BURSTING WITH *Life*

Del Monte Pacific Limited Annual Report FY 2015

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Corporate Profile

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 two heritage brands - *Del Monte* and *S&W* – which originated in the USA in the 1890s as premium quality packaged fruit and vegetable 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.

DMPL's USA subsidiary, Del Monte Foods, Inc (DMFI) also owns other trademarks such as *Contadina, College Inn, Fruit Naturals, Orchard Select* and *SunFresh*.

DMFI acquired Sager Creek Vegetable Company's vegetable business on 11 March 2015. Sager Creek is a producer of specialty vegetables for the foodservice and retail markets.

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.

With a 23,000-hectare pineapple plantation in the Philippines, 700,000-ton processing capacity and a port beside the cannery, DMPL's subsidiary, Del Monte Philippines, Inc (DMPI), operates the world's largest fully-integrated pineapple operation. DMPI is proud of its long heritage of 89 years of pineapple growing and processing.

The Group sells fresh pineapples under the *S&W* brand on top of its varied range of packaged products which include packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, under various brands.

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.

www.delmontepacific.com
www.swpremiumfood.com
www.contadina.com
www.collegeinn.com

VISION

To be one of the fastest growing global branded food and beverage companies.

MISSION

To bring to life health and wellness.

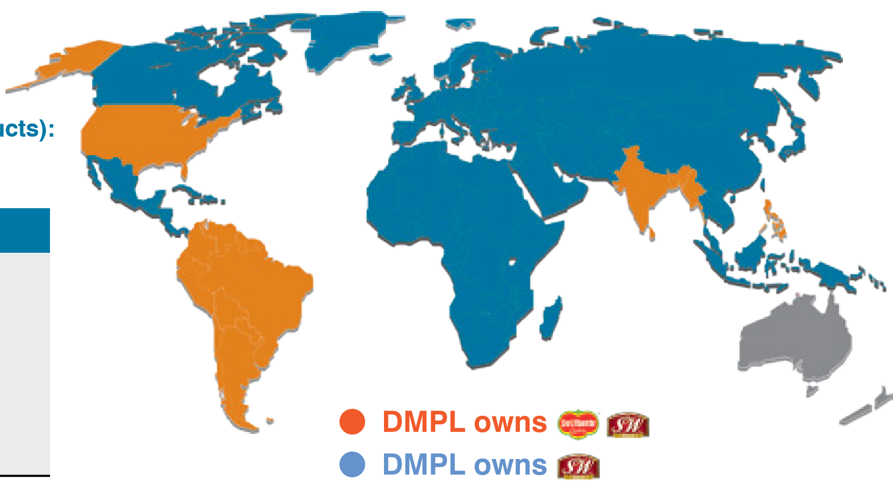
- We live up to our heritage of growing premium quality food and beverage brands which are the top choice of all generations for enjoyable and healthy living.
- We leverage deep market knowledge coupled with technology and innovation to create and deliver relevant health and wellness breakthroughs to our broad base of customers.
- We continuously build on our knowledge and experience in agriculture, while enhancing the sustainability of the lands we cultivate.
- We adhere to the highest standards of corporate behaviour in our relationships with our employees, business partners, and the communities around us.
- We are a benchmark in corporate social responsibility and the preservation of the environment.
- We build a highly energised, high-performance organisation with a strong commitment to teamwork and to embracing better ways of doing things.
- We value our people and commit to provide opportunities for learning, professional growth and a better quality of life.

Our Key Brands and Brand Ownership

Del Monte (packaged products):
USA, South America, Philippines, Indian subcontinent and Myanmar

S&W (for both packaged and fresh products):
Globally except Australia and New Zealand

Production Facilities	
USA	13
Mexico	2
Venezuela	1
Philippines	1
India	1



History

2014

DMPL acquired Del Monte US for US$1.675 bn; Re-united with US company

2013
- DMPL dual listed on the Philippine Stock Exchange
- NPL down to 67% stake

2011 KKR reacquired Del Monte US

2007 DMPL bought the *S&W* brand from Del Monte US for Asia and EMEA

2006 NutriAsia Pacific Limited (NPL) acquired 85% of DMPL

1999
- Del Monte Pacific Limited (DMPL) incorporated as parent of Philippine company
- Listed on Singapore Exchange

1997 TPG acquired Del Monte US

1996

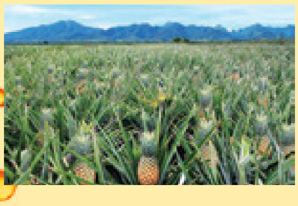
Del Monte US fully divested from its Philippine operations

1991 KKR sold Del Monte US and broke up the Del Monte brand

1990 KKR bought RJR-Nabisco

1980 RJR acquired Del Monte US

1926 Del Monte US set up operations in the Philippines



1892 Del Monte was born in California

Notes and FY 2015 Highlights

Notes on DMPL's Results

1. DMPL changed its financial year end to 30 April instead of 31 December to align with that of its US subsidiary, Del Monte Foods, Inc (DMFI). FY2015 runs from 1 May 2014 to 30 April 2015.
2. DMPL's most recent 12 months audited financial statements and Annual Report were as of 31 December 2013 (CY2013).
3. This Annual Report discusses both the 16 months (January 2014 – April 2015), as required by the change in financial year, and 12 months (May 2014 – April 2015) results. A standalone 4 months (January 2014 – April 2014) financial statements are appended, to comply with statutory requirements.
4. There are no audited FY2014 (May 2013 – April 2014) financial statements. Therefore, the discussions for the 16 months and 12 months ending April 2015 are compared against CY2013, to comply with regulatory requirements.
5. DMFI's financial results have been consolidated in DMPL's financials since the acquisition was made on 18 February 2014.
6. 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.
7. 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.

FY 2015 Highlights

- Following the acquisition of US Del Monte Foods, Inc (DMFI) for US$1.675 billion on 18 February 2014, Group sales reached US$2.2bn in FY2015, more than quadrupling the US$492m sales in CY2013
- DMFI generated US$1.7bn or almost 80% of total sales
- DMFI successfully migrated to the SAP system, and outsourced its back office functions to a global service provider in the Philippines, with significant cost savings anticipated
- DMFI acquired Sager Creek, a specialty vegetable business strong in foodservice, for US$75m at a bargain purchase
- The Asian business, both packaged and fresh segments, continued to grow with broader penetration, setting record sales in the Philippines of US$303m and for S&W at US$50m
- Took on the exclusive distributorship of all Kikkoman products in the Philippines beginning July 2014
- JV with Nice Fruit and Ferville to process, market and sell frozen fruit globally using a patented technology that can freeze fruit while preserving nutrients
- Generated an EBITDA of US$96m but incurred a net loss of US$38m, mainly due to acquisition-related and non-recurring expenses worth US$63m, after tax; without these one-offs, EBITDA and net income would have been US$156m and US$24.5m, respectively
- Received Best Managed Board (Gold) Award from the Singapore Corporate Awards (SCA) in July 2015
- Won Best Investors Relations and Best Annual Report (both Bronze) from SCA in July 2014
- Won the Best Innovation - Food & Beverage category in Singapore, plus Marketing and Sales Awards in the Philippines

Letter to Shareholders

This year's Annual Report theme, *Bursting with Life*, is inspired by DMFI's marketing slogan as we burst with life to leverage opportunities for growth.

Dear Shareholders,

It has been almost one and a half years since our milestone DMFI acquisition. Fiscal year 2015 was a year of transition when we successfully integrated and strengthened our core business.

We changed our financial year end to April from December to align with DMFI. We had a financial transition period from January to April 2014. DMFI's results have been consolidated since 18 February 2014.

The Group generated sales of US$2.5 billion for the 16 months ending April 2015 and generated sales of US$2.2 billion for FY2015, more than quadrupling the US$492.2 million of sales in CY2013 with the consolidation of DMFI.

In February 2014, we inherited a US business that was unfavourably impacted by marketing changes implemented by the seller. Post-acquisition, we immediately had to restore brand health in the US and stabilise the business. We are pleased to report that, by the close of FY2015, DMFI's market share grew across all key retail segments as prior marketing changes had all been reversed. Pricing strategy, product labelling and trade promotion levels have all been reinstated and normalised. DMFI posted sales of US$1.7 billion in FY2015, 5% higher year-on-year on a pro-forma basis.

Sales in the Philippines reached US$303.0 million for FY2015, a record for the Group in this market. All product categories delivered higher sales on improved volume, better prices and mix.

