



**DEL MONTE PACIFIC LIMITED**

## **Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended October 2014**

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### **AUDIT**

Second Quarter FY2015 results covering the period from 1 May to 31 October 2014 have neither been audited nor reviewed by the Group's auditors.

### **ACCOUNTING POLICIES**

The accounting policies and method of computation adopted are consistent with those used in the most recently audited financial statements, except for the following accounting standards, amendments to standards and interpretations that are effective for annual reporting periods beginning 1 January 2014:

Amendment to IAS 32

IAS 36

IAS 39

Amendments to IFRS 10,

IFRS 12 and IAS 27

IFRIC 21

Offsetting Financial Assets and Financial Liabilities

Recoverable Amount Disclosures for Non-Financial Assets

Novation of Derivatives and Continuation of Hedge Accounting

Investment Entities

Levies

The Group has not applied the following accounting standards (including its consequential amendments) that have been issued but will be effective for the financial year beginning on or after 1 January 2015:

Amendments to IAS 19

IFRS 9

Amendment to IFRS 7 and IFRS 9

IFRS 14

IFRS 11

Amendment to IAS 16 and IAS 38

IFRS 15

Amendment to IAS 16 and IAS 41

Defined Benefit Plans: Employee Contributions

Financial Instruments

Mandatory Effective Date and Transition Disclosures

Regulatory Deferral Accounts

Amendment to Accounting for Acquisitions of Interests in Joint

Clarification of Acceptable Methods of Depreciation and Amortisation

Revenue from Contracts with Customers

Agriculture: Bearer Plants

## **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.

## **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  
Chairman of the Board

(Signed)  
Joselito D Campos, Jr  
Executive Director

15 December 2014

## NOTES ON THE 2Q FY2015 DMPL RESULTS

1. DMPL changed its financial-year end to 30 April from 31 December to align with that of its US subsidiary, Del Monte Foods, Inc (DMFI). The second quarter of the Company is now 1 July to 31 October. The next financial year-end will be on 30 April 2015.
2. DMFI's financial results have been consolidated in DMPL's financials since the acquisition was made on 18 February 2014.
3. Financial comparisons for DMFI are available for sales to gross profit but not available below gross profit as the company operated as a division of a larger entity then.
4. DMFI's financial statements are based on US GAAP, while DMPL's are based on IFRS. DMFI's financial statements were converted to IFRS for consolidation purposes.
5. DMPL's effective stake in DMFI is 89.4% hence the non controlling interest line (NCI) in the P&L. Consolidated figures in the narratives are net of NCI.

## FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2014

in US\$'000 unless otherwise stated*	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2015	Fiscal Year 2014	% Change	Fiscal Year 2015	Fiscal Year 2014	% Change
Turnover	<b>547,985</b>	136,297	nm	<b>993,627</b>	255,657	nm
Gross profit	<b>114,724</b>	35,936	nm	<b>185,457</b>	59,661	nm
Gross margin (%)	<b>20.9</b>	26.4	nm	<b>18.7</b>	23.3	nm
Operating profit	<b>25,433</b>	16,174	nm	<b>13,331</b>	24,287	nm
Operating margin (%)	<b>4.6</b>	11.9	nm	<b>1.3</b>	9.5	nm
Net (loss)/profit attributable to owners of the Company	<b>185</b>	8,853	nm	<b>(21,711)</b>	12,958	nm
Net margin (%)	<b>0.0</b>	6.5	nm	<b>(2.2)</b>	5.1	nm
EPS (US cents)	<b>(0.01)</b>	0.68	nm	<b>(1.67)</b>	1.00	nm
Net debt	<b>(2,004,934)</b>	(162,796)	nm	<b>(2,004,934)</b>	(162,796)	nm
Gearing** (%)	<b>906.3</b>	69.8	nm	<b>906.3</b>	69.8	nm
Cash flows from/(used) in operations	<b>(147,520)</b>	24,429	nm	<b>(133,661)</b>	15,082	nm
Capital expenditure	<b>7,410</b>	5,067	nm	<b>23,787</b>	9,958	nm
			<b>Days</b>			<b>Days</b>
Inventory (days)	<b>215</b>	116	99	<b>205</b>	114	91
Receivables (days)	<b>31</b>	48	(17)	<b>29</b>	45	(16)
Account Payables (days)	<b>31</b>	61	(30)	<b>34</b>	60	(26)

\*The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.27 in October 2014, 1.26 in October 2013. For conversion to Php, these exchange rates can be used: 44.88 in October 2014, 43.54 in October 2013

\*\*Gearing = Net Debt / Equity

## REVIEW OF OPERATING PERFORMANCE

### Second Quarter

The Group achieved sales of US\$548.0 million for the second quarter, of which DMFI generated US\$435.1 million of sales, and posted a net income of US\$0.2 million, compared to a net loss of US\$21.9 million in the first quarter. The net income was impacted by earlier announced acquisition-related expenses and was attributed mainly to purchase accounting primarily to inventory step-up, and other non-recurring expenses. The bottomline also reflected interest expense from a long-term loan to acquire DMFI and short-term bridge financing of DMPL, which will be refinanced with equity.

