



**DEL MONTE PACIFIC LIMITED**

## **Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Third Quarter and Nine Months Ended 31 January 2017**

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### **AUDIT**

Third Quarter FY2017 results covering the period from 1 November 2016 to 31 January 2017 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 FY2016 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2016, which did not have significant impact to the Group:

- IFRS 14 Regulatory Deferral Accounts effective 1 January 2016
- Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations effective 1 January 2016
- Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation effective 1 January 2016
- Amendments to IFRS 10, IFRS 12 and IAS 28, Investment Entities: Applying the Consolidation Exception effective 1 January 2016
- Amendments to IAS 1, Disclosure Initiative effective 1 January 2016
- Annual Improvements to IFRSs 2012-2014 cycle effective 1 January 2016

For the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants), the Group is in the process of finalising the approach and impact and will effect the same by FY2017 yearend.

The Group will adopt the following new standards on the respective effective dates:

Effective beginning on or after 1 January 2017

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

Effective beginning on or after 1 January 2018

- Amendments to PFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions
- Amendments to PFRS 4, Insurance Contracts, Applying PFRS 9, Financial Instruments, with
- PFRS 15, Revenue from Contracts with Customers
- PFRS 9, Financial Instruments

- Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)
- Amendments to PAS 40, Investment Property, Transfers of Investment Property
- Philippine Interpretation IFRIC-22, Foreign Currency Transactions and Advance Consideration

Effective beginning on or after 1 January 2019

- PFRS 16, Leases

## **DISCLAIMER**

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

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

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

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

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

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

## **DIRECTORS' ASSURANCE**

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

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

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

(Signed)  
Rolando C Gapud  
Executive Chairman

(Signed)  
Joselito D Campos, Jr  
Executive Director

10 March 2017

## NOTES ON THE 3Q FY2017 DMPL RESULTS

1. DMPL's effective stake in DMFI is 89.4%, hence the non controlling interest line (NCI) in the P&L. Net income is net of NCI.
2. FY would mean Fiscal Year for the purposes of this MD&A.
3. DMPL changed its Group accounting policy with respect to measurement of the cost of inventory from weighted average to FIFO method in April 2016. The change in accounting policy was applied retrospectively.

## FINANCIAL HIGHLIGHTS – THIRD QUARTER AND NINE MONTHS ENDED 31 JANUARY 2017

in US\$'000 unless otherwise stated <sup>†</sup>	For the three months ended 31 January			For the nine months ended 31 January		
	Fiscal Year 2017	Fiscal Year 2016 (Restated)	% Change	Fiscal Year 2017	Fiscal Year 2016 (Restated)	% Change
Turnover	<b>604,004</b>	602,301	0.3	<b>1,705,728</b>	1,747,760	(2.4)
Gross profit	<b>125,475</b>	119,097	5.4	<b>365,957</b>	370,947	(1.3)
Gross margin (%)	<b>20.8</b>	19.8	1.0	<b>21.5</b>	21.2	0.3
Operating profit**	<b>28,449</b>	14,807	92.1	<b>89,399</b>	103,493	(13.6)
Operating margin (%)	<b>4.7</b>	2.5	2.2	<b>5.2</b>	5.9	(0.7)
Net profit attributable to owners of the Company - with one-off items**	<b>8,456</b>	(4,792)	276.5	<b>19,898</b>	32,285	(38.4)
Net margin (%)	<b>1.4</b>	(0.8)	2.2	<b>1.2</b>	1.8	(0.6)
EPS (US cents)	<b>0.44</b>	(0.25)	276.0	<b>1.02</b>	1.66	(38.6)
Net profit attributable to owners of the Company – without one-off items**	<b>11,556</b>	2,108	448.2	<b>26,698</b>	8,985	197.1
Net debt	<b>1,956,165</b>	1,935,318	1.1	<b>1,956,165</b>	1,935,317	1.1
Gearing*** (%)	<b>548.1</b>	567.5	(19.4)	<b>548.1</b>	567.5	(19.4)
EBITDA	<b>43,531</b>	34,122	27.6	<b>138,621</b>	157,008	(11.7)
Cash flow/(outflow) from operations	<b>190,683</b>	114,002	67.3	<b>(2,945)</b>	(164,920)	98.2
Capital expenditure	<b>18,867</b>	14,533	29.8	<b>51,146</b>	37,099	37.9
Inventory (days)	<b>161</b>	155	6	<b>186</b>	170	16
Receivables (days)	<b>26</b>	29	(3)	<b>23</b>	27	(4)
Account Payables (days)	<b>40</b>	45	(5)	<b>37</b>	40	(3)

<sup>†</sup>The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.39 in January 2017 1.43 in January 2016. For conversion to PhP, these exchange rates can be used: 48.30 in January 2017, 47.69 in January 2016.

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

\*\*\*Gearing = Net Debt / Equity

## REVIEW OF OPERATING PERFORMANCE

### Third Quarter

The Group achieved sales of US\$604.0 million for the third quarter of FY2017, slightly higher than prior year period as strong performance in the Philippines under the Del Monte brand, and rest of Asia under the S&W brand, was offset by lower sales in the USA.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI), contributed US\$450.6 million or 74.6% of Group sales. Sales declined by 3.4% versus last year driven by the continued weakness in the canned fruit industry, lower sales of regional brands in the packaged vegetable category across retail and foodservice, and lower sales of private label. The sales of regional brands have also been impacted by supply-related issues following closure of the North Carolina plant. However, amidst industry contraction, DMFI increased its market share in two of the four major categories in retail, ie packaged vegetable and broth, which was further supported by the growth of the branded business among major retail customers.

DMFI generated lower gross profit and margin of 14.7% from 15.5% in the prior year period due to lower pricing in non-retail channel and higher fixed cost. The incremental cost of the closure of the North Carolina plant amounting to US\$0.9 million also impacted margin by 0.2%.

DMFI has launched a multiyear restructuring initiative in FY2016 which aims at optimising G&A costs and should improve profitability by 150 to 200 basis points on an annualised basis. The closure of the North Carolina plant was one of these initiatives as well as the shift to a leaner organisation in the United States which had a cost impact.

