



**DEL MONTE PACIFIC LIMITED**

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## **Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Fourth Quarter and Full Year Ended 30 April 2019**

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### **AUDIT**

Fourth Quarter FY2019 results covering the period from 1 February to 30 April 2019 have neither been audited nor reviewed by the Group's auditors.

### **ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's FY2018 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2018, which did not have significant impact to the Group:

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

New standards effective 1 May 2018:

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

The Group adopted the following new standards:

Applicable 1 May 2019

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

## **DISCLAIMER**

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

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

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

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

## **SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS**

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

## **DIRECTORS’ ASSURANCE**

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

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

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

(Signed)  
Rolando C Gapud  
Executive Chairman

(Signed)  
Joselito D Campos, Jr  
Executive Director

20 June 2019

## NOTES ON THE 4Q FY2019 DMPL RESULTS

1. DMPL's effective stake in DMFI is 89.4%, hence the non-controlling interest (NCI) line 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 – FOURTH QUARTER AND FULL YEAR ENDED 30 APRIL 2019

	For the three months ended 30 April			For the year ended 30 April		
	Fiscal Year 2019	Fiscal Year 2018	% Change	Fiscal Year 2019	Fiscal Year 2018	% Change
<i>in US\$'000 unless otherwise stated</i> *						
<b>With one-off items**</b>						
Turnover	432,612	498,975	(13.3)	1,954,842	2,197,309	(11.0)
Gross profit	81,624	87,061	(6.2)	394,985	432,474	(8.7)
Gross margin (%)	18.9	17.4	1.5	20.2	19.7	0.5
EBITDA	38,842	6,354	511.3	143,726	102,289	40.5
Operating profit	23,888	(9,456)	352.6	80,122	29,501	171.6
Operating margin (%)	5.5	(1.9)	7.4	4.1	1.3	2.8
Net profit attributable to owners of the Company	6,298	3,955	59.2	20,319	(36,492)	155.7
Net margin (%)	1.5	0.8	0.7	1.0	(1.7)	2.7
EPS (US cents)	0.07	(0.05)	240.0	0.03	(2.70)	101.1
EPS before preference dividends (US cents)	0.32	0.20	59.2	1.05	(1.88)	155.7
<b>Without one-off items**</b>						
Gross profit	81,268	95,674	(15.1)	401,186	443,389	(9.5)
EBITDA	43,285	34,918	24.0	156,123	165,038	(5.4)
Operating profit	28,330	18,296	54.8	92,518	94,188	(1.8)
Net profit attributable to owners of the Company	9,181	(2,907)	415.8	15,788	12,005	31.5
Net debt	1,457,019	1,440,977	1.1	1,457,019	1,440,977	1.1
Gearing*** (%)	242.4	236.9	5.5	242.4	236.9	5.5
Cash flow from operations	119,461	182,995	(34.7)	151,660	322,949	(53.0)
Capital expenditure	17,718	43,241	(59.0)	94,245	110,738	(14.9)
Inventory (days)	147	150	(3)	165	172	(7)
Receivables (days)	31	27	4	26	24	2
Account Payables (days)	37	40	(3)	38	38	0

\*The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.36 in April 2019, 1.35 in April 2018. For conversion to Php, these exchange rates can be used: 53.01 in April 2019, 51.01 in April 2018.

\*\*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

### Fourth Quarter

The Group generated sales of US\$432.6 million for the fourth quarter of FY2019, down 13.3% versus the prior year quarter mainly due to the divestiture of the Sager Creek vegetable business in September 2017, lower sales in the USA, Philippines and lower pineapple juice concentrate (PJC) pricing. Sales in the Philippines were lower mainly driven by operational issues and distribution transition in the general trade channel as the Group appointed several new distributors in the fourth quarter.

Stripping out Sager Creek's sales, the Group sales in the fourth quarter would have been lower by 9.9%.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) contributed US\$308.3 million or 71.3% of Group sales. DMFI's sales decreased by 19.0% from US\$380.6 million driven by the Sager Creek divestiture, lower private label sales, both in line with strategy as well as the unfavourable impact of lower pricing in foodservice for PJC. Volume decline in packaged fruit was due to reduced holiday promotional activity and pricing.

DMFI has fast-tracked its innovation pipeline. In synch with trends for health, snacking and convenience, it launched four innovative products in the growing categories of refrigerated produce and frozen. Del Monte continues to diversify beyond the canned goods aisle, which is a declining category.

In February, DMFI launched the new *Del Monte Citrus Bowls* in the refrigerated produce section. These are grapefruit and citrus salad in 100% juice with a longer shelf life than fresh cut fruit, and without any preservatives. Del Monte also introduced another innovative product, *Del Monte Fruit Crunch Parfaits*, which feature layers of non-dairy coconut crème, crunchy granola with probiotics, and a full serving of fruit in May. For the frozen segment, DMFI will be launching *Del Monte Veggieful Bites* and *Contadina Pizzettas*, frozen snacks made with cauliflower crust, with a full serving of vegetable in five bites. These items are being accepted by retailers across the US and have been also launched in May nationally.

DMFI posted slightly lower gross profit than prior year period, however, it still generated higher gross margin of 15.9% compared to 13.3% in the same period last year. Higher gross margin was in line with DMFI's strategy to increase list price in retail after several years, lower trade spend plus the favourable impact of the divestiture of low margin Sager Creek vegetable business, partly offset by higher delivered costs. DMFI generated a higher operating income for the quarter driven by lower operating expenses.

DMPL ex-DMFI generated sales of US\$134.6 million (inclusive of the US\$10.3 million sales by DMPL to DMFI which were netted out during consolidation) which were 2.4% higher than US\$131.4 million sales in prior year period. Higher sales were mainly driven by higher volume of both packaged and fresh pineapple, partly offset by lower sales in the Philippines. In the Philippines, lower sales were driven by lower volume in retail mainly the beverage and culinary categories, and unfavourable mix.

DMPL ex-DMFI delivered lower gross margin of 24.1% from 28.6% in the prior year quarter mainly driven by lower PJC and packaged pineapple pricing for exports, unfavourable sales mix and higher product costs due to commodity headwinds and devaluation of peso. These were partly offset by price increases in the Philippine market in line with inflation. DMPL ex-DMFI generated an EBITDA of US\$16.6 million which was lower by 17.2% and a net income of US\$7.2 million, lower versus the US\$9.1 million in the same period last year driven by lower margin as explained above partially offset by lower operating expenses.