The ordinary share public offering in the Philippines, for loan repayment, was completed on 30 October 2014 and fully utilised. An international perpetual preference share offering, to be listed on the Singapore Exchange subject to regulatory approval, is being planned. Thereafter, a rights issue will be offered. The aim is to reduce Group borrowings for the acquisition of DMFI by around US\$515 million and to significantly deleverage DMPL's balance sheet.

The Group generated EBITDA and net income of US\$59.4 million and US\$20.7 million, respectively, before acquisition-related and other non-recurring expenses of US\$22.1 million at EBITDA level and US\$20.5 million at the net income level. The EBITDA of US\$59.4 million was more than double that of the first quarter given the seasonality of the business.

In DMFI's main US market, the initiatives taken post-acquisition, which include reverting back to competitive pricing levels, reintroducing the well recognised classic Del Monte label and reinstating trade support levels, have led to increased market share across its key categories of packaged vegetable, fruit and tomato. The main drawback was the impact of currency deterioration in Venezuela that contributed to the overall decline of 6% in its sales versus the prior year period.

Normalised gross profit of DMFI was down to US\$85.6 million while gross margin decreased by 3% to 19.7%. Reinstating trade spending to historical levels, in part offset by lower marketing spending, primarily drove the reduction in gross profit.

DMFI has also embarked on business development and cost savings initiatives. On the business development front, the Group earlier shared its plans to develop the ethnic market in the United States, mainly leveraging off its products in Asia. The Group has already identified products to be exported to the US.

On the cost savings front, DMFI's Enterprise Resource Planning ("ERP") migration to the SAP system will begin in February 2015 and its back office functions will be outsourced to the Philippines also in February 2015. These cost saving measures are expected to improve the Group's gross margin in FY 2016 and beyond.

DMFI's and DMPL's consolidated bottom line was impacted by acquisition-related expenses amounting to US\$20.5 million net of tax. These expenses include:

- US\$11.1 million net of tax inventory step up which corresponded to a higher cost of goods sold. This was a carryover from the Transition Period ending April 2014 as not all the inventory at the point of acquisition had been sold during the Transition Period. However, the inventory step up has no cash flow impact, and new inventory produced in the current financial year is not subject to revaluation.
- US\$6.2 million of higher interest expense at the DMPL parent level due to the bridge financing. US\$515 million of bridge loans will be refinanced within the next several months.
- Balance of US\$3.2 million on various items including transaction costs.

Without DMFI, DMPL's gross profit declined to US\$29.9 million, and gross margin decreased to 23.3% from 26.2% due to lower sales and higher costs.

DMPL's share of loss in the FieldFresh joint venture in India was significantly lower at US\$0.6 million from US\$1.1 million in the prior year period.

DMPL's net income, without DMFI and without the acquisition-related interest expenses and non-recurring expenses, was US\$10.7 million, lower than prior period's US\$13.8 million.

DMPL's branded business in Asia (comprising of Del Monte in the Philippines and the Indian subcontinent as well as S&W in Asia and the Middle East), and export sales globally (which included sales to DMFI worth US\$15.6 million and eliminated in the consolidation), generated sales of US\$128.5 million. This was 6% lower than the prior year period due to declines in the S&W branded business and non-branded exports, offset by improvement in the Philippines.

Sales in the Philippines for the second quarter rose 4% largely driven by favourable mix in beverage sales, as well as resurgent growth for the multi-serve business as supply and distribution for the 1 litre-Tetra Pak format improved. The Culinary segment's sales also increased behind gains in the Spaghetti Sauce and Pasta portfolio, and early introduction of Christmas packs. Gains in Beverage and Culinary more than compensate for a timing lag in the Packaged Fruits category due to delayed fruit cocktail supply availability, but such timing issues are expected to be resolved ahead of the strong Christmas demand.

The S&W branded business in Asia Pacific was impacted in the second quarter by political and economic disruption in the Middle East, which affected S&W's packaged sales in that region. Moreover, sales of fresh pineapple were lower due to short supply which will improve in the balance of the year. These declines were offset by the continued growth of the new S&W business in the Philippines.

The Group's cash flow from operations was a negative US\$147.5 million primarily due to the consolidation of DMFI and that the second quarter is DMFI's peak period for working capital requirements. DMFI has a seasonal production cycle that generally runs between June and October. In addition, the Group is building up its inventory ahead of the increased demand during the festive season. The Group expects cash flow from operations to turn positive in the balance of year as inventory is sold.

### **First Half**

For the first half, the Group generated sales of US\$993.6 million, with DMFI achieving sales of US\$774.6 million. The Group achieved EBITDA and net income of US\$80.8 million and US\$18.5 million, respectively, before acquisition-related and other non-recurring expenses of US\$42.4 million at EBITDA level and US\$40.0 million at the net income level. The Group incurred a net loss of US\$21.7 million in the first half primarily due to acquisition-related expenses in the first quarter.

