 million profit in the prior year period due to higher cost of commodities, increased overheads and increased marketing investments to drive growth of the Italian range of products.

On 20 August 2019, DMFI announced the closure and sale of four facilities. On 1 November 2019, DMFI successfully sold and transitioned its Cambria, Wisconsin operations and related employees to Seneca Foods Inc. DMFI has also entered into an agreement to sell its production facilities in Sleepy Eye, Minnesota and Mendota, Illinois and expects the closure and sale of these facilities to be completed in the fourth quarter of FY2020. DMFI has also sold the equipment at its Crystal City, Texas facility and is considering additional proposals to sell the balance of the Crystal City assets. Production at rationalised facilities is being transitioned to other DMFI production facilities in the United States as well as to strategic co-packers. These divestitures will enable DMFI to significantly improve capacity utilisation at the remaining plants in its production network. While DMFI's Asset-Light Strategy has been a complex undertaking, it has been a critical step in repositioning DMFI for the future. These resulted in one-off expenses amounting to US$77.4 million pre-tax, among others, in the first nine months of FY2020. Please refer to the last page of this MD&A for a schedule of the one-off items.

In view of the above, the Group posted an EBITDA of US$86.3 million of which DMFI accounted for (US$0.9) million. Excluding the one-off expenses, the Group's EBITDA would have been US$165.9 million, 47.0% higher versus the recurring EBITDA of US$112.8 million in the prior year period. (Impact from change in accounting for leases under IFRS 16 is explained on page 24 of this report.)

In preparation for its capital raising initiatives, in the first quarter of this fiscal year, DMPL's Philippine subsidiary, Del Monte Philippines, Inc, declared a dividend to its parent which was taxed at 15% amounting to US$39.6 million. In view of this and the one-off expenses incurred by DMFI due to plant closures/sale, the Group reported a net loss of US$69.0 million for the nine months of FY2020, unfavourable compared to the prior year period's net profit of US$14.0 million. Last year's net profit had also included a one-off gain of US$16.3 million pre-tax or US$12.9 million post-tax from the purchase of US$99.0 million of DMFI's second lien loan at a discount in the secondary market.

Without the one-off items, the Group reported a recurring net profit of US$27.4 million, higher compared to last year's recurring net profit of US$6.6 million.

The Group's gearing increased to 3.3x equity as of 31 January 2020, from 2.5x in prior year quarter, primarily due to higher loans during this period historically due to inventory buildup post pack season as well as reduction of retained earnings from net loss booked in the nine months of the year resulting from closure of facilities and tax on dividend declared by DMPL's Philippines subsidiary in the first quarter.

The Group's cash flow from operations in the nine months was US$57.3 million, higher versus last year's cash outflow of US$49.7 million mainly from higher operating profit and increase in trade and other payables.

VARIANCE FROM PROSPECT STATEMENT

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

BUSINESS OUTLOOK

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

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

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

While DMFI's Asset-Light Strategy has been a complex undertaking, it has been a critical step in repositioning DMFI for the future. Execution of this strategy and other cost saving initiatives should improve the Group's EBITDA margin by an estimated 225–275 basis points (US$50 to 60 million) over the next 24 months starting November 2019. In the third quarter of FY2020, the Group recognised cost savings of US$5 to 6 million which favourably impacted profitability. DMFI is expected to achieve 95% capacity utilisation for vegetable in the next pack season this year, up from 50%.

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

"The restructuring is a necessary step for us to remain competitive in a rapidly changing marketplace," said DMPL Managing Director and Chief Executive Officer Joselito D Campos, Jr. "Our asset-light strategy will lead to more efficient and lower cost operations," he added.

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

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

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

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

The Group is expected to refinance existing DMFI loan facilities of approximately US$1.4 billion, comprising of: US$442.5 million (Asset Based Loan facility), US$670 million (First Lien Term Loan) and US$260 million (Second Lien Term Loan), which will mature in November 2020, February 2021, and August 2021, respectively. The Group has continued to support the capital structure requirements and deleveraging efforts of DMFI, including the purchase, from March 2018 to November 2019, of approximately US$237.3 million of DMFI's Second Lien Term Loan at a discount.

Impact of COVID-19

The coronavirus (COVID-19) epidemic did not have any material impact on DMPL's results for the period ended 31 January 2020.

The Group will continue to monitor and mitigate any risks posed by COVID-19 on sales, particularly fresh pineapples in China. In February, the Group experienced softer demand and some logistics hurdles in China, but has the flexibility to allocate products to other markets and will continue to expand e-commerce sales. Sales in China account for approximately 3% of Group sales.