The Philippine market sales were down in both peso and US dollar terms by 8.0% and 8.5%, respectively, mainly in the general trade, and beverage and culinary categories as the Group continued to strengthen its distributor network which impacted sales during the transition in the short term. Key foodservice channel continued to grow. Price increases were implemented selectively to offset the impact of sugar tax and mitigate inflation.

Sales of the S&W branded business in Asia and the Middle East grew by 19.9% in the fourth quarter versus the prior year period driven both by higher sales of fresh pineapple and packaged products. S&W packaged product volume and sales improved despite lower pricing from intense competition from Thailand and Indonesia. The S&W business delivered a much higher operating income, up 13.7% mainly due to higher volume.

DMPL's share in the FieldFresh joint venture in India was lower at US\$0.3 million loss from a US\$0.1 million profit in the prior year period due to commodity headwinds and higher overheads.

The Group's EBITDA of US\$38.8 million was higher than prior year quarter's EBITDA of US\$6.4 million. This quarter's EBITDA included a US\$4.4 million one-off net expenses mainly related to severance and self-initiated product recall on Fiesta Corn due to packaging issues. In the same period last year, these plant closures and Sager Creek divestiture, which were part of the Group's strategy to improve operational excellence and streamline operations, largely resulted in one-off expenses amounting to US\$28.6 million pre-tax. Without the one-off adjustments, the Group recurring EBITDA was US\$43.3 million, higher versus prior year quarter's recurring EBITDA of US\$34.9 million due to the factors mentioned above. Please refer to the last page of this MD&A for a schedule of the one-off items.

The Group reported a net income of US\$6.3 million for the quarter, higher than the reported net income of US\$4.0 million in the prior year quarter. This quarter's net income included US\$2.9 million of one-off expenses (net of tax), while prior year period included a net one-off gain of US\$14.3 million (net of tax). Without the one-off adjustments, the Group would have generated a recurring net income of US\$9.2 million, better than last year's net loss of US\$2.9 million.

DMFI contributed an EBITDA of US\$26.2 million and a net income of US\$1.2 million to the Group. Excluding the one-off items, DMFI contributed an EBITDA of US\$24.5 million and net income of US\$4.3 million.

The Group's cash flow from operations in the fourth quarter was US\$119.5 million, lower than last year's US\$183.0 million driven by lower payables and higher current portion of biological assets as the Group expanded its fresh business.

### **Full Year Ended 30 April 2019**

For the year ended FY2019, the Group generated sales of US\$1.95 billion, down 11.0% versus last year. DMFI generated US\$1.4 billion or 73% of Group sales, lower by 14.1% largely driven by the divestiture of the Sager Creek vegetable business in September 2017, lower volume of retail branded products due to promotion reduction and distribution losses. There was also a decline in non-branded products which was in line with DMFI's strategy, partially offsetting lower retail trade spend.

The Company's thrust on innovation continued. Following the success of *Del Monte Fruit Refreshers* and *Del Monte Fruit & Chia*, *Del Monte Fruit & Oats* was launched in the USA in June 2018. *Del Monte Fruit & Oats* combines healthy fruit and wholesome oats in a cup, is delicious, filling as well as convenient for breakfast and snack. This year *Del Monte Fruit & Oats* was voted Product of the Year in the Breakfast Category in the USA, backed by votes of 40,000 consumers in a national representative survey, conducted by research firm Kantar, a global leader in consumer research.

It also launched four innovative products in the growing refrigerated produce and frozen categories - *Del Monte Citrus Bowls*, *Del Monte Fruit Crunch Parfaits*, *Del Monte Veggieful Bites* and *Contadina Pizzettas*, as described above.

The Group also entered new product categories for foodservice with shipments of *Riced Cauliflower* and other vegetables with broadly positive industry reception.

DMFI's gross margin for the full year increased to 16.4% from 15.0% last year driven by lower trade spend, increase in retail list prices in the US and Philippines, higher USDA pricing and favourable sales mix, partially offset by higher costs.

As part of the Group's strategy to improve operational excellence and streamline operations, DMFI divested its underperforming Sager Creek vegetable business and also shut its Plymouth, Indiana tomato production facility in FY2018. These resulted in incremental one-off expenses amounting to US\$8.5 million pre-tax for the year ended, mostly for Sager Creek. Please refer to the last page of this MD&A for a schedule of the one-off items.

Excluding the one-off items, DMFI contributed an EBITDA of US\$64.9 million and a net loss of US\$43.0 million to the Group.

The Philippine market sales were down 4.2% and 8.0% in peso and US terms, respectively. Decline was mainly in the general trade and mixed fruit categories as a result of operational issues and distributor transition. Decline in sales was further driven by unfavourable sales mix in the Philippines and higher direct promotion spending. These were partly offset by price increases implemented across several categories in line with inflation.

The S&W branded sales in Asia and the Middle East were higher versus last year driven by S&W fresh pineapple which grew significantly by 19.6% due to higher volume. This was partly offset by lower sales of the packaged segment mostly in Korea, Indonesia and Turkey.

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

DMPL ex-DMFI gross margin was 27.3% from 30.4% of prior year due to unfavourable impact of lower, cyclical PJC pricing, unfavourable sales mix and higher product costs. These were partly offset by price increases in the Philippine market in line with inflation. DMPL ex-DMFI generated an EBITDA of US\$87.9 million which was lower by 17.2% and a net income of US\$41.9 million, lower versus the US\$54.8 from last year driven by lower margin as explained above partially offset by lower operating expenses.

DMPL's share in the FieldFresh joint venture in India was US\$0.1 million loss, a slight improvement from the US\$0.3 million loss in prior year due to higher sales and margins.

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

Despite lower gross profit, the Group posted higher operating profit than prior year due to lower marketing and administrative expenses in the US. The one-off expenses related to the sale of the Sager Creek vegetable business and closure of two plants in the USA amounted to US\$12.4 million pre-tax or US\$8.5 million post-tax for the year ended. Please refer to the last page of this MD&A for a schedule of the one-off expenses.

The Group reported a net income of US\$20.3 million for the full year, favourable compared to the prior year's net loss of US\$36.5 million. This year's one-off adjustments from DMFI's continued restructuring initiatives and sale of Sager Creek were more than offset by the one-off gain worth US\$16.7 million pre-tax or US\$13.0 million post-tax from the additional purchase of US\$105.5 million of DMFI's second lien loan at a discount in the secondary market. Total loans bought back including the one from FY2018 amounted to US\$231 million out of the total US\$260 million.