DMFI's and DMPL's consolidated bottom line was impacted by acquisition-related expenses amounting to US\$40.0 million net of tax. These expenses include:

- US\$21.1 million net of tax upward revaluation of inventory which corresponded to a higher cost of goods sold.
- US\$13.3 million of higher interest expense at the DMPL parent level due to the acquisition.
- Balance of US\$5.6 million on various items including transaction costs.

Sales in DMFI were lower by 3%, while for Philippines and the S&W branded business were up 5% and 2%, respectively. However, exports of non branded products were down.

Without DMFI, DMPL's gross profit declined to US\$55.9 million, and gross margin decreased to 22.5% from 23.3% due to lower sales and higher costs.

DMPL's share of loss in the FieldFresh joint venture in India was significantly lower at US\$1.2 million from US\$2.6 million in the prior year period.

DMPL's net income, without DMFI and without the acquisition-related interest expenses and non-recurring expenses, was US\$18.8 million, lower than prior period's US\$20.1 million.

## VARIANCE FROM PROSPECT STATEMENT

The results of the First Half were in line with earlier guidance that the recurring earnings (before acquisition related expenses and bridge financing expenses) would be higher than prior year period.

## BUSINESS OUTLOOK

The Group expects to generate higher earnings on a recurring basis (before acquisition related expenses and bridge financing expenses) in FY2015 as it drives both topline growth across its key markets in the USA, the Philippines and rest of Asia, optimises synergies and actively manages cost. As majority of the stepped up inventory will be sold in the financial year ending April 2015, this will continue to impact the bottomline of the Group. However, there is no cash flow impact hence cash flow generation will remain strong. New inventory produced in the current financial year is not subject to revaluation.

The ordinary share public offering in the Philippines, for loan repayment, was completed on 30 October 2014 and fully utilised. An international perpetual preference share offering, to be listed on the Singapore Exchange subject to regulatory approval, is being planned and, thereafter, a rights issue will be offered. The aim is to reduce Group borrowings for the acquisition of DMFI by around US\$515 million and to significantly deleverage DMPL's balance sheet.

After DMPL's equity raising of US\$515m (US\$350m net from preference shares and US\$165m net from the rights offer) and the additional projected debt paydown of about US\$230-280m from cashflow, DMPL's gearing is expected to be significantly reduced to 170-180% from the current 906%

## REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

### AMERICAS

#### For the second quarter ended 31 October

In US\$'000	Net Sales			Gross Profit			Operating Income/(Loss)		
	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg
Packaged fruit and vegetable	321,118	16,094	nm	67,285	2,633	nm	11,830	1,250	nm
Beverage	21,082	6,026	249.9	917	679	35.1	(216)	291	(174.2)
Culinary	80,914	-	nm	18,044	-	nm	3,083	-	nm
Fresh fruit and others	14,091	-	nm	494	-	nm	(2,369)	-	nm
Total	437,205	22,120	nm	86,740	3,312	nm	12,328	1,541	nm

#### For the first half ended 31 October

In US\$'000	Net Sales			Gross Profit			Operating Income/(Loss)		
	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg
Packaged fruit and vegetable	586,977	34,986	nm	102,262	4,788	nm	(980)	2,101	(146.6)
Beverage	23,777	12,669	87.7	774	1,891	(59.1)	(1,484)	1,204	(223.3)
Culinary	135,583	-	nm	23,816	-	nm	(5,104)	-	nm
Fresh fruit and others	33,167	-	nm	5,737	-	nm	(2,076)	-	nm
Total	779,504	47,655	nm	132,589	6,679	nm	(9,644)	3,305	(391.8)

Reported under the Americas segment are sales and profit on sales in North and South America, and Canada. 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 food service industry and other food processors.

Net sales in the Americas in the second quarter reached US\$437.2 million due to the consolidation of DMFI's results post acquisition closing on 18 February 2014.

Operating profit imputed non-recurring expenses brought about mainly by fair value adjustments required upon purchase of DMFI.

## ASIA PACIFIC

### For the second quarter ended 31 October

In US\$'000	Net Sales			Gross Profit			Operating Income		
	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg
Packaged fruit and vegetable	26,562	30,468	(12.8)	6,220	8,519	(27.0)	2,594	4,678	(44.5)
Beverage	29,334	25,825	13.6	6,672	5,724	16.6	2,121	156	1,259.6
Culinary	34,963	32,482	7.6	13,773	13,862	(0.6)	8,573	8,404	2.0
Fresh fruit and others	13,381	14,628	(8.5)	928	3,856	(75.9)	93	1,973	(95.3)
Total	104,240	103,403	0.8	27,593	31,961	(13.7)	13,381	15,211	(12.0)

### For the first half ended 31 October

In US\$'000	Net Sales			Gross Profit			Operating Income		
	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg
Packaged fruit and vegetable	48,093	48,906	(1.7)	10,152	11,427	(11.2)	3,307	4,684	(29.4)
Beverage	60,223	55,577	8.4	13,913	13,388	3.9	5,005	2,773	80.5
Culinary	58,008	53,819	7.8	22,232	21,964	1.2	12,205	12,318	(0.9)
Fresh fruit and others	33,443	28,785	16.2	5,578	6,053	(7.8)	2,784	3,258	(14.5)
Total	199,767	187,087	6.8	51,875	52,832	(1.8)	23,301	23,033	1.2

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 both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

In the second quarter, the segment's sales increased by 1% to US\$104.2 million from US\$103.4 million on higher sales of beverage and culinary products in the Philippines, offsetting declines in packaged fruit and fresh fruit brought about by lower supply.