The Group is also monitoring its supply chain, primarily in China, so that it can minimise any potential impact on raw and packaging materials, and equipment sourcing. The Group will continue to take the necessary precautionary measures to ensure the health and safety of its employees.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the quarter ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**174,805**	160,195	9.1	**33,341**	28,627	16.5	**10,449**	841	1,142.4
Packaged fruit	**144,905**	145,712	(0.6)	**22,329**	26,542	(15.9)	**1,772**	1,112	59.4
Beverage	**2,877**	2,629	9.4	**485**	114	325.4	**(21)**	(1,127)	98.1
Culinary	**67,823**	75,513	(10.2)	**7,045**	16,939	(58.4)	**(4,533)**	(285)	(1,490.5)
Others	**3,584**	923	288.3	**455**	231	97.0	**(2,366)**	53	nm
Total	**393,994**	384,972	2.3	**63,655**	72,453	(12.1)	**5,301**	594	792.4

For the nine months ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**416,317**	449,073	(7.3)	**97,608**	77,368	26.2	**31,009**	(885)	nm
Packaged fruit	**429,070**	457,626	(6.2)	**73,902**	74,455	(0.7)	**2,302**	(2,963)	177.7
Beverage	**10,479**	11,815	(11.3)	**1,424**	537	165.2	**(1,099)**	(3,066)	64.2
Culinary	**173,600**	187,546	(7.4)	**27,782**	39,047	(28.8)	**(634)**	3,137	(120.2)
Others	**4,121**	2,945	39.9	**(296)**	749	(139.5)	**(76,683)**	108	nm
Total	**1,033,587**	1,109,005	(6.8)	**200,420**	192,156	4.3	**(45,105)**	(3,669)	(1,129.4)

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

Despite the impact of Sager Creek divestiture, sales in the Americas increased by 2.3% to US$394.0 million driven by higher private label sales ahead of discontinuation of certain product lines, as well as price increases during the last quarter of FY2019. Stripping out Sager Creek's sales, Americas sales would have been higher by 3.4%.

Gross profit was lower this quarter as a result of higher product cost particularly metal packaging and lower yields from vegetable and fruit production due to weather issues.

Americas reported an operating profit for the quarter of US$5.3 million versus prior year quarter's operating profit of US$0.6 million due to lower operating expenses particularly marketing and administrative cost.

ASIA PACIFIC

For the quarter ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg
Packaged vegetable	**436**	149	192.6	**60**	(12)	600.0	**48**	(25)	292.0
Packaged fruit	**36,546**	27,478	33.0	**10,639**	8,632	23.3	**6,841**	4,962	37.9
Beverage	**36,224**	32,054	13.0	**10,094**	7,128	41.6	**4,685**	1,591	194.5
Culinary	**37,531**	36,930	1.6	**13,228**	13,565	(2.5)	**8,004**	7,059	13.4
Others	**41,342**	41,802	(1.1)	**15,464**	15,739	(1.7)	**5,653**	11,526	(51.0)
Total	**152,079**	138,413	9.9	**49,485**	45,052	9.8	**25,231**	25,113	0.5

For the nine months ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg	FY2020	FY2019	% Chg
Packaged vegetable	**1,305**	1,030	26.7	**216**	231	(6.5)	**191**	166	15.1
Packaged fruit	**93,718**	81,120	15.5	**26,345**	23,747	10.9	**16,672**	12,986	28.4
Beverage	**97,674**	90,253	8.2	**26,530**	20,438	29.8	**11,912**	2,798	325.7
Culinary	**104,573**	98,647	6.0	**38,366**	37,166	3.2	**23,769**	20,110	18.2
Others	**135,653**	120,371	12.7	**47,125**	40,821	15.4	**15,383**	27,142	(43.3)
Total	**432,923**	391,421	10.6	**138,582**	122,403	13.2	**67,927**	63,202	7.5

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 third quarter increased by 9.9% to US$152.1 million from US$138.4 million mainly due to increase in exports of fresh pineapples as well as increase in sales from the Philippine market primarily from price increases, in line with inflation, and the continuous improvement in distribution channels that impacted sales in prior years.

Sales in the Philippines domestic market were up in both peso and US dollar terms by 6.4% and 10.8%, respectively, mainly due to higher volume, peso appreciation and price increases due to inflation.

EUROPE

For the quarter ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**-**	-	-	**-**	-	-	**-**	-	-
Packaged fruit	**6,391**	3,470	84.2	**458**	296	54.7	**43**	(105)	141.0
Beverage	**2,839**	1,868	52.0	**(166)**	(1,175)	85.9	**(387)**	(1,377)	71.9
Culinary	**41**	-	-	**12**	-	-	**6**	-	-
Others	**-**	-	-	**-**	-	-	**-**	-	-
Total	**9,271**	5,338	73.7	**304**	(879)	134.6	**(338)**	(1,482)	77.2

For the nine months ended 31 January

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg	FY2020	FY2019	%Chg
Packaged vegetable	**-**	-	-	**-**	-	-	**-**	-	-
Packaged fruit	**15,882**	13,994	13.5	**511**	2,558	(80.0)	**(542)**	1,250	(143.4)
Beverage	**7,516**	7,810	(3.8)	**(798)**	(3,756)	78.8	**(1,385)**	(4,549)	69.6
Culinary	**41**	-	-	**12**	-	-	**6**	-	-
Others	**-**	-	-	**-**	-	-	**-**	-	-
Total	**23,439**	21,804	7.5	**(275)**	(1,198)	77.0	**(1,921)**	(3,299)	41.8

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

For the third quarter, Europe's sales increased by 73.7% to US$9.3 million from US$5.4 million. Gross profit increased by 134.6%, while operating loss narrowed, driven by better prices for pineapple juice.