Sales of S&W in Asia and the Middle East were up strongly to US$50.5 million for FY2015, also a record for this brand since the Group acquired it in 2007. Driven by higher volume, better pricing and mix, both the packaged and fresh segments delivered higher sales.

FY2015 had been a milestone year for FieldFresh, our joint venture in India, which turned EBITDA positive for the first time since our joint venture started in 2007.

In FY2015, the Group generated an EBITDA of US$95.8 million and incurred a net loss of US$38.0 million, mainly due to acquisition-related and non-recurring expenses amounting to US$62.6 million, after tax. Had it not been for these, the Group would have posted an EBITDA of US$156.2 million and net income of US$24.5 million.

For the next financial year, from May 2015 to April 2016, the Group does not expect to incur any significant expenses relating to the acquisition nor the transition.

No dividends were declared for FY2015 due to the net loss position.

Indebtedness

The Group's net debt amounted to US$1.7 billion as at 30 April 2015, significantly higher than US$143.8 million as at 31 December 2013 with the purchase of DMFI.

As part of the Group's efforts to deleverage, we raised approximately US$150 million in March 2015 from the oversubscribed Rights Issue and used the proceeds to pay down short-term bridge financing. Meanwhile, US$350 million of short-term bridge financing has been extended for up to two years until February 2017. An international perpetual security offering is planned for the future.

As we return to profitability this year, we will generate more free cash flow that will allow us to deleverage further.

Strategy and Outlook

In February 2014, we took on a strong and seasoned management team in the US who are committed to grow the market and profitability of the iconic Del Monte brand. Our team in DMFI are revitalised and excited to have a strategic shareholder with their long-term interests in mind, after being owned by various private equity firms for about 25 years. Whereas before they had to compete for resources and management time with a pet food division, they are now 100% focused on the consumer food business, and aligned with its parent Del Monte Pacific (DMPL) who is also in the consumer food business.

This year's Annual Report theme, ***Bursting with Life***, is inspired by DMFI's marketing slogan as we burst with life to leverage opportunities for growth.

Your Company is now a global branded food and beverage multinational company with sales of more than US$2 billion, and with more than 80% of sales being branded and with market leadership positions in the largest consumer market in the world. You are now shareholders of a large global company with a long brand heritage, diverse product portfolio and expansive geographic coverage.

In the United States, we will continue to deliver increasingly differentiated value, pursue meaningful category innovation, and unlock growth potential across brands, channels and geographies in our core business in packaged vegetable, fruit, tomato and broth.

We will accelerate our foodservice growth and expand our retail portfolio through the Sager Creek specialty vegetable business. We will continue to grow the ethnic Asian market in the US as we develop the Mexican market near term and the South American continent long term.

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

Letter to Shareholders

As a global company, beyond the localised approach in growing each market, we must think beyond borders and seize opportunities for each other's markets and for the Group, optimising synergies across our markets, sharing best in class practices and forging partnerships with breakthrough technology.

A global, strategic and entrepreneurial mindset must prevail not just to increase revenue but to improve our margins through operational excellence in all areas of business, across production, procurement, supply chain, cost management, marketing and sales. We will keep pace with fast changing consumer tastes and trends, and be at the forefront of innovation. We steer your Company to this mindset and culture, as we continue to build on each other's strengths and pursue strategically compelling initiatives to grow our business profitably.

We successfully laid a solid foundation from which we will execute our growth plans in the coming year. We look forward to a sustained momentum and a return to profitability in FY2016 -- ***Bursting with Life***.

Sustainability

Sustainability sets us on a path towards a more holistic and strategic approach towards social, environmental and economic performance – for the benefit of our people, planet and profit or the Triple Bottomline.

In our Philippine cannery, we commenced operations of our waste-to-energy project in 2014. Using wastewater as a renewable energy source, the project provides us a continuous power supply for the cannery, reducing our power cost and improving our carbon footprint.

In 2015, our Walnut Creek Research Center in California received a "RecycleSmart" Award from the Contra Costa Solid Waste Authority for our food waste recovery efforts.

Our Company stands by its commitment to grow its business in a manner that sustains a healthy balance among diverse interests of all stakeholders – our employees and their families, business partners, customers and host communities.

Awards

We are truly honoured to have won the Best Managed Board (Gold) Award from the Singapore Corporate Awards (SCA) in July 2015 for companies with market capitalisation of S$300 million to less than S$1 billion. Among nearly 800 companies listed in Singapore, and since the SCA began in 2006, DMPL is one of only three companies to have won two Golds for the Best Managed Board Award.

In July 2014, we won the Best Investor Relations and Best Annual Report (both Bronze) Awards from the SCA.

DMPL is one of only 11 companies to have received at least four distinct awards which include Best CFO, Best Investor Relations and Best Annual Report. This is the sixth consecutive year that the Company has been recognised by the SCA.

Our Company also received the 2014 Runner-Up Singapore Corporate Governance Award, Mid-Cap category from the SIAS Investors' Choice Award.

S&W Heart Smart Juice, an innovative healthy juice that helps to reduce cholesterol, won Best Innovation - Food & Beverage category in the Singapore Business Review Listed Companies Awards 2015.

In the Philippines, the Group's iconic Customer Relationship Management programme, Del Monte Kitchenomics, continued its winning streak. The Group also bagged the coveted Gold Apple Award for the Food Division from key customer, Robinsons Supermarkets, for exemplary performance and service.

We are humbled and inspired to continuously uphold and advance corporate governance, innovation, excellent service and best in class practices.

Appreciation

As we have become a much larger, global Group with DMFI, our employees are faced with more responsibilities and challenges as we grow the business together. We thank our employees for ensuring a successful transition and integration, and for being nimble and committed throughout the process. ***Bursting with Life***, our employees are our champions to the Company's next phase.

We would like to thank Ms Yvonne Goh for her outstanding service and guidance. She was the Company Secretary from 1999, when the Company went public in Singapore, until she retired in 2014.

We are grateful to you, our shareholders, bankers, business partners and customers for your continued support. And finally, we thank the Chairmen of our Board Committees and the rest of the Board members for their invaluable wise counsel.

Mr Rolando C Gapud
Chairman

Mr Joselito D Campos, Jr
Managing Director and CEO

28 July 2015

Five-Year Summary

Financial Year[1] (Amounts in US$ million unless otherwise stated)	FY 2015	Jan-Apr 2014	2013	2012	2011	2010
Profitability[2]						
Turnover	2,159.4	378.8	492.2	459.7	425.2	378.6
Gross Profit	389.9	36.1	115.6	112.8	101.4	81.8
EBITDA	95.8	(35.1)	42.3	59.9	47.8	35.7
EBITDA - without Non-Recurring Expenses	156.2	1.6	68.8			
Profit/(loss) from Operations	44.2	(49.8)	27.5	49.7	44.6	30.3
Net Profit Attributable to Owners	(38.0)	(41.8)	16.1	32.0	27.6	15.8
EPS (US cents)	(2.74)	(3.22)	1.24	2.47	2.14	1.46
Net Profit - without Non-Recurring Expenses	24.5	(21.4)	33.9			
EPS - without Non-Recurring Expenses (US cents)	1.76	(1.65)	2.62			
Gross Margin (%)	18.1	9.5	23.5	24.5	23.9	21.6
EBITDA Margin (%)	4.4	na	8.6	13.0	11.2	9.4
Operating Margin (%)	2.0	na	5.6	10.8	10.5	8.0
Net Margin (%)	na	na	3.3	7.0	6.5	4.2
EPS Growth (%)	na	na	(49.8)	15.4	46.6	39.0
Return on Equity (%)	na	na	6.7	13.4	12.4	7.6
Return on Assets (%)	na	na	2.9	6.9	6.7	4.2
Balance Sheet						
Cash	35.6	28.4	132.9	24.6	20.9	17.5
Debt	1,718.5	1,854.0	276.7	140.5	110.0	103.8
Net Debt	1,682.9	1,825.6	143.8	116.0	89.1	86.3
Fixed Assets	578.4	505.0	99.5	93.4	85.4	79.3
Total Assets	2,631.4	2,527.0	617.6	496.7	425.5	398.6
Shareholders' Equity	333.4	250.9	228.4	250.7	225.4	221.3
Net Tangible Asset Per Share (US cents)	(21.9)	(37.9)	16.5	21.8	19.7	18.9
Net Debt to Equity Ratio (%)	504.8	727.6	62.9	46.3	39.5	39.0
Cash Flow						
Cash Flow from Operations	239.6	54.7	27.8	19.5	37.5	(17.0)
Capital Expenditure	75.2	18.0	24.7	17.3	18.5	14.6
Share Statistics[3]						
Number of Outstanding Shares (million)	1,944	1,297	1,297	1,080	1,075	1,082
Average for period						
Share Price (Singapore cents)	49.0	61.5	80.9	49.8	46.4	38.7
Share Price (US cents equivalent)	37.9	48.5	64.8	39.7	37.0	28.3
Market Capitalisation (S$ million)	952.6	797.1	1048.9	538.0	498.9	418.6
Market Capitalisation (US$ million)	736.7	629.1	839.8	429.3	398.0	305.7
P&L rate: US$1 : S$	1.29	1.27	1.25	1.25	1.25	1.37
Price Earnings Multiple[2] (x)	na	na	52.2	16.1	17.3	19.4
End of period						
Share Price (Singapore cents)	42.0	61.5	61.0	61.5	49.5	44.0
Share Price (US cents equivalent)	30.5	48.9	48.1	50.4	38.0	34.0
Market Capitalisation (S$ million)	816.5	797.4	790.9	664.3	532.2	476.0
Market Capitalisation (US$ million)	593.7	633.9	623.3	544.5	408.9	368.2
P&L rate: US$1 : S$	1.38	1.26	1.27	1.22	1.30	1.29
Price Earnings Multiple[2] (x)	na	na	38.8	20.4	17.8	23.3
Dividend						
Dividend Per Share (US cents)	-	-	0.62	2.23	1.91	1.10
Dividend Per Share (Singapore cents)[4]	-	-	0.78	2.77	2.37	1.39
Dividend Yield (%)	-	-	1.0	5.6	5.1	3.6
Dividend Payout (%)	-	-	50	75	75	75