Without the one-off items, the Group reported a recurring net income of US\$15.8 million as compared to last year's net income of US\$12.0 million.

The Group posted an EBITDA of US\$143.7 million of which DMFI accounted for US\$52.5 million. Excluding one-off expenses, the Group's EBITDA would have been US\$156.1 million, 5.4% lower versus the recurring EBITDA of US\$165.0 million in the prior year.

The Group slightly increased its gearing to 2.42x equity as of 30 April 2019, from 2.36x in prior year. This is just a timing difference to augment working capital needs.

The Group's cash flow from operations during the year was US\$151.7 million, lower versus last year's cash flow of US\$322.9 million driven by lower trade payables.

## **VARIANCE FROM PROSPECT STATEMENT**

The Group generated a net profit for the year of US\$20.3 million which was a turnaround from a loss of US\$36.5 million in prior year and 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 is realigning its business with those consumer trends over time. It will continue to strengthen its product offering and enter new categories, in line with market trends for health and wellness, snacking and convenience. 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 review its manufacturing and distribution footprint in the US to further improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including rising metal packaging prices and impact of tariffs imposed by the US. Certain one-off expenses can be expected in FY2020 from streamlining of operations.

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 shipments to the USA, Japan, China and South Korea. We expect Nice Fruit frozen pineapple to be a growth engine for us across all major geographies particularly US and China.

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

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

## REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

### AMERICAS

For the fourth quarter ended 30 April

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged vegetable	109,033	149,790	(27.2)	17,194	15,516	10.8	3,920	(24,128)	116.2
Packaged fruit	134,784	161,716	(16.7)	22,174	28,124	(21.2)	6,159	4,597	34.0
Beverage	2,692	3,263	(17.5)	22	(964)	102.3	(312)	(1,526)	79.6
Culinary	58,149	61,016	(4.7)	10,047	7,278	38.0	2,881	(4,446)	164.8
Others	1,332	533	149.9	370	86	330.2	(108)	(73)	(47.9)
Total	305,990	376,318	(18.7)	49,807	50,040	(0.5)	12,540	(25,576)	149.0

For the year ended 30 April

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged vegetable	558,106	721,533	(22.6)	94,562	107,862	(12.3)	3,035	(36,699)	108.3
Packaged fruit	592,410	627,976	(5.7)	96,629	106,753	(9.5)	3,196	3,739	(14.5)
Beverage	14,507	19,522	(25.7)	559	(275)	303.3	(3,378)	(4,960)	31.9
Culinary	245,695	274,208	(10.4)	49,094	44,226	11.0	6,018	(17,887)	133.6
Others	4,277	2,217	92.9	1,119	499	124.2	0	28	(100.0)
Total	1,414,995	1,645,456	(14.0)	241,963	259,065	(6.6)	8,871	(55,779)	115.9

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

Sales in the Americas decreased by 18.7% in the fourth quarter to US\$306.0 million mainly due to lower volume of canned vegetable and tomato, and lower pricing to USDA for processed fruit and pineapple juice concentrate. Sager Creek vegetable business was divested in September 2017. Stripping out Sager Creek's sales, Americas sales would have been lower by 13.7%.

DMFI has fast-tracked its innovation pipeline. In synch with trends for health, snacking and convenience, it launched four innovative products in the growing refrigerated produce and frozen categories. Del Monte continues to diversify beyond the canned goods aisle, which is a declining category. Please refer to page 4 for more details.

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

Americas reported a higher operating income for the quarter of US\$12.5 million versus prior year quarter's operating loss of US\$25.6 million due to lower trade and marketing spend, partly offset by higher cost of goods sold.

## ASIA PACIFIC

### For the fourth quarter ended 30 April

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged vegetable	490	154	218.2	91	32	184.4	52	18	188.9
Packaged fruit	19,221	18,707	2.7	3,870	4,514	(14.3)	397	1,156	(65.7)
Beverage	32,438	36,089	(10.1)	7,055	10,402	(32.2)	1,204	3,346	(64.0)
Culinary	22,652	22,631	0.1	7,145	8,502	(16.0)	2,912	3,807	(23.5)
Others	41,711	34,950	19.3	13,235	13,115	0.9	7,719	8,443	(8.6)
<b>Total</b>	<b>116,512</b>	<b>112,531</b>	<b>3.5</b>	<b>31,396</b>	<b>36,565</b>	<b>(14.1)</b>	<b>12,284</b>	<b>16,770</b>	<b>(26.8)</b>

### For the year ended 30 April

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged vegetable	1,520	1,159	31.1	322	347	(7.2)	218	233	(6.4)
Packaged fruit	100,341	121,977	(17.7)	27,617	37,357	(26.1)	13,383	21,271	(37.1)
Beverage	122,691	131,412	(6.6)	27,493	37,014	(25.7)	4,002	10,776	(62.9)
Culinary	121,299	123,620	(1.9)	44,311	48,582	(8.8)	23,022	25,981	(11.4)
Others	162,082	140,193	15.6	54,056	44,107	22.6	34,861	24,812	40.5
<b>Total</b>	<b>507,933</b>	<b>518,361</b>	<b>(2.0)</b>	<b>153,799</b>	<b>167,407</b>	<b>(8.1)</b>	<b>75,486</b>	<b>83,073</b>	<b>(9.1)</b>

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 fourth quarter increased by 3.5% to US\$116.5 million from US\$112.5 million mainly due to increase in exports of fresh pineapples.

Sales in the Philippines domestic market were down in both peso and US dollar terms by 8.0% and 8.5%, respectively, mainly in the general trade and beverage and culinary categories as a result of operational and transition issues. Key foodservice channel continued to grow. Price increases were implemented across several categories to offset the impact of sugar tax and mitigate inflation.