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		
	FY2020	FY2019	Comments	FY2020	FY2019	Explanatory Notes
Cost of Goods Sold	**79.6**	77.9	Higher trade rate and production costs (mainly packaging for US) for the quarter	**77.3**	79.4	Overall, higher impact of increase in sales, than increase in cost of production, resulting to higher margin rate
Distribution and Selling Expenses	**10.3**	11.7	Due to timing of spend by DMFI	**10.6**	10.4	Driven by DMFI mainly on Fruits and Innovation
G&A Expenses	**4.4**	5.5	Driven by DMFI mainly from lower fringe and medical expenses	**5.9**	6.6	Same as 3Q
Other Operating Expenses (Income)	**0.2**	0.3	Mainly due to increase in sales (almost same absolute amount of other operating expense)	**4.8**	(0.1)	Losses incurred on DMFI 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**			
	FY2020	**FY2019**	**%**	**Comments**	**FY2020**	**FY2019**	**%**	**Explanatory Notes**
Depreciation and amortization	**(45,717)**	(35,244)	(29.7)	Amortisation of right-of-use assets (Adoption of IFRS 16)	**(124,548)**	(100,430)	(24.0)	Amortisation of right-of-use assets (Adoption of IFRS 16)
Reversal/ (Provision) of asset impairment	**-**	(166)	100.0	No asset impairment/reversal for the quarter	**(40,761)**	(1,425)	(2,760.4)	Impairment relating to closure of plant assets
Reversal/ (Provision) for inventory obsolescence	**1,276**	(1,797)	171.0	Higher provision last quarter, on processed pineapple and Contadina products. Net reversal this quarter.	**394**	(2,148)	118.3	Mostly on unrealised demand in prior year, resulting to higher obsolescence in prior year
Provision for doubtful debts	**54**	(4)	1,450.0	Higher provision last quarter on nontrade receivables. Net reversal this quarter.	**(17)**	(65)	74	Higher provision for non-trade receivables last year.
Net gain/(loss) on disposal of fixed assets	**1,146**	(598)	291.6	Higher gain this quarter recognised on sale of DMFI plant assets (Kenwood properties).	**(290)**	2,507	(111.6)	Loss recognised on sale of DMFI plant assets this year compared to net gain recognised last year.
Foreign exchange gain/(loss)- net	**659**	(1,175)	156.1	Appreciation of peso, affecting mainly US-denominated obligations	**3,661**	282	1,198.2	Same as 3Q
Interest income	**1,898**	618	207.1	Higher recognised gain on second lien buyout this quarter	**2,426**	18,439	(86.8)	Higher recognised gain on second lien buyout last year
Interest expense	**(26,441)**	(25,051)	(5.5)	Higher amount of borrowings this year compared to last year	**(78,511)**	(72,791)	(7.9)	Same as 3Q
Share in net loss of JV	**(544)**	32	(1,800.0)	Higher losses of the joint ventures	**(1,759)**	(429)	(310.0)	Same as 3Q
Taxation Benefit (Expense)	**(712)**	2,115	(133.7)	Higher tax loss carryforward last quarter.	**(25,418)**	6,064	(519.2)	Final taxes paid on intercompany dividends

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	31 January 2020	31 January 2019	30 April 2019	First 9M Variance %	Explanatory Notes
In US$'000					
ASSETS					
Property, plant and equipment - net	**486,201**	572,367	582,033	(16.5)	Attributable to DMFI's disposal of its machineries and equipment
Right-of-use assets	**201,902**	-	-	nm	Change in accounting policy (IFRS 16)
Investment in joint ventures	**23,984**	24,766	24,212	(0.9)	nm
Intangible assets and goodwill	**703,010**	709,660	707,997	(0.7)	nm
Other noncurrent assets	**40,329**	50,811	39,096	3.2	nm
Deferred tax assets - net	**141,687**	94,734	106,321	33.3	Higher tax loss carry forward from DMFI
Pension assets	**7,662**	11,348	8,240	(7.0)	No actual funding due to over payment of fund in prior years.
Biological assets	**64,022**	52,441	54,002	18.6	Net additions and higher fair value of agricultural growing produce
Inventories	**745,758**	750,415	664,922	12.2	Due to inventory build up from seasonality of sales
Trade and other receivables	**189,014**	191,217	149,054	26.8	Timing of collection of sales revenue
Prepaid expenses and other current assets	**48,404**	29,811	36,716	31.8	Additional downpayment to suppliers for purchases of raw materials
Cash and cash equivalents	**20,488**	65,172	21,636	(5.3)	Outflow from Investing activities, primarily additions to property, plant and equipment
Noncurrent assets held for sale	**23,187**	13,550	4,465	419.3	New held for sale assets from plant closures
EQUITY					
Share capital	**49,449**	49,449	49,449	-	nm
Share premium	**478,339**	478,339	478,339	-	nm
Retained earnings	**6,392**	99,651	96,074	(93.3)	Net loss during the period and dividend pay-out
Reserves	**(83,598)**	(61,487)	(65,827)	(27.0)	Change in discount rate on remeasurement of retirement plans
Non-controlling interest	**30,865**	43,288	43,106	(28.4)	Share in the loss of DMFI during the period
LIABILITIES					
Loans and borrowings	**1,623,569**	1,596,566	1,478,655	9.8	New loans were acquired during the period
Lease liabilities	**199,269**	-	-	nm	Change in accounting policy (IFRS 16)
Other noncurrent liabilities	**20,200**	30,795	30,015	(32.7)	Attributable to the decrease in derivative liability of DMFI. Also, lease liabilities are presented separately due to the adoption of IFRS 16
Employee benefits	**116,872**	103,149	91,421	27.8	Change in discount rate on remeasurement of retirement plans
Environmental remediation liabilities	**14,627**	689	697	1,998.6	Higher provisions relating to plant closures
Deferred tax liabilities - net	**8,005**	8,231	6,404	25.0	Recognition of deferred final tax on undistributed profits of DMPI for the period
Trade and other current liabilities	**227,992**	213,045	188,669	20.8	Mainly on higher purchases of raw materials
Current tax liabilities	**3,667**	4,577	1,692	116.7	Taxes on Non PEZA activities increased during the year.