These one-off expenses amounted to US\$5.4 million pre-tax or US\$3.1 million post-tax in the third quarter. Please refer to the last page of this MD&A for a schedule of the one-off items. Inclusive of the one-off expenses, DMFI contributed an EBITDA of US\$5.5 million as compared to US\$6.8 million in the prior year period and a net loss of US\$14.6 million versus US\$17.3 million.

Sales of DMPL ex-DMFI were higher compared to the same period last year. Last year was impacted by reduced pineapple supply as a result of the El Niño weather pattern. DMPL ex-DMFI generated sales of US\$170.9 million (inclusive of the US\$17.4 million sales by DMPL to DMFI which were netted out during consolidation), higher by 11.0%.

It delivered higher gross margin of 33.6% from 28.4% in the prior year quarter driven by higher productivity in the cannery, improved pricing as well as lower commodity costs particularly packaging. DMPL ex-DMFI generated an EBITDA of US\$36.3 million which was higher by 37.3% and a net income of US\$21.2 million, significantly higher versus the US\$11.7 million in the same period last year.

The Philippine market's sales grew by 3.2% in peso terms but 1.5% lower in US dollar terms due to peso depreciation. The Group drove to optimise growth and consumption opportunities during the Christmas peak consumption occasions, positioning Del Monte as the single mega-brand that completes every Filipino family's traditional Christmas meal celebrations -- complementing above-the-line advertising with strategic Christmas packs meant for gifting across all channels. Expanded juice dispenser coverage and strategic meal pairing tie-ups in major convenience stores and fast food chains also helped drive foodservice growth.

Sales of the S&W branded business in Asia performed very strongly with double digit growth driven by both the fresh and packaged segments. S&W continued to expand its fresh business in North Asia through distribution expansion and in store sampling. In the packaged segment, sales increased from strong sales of canned fruit to North Asia supported by improved supply, higher shipment into Indonesia and improved juice sales to Israel.

DMPL's share of loss in the FieldFresh joint venture in India was higher at US\$0.5 million from US\$0.3 million in the prior year. Sales in local currency terms continued to grow versus prior year period but profitability was impacted from demonetisation, higher commodity costs and the devaluation of pound that impacted exports of fresh products to UK.

The Group's EBITDA of US\$43.5 million (DMFI at US\$5.5 million) was higher than last year's EBITDA of US\$34.1 million. This quarter's EBITDA included US\$5.4 million of one-off expenses from severance and closure of the

North Carolina plant, while prior year period's EBITDA included one-off expenses of US\$12.4 million related to the Sager Creek acquisition, stabilising SAP implementation and restructuring. Without the one-off expenses, the Group's recurring EBITDA would have been US\$49.0 million (DMFI at US\$10.9 million), higher versus prior year period's recurring EBITDA of US\$46.5 million.

The Group incurred a net income of US\$8.5 million for the quarter, a complete turnaround versus prior year period's net loss of US\$4.8 million. This quarter's net income included US\$3.1 million of one-off expenses, while prior year period's included the one-off expenses of US\$6.9 million. Without the one-off items, the Group generated a recurring net income of US\$11.6 million, higher than last year's recurring net income of US\$2.1 million.

The Group's cash outflow from operations in the third quarter was US\$191.1 million, driven by inventory build-up in preparation for the seasonally stronger second semester. Cash outflow was higher versus last year's US\$114.0 million driven by higher receivables.

### **Nine Months**

For the nine months of FY2017, the Group generated sales of US\$1.7 billion, down 2.4% versus prior year. DMFI generated US\$1.3 billion or 75.9% of Group sales, lower by 6.3% versus prior year due to impact of unsuccessful low-margin US Department of Agriculture bids from the second half of FY2016 plus reduced sales in private label and foodservice business lines. The foodservice business has been impacted by supply-related issues following closure of the North Carolina plant. However, amidst industry contraction DMFI increased its market share across two of the four major categories in retail, ie packaged vegetable and broth, which was further supported by the growth of the branded business among major retail customers.

The Philippine market's sales were up 9.1% in peso terms driven by the strong momentum across major categories of packaged fruit, beverages and culinary driven by an expanded user base and expanded household penetration supported by new advertising campaigns and consumer communication. The foodservice channel also delivered robust growth. New products in culinary segment have been successfully launched as per plan.

The S&W branded sales in Asia rose double-digit versus last year on higher sales from both the fresh and packaged segments.

DMFI's gross margin for the full year declined to 16.8%, from 18.2% in the same period last year mainly driven by lower volume, unfavourable pricing in non-retail channel and higher trade spending in the US. In addition, nine months gross margin included the US\$3.6 million impact of North Carolina plant closure.

DMPL ex-DMFI's gross profit grew to US\$147.0 million, and its gross margin increased to 32.4% from 28.5% due to better sales mix, pricing actions and cost optimisation.

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

DMPL's net income without DMFI was US\$43.2 million, significantly up versus prior period's US\$20.0 million mainly from improvement in gross margin as outlined above.

The DMPL Group generated a net income of US\$19.9 million for the nine months FY2017, lower than prior year period's net income of US\$32.3 million due to the one-time net gain of US\$23.3 million mainly from DMFI's retirement plan amendment last year. Meanwhile, nine months FY2017 results included the US\$3.6 million one-off items mentioned above plus the US\$8.2 million of other restructuring costs, primarily severance expense. Please refer to the last page of the MD&A for the schedule of non-recurring items.

Excluding the one-off items, the Group's recurring net income would have been US\$26.7 million, significantly higher versus the recurring net income last year of US\$9.0 million mainly driven by the strong performance of the Asian business.

The Group posted an EBITDA of US\$138.7 million of which DMFI accounted for US\$52.1 million. Excluding one-off items, the Group's recurring EBITDA would have been US\$150.5 million (DMFI at US\$64.0 million), 8.2% higher versus the recurring EBITDA of US\$139.1 million in the prior year period.

## VARIANCE FROM PROSPECT STATEMENT

The nine months results showed a net income for the Group. It is on track to achieving a net profit for the full year which is in line with earlier guidance.