[1] The Company changed its fiscal year to end in April in line with its USA subsidiary Del Monte Foods, Inc. For 2010-2013, fiscal year was ending December.

[2] The profitability of the Group from 2013-FY2015 had been unfavourably impacted by non-recurring expenses mostly due to the acquisition of the US company. For January-April 2014 and FY2015, the impact was recorded starting from the gross profit line. Please refer to the Operating and Financial Review section for more details.

[3] The Company was listed on 2 August 1999 on the Singapore Exchange (SGX) and on 10 June 2013 on the Philippine Stock Exchange (PSE). Singapore share prices are converted to US for the purpose of computing financial ratios. The Company did a 2:10 Bonus Issue with ex-date of 9 April 2013. The Company also did a Rights Issue in March 2015. New shares issued resulted in a 33% dilution.

[4] Dividend per share (Singapore cents) is based on the actual exchange rate at the respective time of dividend payment. No dividends were declared in FY2015 due to the net loss position.

Board of Directors

Mr Rolando C Gapud

Executive Chairman, 73

Appointed on 20 January 2006 and last elected on 15 April 2014

Mr Rolando C Gapud has over 35 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. Mr Gapud is the Chairman of the Board of Del Monte Foods, Inc, DMPL's US subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School in MIT.

Mr Joselito D Campos, Jr

Executive Director, 64

Appointed on 20 January 2006 and last elected on 28 April 2006

Mr Joselito D Campos, Jr is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Chairman of Ayala-Greenfield Development Corp, two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. Mr Campos is the Vice Chairman of Del Monte Foods, Inc, DMPL's US subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of the Company with the Bharti Group of India. He was formerly Chairman and CEO of United Laboratories, Inc and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr Campos is the Honorary Consul in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation Inc, The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippines Eagle Society. Mr Campos holds an MBA from Cornell University.

Mr Edgardo M Cruz, Jr

Executive Director, 60

Appointed on 2 May 2006 and last elected on 30 April 2012

Mr Edgardo M Cruz, Jr is a member of the Board and Corporate Secretary of the NutriAsia Group of Companies. He is the Chairman of the Board of Bonifacio Gas Corporation and Bonifacio Transport Corporation. He is a member of the Board of Evergreen Holdings Inc, Fort Bonifacio Development Corporation and the BG Group of Companies. He is also a Board member and Chief Financial Officer of Bonifacio Land Corporation. He also sits on the Boards of Ayala Greenfield Development Corporation and Ayala Greenfield Golf and Leisure Club Inc. He is a member of the Board of Trustees of Bonifacio Arts Foundation Inc, The Mind Museum and the Del Monte Foundation, Inc. Mr Cruz is also a Director of Del Monte Foods, Inc, DPML's US subsidiary. He earned his MBA degree from the Asian Institute of Management after graduating from De La Salle University. He is a Certified Public Accountant.

Mr Benedict Kwek Gim Song

Lead Independent Director, 68

Appointed on 30 April 2007 and last elected on 15 April 2014
Appointed as Lead Independent Director on 11 September 2013

Mr Benedict Kwek Gim Song is a Director and Chairman of the audit committee of NTUC ChoiceHomes. He is also a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Kwek was Chairman of Pacific Shipping Trust from 2008 to 2012. He has over 30 years of banking experience, having served as the President and CEO of Keppel TatLee Bank. He has held various key positions at Citibank in the Philippines, Hong Kong, New York and Singapore. He holds a Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development programme at Columbia University in the United States.

Mr Patrick L Go

Independent Director, 56

Appointed on 19 April 2001 and last elected on 30 April 2013

Mr Patrick L Go is Chairman and CEO of Paramount Life & General Insurance Corporation. Mr Go has over 30 years of experience in corporate finance and private equity having worked for Credit Suisse First Boston, Bank of America Asia Ltd and Bankers Trust Company. He is a Director of Del Monte Foods, Inc, DMPL's US subsidiary. He holds a Bachelor's degree in Economics from the Wharton School, University of Pennsylvania, and an MBA from the Darden School, University of Virginia.

Dr Emil Q Javier

Independent Director, 74

Appointed on 30 April 2007 and last elected on 30 April 2013

Dr Emil Q Javier is a Filipino agronomist widely recognised in the international community for his academic leadership and profound understanding of developing country agriculture. He was until recently the President of the National Academy of Science and Technology of the Philippines. He has served as Philippines Minister of Science and President of the University of the Philippines. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR). He was Chairman of the Board of the International Rice Research Institute (IRRI); Chair and Acting Director of the Southeast Asia Center for Graduate Study and Research in Agriculture (SEARCA); and Director General of the Asian Vegetable Research and Development Center (Taiwan). Dr Javier is a Director of Del Monte Foods, Inc, DMPL's US subsidiary and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and masteral degrees in plant breeding and agronomy from Cornell University and the University of Illinois. He completed his bachelor's degree in agriculture at the University of the Philippines at Los Baños.

Mr Godfrey E Scotchbrook

Independent Director, 69

Appointed on 28 December 2000 and last elected on 30 April 2012

Mr Godfrey E Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with more than 40 years of experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being an executive director of the then publicly listed Shui On Group. A proponent of good corporate governance, he is an Independent Director of Boustead Singapore Ltd and Hong Kong-listed Convenience Retail Asia. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations. He is also a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

Directorships in other listed companies, both current and in the past three years:

Mr Joselito D Campos, Jr	Independent Director of Philippine-listed San Miguel Corporation (since 2010)
Mr Patrick L Go	Independent Director of Hong Kong-listed Dynamic Holdings Ltd (since 2013)
Dr Emil Q Javier	Independent Director of Philippine-listed Centro Escolar University (since 2002)
Mr Godfrey E Scotchbrook	Independent Director of Singapore-listed Boustead Singapore Ltd (since 2000) and Hong Kong-listed Convenience Retail Asia (since 2002)

None of DMPL's Directors are Chairman in other listed companies.

Senior Management

Mr Joselito D Campos, Jr
Managing Director and Chief Executive Officer, 64

Mr Joselito D Campos, Jr is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Chairman of Ayala-Greenfield Development Corp, two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. Mr Campos is the Vice Chairman of Del Monte Foods, Inc, DMPL's US subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of the Company with the Bharti Group of India. He was formerly Chairman and CEO of United Laboratories, Inc and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr Campos is the Honorary Consul in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation Inc, The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippines Eagle Society. Mr Campos holds an MBA from Cornell University.