Sales in the Philippines for the second quarter rose 4% largely driven by favourable mix in beverage sales, as well as resurgent growth for the multi-serve business as supply and distribution for the 1 litre-Tetra Pak format improved. The Culinary segment's sales also increased behind gains in the Spaghetti Sauce and Pasta portfolio, and early introduction of Christmas packs. Gains in Beverage and Culinary more than compensate for a timing lag in the Packaged Fruits category due to delayed fruit cocktail supply availability, but such timing issues are expected to be resolved ahead of the strong Christmas demand.

The S&W branded business in Asia Pacific was impacted in the second quarter by political and economic disruption in the Middle East, which affected S&W's packaged sales in that region. Moreover, sales of fresh pineapple were lower due to short supply which will improve in the balance of the year. These declines were offset by the continued growth of the new S&W business in the Philippines.

Gross profit decreased by 14% to US\$27.6 million from US\$32.0 million, while operating profit declined by 12% to US\$13.4 million.

## EUROPE

### For the second quarter ended 31 October

In US\$'000	Net Sales			Gross Profit			Operating Income/(Loss)		
	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg
Packaged fruit and vegetable	4,004	6,871	(41.7)	219	455	(51.9)	(239)	(303)	(21.1)
Beverage	2,461	3,903	(36.9)	172	208	(17.3)	(37)	(275)	(86.5)
Culinary	75	-	nm	-	-	nm	-	-	nm
Fresh fruit and others	-	-	nm	-	-	nm	-	-	nm
Total	6,540	10,774	(39.3)	391	663	(41.0)	(276)	(578)	(52.2)

### For the first half ended 31 October

In US\$'000	Net Sales			Gross Profit			Operating Income/(Loss)		
	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg	FY2015	FY2014	% Chg
Packaged fruit and vegetable	10,011	11,840	(15.4)	818	1,326	(38.3)	(145)	90	(261.1)
Beverage	4,270	9,075	(52.9)	175	(1,176)	114.9	(181)	(2,141)	(91.5)
Culinary	75	-	nm	-	-	nm	-	-	nm
Fresh fruit and others	-	-	nm	-	-	nm	-	-	nm
Total	14,356	20,915	(31.4)	993	150	562.0	(326)	(2,051)	(84.1)

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

The segment's sales decreased by 39% to US\$6.5 million from US\$10.8 million on reduced sales of pineapple juice concentrate (PJC) as the Group shifts out of unbranded PJC. However, operating loss in Europe was lower at US\$0.3 million from US\$0.6 million in the prior year period due to favourable mix and pricing.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 October			For the six months ended 31 October		
	FY2015	FY2014	Comments	FY2015	FY2014	Comments
Cost of Goods Sold	79.1	73.6	Mainly due to consolidation of DMFI	81.3	76.7	Mainly due to consolidation of DMFI
Distribution and Selling Expenses	7.0	6.4	Mainly due to consolidation of DMFI	6.8	6.2	Mainly due to consolidation of DMFI
G&A Expenses	9.3	7.9	Mainly due to consolidation of DMFI	10.5	6.8	Mainly due to consolidation of DMFI
Other Operating Expenses	0.0	0.1	Primarily due to biological assets adjustments and other miscellaneous income	0.1	0.8	Primarily due to biological assets adjustments and other miscellaneous income

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US\$'000	For the three months ended 31 October				For the six months ended 31 October			
	FY2015	FY2014	%	Comments	FY2015	FY2014	%	Comments
Depreciation and amortisation	(14,673)	(3,869)	nm	Due to the consolidation of DMFI	(27,594)	(8,619)	nm	Due to the consolidation of DMFI
Interest income	67	49	36.7	Higher interest income	147	43	241.9	Higher interest income



	from operating assets			from operating assets		
Interest expense	(23,829)	(1,512)	nm	(47,315)	(2,486)	nm
Share of loss of JV, (attributable to the owners of the Company)	(576)	(1,024)	nm	(1,170)	(2,599)	nm
Taxation	(314)	(3,944)	nm	11,802	(4,423)	nm

## REVIEW OF GROUP ASSETS AND LIABILITIES

With the acquisition of DMFI, its balance sheet items have been consolidated with DMPL's resulting in higher balances for most asset and liability items.