## BUSINESS OUTLOOK

Barring unforeseen circumstances, the Group is expected to generate a higher profit in FY2017 than prior year on a recurring basis (without one-off items).

The Group expects its US business to improve its financial performance through procurement synergies and transformation, footprint rationalisation and optimisation of G&A costs through the multiyear restructuring initiative that started in FY2016. From the restructuring that was announced in June 2016, the organisation in the US had been streamlined which would generate savings of over US\$9.0 million annually.

In the mid-to-long term, the Group will continue to strengthen its core business and develop new products in the United States to unlock the growth potential of its products and brands. It will accelerate its penetration of the foodservice sector, and invest to grow broth through the College Inn brand and healthy snack offerings.

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. It will ride on the strong growth of the Philippine economy fuelling the expansion of the retail and foodservice sectors, while it further develops its beverage and culinary business.

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 Group continues to explore digital opportunities for its range of products across markets.

As announced on 13 February 2017, the Company has extended its US\$350 million Facility Agreement with BDO Unibank, Inc for two years effective 10 February 2017 on the same terms and conditions. The Company intends to refinance the BDO loan through the issuance of preference shares. The proposed issue will be up to US\$360 million (with an initial tranche of up to US\$250 million and the balance issuable within three years) that will result in a further improvement of the Group's leverage ratios. All regulatory approvals have been secured for the first tranche of the preference shares offering. The Philippine Stock Exchange (PSE) and the eligible brokers have completed the upgrading of their systems for dollar denominated transactions. The Company will release the detailed timetable of the preference shares offering in due course.

## REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

### AMERICAS

#### For the third quarter ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg
Packaged fruit	149,403	153,577	(2.7)	24,921	23,581	5.7	3,570	(2,242)	(259.2)
Packaged vegetable	205,352	222,376	(7.7)	28,020	37,408	(25.1)	(4,365)	(2,504)	(74.3)
Beverage	7,098	6,820	4.1	2,566	1,504	70.6	1,606	(105)	1,629.5
Culinary	87,643	77,510	13.1	16,449	13,764	19.5	388	54	618.5
Others	315	-	100.0	70	1	n.m.	(1,663)	(1,380)	(20.5)
Total	449,811	460,283	(2.3)	72,026	76,258	(5.5)	(464)	(6,177)	92.5

#### For the nine months ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg
Packaged fruit	459,066	474,993	(3.4)	79,866	79,763	0.1	10,447	14,168	(26.3)
Packaged vegetable	582,333	653,489	(10.9)	99,772	131,815	(24.3)	9,851	39,282	(74.9)
Beverage	22,971	20,760	10.7	6,524	3,789	72.2	3,111	(120)	n.m.
Culinary	227,190	227,323	(0.1)	41,297	43,220	(4.4)	2,353	8,888	(73.5)
Others	812	11	n.m.	180	(4)	n.m.	121	(4,112)	102.9
Total	1,292,372	1,376,576	(6.1)	227,639	258,583	(12.0)	25,883	58,106	(55.5)

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 declined by 2.3% to US\$449.8 million due to lower packaged fruit and vegetable sales due continued weakness in the canned fruit industry, lower sales of regional brands in the packaged vegetable category across retail and foodservice and lower sales of private label. The sales of regional brands have also been impacted by supply-related issues following closure of the North Carolina plant. However, amidst industry contraction, DMFI increased its market share in two of the four major categories in retail, ie packaged vegetable and broth, which was further supported by the growth of the branded business among major retail customers.

Gross profit was lower than prior year period due to lower pricing in non-retail channel and higher fixed cost. The incremental cost of the closure of the North Carolina plant amounting to US\$0.9 million also impacted margin by 0.2%.

Operating income for the year of US\$25.9 million was lower than prior year quarter's US\$58.1 million. Prior year benefited from the one-time net gain of US\$33.4 million mainly from DMFI's change in retirement benefit.

## ASIA PACIFIC

### For the third quarter ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg
Packaged fruit	42,350	41,543	1.9	14,084	11,304	24.6	8,379	5,582	50.1
Packaged vegetable	443	390	13.6	110	100	10.0	56	36	55.6
Beverage	30,855	31,391	(1.7)	8,905	8,771	1.5	3,031	3,056	(0.8)
Culinary	35,593	37,131	(4.1)	13,448	14,635	(8.1)	8,739	8,293	5.4
Others	31,578	24,194	30.5	10,745	5,756	86.7	3,906	2,483	57.3
Total	140,819	134,649	4.6	47,292	40,566	16.6	24,111	19,450	24.0

### For the nine months ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg
Packaged fruit	101,808	86,332	17.9	31,608	22,109	43.0	17,145	8,223	108.5
Packaged vegetable	1,402	1,420	(1.3)	435	360	20.8	273	135	102.2
Beverage	98,242	98,680	(0.4)	31,085	28,648	8.5	11,656	9,361	24.5
Culinary	102,825	101,716	1.1	40,997	40,149	2.1	19,964	19,671	1.5
Others	87,860	62,157	41.4	25,204	15,975	57.8	7,869	5,173	52.1
Total	392,137	350,305	11.9	129,329	107,241	20.6	56,907	42,563	33.7

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

Asia Pacific's sales in the third quarter improved by 4.6% to US\$140.8 million from US\$134.6 million on higher sales of packaged fruit and vegetables products, and fresh pineapple included under others.

The Philippine market's sales grew by 3.2% in peso terms but 1.5% lower in US dollar terms due to peso depreciation. The Group drove to optimise growth and consumption opportunities during the Christmas peak consumption occasions, positioning Del Monte as the single mega-brand that completes every Filipino family's traditional Christmas meal celebrations -- complementing above-the-line advertising with strategic Christmas packs meant for gifting across all channels. Expanded juice dispenser coverage and strategic meal pairing tie-ups in major convenience stores and fast food chains also helped drive foodservice growth.

Sales of the S&W branded business in Asia performed very strongly with double digit growth driven by both the fresh and packaged segments. S&W continued to expand its fresh business in North Asia through distribution expansion and in store sampling. In the packaged segment, sales increased from strong sales of canned fruit to North Asia supported by improved supply, higher shipment into Indonesia and improved juice sales to Israel.