Mr Luis F Alejandro
Chief Operating Officer, 61

Mr Luis F Alejandro has over 25 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in brand management before joining Kraft Foods Philippines Inc as President and General Manager. Later, he joined Southeast Asia Food Inc and Heinz UFC Philippines, Inc, two leading consumer packaged condiment companies of the NutriAsia Group, as President and Chief Operating Officer. He was most recently President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr Alejandro is a Director of Del Monte Foods, Inc, DMPL's US subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Mr Ignacio C O Sison
Chief Financial Officer, 51

Mr Ignacio C O Sison has about 25 years of finance experience spanning treasury, corporate and financial planning, controllership and corporate sustainability. He was previously Vice President, Corporate Controller, and Vice President, Treasury and Corporate Development, of Del Monte Philippines, Inc, and Finance Director of the Company's subsidiary in Singapore. Before joining DMPL in 1999, he was CFO of Macondray and Company, Inc, then DMPL's parent company, from 1996. He also worked for SGV & Co, the largest audit firm in the Philippines, and Pepsi-Cola Products Philippines, Inc. Mr Sison holds a MSc in Agricultural Economics from Oxford University. He also has a MA degree, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate at the Lester B Pearson United World College of the Pacific in Canada. In 2010, Mr Sison received the Best CFO award from the Singapore Corporate Awards.

Mr Richard W Blossom
Senior Vice President, 66

Mr Richard W Blossom is Senior Vice President of DMPL and Senior Vice President, Chief Business Development Officer and a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Blossom has over 30 years of experience in general management, marketing, sales, distribution and logistics of fast moving consumer goods, having served as President of Pepsi Cola Asia Pacific, PepsiCo Foods Asia Pacific, Revlon Asia Pacific, and CEO of Dohler Asia and EAC Consumer Products. He obtained his MBA in Marketing from New York University's Stern School of Business.

Mr Antonio E S Ungson

Chief Legal Counsel, Chief Compliance Officer and Assistant Company Secretary, 43

Mr Antonio E S Ungson is Chief Legal Counsel, Chief Compliance Officer and Assistant Company Secretary of the Company. He is also Head of the Legal Department of Del Monte Philippines, Inc since March 2007. Prior to joining the Group in 2006, Mr Antonio E S Ungson was a Senior Associate in SyCip Salazar Hernandez & Gatmaitan in Manila, where he served various clients for eight years in assignments consisting mainly of corporate and transactional work including mergers and acquisitions, securities and government infrastructure projects. He also performed litigation work and company secretarial services. Mr Ungson was a lecturer on Obligations and Contracts and Business Law at the Ateneo de Manila University Loyola School of Management. He obtained his MBA from Kellogg HKUST, his Bachelor of Laws from the University of the Philippines College of Law and his undergraduate degree in Economics, cum laude and with a Departmental award at the Ateneo de Manila University.

Ms Ma Bella B Javier

Chief Scientific Officer, 55

Ms Ma Bella B Javier has more than 30 years of experience in R&D from leading fast moving consumer goods in the food industry. She spent 20 years at Kraft Foods, with her last assignment as the Director for Asia Pacific Beverage Technology and Southeast Asia Development. In her present role, she heads the Consumer Product and Packaging Development and the Quality Assurance functions for the Group. She is driving the Technology Development roadmap for the Company, including plantation research programmes that impact consumer product development. She is a Certified Food Scientist from the Institute of Food Technologists, Chicago, Illinois, USA. Ms Javier is a Licensed Chemist with a Bachelor's degree in Chemistry from the University of the Philippines. She is also the Chairman of the Board of the University of the Philippines Chemistry Alumni Foundation. Ms Javier was accorded the 2015 University of the Philippines Distinguished Alumni in the field of Science and Technology.

Senior Management

Del Monte Foods, Inc

Del Monte Philippines, Inc

S&W Fine Foods International Ltd

From Left to Right:

Gene Allen – SVP, Business Transformation
Richard Blossom – SVP, Chief Business Development Officer
Timothy Bernard – SVP, Chief Commercial Officer
John Clark – SVP, Chief Human Resources Officer
David Meyers – EVP, CFO and Chief Administrative Officer
Nils Lommerin – President and CEO
Emmanuel Nisperos – SVP, Office of the Executive Committee
Paul Miller – SVP, Chief Accounting Officer
William Sawyers – VP, General Counsel, Chief Compliance Officer, Secretary
David Withycombe – SVP, Chief Operations Officer

From Left to Right:

Angel Gatchalian, Jr – Group Head, Corporate Procurement
Cesar Canlas – Group Head, Information Technology
Jena Rojas – Chief Financial Officer
Luis Alejandro – General Manager and COO
Gregorio Honasan – Group Head, Customer Development
Joselito Campos, Jr – President and CEO
Amante Aguilar – Group Head, Supply Chain
Lana Parungao – Group Head, Food Service
Francisco Molas – Group Head, Mindanao Operations
Gerard Bautista – Group Head, Corporate Human Resources
Eileen Asuncion – Group Head, Marketing

From Left to Right:

Marco Verdeflor – Commercial Manager, China and Korea (Fresh)
Fritz Matti – Commercial Manager, Japan (Fresh and Packaged)
Tan Chooi Khim – General Manager
Chan Wai Keong – Commercial Manager, ASEAN and Pacific Islands (Fresh and Packaged)
Sharin Rebollido – Commercial Manager, China, Korea and Hong Kong (Packaged)
Mudasir Tak – Commercial Manager, Middle East, Africa and South Asia (Fresh and Packaged)

Awards

Governance

Del Monte Pacific Wins Best Managed Board (Gold) Award at the Singapore Corporate Awards

Del Monte Pacific Ltd won the Best Managed Board (Gold) Award on 8 July 2015 from the Singapore Corporate Awards (SCA) for companies with a market capitalisation of between S$300 million to less than S$1 billion.

Among nearly 800 companies listed in Singapore, and since the SCA began in 2006, DMPL is one of only three companies to have won two Golds for the Best Managed Board Award, and is one of only 11 companies to have received at least four distinct awards including Best CFO.

The SCA comprises five of Singapore's key corporate awards, including Best Chief Executive Officer Award, to recognise and celebrate the best in corporate governance among listed companies in Singapore. The Awards are organised by the Institute of Singapore Chartered Accountants, Singapore Exchange Ltd, Singapore Institute of Directors, The Business Times, Securities Investors Association (Singapore), and Investment Management Association of Singapore.

In July 2014, DMPL won the Best Investor Relations and Best Annual Report (both Bronze) Awards.

Since 2010, DMPL has won nine times (including similar awards) six years in a row.

Del Monte Pacific Bags Corporate Governance Award at the Singapore Investors' Choice Award

On 31 October 2014, the Securities Investors Association (Singapore) or SIAS, awarded our Company Runner-up in the 15th SIAS Investors' Choice Award – Singapore Corporate Governance Award 2014, Mid-Cap category. The award recognises DMPL for its outstanding efforts in improving corporate governance standards. This follows two previous wins from the same awarding body.

Commercial

S&W Heart Smart Juice Wins Best Innovation

Del Monte Pacific's S&W Heart Smart Pineapple Juice, launched in the United Arab Emirates as an innovative product, won the Food & Beverage Award in the Singapore Business Review Listed Companies Awards 2015 for Best Innovation - Food & Beverage category. The awarding was held on 11 June 2015 in Singapore.

Del Monte Kitchenomics Brings Home Multiple Awards

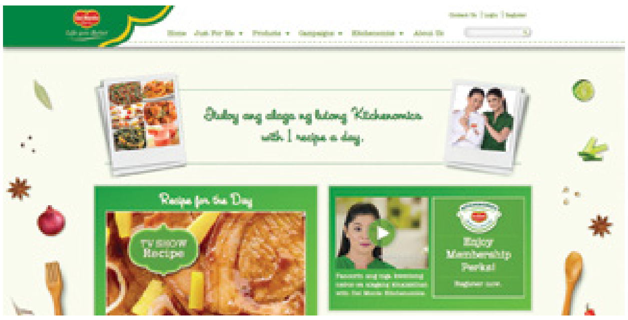
Del Monte Kitchenomics continues its winning streak. Now the biggest culinary club in the Philippines with 2.1 million members, and with its iconic cooking segment registering the highest rating for any branded content in Philippine television, 2014 was also an award-filled year for the programme and our key partners, TV channel GMA 7 and Movent.

- **2014 Quill Awards for Communication Skills in Digital Channels.** The Philippine Quill Awards is given out by IABC Philippines to inspire and remind communication practitioners that excellence in communications is a solid strategy not just for delivering key business metrics, but also for changing and uplifting lives. DMPI's Digital Agency-on-Record (AOR), Movent, received the award for "**24-Hours Kitchen Helper**", Del Monte Kitchenomics' campaign that enabled the brand's 24/7 presence across several social media (Facebook, Twitter, Instagram) and digital platforms (including www.delmonte.ph).