SHARE CAPITAL

Total shares outstanding were at 1,973,960,024 (common shares 1,943,960,024 and preference shares 30,000,000) as of 31 January 2020 and 2019. Share capital is at US$49.5 million as of 31 January 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 includes 975,802 shares held by the Company as treasury shares as at 31 January 2020 and 2019. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 31 January 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 January 2020	31 January 2019	30 April 2019
Gross borrowings	**(1,623,569)**	(1,596,566)	(1,478,655)
Current	**(810,375)**	(660,663)	(492,740)
Secured	**(407,977)**	(225,440)	(138,870)
Unsecured	**(402,398)**	(435,223)	(353,870)
Non-current	**(813,194)**	(935,903)	(985,915)
Secured	**(680,953)**	(881,903)	(874,674)
Unsecured	**(132,241)**	(54,000)	(111,241)
Less: Cash and bank balances	**20,488**	65,172	21,636
Net debt	**(1,603,081)**	(1,531,394)	(1,457,019)

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.6 billion as at 31 January 2020, higher than last year due to additional borrowings made during the period for payment of dividend taxes as well as for general use purposes.

DIVIDENDS

No dividends were declared for this quarter and the prior year quarter. The Group does not declare dividends based on first quarter, third quarter or nine months results. The last dividend declaration was in October 2019, for preferred shareholders, and paid on 8 October 2019.

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 nine months ended 31 January	**Aggregate value of all IPTs (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	FY2020	FY2019	**FY2020**	FY2019
NutriAsia, Inc	**-**	-	**5,822**	667
DMPI Retirement Fund	**-**	-	**1,270**	1,167
NutriAsia, Inc Retirement Fund	**-**	-	**438**	406
Aggregate Value	**-**	-	**7,530**	2,239

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENT

Amounts in US$'000	**For the three months ended 31 January**			**For the nine months ended 31 January**		
	FY2020 (Unaudited)	FY2019 (Unaudited)	**%**	**FY2020 (Unaudited)**	FY2019 (Unaudited)	**%**
Turnover	**555,344**	528,723	5.0	**1,489,949**	1,522,230	(2.1)
Cost of sales	**(441,900)**	(412,097)	(7.2)	**(1,151,222)**	(1,208,869)	4.8
Gross profit	**113,444**	116,626	(2.7)	**338,727**	313,361	8.1
Distribution and selling expenses	**(57,272)**	(61,879)	7.4	**(158,079)**	(158,741)	0.4
General and administration expenses	**(24,605)**	(29,185)	15.7	**(88,557)**	(100,259)	11.7
Other operating income/(loss)	**(1,373)**	(1,337)	(2.7)	**(71,190)**	1,873	(3,900.9)
Profit from operations	**30,194**	24,225	24.6	**20,901**	56,234	(62.8)
Financial income*	**2,369**	(644)	467.9	**6,214**	19,128	(67.5)
Financial expense*	**(26,253)**	(24,964)	(5.2)	**(78,638)**	(73,198)	(7.4)
Share in net loss of joint venture	**(544)**	32	(1,800.0)	**(1,759)**	(429)	(310.0)
Profit /(loss) before taxation	**5,766**	(1,351)	526.8	**(53,282)**	1,735	(3,171.0)
Taxation	**(712)**	2,115	(133.7)	**(25,418)**	6,064	(519.2)
Profit/(loss) after taxation	**5,054**	764	561.5	**(78,700)**	7,799	(1,109.1)
Profit(loss) attributable to:						
Owners of the Company	**6,665**	2,574	158.9	**(68,950)**	14,021	(591.8)
Non-controlling interest**	**(1,611)**	(1,810)	11.0	**(9,750)**	(6,222)	(56.7)
Profit/(loss) for the period	**5,054**	764	561.5	**(78,700)**	7,799	(1,109.1)
Notes:						
Depreciation and amortisation	**(45,717)**	(35,244)	(29.7)	**(124,548)**	(100,430)	(24.0)
Reversal (Provision) of asset impairment	**0**	(166)	100.0	**(40,761)**	(1,425)	(2,760.4)
Reversal of (provision for) inventory obsolescence	**1,276**	(1,797)	171.0	**394**	(2,148)	118.3
Provision for doubtful debts	**54**	(4)	1,450.0	**(17)**	(65)	73.8
Gain (loss) on disposal of fixed assets	**1,146**	(598)	291.6	**(290)**	2,507	(111.6)
***Financial income comprise:**						
Interest income	**1,898**	618	207.1	**2,426**	18,439	(86.8)
Foreign exchange gain	**471**	(1,262)	137.3	**3,788**	689	449.8
	2,369	(644)	467.9	**6,214**	19,128	(67.5)
***Financial expense comprise:**						
Interest expense	**(26,441)**	(25,051)	(5.5)	**(78,511)**	(72,791)	(7.9)
Foreign exchange loss	**188**	87	116.1	**(127)**	(407)	68.8
	(26,253)	(24,964)	(5.2)	**(78,638)**	(73,198)	(7.4)