Operating profit in the third quarter rose 24.0% to US\$24.1 million reflecting gross margin improvement resulting from higher sales and productivity initiatives in the cannery and plantation.



## EUROPE

### For the third quarter ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg
Packaged fruit	8,029	4,111	95.3	3,553	1,102	222.4	2,720	669	306.6
Packaged vegetable	-	-	-	-	-	-	-	-	-
Beverage	5,345	3,258	64.1	2,604	1,171	122.4	2,082	865	140.7
Culinary	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	13,374	7,369	81.5	6,157	2,273	170.9	4,802	1,534	213.0

### For the nine months ended 31 January

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg	FY2017	FY2016 (Restated)	% Chg
Packaged fruit	14,421	13,103	10.1	5,887	3,237	81.9	4,208	1,809	132.6
Packaged vegetable	-	-	-	-	-	-	-	-	-
Beverage	6,798	7,776	(12.6)	3,102	1,886	64.5	2,401	1,015	136.6
Culinary	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	21,219	20,879	1.6	8,989	5,123	75.5	6,609	2,824	134.0

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

For the third quarter, Europe's sales significantly increased by 81.5% to US\$13.4 million from US\$7.4 million mainly due to higher pineapple supply.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 January			For the nine months ended 31 January		
	FY2017	FY2016	Comments	FY2017	FY2016	Comments
Cost of Goods Sold	28.1	27.6	Higher DMFI cost, partially offset by lower pineapple cost from better yield and higher recovery	78.5	78.8	Lower pineapple cost from better yield and higher recovery
Distribution and Selling Expenses	3.3	3.5	Efficiencies from lower fuel costs	9.1	9.3	Same as 3Q
G&A Expenses	2.4	2.5	Benefits from restructuring	7.2	5.6	Last year included DMFI's one-time gain on employee benefits
Other Operating Income	-	-		(0.1)	0.5	Lower miscellaneous expenses

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US\$'000	For the three months ended 31 January				For the nine months ended 31 January			
	FY2017	FY2016 (Restated)	%	Comments	FY2017	FY2016 (Restated)	%	Comments
Depreciation and amortisation	(16,244)	(19,422)	(16.4)	Mainly due to lower depreciation from closure of a plant in USA	(47,321)	(53,306)	(11.2)	Same as 3Q
Reversal of asset impairment	-	115	(100.0)	No impairment for the quarter	-	353	(100.0)	Same as 3Q
(Provision)/reversal for inventory obsolescence	(2,597)	(721)	260.2	Due to timing of the provision	(3,501)	(1,185)	195.4	Same as 3Q
Provision for doubtful debts	38	379	(90.0)	Due to timing of the provision	(136)	156	(187.2)	Same as 3Q
Gain/(loss) on disposal of fixed assets	2,305	106	n.m.	Due to timing of disposal	2,102	(171)	n.m.	Same as 3Q
Foreign exchange gain-net	(710)	225	(415.6)	Mainly due to DMFI	3,129	1,396	124.1	Favourable impact of peso depreciation for the year
Interest income	98	127	(22.8)	Lower interest income from operating assets	349	287	21.6	Higher interest income from operating assets
Interest expense	(27,742)	(25,332)	9.5	Higher level of borrowings	(83,517)	(72,118)	15.8	Same as 3Q
Share of loss of JV, (attributable to the owners of the Company)	(429)	(334)	28.4	Higher expenses in Indian joint venture	(1,163)	(1,188)	(2.1)	Same as 3Q
Taxation	7,064	3,634	94.4	Mainly due to the non-taxable one-off gain last year	8,792	1,791	390.9	Mainly due to the non-taxable one-off gain last year

## REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	31 January 2017	31 January 2016 (Restated)	30 April 2016	Comments
<i>in US\$'000</i>				
Investment in Joint venture	25,161	23,280	22,820	Driven by additional capital call for FieldFresh
Deferred tax assets	107,316	99,209	100,899	Due to increase in non-current deferred charges
Other non-current assets	31,983	30,578	25,941	Due to DMFI
Biological assets	114,089	121,942	125,462	Mainly due to lower field mix and translation
Inventories	1,004,767	936,091	845,233	Due to DMFI's lower sales
Trade and other receivables	164,060	202,603	175,532	Due to timing of collection
Prepaid and other current assets	25,360	25,540	35,597	Due to DMFI
Cash and cash equivalents	31,937	26,291	47,203	Mainly on increased borrowings
Loans and Borrowings – non-current	1,112,940	1,463,866	1,116,422	Reclassification of loans from non-current to current
Other non-current liabilities	46,676	78,021	62,586	Lower derivatives and workers compensation
Employee benefits– non-current	88,386	76,379	97,118	Due to higher employee retirement plan
Loans and Borrowings – current	875,162	497,742	727,360	Due to working capital requirements
Trade and other payables	283,066	302,679	281,043	Due to lower trade and accrued expenses
Current tax liabilities	4,113	2,824	3,827	Due to timing of tax payment

## SHARE CAPITAL

Total shares outstanding were at 1,943,214,106 as of 31 January 2017; (31 January 2016: 1,943,214,106). Share capital remains at US\$19.5 million as of 31 January 2017 (31 January 2016: US\$19.5 million). Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below.

Date of Grant	Options	Share Awards	Recipient(s)
7 March 2008	1,550,000	1,725,000	Key Executives
20 May 2008	–	1,611,000	CEO
12 May 2009	–	3,749,000	Key Executives
29 April 2011	–	2,643,000	CEO
21 November 2011	–	67,700	Non-Executive Director
30 April 2013	150,000	486,880	Key Executives
22 August 2013	–	688,000	Executive/Non-Executive Directors
1 July 2015	75,765	57,918	Executive/Non-Executive Directors

The number of shares outstanding includes 1,721,720 shares held by the Company as treasury shares as at 31 January 2017 (31 January 2016: 1,721,720). There was no sale, disposal and cancellation of treasury shares during the period and as at 31 January 2017.

