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SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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Company Information

SEC Registration No.	////
Company Name	DEL MONTE PACIFIC LIMITED
Filer Name	ANTONIO E.S UNGSON
Contact No	6328562556

Document Information

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Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Period Covered	12/06/2016

Deficiencies Found

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- Company Name and SEC Number do not match
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COVER SHEET

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S.E.C. Registration Number

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(Business Address : No. Street Company / Town / Province)

Antonio E.S. Ungson

Contact Person

+632 856 2556

Company Telephone Number

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Month

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Day

6 Dec 2016

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FORM TYPE

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Month

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Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. 6 December 2016
Date of Report (Date of earliest event reported)
2. SEC Identification Number N/A
3. BIR Tax Identification No. N/A
4. Del Monte Pacific Limited
Exact name of issuer as specified in its charter
5. British Virgin Islands
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)
Industry Classification Code:
7. Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands
Address of principal office Postal Code
8. +65 6324 6822
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|---------------------|--|
| Ordinary Shares | 1,943,214,106 |
| | |
| | |
11. Indicate the item numbers reported herein:
- Item No. 9 (Other Events)

Item 9. Other Events

Del Monte Pacific Limited (the "**Company**") released the following announcements in relation to the financial results of the Company for the second quarter of FY2017 (from 1 August 2016 to 31 October 2016):

1. Press Release;
2. Management Discussion and Analysis; and
3. Slide Presentation.

Copies of the foregoing documents are attached as *Annexes "A", "B" and "C"*, respectively, and are incorporated by reference and made integral parts of this report.

SIGNATURES


Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Del Monte Pacific Limited

7 December 2016

.....
Issuer

.....
Date


.....
Antonio Eugenio S. Ungson
Chief Compliance Officer

Annex "A"

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Dec 6, 2016
2. SEC Identification Number
-
3. BIR Tax Identification No.
-
4. Exact name of issuer as specified in its charter
Del Monte Pacific Limited
5. Province, country or other jurisdiction of incorporation
British Virgin Islands
6. Industry Classification Code (SEC Use Only)
7. Address of principal office
Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands
Postal Code
-
8. Issuer's telephone number, including area code
+65 6324 6822
9. Former name or former address, if changed since last report
-
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Ordinary Shares	1,943,214,106
11. Indicate the item numbers reported herein
Item No. 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Del Monte Pacific Limited

DMPL

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Del Monte Pacific Limited's 2nd Quarter FY2017 Results (1 August 2016 - 31 October 2016)

Background/Description of the Disclosure

Del Monte Pacific Limited's 2nd Quarter FY2017 Results (1 August 2016 - 31 October 2016)

Other Relevant Information

Please refer to the attached file.

Filed on behalf by:

Name	Antonio Eugenio Ungson
Designation	Chief Legal Counsel and Chief Compliance Officer



DEL MONTE PACIFIC LIMITED

6 December 2016

SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the second quarter ending 31 October 2016)

Contacts:

Iggy Sison

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isison@delmontepacific.com

Jennifer Luy

Tel: +65 6594 0980

jluy@delmontepacific.com

Note to Editors: Del Monte Pacific Limited ("DMPL" or the "Group") acquired the consumer food business of Del Monte Corporation (referred to as Del Monte Foods or DMFI) on 18 February 2014 and aligned its financial year with that of DMFI whose financial year runs from May to April. The second quarter is the August to October period.

**Del Monte Pacific delivers a strong recurring net income of US\$21m
for the second quarter of FY2017, 33% higher than last year**

2Q FY2017 Highlights

- Net income without one-off items improved by 33% to US\$21m
- Revenue was slightly lower at US\$636m on lower USA sales
- Gross margin increased to 23.1% from 22.4% on improved productivity and lower commodity costs
- Del Monte Philippines and S&W in Asia and Middle East continued to deliver strong performance
- Deleveraging planned with Preference Shares offering in the Philippines

Singapore/Manila, 6 December 2016 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DMPL PM) reported today its second quarter FY2017 results ending October.

The Group achieved second quarter sales of US\$636.2 million, 5% lower than prior year period due to lower sales in the United States. Its US subsidiary, Del Monte Foods, Inc (DMFI), which accounted for 78% of Group sales, generated revenue of US\$493.3 million.