## EUROPE

### For the fourth quarter ended 30 April

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged vegetable	-	-	-	-	-	-	-	-	-
Packaged fruit	8,507	6,604	28.8	957	2,037	(53.0)	(146)	1,280	(111.4)
Beverage	1,603	3,522	(54.5)	(536)	(1,581)	66.1	(790)	(1,930)	59.1
Culinary	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	10,110	10,126	(0.2)	421	456	(7.7)	(936)	(650)	(44.0)

### For the year ended 30 April

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg	FY2019	FY2018	% Chg
Packaged vegetable	-	-	-	-	-	-	-	-	-
Packaged fruit	22,501	24,359	(7.6)	3,515	8,587	(59.1)	1,104	5,817	(81.0)
Beverage	9,413	9,133	3.1	(4,292)	(2,585)	(66.0)	(5,339)	(3,610)	(47.9)
Culinary	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	31,914	33,492	(4.7)	(777)	6,002	(112.9)	(4,235)	2,207	(291.9)

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

For the fourth quarter ended April 30, 2019, Europe's sales were almost flat versus last year. Gross profit and operating loss decreased by 8% and 44%, respectively, driven by lower price and volume.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 30 April			For the year ended 30 April		
	FY2019	FY2018	Comments	FY2019	FY2018	Comments
Cost of Goods Sold	81.1	82.6	Driven by lower sales of DMPL ex-DMFI and release of inventory reserve for DMFI	79.8	80.3	Same as Q4
Distribution and Selling Expenses	10.2	10.1	Due to higher distribution and provision for doubtful accounts	10.4	10.1	Same as Q4
G&A Expenses	3.5	6.4	Lower personnel cost, lower facilities expense	5.9	7.4	Lower personnel cost, lower IT fees due to reversal of accruals from prior years; lower facilities expense
Other Operating Expenses	-0.4	2.9	Lower miscellaneous expense due to assets written off last year on closed plants	-0.2	0.8	Same as Q4

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US\$'000	For the three months ended 30 April				For the year ended 30 April			
	FY2019	FY2018	%	Comments	FY2019	FY2018	%	Comments
Depreciation and amortization	(35,044)	(36,159)	3.1	Mainly due to lower depreciation from lower asset base	(135,474)	(148,184)	8.6	Same as Q4
Reversal/ (Provision) of asset impairment	(581)	(2,232)	74.0	Impairment loss mainly on Sager Creek assets which was higher in FY2018	(2,006)	(24,534)	91.8	Same as Q4
Reversal/ (Provision) for inventory obsolescence	1,920	698	175.1	Due to reversal of provision	(229)	(986)	76.8	Same as Q4
Provision for doubtful debts	(2,572)	(358)	(618.4)	Provided for doubtful accounts in Q4	(2,637)	(103)	(2,460.2)	Same as Q4
Net gain/(loss) on disposal of fixed assets	3,651	(514)	810.3	Due to gain recognized by DMFI mainly from plant closures	6,158	11,317	(45.6)	Mainly on sale of Sager assets from last year
Foreign exchange	112	(224)	150.0	Lower favourable impact of peso devaluation for the year	394	3,379	(88.3)	Same as Q4
Interest income	(314)	36,973	(100.8)	Due to one-off gain on second lien loan purchased at a discount in the secondary market from last year	18,125	37,362	(51.5)	Same as Q4
Interest expense	(24,167)	(27,056)	10.7	Lower level of borrowings	(96,958)	(104,922)	7.6	Same as Q4
Share in net loss of JV	(554)	(334)	(65.9)	Due to FieldFresh net loss for April	(983)	(1,552)	36.7	FieldFresh losses was higher last FY2018 than in FY2019
Taxation	7,460	467	1,497.4	Due to higher future tax benefits from loss carryforwards of DMFI	13,524	(14,844)	191.1	Write off of non-cash deferred tax assets of US\$39.8m at DMFI, partially offset by DMFI's higher net operating loss from last year

## REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	30 April 2019	30 April 2018	30 April 2017	Comments
In US\$'000				
Deferred tax assets - net	106,321	79,829	92,786	Due to higher future tax benefits from loss carryforwards of DMFI
Inventories	664,922	760,981	916,892	Lower inventory level at DMFI
Biological assets	52,320	41,963	44,347	Favourable fair value adjustment in biological assets
Prepaid and other current assets	36,716	30,782	43,046	Due to increase in prepaid input VAT and down payments to contractors in DMPI and higher prepaid slotting expense for DMFI.
Cash and cash equivalents	21,636	24,246	37,571	Due to repayments of payables, partially offset by better working capital management mainly on lower inventories
Other noncurrent liabilities	30,015	35,195	44,018	Lower workers compensation
Trade and other payables	188,669	276,618	299,545	Due to lower trade and accrued expenses
Employee benefits liability - net	83,181	103,943	104,247	Due to lower employee retirement plan

## 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 30 April 2019 and 2018. Share capital is at US\$49.5 million as of 30 April 2019 and 2018. 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 30 April 2019 and 2018. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 30 April 2019.

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	30 April 2019	30 April 2018	30 April 2017
<b>Gross borrowings</b>	<b>(1,478,655)</b>	(1,465,223)	(1,713,966)
<b>Current</b>	<b>(492,740)</b>	(481,620)	(449,698)
<b>Secured</b>	<b>(138,870)</b>	(10,416)	(169,114)
<b>Unsecured</b>	<b>(353,870)</b>	(471,204)	(280,584)
<b>Non-current</b>	<b>(985,915)</b>	(983,603)	(1,264,268)
<b>Secured</b>	<b>(687,316)</b>	(796,019)	(922,294)
<b>Unsecured</b>	<b>(298,599)</b>	(187,584)	(341,974)
<b>Less: Cash and bank balances</b>	<b>21,636</b>	24,246	37,571
<b>Net debt</b>	<b>(1,457,019)</b>	(1,440,977)	(1,676,395)

The Group's net debt (cash and bank balances less borrowings) amounted to US\$1.46 billion as at 30 April 2019, slightly higher than last year due to additional loans obtained during the year. This is just a timing difference to augment working capital needs.

## DIVIDENDS

In April 2019, the Company paid dividends to holders of the following:

- The Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US\$ 0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2018 to 7 April 2019 (the “Series A-1 Dividend”); and
- The Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US\$ 0.325 per Series A-2 Preference Share for the six-month period from 8 October 2018 to 7 April 2019 (the “Series A-2 Dividend”).

The cash dividends on preferred shares were paid on 8 April 2019.

Under the Company’s Articles of Association and the terms of the Preference Shares, the Company may declare and pay dividends on Common Shares provided there are adequate and available funds for dividends on Preference Shares which have priority over Common Shares. Subject to the foregoing, the Board approved a final dividend of 0.52 US cents (US\$0.0052) per share representing 50% of FY2019 net profit.