- **2014 Boomerang (Silver) Award for Digital Effectiveness and 2014 Boomerang (Bronze) Award for Digital Programmes within Food & Beverages.** The Boomerang is an annual show mounted by the Internet and Mobile Marketing Association of the Philippines (IMMAP), and is the country's premiere award for digital marketing excellence honouring ideas that exemplify effectiveness and innovation. Movent, DMPI's Digital Partner, was awarded for Del Monte Kitchenomics' highly effective 24-Hour Kitchen Helper campaign that delivered outstanding levels of community engagement, particularly in its social media pages.

- **2014 PANAta Marketing Effectiveness Award for Branded Content.** Del Monte Kitchenomics' integrated marketing communications campaign (TV, app) won at the annual awards given out by the Philippine Association of National Advertisers (PANA). The PANAta Marketing Effectiveness Awards distinguishes brand communications that strengthen and build business on top of espousing core PANA values. The award was received by GMA 7, DMPI's partner in TV content and app creation.

- **2014 Spark Awards for Media Excellence: Gold for Best App, Gold for Best Use of Branded Content, Silver for Best Media Solution.** The Spark Awards recognises top media solutions, products and services from media owners and publishers across South Asia, Southeast Asia and ANZ. The Awards acts as the main platform for media owners to demonstrate their innovation and effectiveness. The award was received by GMA 7, DMPI's partner in TV content and app creation.



- **2014 Anak TV Seal.** The ANAK TV SEAL is a national award bestowed by various stakeholders (including parents, educators, business and media people, government, media, NGOs, the religious sector an youth) on TV programmes airing on Philippine television, (whether locally produced or not) which they think are child-sensitive and family-friendly. It is hoped that teachers and parents will rally behind the chosen programmes, encouraging children to view them, increasing popular viewership, which will hopefully translate to better revenues for such responsibly made programmes.

Del Monte Philippines Receives Robinsons Supermarket's Gold Apple Award (Food Division)

Del Monte Philippines, Inc bagged the coveted Gold Apple Award for the Food Division by besting the other nominees, namely, Nestle Philippines Inc, Unilever Foods, Mondelez, Nutri Asia, Mead Johnson, Wyeth, Monde Nissin Corp and Universal Robina Corp. This prestigious award is given to companies whose exemplary performance and servicing contributed to the achievement of Robinsons Supermarket's business objectives. The Gold Apple Award is handed annually to major suppliers based on the following criteria – business growth, service level and over-all account servicing. The awarding was held on 11 March 2015 in Manila.

Operations

- QMS ISO 9001:2008 Certification of Philippine Plantation Operations including Fresh Fruit Operations

- Food Safety System Certification or FSSC 22000 Certification of Philippine Cannery Operations

- Kosher Certification for *S&W* juice products produced by our affiliate FieldFresh Foods Pvt Ltd in India for Israel

Sustainability

- In 2015, Del Monte Foods' Walnut Creek Research Center (WCRC) in California received a "RecycleSmart" Award from the Contra Costa Solid Waste Authority for its food waste recovery efforts

- Del Monte Philippines, Inc was amongst 12 pioneering groups in Cagayan de Oro Philippines honoured with the Pahinungod (Honours) Awards, during the City's 65th Charter Day on 15 June 2015. The award was given by the City for the first time to honour key contributors to its growth

Products

Del Monte in the United States

Del Monte in the Philippines

S&W in Asia


Pineapple fruit drink
Pineapple Orange fruit drink
Four Seasons mixed fruit drink
Mango juice drink
Sweet 16
Pineapple Crush
Four Seasons
100% Pineapple Juice
Mango
FOUR SEASONS
100%

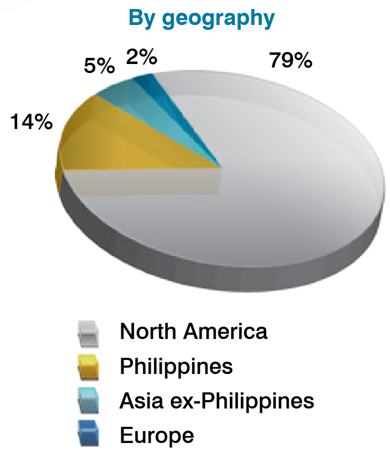

PRUNE JUICE
Organic PRUNE JUICE

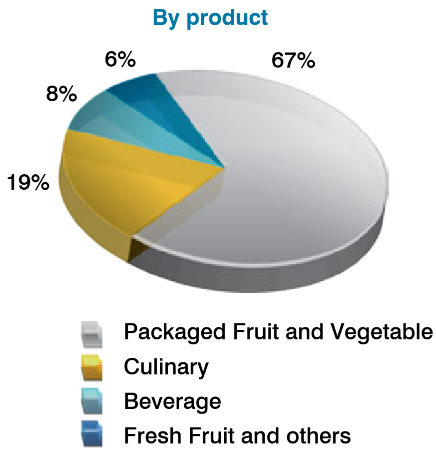
Del Monte in India

Operating and Financial Review

Please refer to the Notes on page 3 before reading this section.

DMPL FY2015 Sales





The Group generated sales of US$2.5 billion for the 16 months ending April 2015 and generated sales of US$2.2 billion for FY2015, significantly higher than the US$492.2 million in CY2013 due to the consolidation of the US Del Monte Foods, Inc (DMFI) since 18 February 2014. DMFI posted sales of US$1.7 billion in FY2015, 5% higher on a pro-forma same period basis.

Upon consolidation of DMFI in February 2014, the Group inherited a business that was unfavourably impacted by marketing changes implemented by the seller in 2013. Immediately post-acquisition, the Group had to restore brand health in the United States and stabilise the business. The Group is pleased to report that, by the close of FY2015, DMFI's market share grew across all key retail segments as prior marketing changes had all been reversed. DMFI reverted back to competitive pricing levels, reintroduced the well-recognised classic Del Monte label and reinstated trade support levels. DMFI also strengthened its partnership with key retailers through investments in effective marketing and trade promotion.

'Fruit Shipper' Back-to-School display for plastic fruit cup

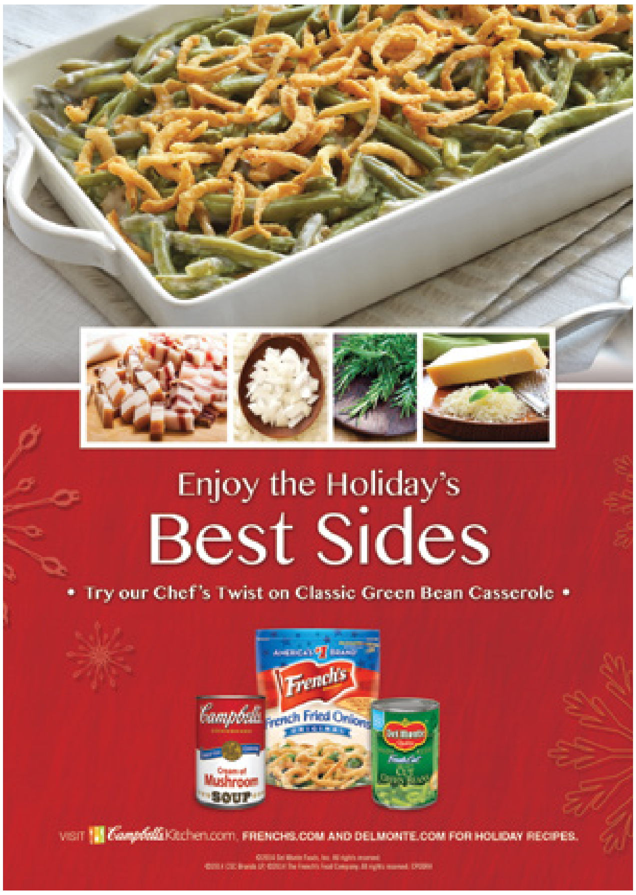
Strong Market Position in Key Categories in the USA

Products	Market Share	Market Position	Brands
Core Vegetable	19.6%	#1	
Core Fruit	30.6%	#1	
Plastic Fruit	29.9%	#2	
Cut Tomato*	12.0%	#2	

**Combined share for Del Monte, S&W and Contadina brands*
Source: Nielsen Scantrack, Total US Grocery + WalMart, 12M ending 2 May 2015

DMFI also pursued new initiatives such as importing Del Monte Philippines' products into the US. These products are now in 750 US Asian ethnic retailers with a target to reach approximately 2,000 stores by the end of FY2016. DMFI has also begun testing in a few mainstream retailers including Safeway and initial results have been positive. The Group has also been working on strategies to increase DMFI exports to Asia, both under the *S&W* and *Contadina* brands.