DMFI's sales declined due to lower inventory builds on packaged vegetable and plastic fruit cup ahead of the holiday season (as major retailers continued their thrust to optimise cash), weakness in the canned fruit industry, continued 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.

Amidst industry contraction, DMFI increased market share in two major categories in retail and this was further supported through growth of the branded business with its biggest customer, Wal Mart, as well as share growth with other strategic retailers such as Target and Kroger.

The Philippine market sustained its strong performance, with sales growing in double-digit terms, driven by expanded penetration and increased consumption across categories in retail, as well as expansion in the rapidly growing foodservice channel where the Group optimised opportunities.

The Group also strengthened its culinary portfolio with the launch of the Contadina brand in the Philippines with Nigella Lawson, best-selling cookbook author, food enthusiast and TV host as brand ambassador, and with the reintroduction of its Del Monte Extra-Rich Tomato Ketchup and Del Monte Extra-Rich Banana Ketchup. Both launches are meant to tap into the growing trend for premiumisation, following improvements in the Filipinos' purchasing power.

Sales of the S&W branded business in Asia and the Middle East performed very strongly with double digit growth driven by both the fresh and packaged segments. S&W expanded its fresh fruit distribution in China and raised brand awareness through in-store sampling. In the packaged segment, sales increased from strong sales of canned fruit to North Asia, higher shipment into Indonesia and improved sales to a foodservice partner in the Philippines.

The Group's gross margin for the second quarter increased to 23.1% from 22.4% in the same period last year partly due to improvements in productivity in the cannery and lower commodity costs particularly packaging.

The Group's recurring EBITDA of US\$72.9 million was higher versus last year's US\$69.8 million. One-off-expenses amounting to US\$1.5 million from closure of the North Carolina plant and severance were also booked in the second quarter of this year. This was part of the restructuring exercise started in FY2016 to optimise operations. In the prior year, due to a net one-time gain of US\$33.4 million resulting mainly from an amendment to DMFI's retirement plan, the Group had recorded an EBITDA of US\$103.2 million.

Without the one-off items, the Group achieved a net income of US\$21.0 million, 33% higher than last year's recurring net income of US\$15.8 million. Inclusive of the one-off items, net income for the quarter was US\$20.2 million, lower versus prior year period's US\$47.8 million.

"The excellent results in the Philippines and the S&W Asian markets, where our teams delivered on both sales expansion and productivity improvement resulting in cost reduction, underscore our strategy to tap into consumption driven growth in Asia which is fuelled by an emerging middle class while, at the same time, seeking to create efficiencies throughout our operations," said Joselito D Campos, Jr, Managing Director and Group CEO of DMPL. "Our US business has been impacted by shifting consumer preferences, spending priorities and our performance in the foodservice sector. The demand for convenient packaged foods remains strong and our aim is to increase our market share by doubling our efforts on innovation and new product development," he added.

DMFI increasingly offers differentiated value propositions through meaningful product improvements including the use of natural sea salt and the transition to BPA-free internal can coatings and non-GMO.

For the first half of FY2017, the Group generated sales of US\$1.1 billion, down 4% versus prior year period on lower sales from the US partly offset by robust sales in Asia. Excluding the one-off items, the Group's recurring net income would have been US\$15.1 million in the first half of FY2017, more than double last year's US\$6.9 million. With the inclusion of the one-off items, the Group generated a net income of US\$11.4 million, lower than prior year period's US\$37.1 million which included a net one-time gain of US\$30.4 million mainly from DMFI's retirement plan amendment of last year.

As part of the Group's deleveraging plan subject to market conditions, DMPL intends to issue early next year US dollar denominated perpetual preference shares in the Philippine capital market, to be listed on the Philippine Stock Exchange (PSE). The Company has received approvals from the Philippine SEC and the Bangko Sentral ng Pilipinas (Central Bank) and is awaiting the approval of its listing application from the PSE. As this is the first US\$-denominated preference shares to be issued and listed on the PSE, PSE's trading platform is being enhanced for dollar denominated transactions. The SEC has recently approved the PSE's Dollar Denominated Securities rules. 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 in the Group's leverage ratios.