	For the fiscal year ended 30 April	
	2019	2018
Name of dividend	Final Ordinary	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	<b>US\$0.0052 per ordinary share</b>	<b>Nil</b>
Tax rate	Nil	Nil
Book closure date	12 July 2019	Nil
Payable date	19 July 2019	Nil

## INTERESTED PERSON TRANSACTIONS

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

In US\$’000	Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)		Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2019	FY2018	FY2019	FY2018
NutriAsia, Inc	–	–	<b>(5,044)</b>	1,388
DMPI Retirement Fund	–	–	<b>1,830</b>	1,862
NutriAsia, Inc Retirement Fund	–	–	<b>626</b>	543
<b>Aggregate Value</b>	<b>–</b>	<b>–</b>	<b>(2,588)</b>	<b>3,793</b>

### Rule 704(13)

Person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or substantial shareholder of the issuer:

Ms Jeanette Beatrice Campos Naughton was appointed Vice President, Strategic Planning of the Company’s USA subsidiary, Del Monte Foods, Inc (“DMFI”) on 1 March 2015. She is the daughter of Mr Joselito D Campos, Jr, Del Monte Pacific Ltd’s Managing Director and CEO, and DMFI’s Vice Chairman and Director. Ms Naughton is responsible for spearheading DMFI’s strategic planning function, with principal involvement in DMFI’s mid-to-long term corporate vision, financial goals and key measures, business strategies and resources requirements. Ms Naughton formerly held management positions at Google in their Mountain View, California headquarters. She has an MBA from the Sloan School of the Massachusetts Institute of Technology.

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

<i>Amounts in US\$'000</i>	For the three months ended			For the year ended		
	30 April			30 April		
	FY2019 (Unaudited)	FY2018 (Unaudited)	%	FY2019 (Unaudited)	FY2018 (Audited)	%
Turnover	432,612	498,975	(13.3)	1,954,842	2,197,309	(11.0)
Cost of sales	<u>(350,988)</u>	<u>(411,914)</u>	14.8	<u>(1,559,857)</u>	<u>(1,764,835)</u>	11.6
<b>Gross profit</b>	<b>81,624</b>	<b>87,061</b>	<b>(6.2)</b>	<b>394,985</b>	<b>432,474</b>	<b>(8.7)</b>
Distribution and selling expenses	<u>(44,098)</u>	<u>(50,199)</u>	12.2	<u>(202,839)</u>	<u>(221,433)</u>	8.4
General and administration expenses	<u>(15,281)</u>	<u>(31,787)</u>	51.9	<u>(115,540)</u>	<u>(163,378)</u>	29.3
Other operating income/(loss)	<u>1,643</u>	<u>(14,531)</u>	111.3	<u>3,516</u>	<u>(18,162)</u>	119.4
<b>Profit from operations</b>	<b>23,888</b>	<b>(9,456)</b>	<b>352.6</b>	<b>80,122</b>	<b>29,501</b>	<b>171.6</b>
Financial income*	<u>(38)</u>	<u>37,160</u>	(100.1)	<u>19,090</u>	<u>41,472</u>	(54.0)
Financial expense*	<u>(24,331)</u>	<u>(27,467)</u>	11.4	<u>(97,529)</u>	<u>(105,653)</u>	7.7
Share in net loss of joint venture	<u>(554)</u>	<u>(334)</u>	(65.9)	<u>(983)</u>	<u>(1,552)</u>	36.7
<b>Profit/(loss) before taxation</b>	<b>(1,035)</b>	<b>(97)</b>	<b>(967.0)</b>	<b>700</b>	<b>(36,232)</b>	<b>101.9</b>
Taxation	<u>7,460</u>	<u>467</u>	1,497.4	<u>13,524</u>	<u>(14,844)</u>	191.1
<b>Profit/(loss) after taxation</b>	<b>6,425</b>	<b>370</b>	<b>1,636.5</b>	<b>14,224</b>	<b>(51,076)</b>	<b>127.8</b>
<b>Profit(loss) attributable to:</b>						
Owners of the Company	<u>6,298</u>	<u>3,955</u>	59.2	<u>20,319</u>	<u>(36,492)</u>	155.7
Non-controlling interest**	<u>127</u>	<u>(3,585)</u>	103.5	<u>(6,095)</u>	<u>(14,584)</u>	58.2
<b>Profit/(loss) for the period</b>	<b>6,425</b>	<b>370</b>	<b>1,636.5</b>	<b>14,224</b>	<b>(51,076)</b>	<b>127.8</b>
<b>Notes:</b>						
Depreciation and amortisation	<u>(35,044)</u>	<u>(36,159)</u>	3.1	<u>(135,474)</u>	<u>(148,184)</u>	8.6
Provision of asset impairment	<u>(581)</u>	<u>(2,232)</u>	74.0	<u>(2,006)</u>	<u>(24,534)</u>	91.8
Reversal of (provision for) inventory obsolescence	<u>1,920</u>	<u>698</u>	175.1	<u>(229)</u>	<u>(986)</u>	76.8
Provision for doubtful debts	<u>(2,572)</u>	<u>(358)</u>	(618.4)	<u>(2,637)</u>	<u>(103)</u>	(2,460.2)
Gain (loss) on disposal of fixed assets	<u>3,651</u>	<u>(514)</u>	810.3	<u>6,158</u>	<u>11,317</u>	(45.6)
<b>*Financial income comprise:</b>						
Interest income	<u>(314)</u>	<u>36,973</u>	(100.8)	<u>18,125</u>	<u>37,362</u>	(51.5)
Foreign exchange gain	<u>276</u>	<u>187</u>	47.6	<u>965</u>	<u>4,110</u>	(76.5)
	<u>(38)</u>	<u>37,160</u>	(100.1)	<u>19,090</u>	<u>41,472</u>	(54.0)
<b>*Financial expense comprise:</b>						
Interest expense	<u>(24,167)</u>	<u>(27,056)</u>	10.7	<u>(96,958)</u>	<u>(104,922)</u>	7.6
Foreign exchange loss	<u>(164)</u>	<u>(411)</u>	60.1	<u>(571)</u>	<u>(731)</u>	21.9
	<u>(24,331)</u>	<u>(27,467)</u>	11.4	<u>(97,529)</u>	<u>(105,653)</u>	7.7

Earnings per ordinary share in US cents	For the three months ended		For the full year ended	
	30 April		30 April	
	FY2019	FY2018	FY2019	FY2018
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	<b>0.07</b>	(0.05)	<b>0.03</b>	(2.70)
(ii) On a fully diluted basis	<b>0.07</b>	(0.05)	<b>0.03</b>	(2.70)

\*\*Includes (US\$6,088m) for DMFI and (US\$6m) for FieldFresh in the Twelve Months ended FY2019 and (US\$14,562m) for DMFI and (US\$16m) for FieldFresh in the Twelve Months ended of FY2018.