DMFI has made substantial progress developing strategically compelling growth initiatives across both retail and non-retail channels, including the acquisition of Sager Creek Vegetable Company's vegetable business (Sager Creek) in March 2015 which is expected to provide significant operating synergies and a platform to accelerate growth in foodservice and new vegetable segments. Sager Creek, based in Arkansas, is a producer of specialty vegetables for the foodservice and retail



Driving brand awareness and consumption through a multi-tactic programme that gives consumers more to celebrate by adding Del Monte and partnership products to their holiday table

markets, providing DMFI access to new customers and new retail product offerings.

DMFI needed to create a standalone infrastructure as its Transition Service Agreement or TSA with the seller was only for one year until February 2015. This allowed for a transition where DMFI shared back office functions with the seller. DMFI successfully transitioned off the TSA in a substantially accelerated timeline which was a significant achievement for the company, as it had to ensure that its systems and processes were ready once the TSA ended.

DMFI migrated its ERP to the SAP system in January 2015, raising its processes and systems to global standards. Its parent DMPL also uses the same ERP. DMFI's back office functions have been outsourced to a global service provider in the Philippines in February 2015. These cost saving measures are expected to improve the Group's gross margin in FY2016 and beyond.

Meanwhile, sales in the Philippines were US$350.9 million for the 16 months ending April 2015 and US$303.0 million for FY2015, a record for the Group in this market. FY2015 sales were 6% higher in US dollar terms and 10% higher in Peso terms versus US$286.7 million in CY2013. All product categories delivered higher sales on improved volume, better prices and mix.

The Group sustained gains through continuous investments in consumption-building initiatives across categories that resulted in wider-base household penetration and more frequent usage for its key brands. Growth was demonstrated across all trade channels driven by deliberate distribution expansion and more impactful point-of-sale presence. As a result, the Group further strengthened its dominant market share position in most categories it competes in.

Market Leader in Various Categories in the Philippines

Products	Market Share	Market Position	Brands
Canned Pineapple	85%	#1	Del Monte
Canned Mixed Fruit*	75%	#1	Del Monte, Today's
Canned RTD Juices	92%	#1	Del Monte
Tomato Sauce	81%	#1	Del Monte
Spaghetti Sauce*	55%	#1	Del Monte, Today's
Opportunities			
PET Juices	21%	#2	Del Monte
Meal Mixes	17%	#3	Del Monte
Tetra Juices	New product in 2013		Del Monte

**Del Monte owns both the Del Monte and Today's brands hence this is a combined share*
Source: Nielsen Retail Index, April 2015

Operating and Financial Review

Beyond brand-led thematic campaigns, the Group's iconic CRM programme, Del Monte Kitchenomics, continued its winning streak. The biggest culinary club in the Philippines, now with 2.1 million members, its integrated multi-communication platform approach (TV, digital, eDM, mobile apps, cookbooks) has resulted in an award-filled year for Del Monte and its key partners, GMA 7 and Movent, sweeping major industry awards both in the Philippines and abroad.

Del Monte Philippines marketing campaign encouraging going home and sharing a meal together every Wednesday

S&W and Jollibee co-branded cup in Saudi Arabia for our 100% Pineapple Juice

The Group's strategic partnership with Tipco, the juice leader in Thailand, continues to expand the Company's footprint in the 100% juice category. From a minor player in the Philippines, the Tipco 100% for Del Monte co-branding and distributorship agreement has catapulted the brand to become the No 1 imported juice brand in the country. Following its successful strategic partnership with Tipco, the Group also took on the exclusive distributorship of all Kikkoman products in the Philippines beginning July 2014.

Sales of S&W in Asia and the Middle East were US$62.7 million for the 16 months ending April 2015 and US$50.5 million for FY2015, a record for this brand since the Group acquired it in 2007. Sales in FY2015 were up strongly by 24% versus the US$40.6 million in CY2013 driven by higher volume, and better pricing and mix. Both the packaged and fresh segments delivered higher sales. The packaged segment accounted for 48% of S&W's total sales in FY2015, while the fresh segment accounted for the balance 52%.

Deliciously-nutritious meal with pineapples

S&W packaged segment's growth was driven by higher sales in South Korea due to canned tropical fruit, and higher sales in Japan as S&W expanded into the canned pineapple market targeting Japanese importers. S&W also launched its innovative cholesterol-reducing *S&W* Heart Smart juice in the United Arab Emirates, its 1-litre Tetra Pak juices in Singapore, and started shipping canned fruit cocktail to Pakistan. S&W's Heart Smart juice won a Best Innovation Award (please refer to page 14 for more details). Lastly, S&W's business development efforts in the Philippines led to increased foodservice sales in that market.

Tetra Pak Juices launched in December 2014 at selected NTUC Fairprice outlets and petrol marts in Singapore.

In-store dress up of S&W fresh pineapple display at NTUC Fairprice stores in Singapore (cross-selling with S&W canned juices)

For the fresh segment, better sales were driven by good growth in Japan through more distributors as well as higher sales in the Middle East.

Sales at FieldFresh Foods, our Indian joint venture, which are equity accounted and not consolidated, were US$81.3 million for the 16 months ending April 2015, of which US$63 million came from the *Del Monte*-branded packaged segment and US$17 million from the *FieldFresh*-branded fresh segment. Sales were US$61 million for FY2015 of which US$49 million came from the *Del Monte*-branded packaged segment and US$12 million from the *FieldFresh*-branded fresh segment. Sales of FieldFresh in FY2015 were 32% higher versus US$47.1 million in CY2013.

100% S&W Apple Juice launched in Israel produced by our FieldFresh JV factory in India

The *Del Monte* segment accounted for 80% of FieldFresh's sales and rose 32%. In a year of moderate growth across FMCG categories with low consumer spending and confidence, the robust performance of Del Monte in India was aided by strong marketing and trade investments, and focused in-market executions.

FY2015 had been a milestone year for FieldFresh as it turned EBITDA positive for the first time since the joint venture started in 2007. DMPL recognised an equity loss of US$3.2 million for the 16 months ending April 2015 and an equity loss of US$2.1 million for FY2015, significantly lower than US$4.6 million in CY2013, as a result of better sales, product mix and supply chain efficiencies.

Operating and Financial Review

New Olive Oil in Tins and PET to cater to multiple purposes especially cosmetic use. This also expands our reach into a new distribution channel – the pharmacies

New ready to cook range of gourmet Pasta Sauces in three popular variants – Tomato & Olive, Tomato & Basil and Arrabbiata

The Group registered a gross profit of US$426.0 million for the 16 months ending April 2015 and US$389.9 million for FY2015, versus US$115.6 million for CY2013. The significant increase came from the consolidation of DMFI.

In FY2015, the Group generated an EBITDA of US$95.7 million and incurred a net loss of US$38.0 million mainly due to acquisition-related and non-recurring expenses amounting to US$62.6 million, after tax:

FY2015 Non-Recurring Expenses (in US$m)	EBITDA impact	Bottom line impact[1]
1. **Inventory step-up[2]**	44.3	24.6
2. **ERP implementation at DMFI[3]**	16.4	9.1
3. **Venezuela write-off[4]**	7.3	4.1
4. **Others[5]**	7.6	24.8
Total	**60.4**	**62.6**

[1] Net of tax and net of DMPL's non-controlling interest in DMFI of 10.6% where applicable.

[2] Purchase accounting standards required a restatement to fair market values of the assets which formed part of the acquisition. This had a corresponding impact on DMFI's costs, primarily due to an upward revaluation of inventory which corresponded to a higher cost of goods sold. This was a carryover from the Transition Period of January to April 2014 as not all the inventory at the point of acquisition had been sold during that period. The inventory step up had no cash flow impact. Moreover, the inventory affected by this carryover was sold in FY2015 so there will no longer be any impact in FY2016.

[3] DMFI migrated its ERP to SAP in January 2015.

[4] In March 2015, DMFI wrote off its assets and its remaining net investment in the Venezuelan business amidst unstable economic conditions, and currency devaluation and volatility. DMFI deconsolidated Venezuela starting March 2015 and will not be reporting this business going forward unless it receives a cash distribution.

[5] "Others" included a gain resulting from DMFI's Sager Creek bargain purchase (negative goodwill). "Others" also included acquisition-related interest expenses of US$25.3m in the bottom line but not for EBITDA impact. US$150m of the bridge loans had already been paid down in March 2015.

Before acquisition-related and other non-recurring expenses, the Group achieved an EBITDA of US$156.2 million and a net income of US$24.5 million for FY2015.