Barring unforeseen circumstances, the Group will continue to be profitable for FY2017.

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.

About Del Monte Pacific Limited (www.delmontepacific.com)

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc, Del Monte Pacific Limited (Bloomberg: DELM SP/ DMPL PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its heritage brands - *Del Monte*, *S&W*, *Contadina* and *College Inn* – majority of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while for *S&W*, it owns it globally except Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc (DMFI) (www.delmonte.com) owns other trademarks such as *Fruit Naturals*, *Orchard Select*, *SunFresh* and *Fruit Refreshers*.

The Group sells packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, under various brands and also sells fresh pineapples under the *S&W* brand.

The Group owns approximately 94% of a holding company that owns 50% of FieldFresh Foods Private Limited in India (www.fieldfreshfoods.in). FieldFresh markets *Del Monte*-branded packaged products in the domestic market and *FieldFresh*-branded fresh produce. The Group's partner in FieldFresh India is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL's USA subsidiary operates 12 plants in the USA, two in Mexico and one in Venezuela, while its Philippines subsidiary operates the world's largest fully-integrated pineapple operation with its 23,000-hectare pineapple plantation in the Philippines and a factory with a port beside it. The Group is proud of its long heritage of 90 years of pineapple growing and processing in the Philippines.

DMPL and its subsidiaries are not affiliated with certain other Del Monte companies in the world, including Fresh Del Monte Produce Inc, Del Monte Canada, Del Monte Asia Pte Ltd and these companies' affiliates.

DMPL is 67%-owned by NutriAsia Pacific Ltd and Bluebell Group Holdings Limited, which are beneficially-owned by the Campos family of the Philippines. The NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

To subscribe to our email alerts, please send a request to jluy@delmontepacific.com.

Annex "B"

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Dec 6, 2016

2. SEC Identification Number

-

3. BIR Tax Identification No.

-

4. Exact name of issuer as specified in its charter

Del Monte Pacific Limited

5. Province, country or other jurisdiction of incorporation

British Virgin Islands

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands
Postal Code

-

8. Issuer's telephone number, including area code

+65 6324 6822

9. Former name or former address, if changed since last report

-

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Ordinary Shares	1,943,214,106

11. Indicate the item numbers reported herein

Item No. 9

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Del Monte Pacific Limited

DMPL

PSE Disclosure Form 4-30 - Material Information/Transactions
References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Disclosure of a Material Information pursuant to Section 4.4 of the Revised Disclosure Rules

Background/Description of the Disclosure

Management Discussion and Analysis of Del Monte Pacific Limited's 2nd Quarter FY2017 Results (1 August 2016 - 31 October 2016)

Other Relevant Information

Please refer to the attached file.

Filed on behalf by:**Name**

Antonio Eugenio Ungson

Designation

Chief Legal Counsel and Chief Compliance Officer



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 2016

For enquiries, please contact:

Iggy Sison

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Jennifer Luy

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jluy@delmontepacific.com

AUDIT

Second Quarter FY2017 results covering the period from 1 August 2016 to 31 October 2016 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
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) effective 1 January 2016
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) 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 IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 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:

- IFRS 9 Financial Instruments. IFRS 9 effective 1 January 2018
- IFRS 15, Revenue from Contracts with Customers effective 1 January 2018
- IFRS 16, Leases effective 1 January 2019

DISCLAIMER

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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

6 December 2016

NOTES ON THE 2Q 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 – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2016