Includes US\$141m for DMFI and (US\$14m) for FieldFresh in the fourth quarter of FY2019 and (US\$3,585m) for DMFI and US\$5m for FieldFresh in the fourth quarter of FY2018.

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

<i>Amounts in US\$'000</i>	<b>For the year ended 30 April</b>		
	<b>FY2019</b> <b>(Unaudited)</b>	<b>FY2018</b> <b>(Audited)</b>	<b>%</b>
<b>Profit /(Loss) for the period</b>	<b>14,224</b>	<b>(51,076)</b>	<b>127.8</b>
<b>Other comprehensive income (after reclassification adjustment):</b>			
<i>Items that will or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating of foreign operations	<b>(1,838)</b>	(13,428)	86.3
Effective portion of changes in fair value of cash flow hedges	<b>462</b>	9,330	(95.0)
Income tax expense on cash flow hedge	<b>(113)</b>	(4,098)	97.2
	<b>(1,489)</b>	(8,196)	81.8
<i>Items that will not be classified to profit or loss</i>			
Remeasurement of retirement benefit	<b>(2,513)</b>	23,326	(110.8)
Income tax expense on retirement benefit	<b>2,127</b>	(5,469)	138.9
	<b>(386)</b>	17,857	(102.2)
<b>Other comprehensive loss for the period</b>	<b>(1,875)</b>	9,661	(119.4)
<b>Total comprehensive income/(loss) for the period</b>	<b>12,349</b>	<b>(41,415)</b>	<b>129.8</b>
<b>Attributable to:</b>			
Owners of the Company	<b>18,194</b>	(28,824)	163.1
Non-controlling interests	<b>(5,845)</b>	(12,591)	53.6
<b>Total comprehensive income /(loss)for the period</b>	<b>12,349</b>	<b>(41,415)</b>	<b>129.8</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**

<i>Amounts in US\$'000</i>	<b>Group</b>			<b>Company</b>		
	<b>30 April 2019</b>	30 April 2018	30 April 2017	<b>30 April 2019</b>	30 April 2018	30 April 2017
	<b>(Unaudited)</b>	(Audited)	(Audited)	<b>(Unaudited)</b>	(Audited)	(Audited)
<b>Non-Current Assets</b>						
Property, plant and equipment - net	582,033	610,889	657,185	-	-	-
Investment in subsidiaries	-	-	-	830,455	707,644	831,888
Investment in joint ventures	24,212	25,195	25,797	765	1,636	1,924
Intangible assets and goodwill	707,997	714,651	741,026	-	-	-
Other noncurrent assets	39,096	41,223	27,112	-	-	-
Deferred tax assets - net	106,321	79,829	92,786	27	9	2
Pension assets	8,240	10,607	5,517	-	-	-
Biological assets	1,682	1,629	1,420	-	-	-
Amount due from related company	-	-	-	180,621	88,880	-
	<b>1,469,581</b>	1,484,023	1,550,843	<b>1,011,868</b>	798,169	833,814
<b>Current Assets</b>						
Inventories	664,922	760,981	916,892	-	-	-
Biological assets	52,320	41,963	44,347	-	-	-
Trade and other receivables	149,054	161,627	164,447	25,257	180,948	119,703
Prepaid expenses and other current assets	36,716	30,782	43,046	193	212	328
Cash and cash equivalents	21,636	24,246	37,571	886	2,709	6,767
	<b>924,648</b>	1,019,599	1,206,303	<b>26,336</b>	183,869	126,798
Noncurrent assets held for sale	4,465	5,504	-	-	-	-
	<b>929,113</b>	1,025,103	1,206,303	<b>26,336</b>	183,869	126,798
<b>Total Assets</b>	<b>2,398,694</b>	2,509,126	2,757,146	<b>1,038,204</b>	982,038	960,612
<b>Equity attributable to equity holders of the Company</b>						
Share capital	49,449	49,449	39,449	49,449	49,449	39,449
Share premium	478,339	478,323	390,320	478,478	478,462	390,459
Retained earnings	96,074	95,505	159,169	96,074	95,505	159,169
Reserves	(65,827)	(64,082)	(71,860)	(65,827)	(64,082)	(71,860)
Equity attributable to owners of the Company	<b>558,035</b>	559,195	517,078	<b>558,174</b>	559,334	517,217
Non-controlling interest	43,106	49,065	61,477	-	-	-
<b>Total Equity</b>	<b>601,141</b>	608,260	578,555	<b>558,174</b>	559,334	517,217
<b>Non-Current Liabilities</b>						
Loans and borrowings	985,915	983,603	1,264,268	241,015	129,594	281,854
Other noncurrent liabilities	30,015	35,195	44,018	-	-	-
Employee benefits	63,781	76,905	87,599	-	3	-
Environmental remediation liabilities	697	144	6,198	-	-	-
Deferred tax liabilities - net	6,404	7,128	3,913	-	-	-
	<b>1,086,812</b>	1,102,975	1,405,996	<b>241,015</b>	129,597	281,854
<b>Current Liabilities</b>						
Trade and other current liabilities	188,669	276,618	299,545	103,797	87,073	118,471
Loans and borrowings	492,740	481,620	449,698	135,070	206,034	43,070
Current tax liabilities	1,692	2,008	1,187	-	-	-
Employee benefits	27,640	37,645	22,165	148	-	-
	<b>710,741</b>	797,891	772,595	<b>239,015</b>	293,107	161,541
<b>Total Liabilities</b>	<b>1,797,553</b>	1,900,866	2,178,591	<b>480,030</b>	422,704	443,395
<b>Total Equity and Liabilities</b>	<b>2,398,694</b>	2,509,126	2,757,146	<b>1,038,204</b>	982,038	960,612
NAV per ordinary share (US cents)	29.38	29.75	28.74	27.17	27.23	25.59
NTAV per ordinary share (US cents)	(7.04)	(7.02)	(9.39)	27.17	27.23	25.59