Extract of Accounts with Significant Variances <i>in US\$'000</i>	31 Oct 2014	31 Oct 2013	31 Dec 2013	Comments
Joint venture	20,612	20,821	20,193	Due to FieldFresh losses
Other assets	27,078	19,270	13,208	Mainly due to consolidation of DMFI
Biological assets	122,278	111,815	113,174	Due to higher cycled growing crop costs from increased acreage
Inventories	1,038,803	127,865	98,162	Due to consolidation of DMFI
Trade and other receivables	244,272	90,065	115,104	Due to consolidation of DMFI
Cash and cash equivalents	31,924	131,425	132,921	Higher cash mainly coming from borrowings
Financial liabilities – non-current	927,234	11,560	11,260	Higher borrowings due to acquisition.
Financial liabilities – current	1,109,624	282,661	265,404	Due to working capital requirements and loans related to the purchase of DMFI
Trade and other payables	376,287	76,627	104,539	Due to consolidation of DMFI
Current tax liabilities	1,509	-	5,146	Due to higher income on taxable entity

## SHARE CAPITAL

Total shares outstanding were at 1,302,100,071 as of 31 October 2014 (31 October 2013: 1,296,600,071). The Group successfully placed out 5.5 million ordinary shares in the Philippines on 30 October 2014. Share capital remains at US\$13.0 million (31 October 2013 and 30 April 2014: US\$13.0 million). Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below.

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

The number of shares outstanding includes 900,420 shares held by the Company as treasury shares as at 31 October 2014 (31 October 2013: 900,420). There was no sale, disposal and cancellation of treasury shares during the period and as at 31 October 2014.

## BORROWINGS AND NET DEBT

Liquidity in US\$'000	As at 31 October		As at 31 December
	2014	2013	2013
Gross borrowings	(2,036,858)	(294,221)	(276,664)
Current			
Secured	(281,246)	–	–
Unsecured	(828,378)	(282,661)	(265,404)
Non-current			
Secured	(926,701)	–	–
Unsecured	(533)	(11,560)	(11,260)
Less: Cash and bank balances	31,924	131,425	132,921
Net debt	(2,004,934)	(162,796)	(143,743)

The Group's net debt (cash and bank balances less borrowings) amounted to US\$2.0 billion as at 31 October 2014. The debts are mostly related to the purchase of Del Monte Foods, Inc.

## DIVIDENDS

No dividends were declared for this quarter and corresponding prior year quarter.

## INTERESTED PERSON TRANSACTIONS

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

In US\$'000	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)	
	FY2015	FY2014	FY2015	FY2014
For the second quarter of the fiscal year				
Nutri-Asia, Inc	NIL	NIL	946	282
DMPI Retirement	NIL	NIL	745	NIL
<b>Aggregate Value</b>	NIL	NIL	<b>1,691</b>	<b>282</b>

## Rule 704(13)

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of Del Monte Pacific Limited (the "Company") wishes to confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or Chief Executive Officer or substantial shareholder of the Company.

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

Amounts in US\$'000	For the three months ended			For the six months ended		
	31 October			31 October		
	FY2015 (Unaudited)	FY2014 (Unaudited)	%	FY2015 (Unaudited)	FY2014 (Unaudited)	%
Turnover	547,985	136,297	Nm	993,627	255,657	nm
Cost of sales	(433,261)	(100,361)	Nm	(808,170)	(195,996)	nm
<b>Gross profit</b>	<b>114,724</b>	<b>35,936</b>	Nm	<b>185,457</b>	<b>59,661</b>	nm
Distribution and selling expenses	(38,088)	(8,749)	Nm	(67,318)	(15,974)	nm
General and administration expenses	(51,021)	(10,814)	Nm	(104,212)	(17,367)	nm
Other operating (expenses)/income	(182)	(199)	Nm	(596)	(2,033)	(70.7)
<b>Profit from operations</b>	<b>25,433</b>	<b>16,174</b>	<b>57.2</b>	<b>13,331</b>	<b>24,287</b>	<b>(45.1)</b>
Financial income*	67	49	36.7	867	90	nm
Financial expense*	(24,659)	(2,402)	nm	(49,155)	(4,397)	nm
<b>Net finance income/(expense)</b>	<b>(24,592)</b>	<b>(2,353)</b>	nm	<b>(48,288)</b>	<b>(4,307)</b>	nm
Share of loss of joint venture, net of tax	(613)	(1,141)	(46.3)	(1,246)	(2,787)	(55.3)
<b>(Loss)/profit before taxation</b>	<b>228</b>	<b>12,680</b>	Nm	<b>(36,203)</b>	<b>17,193</b>	nm
Taxation	(314)	(3,944)	Nm	11,802	(4,423)	nm
<b>(Loss)/profit after taxation</b>	<b>(86)</b>	<b>8,736</b>	Nm	<b>(24,401)</b>	<b>12,770</b>	nm
<b>(Loss)/profit attributable to:</b>						
Owners of the Company	185	8,853	Nm	(21,711)	12,958	nm
Non-controlling interest	(271)	(117)	Nm	(2,690)	(188)	nm
<b>(Loss)/profit for the period</b>	<b>(86)</b>	<b>8,736</b>	Nm	<b>(24,401)</b>	<b>12,770</b>	nm
<b>Notes:</b>						
Depreciation and amortization	(14,673)	(3,869)	Nm	(27,594)	(8,619)	nm
Reversal of asset impairment	130	74	75.7	260	154	68.8
(Provision)/reversal for inventory obsolescence	195	(646)	Nm	(958)	(646)	48.3
(Provision)/reversal for doubtful debts	3,463	(23)	Nm	2,610	(23)	nm
Gain/(Loss) on disposal of fixed assets	(233)	(13)	Nm	(147)	222	nm
<b>*Financial income comprise:</b>						
Interest income	67	49	36.7	147	43	241.9
Foreign exchange gain	-	-	Nm	720	47	Nm
	<b>67</b>	<b>49</b>	<b>36.7</b>	<b>867</b>	<b>90</b>	<b>Nm</b>
<b>*Financial expense comprise:</b>						
Interest expense	(23,829)	(1,512)	Nm	(47,315)	(2,486)	Nm
Foreign exchange loss	(830)	(890)	(6.7)	(1,840)	(1,911)	(3.7)
	<b>(24,659)</b>	<b>(2,402)</b>	<b>Nm</b>	<b>(49,155)</b>	<b>(4,397)</b>	<b>Nm</b>