in US\$'000 unless otherwise stated	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2017	Fiscal Year 2016 (Restated)	% Change	Fiscal Year 2017	Fiscal Year 2016 (Restated)	% Change
Turnover	636,202	666,760	(4.6)	1,101,725	1,145,458	(3.8)
Gross profit	146,897	149,353	(1.6)	240,482	251,849	(4.5)
Gross margin (%)	23.1	22.4	0.7	21.8	22.0	(0.2)
Operating profit**	54,194	86,046	(37.0)	60,950	88,685	(31.3)
Operating margin (%)	8.5	12.9	(4.4)	5.5	7.7	(2.2)
Net profit attributable to owners of the Company - with one-off items**	20,161	47,753	(57.8)	11,442	37,076	(69.1)
Net margin (%)	3.2	7.2	(2.4)	1.0	3.2	(2.2)
EPS (US cents)	1.04	2.46	(57.7)	0.59	1.91	(69.1)
Net profit attributable to owners of the Company – without one-off items**	21,025	15,817	32.9	15,128	6,857	120.6
Net debt	2,085,636	2,022,999	3.1	2,085,636	2,022,999	3.1
Gearing*** (%)	605.0	572.0	33.0	605.0	572.0	33.0
EBITDA**	71,421	103,210	(30.8)	95,089	122,886	(22.6)
Cash flow/(outflow) from operations	(153,584)	(132,999)	11.4	(193,672)	(278,921)	(32.5)
Capital expenditure	12,738	12,770	(0.3)	32,279	22,567	43.0
Inventory (days)	154	138	16	209	188	21
Receivables (days)	25	25	–	31	31	–
Account Payables (days)	46	52	(6)	46	52	(6)

*The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.36 in October 2016, 1.37 in October 2015. For conversion to PhP, these exchange rates can be used: 47.52 in October 2016, 45.84 in October 2015.

**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

Second Quarter

The Group achieved sales of US\$636.2 million for the second quarter of FY2017, down 4.6% versus the prior year period driven by lower sales in the USA, partially offset by the strong performance in the Philippines under the Del Monte brand, and rest of Asia under the S&W brand.

The Group's US subsidiary, Del Monte Foods, Inc (DMFI) contributed US\$493.3 million or 77.5% of Group sales. DMFI's sales declined by 9.1% due to lower inventory builds on packaged vegetable ahead of the holiday season, and on plastic fruit cup coming out of Back-to-School (as major retailers continued their thrust to optimise cash), weakness in the canned fruit industry, continued 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 market share in two of the four major categories in retail and this was further supported through growth of the branded business with its biggest customer, Wal Mart, as well as share growth with other strategic retailers such as Target and Kroger.

DMFI generated lower gross profit and margin of 19.7% from 20.1% in the prior year period due to unfavourable sales mix in addition to lower pricing in USDA, private labels and export. The incremental cost of the closure of the North Carolina plant amounting to US\$1.2 million also impacted margin.

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\$1.5 million pre-tax or US\$0.9 million post-tax in the second quarter. Please refer to the last page of this MD&A for a schedule of the one-off items. Excluding the one-off expenses, DMFI contributed an EBITDA of US\$46.1 million and a net income of US\$8.5 million to the Group.

Sales of DMPL ex-DMFI were higher as compared to the same period last year. Last year was severely impacted by reduced pineapple supply as a result of the El Niño weather pattern. DMPL ex-DMFI generated sales of US\$155.1 million (inclusive of the US\$11.2 million sales by DMPL to DMFI which were netted out during consolidation), higher by 12.8%.

It delivered higher gross margin of 32.1% from 29.5% in the prior year quarter driven by improvement in productivity in the cannery, improved pricing as well as lower commodity costs particularly packaging. DMPL ex-DMFI generated an EBITDA of US\$26.8 million which was higher by 31.3% and a net income of US\$12.5 million, significantly higher versus the US\$6.2 million in the same period last year.

The Philippine market sustained its strong performance, with sales growing in double-digit terms, driven by expanded penetration and increased consumption across categories in retail, as well as expansion in the rapidly growing foodservice channel where the Group optimised opportunities.

In the second quarter, the Group also strengthened its culinary portfolio with the launch of the Contadina brand in the Philippines with Nigella Lawson, best-selling cookbook author, food enthusiast and TV host as brand ambassador, and with the reintroduction of its Del Monte Extra-Rich Tomato Ketchup and Del Monte Extra-Rich Banana Ketchup. Both launches are meant to tap into the growing trend for premiumisation, following improvements in the Filipinos' purchasing power.

Sales of the S&W branded business in Asia and the Middle East performed very strongly with double digit growth driven by both the fresh and packaged segments. S&W expanded its fresh fruit distribution in China and raised brand awareness through in-store sampling. In the packaged segment, sales increased from strong sales of canned fruit to North Asia, higher shipment into Indonesia and improved sales to a foodservice partner in the Philippines.