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

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Group</b>												
<b>Fiscal Year 2019</b>												
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
<b>Total comprehensive income for the period</b>												
Loss for the year	-	-	-	-	-	-	-	-	20,319	20,319	(6,095)	14,224
<b>Other comprehensive income</b>												
Currency translation differences recognised directly in equity	-	-	(1,860)	-	-	-	-	-	-	(1,860)	22	(1,838)
Remeasurement of retirement plan, net of tax	-	-	-	-	(577)	-	-	-	-	(577)	191	(386)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	312	-	-	-	312	37	349
<b>Total other comprehensive income</b>	-	-	(1,860)	-	(577)	312	-	-	-	(2,125)	250	(1,875)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(1,860)	-	(577)	312	-	-	20,319	18,194	(5,845)	12,349
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Value of employee services received for issue of share options	-	-	-	-	-	-	380	-	-	380	(114)	266
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	-	-	-	-	-	-	-	-	(19,750)	(19,750)	-	(19,750)
<b>Total contributions by and distributions to owners</b>	-	16	-	-	-	-	380	-	(19,750)	(19,354)	(114)	(19,468)
<b>At 30 April 2019</b>	<b>49,449</b>	<b>478,339</b>	<b>(93,375)</b>	<b>10,885</b>	<b>17,648</b>	<b>(2,452)</b>	<b>1,753</b>	<b>(286)</b>	<b>96,074</b>	<b>558,035</b>	<b>43,106</b>	<b>601,141</b>



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

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Group</b>												
<b>Fiscal Year 2018</b>												
At 1 May 2017, restated	39,449	390,320	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,078	61,477	578,555
<b>Total comprehensive income for the period</b>												
Loss for the year	-	-	-	-	-	-	-	-	(36,492)	(36,492)	(14,584)	(51,076)
<b>Other comprehensive income</b>												
Currency translation differences recognised directly in equity	-	-	(13,428)	-	-	-	-	-	-	(13,428)	-	(13,428)
Remeasurement of retirement plan, net of tax	-	-	-	-	16,417	-	-	-	-	16,417	1,440	17,857
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	4,679	-	-	-	4,679	553	5,232
<b>Total other comprehensive income</b>	-	-	(13,428)	-	16,417	4,679	-	-	-	7,668	1,993	9,661
<b>Total comprehensive (loss)/income for the period</b>	-	-	(13,428)	-	16,417	4,679	-	-	(36,492)	(28,824)	(12,591)	(41,415)
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Value of employee services received for issue of share options	-	-	-	-	-	-	198	-	-	198	179	377
Share options exercised	-	138	-	-	-	-	(138)	-	-	-	-	-
Issuance of new 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	-	-	-	-	-	-	-	-	(27,172)	(27,172)	-	(27,172)
<b>Total contributions by and distributions to owners</b>	10,000	88,003	-	-	-	-	(406)	516	(27,172)	70,941	179	71,120
<b>At 30 April 2018</b>	<b>49,449</b>	<b>478,323</b>	<b>(91,515)</b>	<b>10,885</b>	<b>18,225</b>	<b>(2,764)</b>	<b>1,373</b>	<b>(286)</b>	<b>95,505</b>	<b>559,195</b>	<b>49,065</b>	<b>608,260</b>

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

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
<b>Company</b>										
<b>Fiscal Year 2019</b>										
At 1 May 2018	49,449	478,462	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,334
<b>Total comprehensive income for the period</b>										
Loss for the year	-	-	-	-	-	-	-	-	20,319	20,319
<b>Other comprehensive income</b>										
Currency translation differences recognised directly in equity	-	-	(1,860)	-	-	-	-	-	-	(1,860)
Remeasurement of retirement plan, net of tax	-	-	-	-	(577)	-	-	-	-	(577)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	312	-	-	-	312
<b>Total other comprehensive income</b>	-	-	(1,860)	-	(577)	312	-	-	-	(2,125)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(1,860)	-	(577)	312	-	-	20,319	18,194
<b>Transactions with owners recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Value of employee services received for issue of share options	-	-	-	-	-	-	380	-	-	380
Share options exercised	-	-	-	-	-	-	-	-	-	-
Issuance of new preference shares	-	-	-	-	-	-	-	-	-	-
Transaction cost from issue of preference shares	-	15	-	-	-	-	-	-	-	15
Release of share awards	-	-	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(19,750)	(19,750)
<b>Total contributions by and distributions to owners</b>	-	15	-	-	-	-	380	-	(19,750)	(19,355)
<b>At 30 April 2019</b>	<b>49,449</b>	<b>478,477</b>	<b>(93,375)</b>	<b>10,885</b>	<b>17,648</b>	<b>(2,452)</b>	<b>1,753</b>	<b>(286)</b>	<b>96,074</b>	<b>558,173</b>

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

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
<b>Company</b>										
<b>Fiscal Year 2018</b>										
At 1 May 2017, restated	39,449	390,459	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,217
<b>Total comprehensive income for the period</b>										
Loss for the year	-	-	-	-	-	-	-	-	(36,492)	(36,492)
<b>Other comprehensive income</b>										
Currency translation differences recognised directly in equity	-	-	(13,428)	-	-	-	-	-	-	(13,428)
Remeasurement of retirement plan, net of tax	-	-	-	-	16,417	-	-	-	-	16,417
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	4,679	-	-	-	4,679
<b>Total other comprehensive income</b>	-	-	(13,428)	-	16,417	4,679	-	-	-	7,668
<b>Total comprehensive (loss)/income for the period</b>	-	-	(13,428)	-	16,417	4,679	-	-	(36,492)	(28,824)
<b>Transactions with owners recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Value of employee services received for issue of share options	-	-	-	-	-	-	198	-	-	198
Share options exercised	-	138	-	-	-	-	(138)	-	-	-
Issuance of new preference shares	10,000	90,000	-	-	-	-	-	-	-	100,000
Transaction cost from issue of preference shares	-	(2,085)	-	-	-	-	-	-	-	(2,085)
Release of share awards	-	(50)	-	-	-	-	(466)	516	-	-
Payment of Dividends	-	-	-	-	-	-	-	-	(27,172)	(27,172)
<b>Total contributions by and distributions to owners</b>	10,000	88,003	-	-	-	-	(406)	516	(27,172)	70,941
<b>At 30 April 2018</b>	<b>49,449</b>	<b>478,462</b>	<b>(91,515)</b>	<b>10,885</b>	<b>18,225</b>	<b>(2,764)</b>	<b>1,373</b>	<b>(286)</b>	<b>95,505</b>	<b>559,334</b>