nm – not meaningful

Earnings per ordinary share in US cents	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2015	FY2014	FY2015	FY2014
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	0.01	0.68	(1.67)	1.00
(ii) On a fully diluted basis	0.01	0.68	(1.67)	1.00

Please refer to page 3 for the Notes

\*Includes US\$2,614 for DMFI and US\$76 for FieldFresh in the first half of FY2015 and US\$188 for FieldFresh in the first half of FY2014.

\*\*Includes US\$234 for DMFI and US\$37 for FieldFresh in the second quarter of FY2015 and US\$117 for FieldFresh in the second quarter of FY2014.

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

Amounts in US\$'000	For the six months ended 31 October		%
<b>(Loss)/profit for the period</b>	<b>(24,401)</b>	12,770	nm
<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>(144)</b>	(13,404)	nm
<i>Items that will not be classified to profit or loss</i>			
Effective portion of changes in fair value of cash flow hedges	<b>(7,118)</b>	–	nm
Remeasurement of retirement benefit	<b>(133)</b>	283	nm
	<b>(7,251)</b>	283	nm
<b>Other comprehensive loss for the period, net of tax</b>	<b>(7,395)</b>	(13,121)	nm
<b>Total comprehensive loss for the period</b>	<b>(31,796)</b>	(351)	nm
<b>Attributable to:</b>			
Owners of the Company	<b>(28,558)</b>	(163)	nm
Non-controlling interests	<b>(3,238)</b>	(188)	nm
<b>Total comprehensive income for the period</b>	<b>(31,796)</b>	(351)	nm

*nm – not meaningful*

*Please refer to page 3 for the Notes*

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

Amounts in US\$'000	Group			Company		
	31 Oct 2014 (Unaudited)	31 Oct 2013 (Unaudited)	31 Dec 2013 (Audited)	31 Oct 2014 (Unaudited)	31 Oct 2013 (Unaudited)	31 Dec 2013 (Audited)
<b>Non-Current Assets</b>						
Property, plant and equipment	522,011	90,236	99,465	-	-	-
Subsidiaries	-	-	-	715,942	85,442	85,442
Joint venture	20,612	20,821	20,193	-	-	-
Intangible assets	733,732	14,973	14,862	-	-	-
Other assets	27,078	19,270	13,208	-	-	-
Deferred tax assets	62,872	851	10,555	-	-	-
Employee benefits	11,820	-	-	-	-	-
Biological assets	1,495	1,670	1,685	-	-	-
	<b>1,379,620</b>	<b>147,821</b>	<b>159,968</b>	<b>715,942</b>	<b>85,442</b>	<b>85,442</b>
<b>Current assets</b>						
Inventories	1,038,803	127,865	98,162	-	-	-
Biological assets	120,783	110,145	111,489	-	-	-
Trade and other receivables	244,272	90,065	115,104	104,564	80,466	110,927
Cash and cash equivalents	31,924	131,425	132,921	400	100,298	100,293
	<b>1,435,782</b>	<b>459,500</b>	<b>457,676</b>	<b>104,964</b>	<b>180,764</b>	<b>211,220</b>
<b>Total Assets</b>	<b>2,815,402</b>	<b>607,321</b>	<b>617,644</b>	<b>820,906</b>	<b>266,206</b>	<b>296,662</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	13,030	12,975	12,975	13,030	12,975	12,975
Reserves	144,079	222,537	217,681	68,156	63,269	90,587
Equity attributable to owners of the Company	156,708	235,512	230,656	81,186	76,244	103,562
Non-controlling interest	64,520	(2,232)	(2,273)	-	-	-
<b>Total Equity</b>	<b>221,629</b>	<b>233,280</b>	<b>228,383</b>	<b>81,186</b>	<b>76,244</b>	<b>103,562</b>
<b>Non-Current Liabilities</b>						
Financial liabilities	927,234	11,560	11,260	-	-	-
Other non-current liabilities	42,084	3,553	1,036	-	-	-
Employee Benefits	100,601	-	1,876	-	-	-
Derivative liabilities	15,387	-	-	-	-	-
Environmental remediation liabilities	4,257	-	-	-	-	-
Deferred tax liabilities	3,819	-	-	-	-	-
	<b>1,093,382</b>	<b>15,113</b>	<b>14,172</b>	<b>-</b>	<b>-</b>	<b>-</b>