## BORROWINGS AND NET DEBT

Liquidity in US\$'000	As at 31 January		As at 30 April
	2017	2016	2016
Gross borrowings	<b>(1,988,102)</b>	(1,961,608)	(1,843,782)
Current	<b>(875,162)</b>	(497,742)	(727,360)
Secured	<b>(290,680)</b>	(296,053)	(225,879)
Unsecured	<b>(584,482)</b>	(201,689)	(501,481)
Non-current	<b>(1,112,940)</b>	(1,463,866)	(1,116,422)
Secured	<b>(924,145)</b>	(923,575)	(923,198)
Unsecured	<b>(188,795)</b>	(540,291)	(193,224)
Less: Cash and bank balances	<b>31,937</b>	26,291	47,203
Net debt	<b>(1,956,165)</b>	(1,935,317)	(1,796,579)

The Group's net debt (cash and bank balances less borrowings) amounted to US\$2.0 billion as at 31 January 2017, slightly higher than last year to support working capital requirements.

## 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)	
	FY2017	FY2016	FY2017	FY2016
For the third quarter of the fiscal year				
NutriAsia, Inc	NIL	NIL	<b>1,054</b>	2,075
DMPI Retirement Fund	NIL	NIL	<b>1,229</b>	1,071
NutriAsia, Inc Retirement Fund	NIL	NIL	<b>409</b>	397
<b>Aggregate Value</b>	NIL	NIL	<b>2,692</b>	3,543

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

Amounts in US\$'000	For the three months ended			For the nine months ended		
	31 January			31 January		
	FY2017	FY2016	%	FY2017	FY2016	%
	(Unaudited)	(Unaudited) (Restated)		(Unaudited)	(Unaudited) (Restated)	
Turnover	<b>604,004</b>	602,301	0.3	<b>1,705,728</b>	1,747,760	(2.4)
Cost of sales	<b>(478,529)</b>	(483,204)	(1.0)	<b>(1,339,771)</b>	(1,376,813)	(2.7)
<b>Gross profit</b>	<b>125,475</b>	119,097	5.4	<b>365,957</b>	370,947	(1.3)
Distribution and selling expenses	<b>(55,762)</b>	(60,967)	(8.5)	<b>(155,445)</b>	(162,215)	(4.2)
General and administration expenses	<b>(41,005)</b>	(43,785)	(6.3)	<b>(122,031)</b>	(97,147)	25.6
Other operating (expenses) / income	<b>(259)</b>	462	156.1	<b>918</b>	(8,092)	111.3
<b>Profit from operations</b>	<b>28,449</b>	14,807	92.1	<b>89,399</b>	103,493	(13.6)
Financial income*	<b>1,302</b>	1,378	(5.5)	<b>5,411</b>	3,582	51.1
Financial expense*	<b>(29,656)</b>	(26,358)	12.5	<b>(85,450)</b>	(74,017)	15.4
<b>Net finance expense</b>	<b>(28,354)</b>	(24,980)	13.5	<b>(80,039)</b>	(70,435)	13.6
Share of loss of joint venture, net of tax	<b>(454)</b>	(354)	(28.2)	<b>(1,230)</b>	(1,257)	2.1
<b>Profit before taxation</b>	<b>(359)</b>	(10,527)	(96.6)	<b>8,130</b>	31,801	(74.4)
Taxation	<b>7,064</b>	3,634	94.4	<b>8,792</b>	1,791	390.9
<b>Profit after taxation</b>	<b>6,705</b>	(6,893)	197.3	<b>16,922</b>	33,592	(49.6)
<b>Profit(loss) attributable to:</b>						
Owners of the Company	<b>8,456</b>	(4,792)	276.5	<b>19,898</b>	32,285	(38.4)
Non-controlling interest	<b>(1,751)</b>	(2,101)	16.7	<b>(2,976)</b>	1,307	(327.8)
<b>Profit/(loss) for the period</b>	<b>6,705</b>	(6,893)	197.3	<b>16,922</b>	33,592	(49.6)
<b>Notes:</b>						
Depreciation and amortization	<b>(16,244)</b>	(19,422)	(16.4)	<b>(47,321)</b>	(53,306)	(11.2)
Provision of asset impairment	-	115	(100.0)	-	353	(100.0)
(Provision)/reversal for inventory	<b>(2,597)</b>	(721)	260.2	<b>(3,501)</b>	(1,185)	195.4
Provision for doubtful debts	<b>38</b>	379	(90.0)	<b>(136)</b>	156	(187.2)
Loss on disposal of fixed assets	<b>2,305</b>	106	n.m.	<b>2,102</b>	(171)	n.m.
<b>*Financial income comprise:</b>						
Interest income	<b>98</b>	127	(22.8)	<b>349</b>	287	21.6
Foreign exchange gain	<b>1,204</b>	1,251	(3.7)	<b>5,062</b>	3,295	53.6
	<b>1,302</b>	1,378	(5.5)	<b>5,411</b>	3,582	51.1
<b>*Financial expense comprise:</b>						
Interest expense	<b>(27,742)</b>	(25,332)	9.5	<b>(83,517)</b>	(72,118)	15.8
Foreign exchange loss	<b>(1,914)</b>	(1,026)	86.5	<b>(1,933)</b>	(1,899)	1.8
	<b>(29,656)</b>	(26,358)	12.5	<b>(85,450)</b>	(74,017)	15.4

n.m. – not meaningful

Earnings per ordinary share in US cents	For the three months ended		For the nine months ended	
	31 January		31 January	
	FY2017	FY2016	FY2017	FY2016
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	<b>0.44</b>	(0.25)	<b>1.02</b>	1.66
(ii) On a fully diluted basis	<b>0.43</b>	(0.25)	<b>1.02</b>	1.66

\*\*Includes (US\$2,909m) for DMFI and (US\$67m) for FieldFresh in the nine months ended FY2017 and US\$1,407m for DMFI and (US\$69m) for FieldFresh in the nine months ended of FY2016.

Includes (US\$1,726m) for DMFI and (US\$25m) for FieldFresh in the third quarter of FY2017 and (US\$2,052m) for DMFI and (US\$20m) for FieldFresh in the third quarter of FY2016.