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

<i>Amounts in US\$'000</i>	For the three months		For the year ended	
	30 April		30 April	
	FY2019 (Unaudited)	FY2018 (Unaudited)	FY2019 (Unaudited)	FY2018 (Audited)
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	6,425	370	14,224	(51,076)
Adjustments for:				
Depreciation of property, plant and equipment	33,381	34,492	128,820	140,061
Amortisation of intangible assets	1,663	1,667	6,654	7,784
Impairment loss on property, plant and equipment	581	2,232	2,006	24,534
Gain/(loss) on disposal of property, plant and equipment	(3,651)	514	(6,158)	(11,317)
Equity-settled share-based payment transactions	57	63	266	377
Share in net loss of joint venture	554	334	983	1,552
Finance income	(1,794)	(37,160)	(19,090)	(41,472)
Finance expense	24,331	27,467	97,529	105,653
Tax expense - current	2,262	(521)	10,443	11,701
Tax credit - deferred	(9,722)	54	(23,967)	3,143
Net loss (gain) on derivative financial instrument	(130)	318	264	846
Operating profit before working capital changes	<u>53,957</u>	<u>29,830</u>	<u>211,974</u>	<u>191,786</u>
Changes in:				
Other assets	5,886	(27,109)	6,281	(5,169)
Inventories	86,013	141,350	107,308	147,643
Biological assets	(23,683)	(10,604)	(39,884)	(34,575)
Trade and other receivables	48,031	49,095	12,043	12,716
Prepaid and other current assets	(7,072)	(6,615)	(4,083)	10,600
Trade and other payables	(25,721)	5,837	(138,453)	(11,777)
Employee Benefit	(8,514)	4,288	3,304	16,298
Operating cash flow	<u>128,897</u>	<u>186,072</u>	<u>158,490</u>	<u>327,522</u>
Income taxes paid	<u>(9,436)</u>	<u>(3,077)</u>	<u>(6,830)</u>	<u>(4,574)</u>
<b>Net cash flows from operating activities</b>	<u>119,461</u>	<u>182,995</u>	<u>151,660</u>	<u>322,948</u>
<b>Cash flows from investing activities</b>				
Interest received	209	171	715	550
Proceeds from disposal of property, plant and equipment	6,902	53,673	16,206	41,241
Purchase of property, plant and equipment	(17,718)	(43,241)	(94,245)	(110,738)
Additional investment in joint venture	-	595	-	(949)
<b>Net cash flows used in investing activities</b>	<u>(10,607)</u>	<u>11,198</u>	<u>(77,324)</u>	<u>(69,896)</u>
<b>Cash flows from financing activities</b>				
Interest paid	(22,675)	(22,791)	(87,494)	(94,961)
Proceeds of borrowings	146,696	225,782	823,979	807,822
Repayment of borrowings	(265,893)	(404,328)	(798,331)	(1,053,042)
Dividends paid	(9,875)	(8,665)	(19,750)	(27,172)
Proceeds from issuance of preference shares	-	-	-	100,000
Transactions costs related to issuance of preference shares	-	-	16	(2,085)
Payments of debt related costs	(146)	(4,515)	(146)	(4,515)
<b>Net cash flows from financing activities</b>	<u>(151,893)</u>	<u>(214,517)</u>	<u>(81,726)</u>	<u>(273,953)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(43,039)</u>	<u>(20,324)</u>	<u>(7,390)</u>	<u>(20,901)</u>
<b>Cash and cash equivalents at 1 May</b>	<u>65,172</u>	<u>41,784</u>	<u>24,246</u>	<u>37,571</u>
<b>Effect of exchange rate fluctuations on cash held in foreign currency</b>	<u>(497)</u>	<u>2,786</u>	<u>4,780</u>	<u>7,576</u>
<b>Cash and cash equivalents at 30 April</b>	<u>21,636</u>	<u>24,246</u>	<u>21,636</u>	<u>24,246</u>

**ONE-OFF EXPENSES/(INCOME)**

<i>Amounts in US\$'000</i>	For the three months ended 30 April			For the year ended 30 April		
	<b>FY2019 (Unaudited)</b>	FY2018 (Unaudited)	%	<b>FY2019 (Unaudited)</b>	FY2018 (Audited)	%
<b>DMFI one-off expenses:</b>						
Closure of Sager Creek Arkansas plant	<b>(0.4)</b>	29.1	101.2	<b>6.2</b>	42.4	85.4
Closure of Plymouth, Indiana plant	<b>0.1</b>	(0.6)	(110.4)	<b>(0.0)</b>	12.7	100.1
Severance	<b>2.9</b>	0.8	(265.5)	<b>6.1</b>	4.6	(33.2)
Others	<b>1.8</b>	(0.7)	(358.7)	<b>0.1</b>	3.0	97.4
Total (pre-tax basis)	<b>4.4</b>	28.6	84.5	<b>12.4</b>	62.7	80.2
Write off of deferred tax assets (non-cash)*	-	-	-	-	39.8	100.0
Tax impact	<b>(1.0)</b>	(15.3)	(93.2)	<b>(2.9)</b>	(20.0)	(85.5)
Non-controlling interest	<b>(0.4)</b>	(2.3)	(84.3)	<b>(1.0)</b>	(8.7)	(88.5)
<b>Total DMFI one-off expenses (post tax, post NCI basis)</b>	<b>3.0</b>	11.0	72.3	<b>8.5</b>	73.8	88.5
<b>Second Lien Loan Purchase:</b>						
Gain due to the purchase of DMFI's second lien loan at a discount	<b>(0.4)</b>	(33.6)	(98.9)	<b>(16.7)</b>	(33.6)	(50.3)
Tax impact for the other one-off items	<b>0.2</b>	8.3	97.8	<b>3.7</b>	8.3	56.0
<b>Total one-off gain on second lien loan purchase (post tax basis)</b>	<b>(0.2)</b>	(25.3)	(99.3)	<b>(13.0)</b>	(25.3)	(48.5)
<b>Total (post-tax and post non-controlling interest)</b>	<b>2.9</b>	(14.3)	(120.1)	<b>(4.5)</b>	48.5	109.3

\*In 2018, 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.