For the 16 months ending April 2015, the Group incurred a net loss of US$79.8 million mainly due to acquisition-related and non-recurring expenses worth US$83.0 million, after tax, as discussed above plus US$5.3 million of transaction fees, an additional US$8.8 million of inventory step-up and US$4.6 million of higher fixed manufacturing costs and severance of US$1.7 million, all after tax.

In a normal 12-month period, the average of the actual fixed costs, which are highly seasonal, would have approximated the standard cost for the year. Due to the timing of the acquisition in February 2014, DMFI had to book a higher than average fixed cost for the Transition Period ending April 2014, which is a seasonally leaner production period.

In CY2013, the Group recorded a net profit of US$16.1 million. Without the one-off acquisition-related transaction fees and listing fees in the Philippines, net profit would have been US$33.9 million.

For the next financial year, from May 2015 to April 2016, the Group does not expect to incur any significant expenses relating to the acquisition nor the transition.

No dividends were declared for FY2015 due to the net loss position.

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.7 billion as at 30 April 2015, significantly higher than the US$143.8 million as at 31 December 2013 due to the purchase of DMFI worth US$1.7 billion plus working capital.

As part of the Group's efforts to bring down indebtedness, it raised approximately US$150 million in March 2015 from the oversubscribed Rights Issue and used the proceeds to pay down short-term bridge financing. Meanwhile, US$350 million of short-term bridge financing has been extended for up to two years until February 2017. An international perpetual security offering is planned for the future.

Moreover, the Group expects to meet its financial obligations by increasing its operating cash flow and managing its interest rate risk by swapping variable with fixed interest rates. The majority of the LBO loans in the USA have already been swapped to fixed rates starting February 2016.

The Group's cash flow from operations was US$294.3 million for the 16 months ending 2015 and US$239.6 million for FY2015, significantly higher than the US$27.8 million in CY2013 with the consolidation of DMFI.

Capital expenditures (capex) were US$115.2 million for the 16 months ending April 2015 and US$95.4 million for FY2015, significantly higher than the US$24.7 million in CY2013 due to the consolidation of DMFI. DMFI accounted for US$87.7 million of Group capex for the 16 months ending April 2015 and US$76.3 million for FY2015.

DMFI migrated its ERP to SAP in January 2015, and capitalised US$39.8 million (and expensed US$16.4 million) for this project in FY2015. DMFI is expected to capitalise another US$10 million (and expense US$3.5 million) for SAP in FY2016.

DMPL ex DMFI's capex was US$27.5 million for the 16 months ending April 2015 and US$19.2 million for FY2015. The waste-to-energy project, with an estimated payback of four years, accounted for US$6.3 million of this. Please refer to the Sustainability section for more discussion on this.

On 28 November 2014, the Company entered into a joint venture agreement with leading Spanish fruit processor Nice Fruit SL and UK-based investment firm Ferville Ltd to build a food processing facility in the Philippines, and process, market and sell frozen fruits globally. The facility is in the early construction phase at the Del Monte plantation in Bukidnon, northern Mindanao, Philippines.

It will utilise Nice Fruits patented technology called Nice Frozen Dry (NFD) that allows fruits and vegetables to be picked at optimal ripeness and frozen for up to three years while preserving nutrients, structure, original properties and organoleptic characteristics. This technology has gained international acceptance, having won Best Product of the Year in the foodservice category at the prestigious Salon International de L'alimentation or SIAL in 2014, and FABI prize (Food and Beverage) for its revolutionary product from more than 2,000 companies at the National Restaurant Association or NRA Show in Chicago this year. This technology foresees radical changes in food consumption habits, and advantages for export and improved stock management. It will open up new markets globally for S&W.

DMPL owns 35% of the joint venture and will provide general management to the joint venture.

Business Outlook

Del Monte Pacific is now a global branded food and beverage multinational company with sales of more than US$2 billion, and with more than 80% of sales being branded and with market leadership positions in the largest consumer market in the world. DMPL is a large global company with a long brand heritage, diverse product portfolio and expansive geographic coverage.

In the United States, the Group will continue to deliver increasingly differentiated value, pursue meaningful category innovation, and unlock growth potential across brands, channels and geographies in our core business in packaged vegetable, fruit, tomato and broth.

The College Inn broth brand is number one in the Northeastern part of the US but only second nationwide as it has not yet been expanded aggressively. For our entry into the ethnic market catering to Asians and Hispanics, we plan to grow this business through significantly more Asian ethnic retailers by the end of FY2016 with a view to also bringing the products to mainstream groceries. The recent Sager Creek acquisition allows us to immediately expand foodservice sales. Lastly, in terms of new geography, we are looking at developing the Mexican market near term and the South American continent long term.

The ongoing drought in California is endangering fruit trees such as peaches, affecting quality, volume and pricing. Reduced peach volumes, higher product costs and pricing could reduce consumer demand. We are exploring sourcing peaches from other areas in the USA and from foreign sources. Higher peach product costs are expected to be offset by lower costs from productivity enhancements and operational efficiencies.

It is imperative that we continue to be vigilant with our organisational and operational efficiencies. The SAP migration and the outsourcing of the back office functions to the Philippines are expected to generate significant cost savings.

The Group will continue to expand its existing branded business in Asia, primarily through the Del Monte brand in the Philippines, and through S&W for the rest of Asia and the Middle East. S&W, both packaged and fresh, will gain more traction as it leverages its distribution expansion, while our joint venture in India will continue to generate higher sales and reduce its losses.

As a global company, beyond the localised approach in growing each market, we must think beyond borders and seize opportunities for each other's markets and for the Group (eg cross-selling between the US and Asia and vice-versa), optimising synergies across our markets, sharing best in class practices and forging partnerships with breakthrough technology (eg joint venture with Nice Fruit).

A global, strategic and entrepreneurial mindset must prevail not just to increase revenue but to improve our margins through operational excellence in all areas of business, across production, procurement, supply chain, cost management, marketing and sales. We will keep pace with fast changing consumer tastes and trends, and be at the forefront of innovation. We will steer the Group to this mindset and culture, as we continue to build on each other's strengths and pursue strategically compelling initiatives to grow our business profitably.

Fiscal year 2015 was a year of transition when we successfully integrated and strengthened our core business. We successfully laid a solid foundation from which we will execute our growth plans in the coming year. We look forward to a sustained momentum and a return to profitability in FY2016 -- ***Bursting with Life***.

Global Product Summit held at the Walnut Creek Research Center, California, in April 2014. Different business units of DMPL – USA, Mexico, Venezuela, Philippines, India, S&W Asia – met up for the first time to share their product knowledge, map out product innovations, and identify cross border selling opportunities

Share Price and Calendar

Del Monte Pacific Share Price on the Singapore Exchange and the Philippine Stock Exchange

Historical prices were adjusted for the 2:10 Bonus Issue with ex-date of 9 April 2013 and the Rights Issue in March 2015 that resulted in a 33% dilution

Del Monte Pacific Share Price Highlights[1]

	in PSE[2] (PhP)			in SGX (S$)		
	up to 31 July 2015	2014	2013	up to 31 July 2015	2014	2013
Low	11.28	13.80	22.50	0.31	0.46	0.58
High	16.88	24.00	33.45	0.51	0.65	0.96
End of period	13.00	15.48	22.70	0.38	0.50	0.61
Average	13.00	20.05	26.83	0.40	0.56	0.81

[1] Based on Calendar Year basis
[2] DMPL shares were listed on the Philippine Stock Exchange on 10 June 2013

Calendar for FY2016 (May 2015 - April 2016)

28-Aug-15	FY2015 Annual General Meeting
14-Sep-15	1Q FY2016 results announcement
4-Dec-15	2Q FY2016 results announcement
8-Mar-16	3Q FY2016 results announcement
21-Jun-16	4Q FY2016 results announcement

From September onwards, the schedule is indicative and is subject to changes
The final dates will be announced about two weeks before the results announcement.

Results briefing held in Singapore in June 2014

Risk Management

Enterprise-Risk Management Programme

The Group has an established enterprise-wide risk management programme that aims to provide a structured basis for proactively managing financial, operational, compliance and information technology risks in all levels of the organisation.

Risk management is a regular board agenda item.

Group Assets

It is the Group's practice to assess annually with its insurance brokers and insurance companies the risk exposure relating to the assets of, and the possible liabilities from, its operations. Assets are insured at current replacement values. Additions during the current year are automatically included with provision for inflation protection. During the financial year in review, all major risks were adequately covered, except where the premium costs were considered excessive in relation to the probability and extent of a loss.