To be continued

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

Amounts in US\$'000	Group			Company		
	31 October 2014 (Unaudited)	31 October 2013 (Unaudited)	31 December 2013 (Audited)	31 October 2014 (Unaudited)	31 October 2013 (Unaudited)	31 December 2013 (Audited)
<b>Current Liabilities</b>						
Trade and other payables	376,287	76,267	104,539	135,877	189,962	193,100
Financial liabilities	1,109,624	282,661	265,404	603,843	–	–
Current tax liabilities	1,509	–	5,146	–	–	–
Environmental remediation liabilities	12,971	–	–	–	–	–
	<u>1,500,391</u>	<u>358,928</u>	<u>375,089</u>	<u>739,720</u>	<u>189,962</u>	<u>193,100</u>
<b>Total Liabilities</b>	<b>2,593,773</b>	<b>374,041</b>	<b>389,261</b>	<b>739,720</b>	<b>189,962</b>	<b>193,100</b>
<b>Total Equity and Liabilities</b>	<b>2,815,402</b>	<b>607,321</b>	<b>617,644</b>	<b>820,906</b>	<b>266,206</b>	<b>296,662</b>
NAV per ordinary share (US cents)	<b>17.02</b>	17.99	17.61	<b>6.24</b>	5.88	7.99

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

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure- ment of Retirement Plan	Option reserve	Revenue reserve	Reserve for own shares	Totals	Non- controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>											
<b>Fiscal Year 2014</b>											
At 1 May 2013	12,975	69,768	(24,703)	3,594	(1,352)	988	184,505	(1,999)	243,776	(2,044)	241,732
<b>Total comprehensive income for the period</b>											
Profit for the period	–	–	–	–	–	–	12,958	–	12,958	(188)	12,770
<b>Other comprehensive income</b>											
Currency translation differences recognised directly in equity	–	–	(13,404)	–	–	–	–	–	(13,404)	–	(13,404)
Gain on property revaluation	–	–	–	–	–	–	–	–	–	–	–
Remeasurement of retirement plan	–	–	–	–	283	–	–	–	283	–	283
<b>Total other comprehensive income</b>	–	–	(13,404)	–	283	–	–	–	(13,121)	–	(13,121)
<b>Total comprehensive (loss)/income for the period</b>	–	–	(13,404)	–	283	–	12,958	–	(163)	(188)	(351)
<b>Transactions with owners recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Acquisition of treasury shares	–	–	–	–	–	–	–	(438)	(438)	–	(438)
Dividends to owners of the company	–	–	–	–	–	–	(8,022)	–	(8,022)	–	(8,022)
Share-based payment transactions	–	(563)	–	–	–	(1,245)	–	1,808	–	–	–
Value of employee services received for issue of share options	–	–	–	–	–	359	–	–	359	–	359
<b>Total contributions by and distributions to owners</b>	–	(563)	–	–	–	(886)	(8,022)	1,370	(8,101)	–	(8,101)
<b>At 31 October 2013</b>	12,975	69,205	(38,107)	3,594	(1,069)	102	189,441	(629)	235,512	(2,232)	233,280

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>												
<b>Fiscal Year 2015</b>												
At 1 May 2014	12,975	69,205	(44,592)	9,506	(3,794)	(2,422)	174	143,146	(629)	183,569	67,758	251,327
<b>Total comprehensive income for the period</b>												
Loss for the period	–	–	–	–	–	–	–	(21,711)	–	(21,711)	(2,690)	(24,401)
<b>Other comprehensive income</b>												
Currency translation differences recognised directly in equity	–	–	(318)	–	–	–	–	–	–	(318)	174	(144)
Remeasurement of retirement plan	–	–	–	–	(133)	–	–	–	–	(133)	–	(133)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	(6,396)	–	–	–	(6,396)	(722)	(7,118)
<b>Total other comprehensive income</b>	–	–	(318)	–	(133)	(6,396)	–	–	–	(6,847)	(548)	(7,395)
<b>Total comprehensive (loss)/income for the period</b>	–	–	(318)	–	(133)	(6,396)	–	(21,711)	–	(28,)	(3,238)	(31,796)
<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	–	–	–	–	–	–	73	–	–	73	–	73
Proceeds from issue of share capital	55	1,970	–	–	–	–	–	–	–	2,025	–	2,025
<b>Total contributions by and distributions to owners</b>	55	1,970	–	–	–	–	73	–	–	2,098	–	2,098
<b>At 31 October 2014</b>	13,030	71,175	(44,910)	9,506	(3,927)	(8,818)	247	121,435	(629)	156,708	64,520	221,629