DMPL's share of loss in the FieldFresh joint venture in India was at US\$0.4 million, same as prior year. Del Monte packaged business saw strong growth from key accounts and foodservice segments led by improved volume in

ketchup, packaged fruit, mayonnaise and olive oil. Higher sales and production efficiencies resulted in FieldFresh generating a positive EBITDA for the quarter.

The Group's EBITDA of US\$71.4 million was lower than last year's EBITDA of US\$103.2 million. This quarter's EBITDA included US\$1.5 million of one-off expenses from severance and closure of the North Carolina plant, while prior year period's net income included a one-time net gain of US\$33.4 million mainly from DMFI's retirement plan amendment. Without the one-off items, the Group recurring EBITDA of US\$72.9 million was higher versus last year's recurring EBITDA of US\$69.8 million.

The Group incurred a net income of US\$20.2 million for the quarter, lower versus prior year period's net income of US\$47.8 million. This quarter's net income included US\$0.9 million of one-off expenses, while prior year period's included the one-time net gain of US\$31.9 million. Without the one-off items, the Group reported a recurring net income of US\$21.0 million, higher than last year's recurring net income of US\$15.8 million.

The Group's cash outflow from operations in the second quarter was US\$153.6 million, driven by inventory build-up in preparation for the seasonally stronger second semester. Cash outflow was higher versus last year's US\$133.0 million driven by higher receivables.

Past the production peak in October, cash flows are expected to improve in the seasonally stronger second semester with peak sales around Thanksgiving and Christmas, as well as Easter in the last quarter ending April.

First Half

For the first half of FY2017, the Group generated sales of US\$1.1 billion, down 3.8% versus prior year. DMFI generated US\$0.8 billion or 76.6% of Group sales, lower by 7.8% versus prior year due to continued 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 market share across two of the four major categories in retail and this was further supported through growth of the branded business with its biggest customer, Wal Mart, as well as share growth with other strategic retailers such as Target and Kroger.

The Philippine market's sales were up double-digit 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 and the Middle East 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 17.9%, from 19.6% in the same period last year mainly driven by higher trade spend and lower volume in the US. In addition, first half gross margin included the US\$2.7 million impact of North Carolina plant closure.

DMPL ex-DMFI's gross profit grew to US\$89.6 million, and its gross margin increased to 31.7% 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\$0.8 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\$21.9 million, significantly up versus prior period's US\$8.7 million mainly from improvement in gross margin as outlined above.

The DMPL Group generated a net income of US\$11.4 million for the first half FY2017, lower than prior year period's net income of US\$37.1 million due to the one-time net gain of US\$30.2 million mainly from DMFI's retirement plan amendment last year. Meanwhile, first half FY2017 results included the US\$2.7 million one-off item mentioned above plus the US\$3.7 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\$15.1 million, higher versus the recurring net income last year of US\$6.9 million mainly driven by the strong performance of the Asian business.

The Group posted an EBITDA of US\$95.1 million of which DMFI accounted for US\$46.6 million. Excluding one-off items, the Group's recurring EBITDA would have been US\$101.5 million, 9.7% higher versus the recurring EBITDA of US\$92.5 million in the prior year period.

VARIANCE FROM PROSPECT STATEMENT

The first half 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 will continue to be profitable for FY2017.

The Group expects its US business to improve its financial performance through procurement synergies and transformation, and optimisation of G&A costs through the multiyear restructuring initiative that started in FY2016. It also completed an organisational realignment to create a leaner and more agile management structure to be better positioned for growth and new business opportunities. 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 e-commerce opportunities for its range of products across markets.

As part of the Group's deleveraging plan subject to market conditions, DMPL intends to issue early next year US dollar denominated perpetual preference shares in the Philippine capital market, to be listed on the Philippine Stock Exchange (PSE). The Company has received approvals from the Philippine SEC and the Bangko Sentral ng Pilipinas (Central Bank) and is awaiting the approval of its listing application from the PSE. As this is the first US\$-denominated preference shares to be issued and listed on the PSE, PSE's trading platform is being enhanced for dollar denominated transactions. The SEC has recently approved the PSE's Dollar Denominated Securities rules. 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 in the Group's leverage ratios.