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

Amounts in US\$'000

	For the nine months ended 31 January		
	FY2017	FY2016 (Restated)	%
<b>Profit for the period</b>	<b>16,922</b>	33,592	(49.6)
<b>Other comprehensive income (after reclassification adjustment):</b>			
<b><i>Items that will or may be reclassified subsequently to profit or loss</i></b>			
Exchange differences on translating of foreign operations	(17,439)	(18,376)	(5.1)
Effective portion of changes in fair value of cash flow hedges	10,267	(13,692)	(175.0)
Income tax benefit (expense) on cash flow hedge	(882)	5,203	(117.0)
	<b>(8,054)</b>	(26,865)	70.0
<b><i>Items that will not be classified to profit or loss</i></b>			
Remeasurement of retirement benefit	3,415	13,868	(75.4)
Income tax benefit on retirement benefit	4,450	(5,326)	183.5
	<b>7,865</b>	8,542	(7.9)
<b>Other comprehensive loss for the period</b>	<b>(189)</b>	(18,323)	99.0
<b>Total comprehensive income for the period</b>	<b>16,733</b>	15,269	9.6
<b>Attributable to:</b>			
Owners of the Company	18,256	13,873	31.6
Non-controlling interests	(1,523)	1,396	(209.1)
<b>Total comprehensive income for the period</b>	<b>16,733</b>	15,269	9.6

*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 Jan 2017 (Unaudited)	31 Jan 2016 (Restated)	30 April 2016 (Audited)	31 Jan 2017 (Unaudited)	31 Jan 2016 (Restated)	30 April 2016 (Audited)
<b>Non-Current Assets</b>						
Property, plant and equipment – net	564,932	562,298	563,614	–	–	–
Subsidiaries		–	–	794,344	805,316	749,133
Joint ventures	25,161	23,280	22,820	2,551	2,551	2,551
Intangible assets and goodwill	743,362	752,280	750,373	–	–	–
Other noncurrent assets	31,983	30,578	25,941	–	–	–
Deferred tax assets – net	107,316	99,209	100,899	–	3	–
Biological assets	35,272	43,002	37,468	–	–	–
	<b>1,508,026</b>	<b>1,510,647</b>	<b>1,501,115</b>	<b>796,895</b>	<b>807,870</b>	<b>751,684</b>
<b>Current Assets</b>						
Inventories	1,004,767	936,092	845,233	–	–	–
Biological assets	78,817	78,941	87,994	–	–	–
Trade and other receivables	164,060	202,602	175,532	125,743	100,103	145,240
Prepaid and other current assets	25,360	25,540	35,597	305	176	257
Cash and cash equivalents	31,937	26,291	47,203	580	306	361
	<b>1,304,941</b>	<b>1,269,466</b>	<b>1,191,559</b>	<b>126,628</b>	<b>100,585</b>	<b>145,858</b>
Noncurrent assets held for sale	1,050	3,609	1,950	–	–	–
	<b>1,305,991</b>	<b>1,273,075</b>	<b>1,193,509</b>	<b>126,628</b>	<b>100,585</b>	<b>145,858</b>
<b>Total Assets</b>	<b>2,814,017</b>	<b>2,783,722</b>	<b>2,694,624</b>	<b>923,523</b>	<b>908,455</b>	<b>897,542</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	19,449	19,449	19,449	19,449	19,449	19,449
Retained earnings	142,936	129,617	148,866	142,936	129,617	148,866
Reserves	133,916	131,702	134,926	134,055	131,841	135,065
Equity attributable to owners of the Company	296,301	280,768	303,241	296,440	280,907	303,380
Non-controlling interest	60,578	60,229	61,971	–	–	–
<b>Total Equity</b>	<b>356,879</b>	<b>340,997</b>	<b>365,212</b>	<b>296,440</b>	<b>280,907</b>	<b>303,380</b>
<b>Non-Current Liabilities</b>						
Loans and borrowings	1,112,940	1,463,866	1,116,422	128,494	477,382	129,234
Other noncurrent liabilities	46,676	78,021	62,586	–	–	–
Employee benefits	88,386	76,379	97,118	–	–	–
Environmental remediation liabilities	4,515	4,490	6,313	–	–	–
Deferred tax liabilities	1,101	1,092	1,092	–	–	–
	<b>1,253,618</b>	<b>1,623,848</b>	<b>1,283,531</b>	<b>128,494</b>	<b>477,382</b>	<b>129,234</b>

To be continued

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

Amounts in US\$'000	Group			Company		
	31 Jan 2017 (Unaudited)	31 Jan 2016 (Restated)	30 April 2016 (Audited)	31 Jan 2017 (Unaudited)	31 Jan 2016 (Restated)	30 April 2016 (Audited)
<b>Current Liabilities</b>						
Trade and other payables	<b>283,066</b>	302,679	281,043	<b>109,473</b>	135,166	116,298
Loans and borrowings	<b>875,162</b>	497,742	727,360	<b>389,138</b>	15,000	348,630
Current tax liabilities	<b>4,113</b>	2,824	3,827	<b>(22)</b>	–	–
Employee benefits	<b>41,179</b>	15,631	33,651	–	–	–
	<b>1,203,520</b>	818,876	1,045,881	<b>498,589</b>	150,166	464,928
<b>Total Liabilities</b>	<b>2,457,138</b>	2,442,724	2,329,412	<b>627,083</b>	627,548	594,162
<b>Total Equity and Liabilities</b>	<b>2,814,017</b>	2,783,721	2,694,624	<b>923,523</b>	908,455	897,542
NAV per ordinary share (US cents)	<b>18.37</b>	17.55	18.79	<b>13.86</b>	14.46	15.61