nm – not meaningful

Earnings per ordinary share in US cents	**For the three months ended 31 January**		**For the nine months ended 31 January**	
	FY2020	FY2019	**FY2020**	FY2019
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	**0.09**	(0.12)	**(4.31)**	(0.04)
(ii) On a fully diluted basis	**0.09**	(0.12)	**(4.31)**	(0.04)

**Includes (US$9,689m) for DMFI and (US$61m) for FieldFresh in the nine months ended FY2020 and (US$6,230m) for DMFI and US$9m for FieldFresh in the nine months ended FY2019.*
***Includes (US$1,592) for DMFI and (US$19) for FieldFresh in the third quarter of FY2020 and (US$1,810m) for DMFI and US$0.5m for FieldFresh in the third quarter of FY2019.*

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

Amounts in US$'000	**For the nine months ended 31 January**		
	FY2020 (Unaudited)	FY2019 (Unaudited)	**%**
Profit /(Loss) for the period	**(78,700)**	7,799	nm
Other comprehensive income (after reclassification adjustment):			
Items that will or may be reclassified subsequently to profit or loss			
Exchange differences on translating of foreign operations	**3,432**	(2,343)	246.5
Effective portion of changes in fair value of cash flow hedges	**240**	1,219	(80.3)
Income tax expense on cash flow hedge	**(984)**	(299)	(229.2)
	2,688	(1,423)	288.9
Items that will not be classified to profit or loss			
Remeasurement of retirement benefit	**(28,357)**	5,543	(611.6)
Income tax expense on retirement benefit	**5,407**	(1,289)	519.5
	(22,950)	4,254	(639.5)
Other comprehensive loss for the period	**(20,262)**	2,831	(815.7)
Total comprehensive income/(loss) for the period	**(98,962)**	10,630	(1,031.0)
Attributable to:			
Owners of the Company	**(86,721)**	16,287	(632.5)
Non-controlling interests	**(12,241)**	(5,657)	(116.4)
Total comprehensive income /(loss)for the period	**(98,962)**	10,630	(1,031.0)

nm – not meaningful

Please refer to page 3 for the Notes

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION

Amounts in US$'000	**Group**			**Company**		
	31 Jan 2020 (Unaudited)	31 Jan 2019 (Unaudited)	30 Apr 2019 (Audited)	**31 Jan 2020 (Unaudited)**	31 Jan 2019 (Unaudited)	30 Apr 2019 (Audited)
Non-Current Assets						
Property, plant and equipment - net	**486,201**	572,367	582,033	**-**	-	-
Right-of-use assets	**201,902**	-	-	**-**	-	-
Investment in subsidiaries	**-**	-	-	**554,379**	728,833	830,855
Investment in joint ventures	**23,984**	24,766	24,212	**202**	1,037	766
Intangible assets and goodwill	**703,010**	709,660	707,997	**-**	-	-
Other noncurrent assets	**40,329**	50,811	39,096	**-**	-	-
Deferred tax assets - net	**141,687**	94,734	106,321	**11**	15	27
Pension assets	**7,662**	11,348	8,240	**-**	-	-
Biological assets	**1,966**	1,674	1,682	**-**	-	-
Amount due from related company	**-**	-	-	**223,595**	175,421	202,471
	1,606,741	1,465,360	1,469,581	**778,187**	905,306	1,034,119
Current Assets						
Inventories	**745,758**	750,415	664,922	**-**	-	-
Biological assets	**62,056**	50,767	52,320	**-**	-	-
Trade and other receivables	**189,014**	191,217	149,054	**95,263**	177,755	3,187
Prepaid expenses and other current assets	**48,404**	29,811	36,716	**253**	205	192
Cash and cash equivalents	**20,488**	65,172	21,636	**1,886**	384	886
	1,065,720	1,087,382	924,648	**97,402**	178,344	4,265
Noncurrent assets held for sale	**23,187**	13,550	4,465	**-**	-	-
	1,088,907	1,100,932	929,113	**97,402**	178,344	4,265
Total Assets	**2,695,648**	2,566,292	2,398,694	**875,589**	1,083,650	1,038,384
Equity attributable to equity holders of the Company						
Share capital	**49,449**	49,449	49,449	**49,449**	49,449	49,449
Share premium	**478,339**	478,339	478,339	**478,478**	478,478	478,478
Retained earnings	**6,392**	99,651	96,074	**6,392**	99,651	96,074
Reserves	**(83,598)**	(61,487)	(65,827)	**(83,598)**	(61,487)	(65,827)
Equity attributable to owners of the Company	**450,582**	565,952	558,035	**450,721**	566,091	558,174
Non-controlling interest	**30,865**	43,288	43,106	**-**	-	-
Total Equity	**481,447**	609,240	601,141	**450,721**	566,091	558,174
Non-Current Liabilities						
Loans and borrowings	**813,194**	935,903	985,915	**132,241**	183,729	241,015
Lease liabilities	**169,829**	-	-	**-**	-	-
Other noncurrent liabilities	**20,200**	30,795	30,015	**201**	-	148
Employee benefits	**87,521**	71,764	63,781	**-**	-	-
Derivative Liabilities		-		**-**	-	-
Environmental remediation liabilities	**14,627**	689	697	**-**	-	-
Deferred tax liabilities - net	**8,005**	8,231	6,404	**-**	-	-
	1,113,376	1,047,382	1,086,812	**132,442**	183,729	241,163
Current Liabilities						
Trade and other current liabilities	**227,992**	213,045	188,669	**58,413**	109,894	103,977
Loans and borrowings	**810,375**	660,663	492,740	**234,013**	223,936	135,070
Lease liabilities	**29,440**	-	-	**-**	-	-
Current tax liabilities	**3,667**	4,577	1,692	**-**	-	-
Employee benefits	**29,351**	31,385	27,640	**-**	-	-
Deferred revenue	**-**	-	-	**-**	-	-
	1,100,825	909,670	710,741	**292,426**	333,830	239,047
Total Liabilities	**2,214,201**	1,957,052	1,797,553	**424,868**	517,559	480,210
Total Equity and Liabilities	**2,695,648**	2,566,292	2,398,694	**875,589**	1,083,650	1,038,384
NAV per ordinary share (US cents)	23.22	29.80	29.38	21.64	27.58	27.17
NTAV per ordinary share (US cents)	(12.94)	(6.71)	(7.04)	21.64	27.58	27.17