Company	Share Capital US\$'000	Share premium US\$'000	Share Option Reserve US\$'000	Revenue reserve US\$'000	Treasury Shares US\$'000	Total Equity US\$'000
<b>Fiscal Year 2014</b>						
At 1 May 2013	12,975	69,907	988	10,463	(1,999)	92,334
<b>Total comprehensive income for the period</b>						
Loss for the period	–	–	–	(7,989)	–	(7,989)
Total comprehensive loss for the period	–	–	–	(7,989)	–	(7,989)

**Transactions with owners, recorded directly in equity**

**Contributions by and distributions to owners**

Value of employee services received for issue of share options	–	–	359	–	–	359
Acquisition of treasury shares	–	–	–	–	(438)	(438)
Share-based payment transactions	–	(563)	(1,245)	–	1,808	–
Dividends paid	–	–	–	(8,022)	–	(8,022)
Total contributions by and distributions to owners	–	(563)	(886)	(8,022)	1,370	(8,101)
At 31 October 2013	12,975	69,344	102	(5,548)	(629)	76,244

Company	Share Capital US\$'000	Share Premium US\$'000	Share option reserve US\$'000	Revenue reserve US\$'000	Treasury Shares US\$'000	Total Equity US\$'000
<b>Fiscal Year 2015</b>						
At 1 May 2014	12,975	69,344	174	13,978	(629)	95,842
<b>Total comprehensive income for the period</b>						
Loss for the period	–	–	–	(16,754)	–	(16,754)
Total comprehensive loss for the period	–	–	–	(16,754)	–	(16,754)

**Transactions with owners, recorded directly in equity**

**Contributions by and distributions to owners**

Proceeds from issue of share capital	55	1,970	–	–	–	2,025
Value of employee services received for issue of share options	–	–	73	–	–	73
Total contributions by and distributions to owners	55	1,970	73	–	–	2,098
<b>At 31 October 2014</b>	<b>13,030</b>	<b>71,314</b>	<b>247</b>	<b>(2,776)</b>	<b>(629)</b>	<b>81,186</b>

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

Amounts in US\$'000	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2015	FY2014	FY2015	FY2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>				
(Loss)/profit for the period	(86)	8,736	(24,401)	12,770
Adjustments for:				
Depreciation of property, plant and equipment	12,935	3,742	24,000	8,349
Amortisation of intangible assets	1,738	127	3,594	270
Reversal of impairment loss on property, plant and equipment	(130)	(74)	(260)	(154)
Loss/(gain) on disposal of property, plant and equipment	233	13	147	(222)
Share of loss of joint venture, net of tax	613	1,141	1,246	2,787
Finance income	(67)	(49)	(867)	(90)
Finance expense	25,363	2,402	49,155	4,397
Tax expense (benefit)	(166)	1,848	(11,802)	4,423
Equity-settled share-based payment transactions	37	29	73	359
Operating profit before working capital changes	40,470	17,915	40,885	32,889
Other assets	4,132	588	(666)	491
Inventories	(173,629)	1,310	(248,279)	(4,316)
Biological assets	(3,756)	(3,529)	(3,031)	(1,316)
Trade and other receivables	(25,467)	138	(5,941)	(3,556)
Trade and other payables	12,942	9,360	85,583	(6,649)
Operating cash flow	(145,308)	25,782	(131,449)	17,543
Income taxes paid	(2,212)	(1,353)	(2,212)	(2,461)
<b>Net cash flows (used in)/from operating activities</b>	<b>(147,520)</b>	<b>24,429</b>	<b>(133,661)</b>	<b>15,082</b>
<b>Cash flows from investing activities</b>				
Interest received	63	75	143	98
Proceeds from disposal of property, plant and equipment	28	25	254	257
Purchase of property, plant and equipment	(7,410)	(5,067)	(23,787)	(9,958)
Additional investment in joint venture	(497)	(976)	(497)	(1,946)
Deposit to escrow account related to the Acquisition	-	(100,000)	-	(100,000)
<b>Net cash flows used in investing activities</b>	<b>(7,816)</b>	<b>(105,943)</b>	<b>(23,887)</b>	<b>(111,549)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(23,856)	(1,208)	(24,795)	(1,741)
Proceeds (repayment) of borrowings	179,960	88,293	183,639	120,128
Proceeds from issue of share capital	2,025	-	2,025	-
Acquisition of treasury shares	-	-	-	(438)
Dividends paid	-	(8,022)	-	(8,022)
<b>Net cash flows from financing activities</b>	<b>158,129</b>	<b>79,063</b>	<b>160,869</b>	<b>109,927</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,793</b>	<b>(2,451)</b>	<b>3,321</b>	<b>13,460</b>
<b>Cash and cash equivalents at 1 May</b>	<b>28,509</b>	<b>36,218</b>	<b>28,401</b>	<b>18,872</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>622</b>	<b>(2,342)</b>	<b>202</b>	<b>(907)</b>
<b>Cash and cash equivalents at 31 October</b>	<b>31,924</b>	<b>31,425</b>	<b>31,924</b>	<b>31,425</b>