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

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>												
<b>Fiscal Year 2016</b>												
At 1 May 2015, as previously stated	19,449	214,843	(46,342)	9,506	(17,231)	(11,722)	318	105,664	(629)	273,856	59,590	333,446
Impact of change in accounting policy	–	–	7	–	–	–	–	(8,332)	–	(8,325)	(946)	(9,271)
At 1 May 2015, restated	19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	97,332	(629)	265,531	58,644	324,175
<b>Total comprehensive income for the period</b>												
Profit for the period	–	–	–	–	–	–	–	32,285	–	32,285	1,307	33,592
<b>Other comprehensive income</b>												
Currency translation differences recognised directly in equity	–	–	(18,382)	–	–	–	–	–	–	(18,382)	6	(18,376)
Remeasurement of retirement plan	–	–	–	–	7,562	–	–	–	–	7,562	980	8,542
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	(7,592)	–	–	–	(7,592)	(897)	(8,489)
<b>Total other comprehensive income/(loss)</b>	–	–	(18,382)	–	7,562	(7,592)	–	–	–	(18,412)	89	(18,323)
<b>Total comprehensive loss for the period</b>	–	–	(18,382)	–	7,562	(7,592)	–	32,285	–	13,873	1,396	15,269
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Transaction costs related to the issuance of share capital	–	3	–	–	–	–	–	–	–	3	–	3
Investment of non-controlling interest	–	–	–	–	–	–	–	–	–	–	189	189
Acquisition of treasury shares	–	–	–	–	–	–	–	–	(173)	(173)	–	(173)
Value of employee services received for issue of share options	–	–	–	–	–	–	1,534	–	–	1,534	–	1,534
<b>Total contributions by and distributions to owners</b>	–	3	–	–	–	–	1,534	–	(173)	1,364	189	1,553
<b>At 31 January 2016</b>	<b>19,449</b>	<b>214,846</b>	<b>(64,717)</b>	<b>9,506</b>	<b>(9,669)</b>	<b>(19,314)</b>	<b>1,852</b>	<b>129,617</b>	<b>(802)</b>	<b>280,768</b>	<b>60,229</b>	<b>340,997</b>



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

	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Revenue reserve	Reserve for own shares	Totals	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>												
<b>Fiscal Year 2017</b>												
At 1 May 2016	19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	148,866	(802)	303,241	61,971	365,212
<b>Total comprehensive income for the period</b>												
Profit/(loss) for the period	–	–	–	–	–	–	–	19,898	–	19,898	(2,976)	16,922
<b>Other comprehensive income</b>												
Currency translation differences recognised directly in equity	–	–	(17,438)	–	–	–	–	–	–	(17,438)	(1)	(17,439)
Remeasurement of retirement plan	–	–	–	–	7,402	–	–	–	–	7,402	463	7,865
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	8,394	–	–	–	8,394	991	9,385
<b>Total other comprehensive income</b>	–	–	(17,438)	–	7,402	8,394	–	–	–	(1,642)	1,453	(189)
<b>Total comprehensive (loss)/income for the period</b>	–	–	(17,438)	–	7,402	8,394	–	19,898	–	18,256	(1,523)	16,733
<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	–	–	–	–	–	–	632	–	–	632	130	762
Dividends pay out	–	–	–	–	–	–	–	(25,828)	–	(25,828)	–	(25,828)
<b>Total contributions by and distributions to owners</b>	–	–	–	–	–	–	632	(25,828)	–	(25,196)	130	(25,066)
<b>At 31 January 2017</b>	<b>19,449</b>	<b>214,843</b>	<b>(77,251)</b>	<b>8,002</b>	<b>(3,431)</b>	<b>(9,108)</b>	<b>1,663</b>	<b>142,936</b>	<b>(802)</b>	<b>296,301</b>	<b>60,578</b>	<b>356,879</b>

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

Company	Share Capital US\$'000	Share Premium US\$'000	Translation Reserve US\$'000	Revaluation reserve US\$'000	Remeasure- ment retirement plan US\$'000	Share option reserve US\$'000	Hedging Reserve US\$'000	Reserve for own shares US\$'000	Retained earnings US\$'000	Total Equity US\$'000
<b>Fiscal Year 2016</b>										
At 1 May 2015, as previously stated	19,449	214,982	(46,342)	9,506	(17,231)	318	(11,722)	(629)	105,664	273,995
Impact of change of accounting policies	-	-	7	-	-	-	-	-	(8,332)	(8,325)
<b>At 1 May 2015, as restated</b>	<b>19,449</b>	<b>214,982</b>	<b>(46,335)</b>	<b>9,506</b>	<b>(17,231)</b>	<b>318</b>	<b>(11,722)</b>	<b>(629)</b>	<b>97,332</b>	<b>265,670</b>
<b>Total comprehensive income for the period</b>										
Loss for the period	-	-	-	-	-	-	-	-	32,285	32,285
<b>Other comprehensive income</b>										
Currency translation differences recognised directly in equity	-	-	(18,382)	-	-	-	-	-	-	(18,382)
Remeasurement of retirement plan	-	-	-	-	7,562	-	-	-	-	7,562
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(7,592)	-	-	(7,592)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(18,382)</b>	<b>-</b>	<b>7,562</b>	<b>-</b>	<b>(7,592)</b>	<b>-</b>	<b>-</b>	<b>(18,412)</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(18,382)</b>	<b>-</b>	<b>7,562</b>	<b>-</b>	<b>(7,592)</b>	<b>-</b>	<b>32,285</b>	<b>13,873</b>
<b>Transactions with owners, recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Transaction costs related to the issuance of share capital	-	3	-	-	-	-	-	-	-	3
Acquisition of treasury shares	-	-	-	-	-	-	-	(173)	-	(173)
Value of employee services received for issue of share options	-	-	-	-	-	1,534	-	-	-	1,534
Total contributions by and distributions to owners	-	3	-	-	-	1,534	-	(173)	-	1,364
<b>At 31 January 2016</b>	<b>19,449</b>	<b>214,985</b>	<b>(64,717)</b>	<b>9,506</b>	<b>(9,669)</b>	<b>1,852</b>	<b>(19,314)</b>	<b>(802)</b>	<b>129,617</b>	<b>280,907</b>