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

Amounts in US$'000	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure-ment of retirement plan**	**Hedging Reserve**	**Share Option reserve**	**Reserve for own shares**	**Retained earnings**	**Totals**	**Non-controlling interest**	**Total equity**
Group												
Fiscal Year 2020												
At 1 May 2019	49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,035	43,106	601,141
Change in accounting policy	-	-	-	-	-	-	-	-	(745)	(745)	-	(745)
At 1 May 2019, as restated	49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,329	557,290	43,106	600,396
Total comprehensive income for the period												
Loss for the year	-	-	-	-	-	-	-	-	(68,950)	(68,950)	(9,750)	(78,700)
Other comprehensive income												
Currency translation differences recognised directly in equity	-	-	3,414	-	-	-	-	-	-	3,414	18	3,432
Remeasurement of retirement plan, net of tax	-	-	-	-	(20,520)	-	-	-	-	(20,520)	(2,430)	(22,950)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(665)	-	-	-	(665)	(79)	(744)
Total other comprehensive income	-	-	3,414	-	(20,520)	(665)	-	-	-	(17,771)	(2,491)	(20,262)
Total comprehensive (loss)/income for the period	-	-	3,414	-	(20,520)	(665)	-	-	(68,950)	(86,721)	(12,241)	(98,962)
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 January 2020	**49,449**	**478,339**	**(89,961)**	**10,885**	**(2,872)**	**(3,117)**	**1,753**	**(286)**	**6,392**	**450,582**	**30,865**	**481,447**

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

Amounts in US$'000	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure-ment of retirement plan**	**Hedging Reserve**	**Share Option reserve**	**Reserve for own shares**	**Retained earnings**	**Totals**	**Non-controlling interest**	**Total equity**
Group												
Fiscal Year 2019												
At 1 May 2018	49,449	478,323	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,195	49,065	608,260
Total comprehensive income for the period												
Loss for the year	-	-	-	-	-	-	-	-	14,021	14,021	(6,222)	7,799
Other comprehensive income												
Currency translation differences recognised directly in equity	-	-	(2,364)	-	-	-	-	-	-	(2,364)	21	(2,343)
Remeasurement of retirement plan, net of tax	-	-	-	-	3,807	-	-	-	-	3,807	447	4,254
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	823	-	-	-	823	97	920
Total other comprehensive income	-	-	(2,364)	-	3,807	823	-	-	-	2,266	565	2,831
Total comprehensive (loss)/income for the period	-	-	(2,364)	-	3,807	823	-	-	14,021	16,287	(5,657)	10,630
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Value of employee services received for issue of share options	-	-	-	-	-	-	329	-	-	329	(120)	209
Share options exercised	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of new preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Transaction cost from issue of preference shares	-	16	-	-	-	-	-	-	-	16	-	16
Release of share awards	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(9,875)	(9,875)	-	(9,875)
Total contributions by and distributions to owners	-	16	-	-	-	-	329	-	(9,875)	(9,530)	(120)	(9,650)
At 31 January 2019	**49,449**	**478,339**	**(93,879)**	**10,885**	**22,032**	**(1,941)**	**1,702**	**(286)**	**99,651**	**565,952**	**43,288**	**609,240**

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

Amounts in US$'000	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure-ment of retirement plan**	**Hedging Reserve**	**Share Option reserve**	**Reserve for own shares**	**Retained earnings**	**Total equity**
Company										
Fiscal Year 2020										
At 1 May 2019	49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,174
Change in accounting policy	-	-	-	-	-	-	-	-	(745)	(745)
At 1 May 2019, as restated	49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,329	557,429
Total comprehensive income for the period										
Loss for the year	-	-	-	-	-	-	-	-	(68,950)	(68,950)
Other comprehensive income										
Currency translation differences recognised directly in equity	-	-	3,414	-	-	-	-	-	-	3,414
Remeasurement of retirement plan, net of tax	-	-	-	-	(20,520)	-	-	-	-	(20,520)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(665)	-	-	-	(665)
Total other comprehensive income	-	-	3,414	-	(20,520)	(665)	-	-	-	(17,771)
Total comprehensive (loss)/income for the period	-	-	3,414	-	(20,520)	(665)	-	-	(68,950)	(86,721)
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)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(19,987)	(19,987)
At 31 January 2020	**49,449**	**478,478**	**(89,961)**	**10,885**	**(2,872)**	**(3,117)**	**1,753**	**(286)**	**6,392**	**450,721**

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

Amounts in US$'000	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
Company										
Fiscal Year 2019										
At 1 May 2018	49,449	478,462	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,334
Total comprehensive income for the period										
Loss for the year	-	-	-	-	-	-	-	-	14,021	14,021
Other comprehensive income										
Currency translation differences recognised directly in equity	-	-	(2,364)	-	-	-	-	-	-	(2,364)
Remeasurement of retirement plan, net of tax	-	-	-	-	3,807	-	-	-	-	3,807
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	823	-	-	-	823
Total other comprehensive income	-	-	(2,364)	-	3,807	823	-	-	-	2,266
Total comprehensive (loss)/income for the period	-	-	(2,364)	-	3,807	823	-	-	14,021	16,287
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Value of employee services received for issue of share options	-	-	-	-	-	-	329	-	-	329
Share options exercised	-	-	-	-	-	-	-	-	-	-
Issuance of new preference shares	-	-	-	-	-	-	-	-	-	-
Transaction cost from issue of preference shares	-	16	-	-	-	-	-	-	-	16
Release of share awards	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(9,875)	(9,875)
Total contributions by and distributions to owners	-	16	-	-	-	-	329	-	(9,875)	(9,530)
At 31 January 2019	**49,449**	**478,478**	**(93,879)**	**10,885**	**22,032**	**(1,941)**	**1,702**	**(286)**	**99,651**	**566,091**

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**	
	FY2020 (Unaudited)	FY2019 (Unaudited)	**FY2020 (Unaudited)**	FY2019 (Unaudited)
Cash flows from operating activities				
Profit (loss) for the period	**5,054**	764	**(78,700)**	7,799
Adjustments for:				
Depreciation of property, plant and equipment	**44,054**	33,582	**119,560**	95,439
Amortisation of intangible assets	**1,663**	1,662	**4,988**	4,991
Impairment loss on property, plant and equipment	**-**	166	**40,761**	1,425
Gain/(loss) on disposal of property, plant and equipment	**(1,146)**	598	**290**	(2,507)
Equity-settled share-based payment transactions	**-**	57	**-**	209
Share in net loss of joint venture	**544**	120	**1,759**	429
Finance income	**(2,369)**	644	**(6,214)**	(19,128)
Finance expense	**26,253**	24,964	**78,638**	73,198
Tax expense - current	**4,113**	5,501	**51,079**	8,181
Tax credit - deferred	**(3,401)**	(7,616)	**(25,661)**	(14,245)
Net loss (gain) on derivative financial instrument	**125**	(248)	**758**	394
Operating profit before working capital changes	**74,890**	60,194	**187,258**	156,185
Changes in:				
Other assets	**3,557**	(5,108)	**(5,792)**	395
Inventories	**182,442**	164,879	**(88,211)**	21,294
Biological assets	**(8,382)**	4,813	**(8,700)**	1,344
Trade and other receivables	**26,382**	56,570	**(28,233)**	(27,606)
Prepaid and other current assets	**(5,328)**	511	**(8,404)**	2,988
Trade and other payables	**(80,662)**	(65,061)	**42,760**	(114,010)
Employee Benefit	**10,463**	4,416	**12,505**	11,819
Operating cash flow	**203,362**	221,214	**103,183**	52,409
Income taxes paid	**(9,479)**	(898)	**(45,928)**	(2,666)
Net cash flows from operating activities	**193,883**	220,316	**57,255**	49,743
Cash flows from investing activities				
Interest received	**73**	261	**384**	506
Proceeds from disposal of property, plant and equipment	**10,074**	59	**10,614**	9,304
Purchase of property, plant and equipment	**(29,969)**	(38,176)	**(85,348)**	(94,071)
Additional investment in joint venture	**(1,530)**	-	**(1,530)**	-
Net cash flows used in investing activities	**(21,352)**	(37,856)	**(75,880)**	(84,261)
Cash flows from financing activities				
Interest paid	**(26,183)**	(23,627)	**(74,181)**	(65,315)
Proceeds of borrowings	**251,258**	109,485	**758,238**	677,284
Repayment of borrowings	**(401,286)**	(231,979)	**(623,452)**	(531,942)
Payments of lease liability	**(8,172)**	-	**(22,545)**	-
Dividends paid	**-**	-	**(19,987)**	(9,875)
Refund of transactions costs related to issuance of preference shares	**-**	-	**-**	16
Net cash flows from financing activities	**(184,383)**	(146,121)	**18,073**	70,168
Net decrease in cash and cash equivalents	**(11,852)**	36,339	**(552)**	35,650
Cash and cash equivalents, beginning	**35,221**	33,863	**21,636**	24,246
Effect of exchange rate fluctuations on cash held in foreign currency	**(2,881)**	(5,030)	**(596)**	5,276
Cash and cash equivalents at 31 October	**20,488**	65,172	**20,488**	65,172