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

Company	Share capital US\$'000	Share premium US\$'000	Translation Reserve US\$'000	Revaluation Reserve US\$'000	Remeasure- ment Retirement Plan US\$'000	Share Option Reserve US\$'000	Hedging Reserve US\$'000	Reserve for own shares US\$'000	Retained earnings US\$'000	Total Equity US\$'000
<b>Fiscal Year 2017</b>										
At 1 May 2016	19,449	214,982	(59,813)	8,002	(10,833)	1,031	(17,502)	(802)	148,866	303,380
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	-	-	19,898	19,898
<b>Other comprehensive income</b>										
Currency translation differences recognised directly in equity	-	-	(17,438)	-	-	-	-	-	-	(17,438)
Remeasurement of retirement plan	-	-	-	-	7,402	-	-	-	-	7,402
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	8,394	-	-	8,394
<b>Total other comprehensive income</b>	-	-	(17,438)	-	7,402	-	8,394	-	-	(1,642)
<b>Total comprehensive loss for the period</b>	-	-	(17,438)	-	7,402	-	8,394	-	19,898	18,256
<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	-	-	-	-	-	632	-	-	-	632
Payment of dividends	-	-	-	-	-	-	-	-	(25,828)	(25,828)
Total contributions by and distributions to owners	-	-	-	-	-	632	-	-	(25,828)	(25,196)
<b>At 31 January 2017</b>	<b>19,449</b>	<b>214,982</b>	<b>(77,251)</b>	<b>8,002</b>	<b>(3,431)</b>	<b>1,663</b>	<b>(9,108)</b>	<b>(802)</b>	<b>142,936</b>	<b>296,440</b>

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

Amounts in US\$'000	For the three months ended		For the nine months ended	
	31 January		31 January	
	FY2017	FY2016 (Restated, Unaudited)	FY2017	FY2016 (Restated, Unaudited)
	(Unaudited)	Unaudited)	(Unaudited)	Unaudited)
<b>Cash flows from operating activities</b>				
Profit for the period	6,705	(6,893)	16,922	33,592
Adjustments for:				
Depreciation of property, plant and equipment	13,907	16,983	40,311	45,886
Amortisation of intangible assets	2,337	2,439	7,011	7,420
Reversal of impairment loss on property, plant and equipment	–	(115)	–	(353)
Gain/(loss) on disposal of property, plant and equipment	(2,305)	(106)	(2,102)	171
Equity-settled share-based payment transactions	225	1,454	762	1,534
Share of loss of joint venture, net of tax	455	354	1,230	1,257
Finance income	(1,302)	(1,378)	(5,411)	(3,582)
Finance expense	29,656	26,358	85,450	74,017
Tax expense (benefit) – net	(7,064)	(3,633)	(8,792)	(1,791)
Remeasurement of retirement benefits reserve	–	–	–	(39,422)
Net loss on derivative financial instrument	(217)	2,548	1,183	2,548
Operating profit before working capital changes	42,397	38,011	136,564	121,277
Changes in:				
Other assets	650	(130)	2,298	(3,684)
Inventories	150,047	159,907	(155,789)	(191,948)
Biological assets	2,497	2,741	4,139	(1,258)
Trade and other receivables	83,087	40,181	(5)	(10,840)
Prepaid and other current assets	8,919	(6,423)	9,913	(2,559)
Trade and other payables	(89,351)	(119,281)	14	(77,714)
Employee benefit	(3,460)	6,014	4,004	10,652
Operating cash flow	194,786	121,020	1,138	(156,074)
Income taxes paid	(3,689)	(7,018)	(3,714)	(8,846)
<b>Net cash flows from operating activities</b>	<b>191,097</b>	<b>114,002</b>	<b>(2,576)</b>	<b>(164,920)</b>
<b>Cash flows from investing activities</b>				
Interest received	(11,474)	121	334	273
Proceeds from disposal of property, plant and equipment	356	3,251	1,839	3,777
Purchase of property, plant and equipment	(20,196)	(14,533)	(52,475)	(37,099)
Additional investment in joint venture	(700)	(848)	(3,570)	(1,950)
<b>Net cash flows used in investing activities</b>	<b>(32,014)</b>	<b>(12,009)</b>	<b>(53,872)</b>	<b>(34,999)</b>

To be continued

Amounts in US\$'000	For the three months ended 31 January		For the nine months ended 31 January	
	FY2017 (Unaudited)	FY2016 (Restated, Unaudited)	FY2017 (Unaudited)	FY2016 (Restated, Unaudited)
<b>Cash flows from financing activities</b>				
Interest paid	(27,412)	(20,655)	(75,237)	(61,407)
Proceeds (repayments) of borrowings	(122,351)	(77,311)	144,717	254,710
Capital injection by non-controlling interests	-	189	-	189
Dividends paid	-	-	(25,828)	-
Acquisition of treasury shares	-	(110)	-	(173)
<b>Net cash flows from financing activities</b>	<b>(149,763)</b>	<b>(97,887)</b>	<b>43,652</b>	<b>193,319</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,320</b>	<b>4,106</b>	<b>(12,796)</b>	<b>(6,600)</b>
<b>Cash and cash equivalents at 1 May</b>	<b>23,489</b>	<b>22,084</b>	<b>47,203</b>	<b>35,618</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>(872)</b>	<b>101</b>	<b>(2,470)</b>	<b>(2,727)</b>
<b>Cash and cash equivalents at 31 January</b>	<b>31,937</b>	<b>26,291</b>	<b>31,937</b>	<b>26,291</b>

**One-off expenses/(income)**

	For the three months ended 31 January			For the nine months ended 31 January		
	FY2017	FY2016	% Change	FY2017	FY2016	% Change
<b>in US\$ million</b>						
Retirement plan amendment	-	-	-	-	(39.4)	(100.0)
Closure of North Carolina plant	0.9	-	100.0	3.6	-	100.0
ERP implementation at DMFI	-	7.1	(100.0)	-	11.1	(100.0)
Sager Creek acquisition/integration	-	2.0	(100.0)	-	4.0	(100.0)
Severance	4.5	3.3	32.4	8.2	6.4	28.1
<b>Total (pre-tax basis)</b>	<b>5.4</b>	<b>12.4</b>	<b>(56.8)</b>	<b>11.8</b>	<b>(17.9)</b>	<b>(165.9)</b>
<b>Total (post-tax and post non-controlling interest)</b>	<b>3.1</b>	<b>6.9</b>	<b>(55.1)</b>	<b>6.8</b>	<b>(23.3)</b>	<b>(129.2)</b>