IMPACT OF CHANGE IN ACCOUNTING POLICY

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

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

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

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

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

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

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

Consolidated Statement of Financial Position

Amounts in US$'000	**1 May 2019**
ASSETS	
Prepaid expenses and other current assets[1]	**(1,661)**
Right-of-use assets-net	**235,911**
Deferred tax assets	**2,486**
Other noncurrent assets[1]	**(23,941)**
	212,795
LIABILITIES AND EQUITY	
Lease liability - current portion	**29,167**
Lease liability - noncurrent portion	**191,979**
Other noncurrent liabilities[1]	**(7,606)**
Total Liabilities	**213,540**
Retained earnings	**(745)**
Total Equity	**(745)**
	212,795

** Adjusted as of January 2020 from the earlier numbers presented as at October 2019 mainly from future land rental recalculation as well as impact of transition adjustments on deferred taxes.*

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

expenses and other current assets"), deferred rent (previously classified under "Other noncurrent assets"), and accrued rent expense (previously classified under "Other noncurrent liabilities") relating to the lease recognised in the balance sheet as at 30 April 2019 resulting to the respective reduction amounting to US$ 1.7 million, US$ 23.9 million, and US$ 7.6 million, respectively, as at 1 May 2019.

Impact of adoption of IFRS 16 in the statement of financial performance of the Group for the nine months ended 31 January 2020:

Consolidated Statement of Financial Performance

Amounts in US$'000	**Nine Months Ended 31 January 2020**
Turnover	**-**
Cost of Sales	**(3,092)**
Gross profit	**3,092**
Less: General and administration expenses	**(683)**
Add: ROU Amortization	**19,175**
EBITDA	**22,950**
Less: ROU Amortization	**19,175**
Profit from operations	**3,775**
Finance expense	**6,553**
Profit /(loss) before taxation	**(2,778)**
Taxation	**(640)**
Profit/(loss) after taxation	**(2,138)**
Profit(loss) attributable to:	
Owners of the Company	**(1,816)**
Non-controlling interest	**(322)**
Profit/(loss) for the period	**(2,138)**

ONE-OFF EXPENSES/(INCOME)

Amounts in US$ million	**For the three months ended 31 January**			**For the nine months ended 31 January**		
	FY2020 (Unaudited)	FY2019 (Unaudited)	**%**	**FY2020 (Unaudited)**	FY2019 (Unaudited)	**%**
DMFI one-off expenses:						
Plant closures	**0.2**	0.1	(161.0)	**77.4**	6.5	(1,094.5)
Seed operation	**-**	-	nm	**-**	(1.1)	(100.0)
Severance	**0.4**	1.4	68.7	**2.0**	3.2	37.1
Others	**0.0**	(0.7)	(100.0)	**0.1**	(0.7)	(112.2)
Total (pre-tax basis)	**0.7**	0.8	18.1	**79.5**	8.0	(899.9)
Tax impact	**(0.2)**	(0.2)	(18.2)	**(19.4)**	(1.9)	939.5
Non-controlling interest	**(0.1)**	(0.1)	(18.1)	**(6.4)**	(0.6)	887.8
Total DMFI one-off expenses (post tax, post NCI basis)	**0.5**	0.6	18.1	**53.8**	5.4	(887.8)
Second Lien Loan Purchase:						
Gain due to the purchase of DMFI's second lien loan at a discount	**(1.7)**	(0.1)	1,278.5	**(1.5)**	(16.3)	(90.5)
Tax impact for the other one-off items	**0.4**	0.0	(1,331.3)	**0.4**	3.5	89.1
Total one-off gain on second lien loan purchase (post tax basis)	**(1.3)**	(0.1)	1,262.3	**(1.2)**	(12.9)	(90.9)
Intercompany Dividends Tax:						
Final tax paid on intercompany dividends	**-**	-	nm	**39.6**	-	nm
Deferred tax on undistributed share in profits	**1.5**	-	nm	**4.1**	-	nm
Total one-off final taxes on intercompany dividends	**1.5**	-	nm	**43.8**	-	nm
Total (post-tax and post non-controlling interest)	**0.7**	0.5	(48.9)	**96.4**	(7.4)	(1,400.5)