Foreign Currency

In the normal course of business, the Group enters into transactions denominated in various foreign currencies. In addition, the Company and its subsidiaries maintain their respective books and accounts in their functional currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations, especially between the Philippine peso and the US dollar, and between the Mexican peso and the US dollar. To a certain extent, the Group has a natural hedge for the Philippine peso and the US dollar due to its revenue and cost mix. Del Monte Foods, Inc (DMFI) hedges its exposure to the Mexican peso through certain forward contracts.

Inflation

The Group's costs are affected by inflation. However, the Group has lessened the impact of cost increases by actively controlling its overall cost structure and introducing productivity-enhancing and cost management measures. The Group also considers inflation in pricing adjustments with its market customers.

Cash and Interest Rate Management

The Group's cash balances are applied to debt repayment. Temporary balances are placed with reputable global and major US and Philippine banks. The Group obtains financing through bank borrowings and leasing arrangements. Financing is obtained from bank credit facilities, for both short-term and long-term requirements and/or through the sale of assets, particularly receivables from its customers. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure. The Group manages its interest rate exposure through fixed-rate loan agreements and certain fixed-rate contracts.

Indebtedness

Given the scale of the acquisition in February 2014 of the Del Monte consumer business in the USA (now referred to as DMFI) and the amount of financing involved, the Group's gearing and financial obligations have increased significantly. Risks arise if there is a general economic slowdown that may impact the Group's performance which subsequently may affect the Group's ability to service its interest and debt obligations.

As part of the Group's efforts to bring down indebtedness, it raised approximately US$150 million in March 2015 from the oversubscribed Rights Issue and used the proceeds to pay down short-term bridge financing. Meanwhile, US$350 million of short-term bridge financing has been extended for up to two years until February 2017. An international perpetual security offering is planned for the future.

Moreover, the Group expects to meet its financial obligations by increasing its operating cash flow and managing its interest rate risk by swapping variable with fixed interest rates. The majority of the LBO loans in the USA have already been swapped to fixed rates starting February 2016.

The Group expects to increase operating cash flow through the following:

- Expected sales and profit growth in the US, which accounts for approximately 80% of Group sales, by growing the core business, adding the contribution from the recently acquired Sager Creek vegetable business, expansion into new channels such as foodservice, new target markets such as Asians and Hispanics, and new geographies such as Mexico;
- Expected sales and profit growth in DMPL's Asian business with the continuous expansion of the *S&W* brand in Asia and the Middle East both in packaged and fresh products, and growth of the Philippine business;
- Expected cost savings from outsourcing of the US back office functions to the Philippines, productivity enhancements and operational efficiencies.

New ERP system in USA

In January 2015, DMFI implemented a new ERP, SAP, and migrated its finance and accounting functions to a reputable global service provider in the Philippines. Given the new systems and processes involved, there are risks to timely and accurate processing of documents, along with the decision-making associated with the steady flow of detailed quality information. The Group will manage this by retaining existing staff in its back office for a certain period, early knowledge transfer to key members of the new staff, and solid training for all staff involved with SAP.

Customer

A relatively limited number of customers account for a large percentage of the Group's total sales. In FY2015, DMFI's top customer, Walmart (including Walmart's stores and supercenters, as well as Sam's Club), accounted for more than 20% of Group sales. As such, it also accounts for a material share of total trade receivables. DMFI has a dedicated sales team to service this account. Moreover, the Group is expanding into new channels, new target markets and new geographies.

Credit Risk

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, amongst others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an ongoing basis.

Branded Business

The Group's branded business in the USA, the Philippines and the Indian subcontinent through Del Monte, and in Asia and the Middle East through S&W, is affected by a number of factors, including, but not limited to, competition, product innovation and acceptance of new products, industry trends, distribution expansion, penetration and business partners' risks. The Group's exposure to these risks is managed through the following processes, amongst others:

- Focus on consumption-driven marketing strategies
- Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, quality, competitiveness and consumer appeal
- Market and customer diversification
- Increased penetration of high-growth distribution channels and markets
- Building on closer working relationships with business partners

Trademark Use and Intellectual Property Rights

While the Group holds the *Del Monte* trademark rights for packaged food products in the USA, South America, Philippines, the Indian subcontinent and Myanmar, the *Del Monte* trademark is licensed to other companies that are independent of the Group. Acts or omissions by any of such companies or any of the licensees of the *Del Monte* trademark may adversely affect the value of the *Del Monte* trademark and demand for the Group's products. Accordingly, DMFI (the owner and licensor of the *Del Monte* trademarks) periodically reviews and audits the licensees'compliance with the license agreements. If warranted, DMFI may take legal action, including litigation, to enforce these agreements.

The Group relies on trademark, trade secret, patent and other intellectual property laws, as well as non-disclosure and confidentiality agreements and other methods, to protect its proprietary information, technologies and processes. However, the Group may also be subject to intellectual property infringement or violation claims. To the extent necessary, the Group engages in litigation to determine the scope and validity of such claims, change its products or cease selling certain products.

Product Recalls and Litigation

The Group may be exposed to product recalls, including voluntary recalls or withdrawals, and adverse public relations if the Group's products are alleged to cause injury or illness, or if the Group is alleged to have mislabeled or misbranded its products or otherwise violated governmental regulations. The Group may also voluntarily recall or withdraw products that the Group considers below standards, whether for taste, appearance or otherwise, in order to protect its brand reputation.

The Group has in place a robust Quality Management and Food Safety System that is designed to meet high global standards in product quality, food safety, hygiene and service. Manufacturing programmes have been established to identify and control hazards that impact on food safety and product quality. These programs' effectiveness is periodically verified by various third-party certification bodies following well accepted quality systems and standards such as ISO 9001:2008, GMP, HACCP, GLP, GAP, BRC, IFS and FSSC. Moreover, the Group has established a system to effectively manage incidents that may require immediate action to protect its brands, including procedures to manage emergency situations that may impact consumer safety, product quality or regulatory compliance. In the event that a product withdrawal or recall is initiated, a well documented traceability procedure is initiated. A complete identification of production lots from all raw and packaging materials used up to distribution is accomplished within eight hours. Effectiveness of these procedures is tested by an annual conduct of a mock recall.

Agricultural Output

The output of the plantation in the Philippines is subject to certain risk factors relating to weather conditions, crop yields, outgrowers and service providers' performance, and leasehold arrangements. To manage any impact from heavy rainfall and floods, plantings are done in various locations to minimise tonnage loss, and towing units have been augmented to ensure continuity of harvest during wet conditions. The Group is PhilGAP and GLOBALGAP certified, and complies with proven agricultural practices in the pineapple growing operations. Long-term land leases with staggered terms are also secured.

Natural Disasters in Philippines

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, volcanic eruptions and earthquakes. The Company's plantations are located in the northern part of Mindanao which is outside the typhoon belt and any earthquake faults. The plantations are located on a high elevation which minimises the risk of flooding. During the last typhoon Haiyan, the Company was fortunate that its pineapple plantation and manufacturing facilities were spared from the wrath of typhoon Haiyan. However, there can be no assurance that natural catastrophes will not materially disrupt the Group's business operations in the future, or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these catastrophes. To manage these risks, the Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures. It also has in place disaster recovery plans and business continuity plans.

Drought in USA

The ongoing drought in California is endangering fruit trees such as peaches, affecting quality, volume and pricing. Reduced peach volumes, higher product costs and pricing could reduce consumer demand. The Group is exploring sourcing peaches from other areas in the USA and from foreign sources. Higher peach product costs are expected to be offset by lower costs from productivity enhancements and operational efficiencies.

DMFI operates and contractually grows food in seven states in the United States where water availability may be at risk. Its other water risks include:

- Fresh water shortages due to drought and pressures on limited surface and groundwater supplies. Increased drought may pose a particular risk to water supplies in Mexico, California, Texas, and Wisconsin near term as well as longer term (over the next 15-45 years);
- New regulatory restrictions on fresh water use and grey water discharges;
- Reputational damage if issues of sustainable and equitable water use are not properly addressed; and
- Increasing costs and/or reduced revenues due to all of the above risks.

To minimise the risks, the Group needs to:

- Invest in technologies to improve water conservation;
- Encourage business culture to make saving water a daily priority;
- Reuse and/or recycle water in operations as many times as possible before discharging to grey water;
- Improve the quality of grey water discharges through source point pollution control and new raw product processing methods that discharge less pollutants of concern; and
- Work with growers to encourage the use of more water-efficient irrigation systems and techniques to use less water.

Access to Land

The Group's pineapple growing operations cover a total of approximately 23,000 hectares of land in Mindanao, Philippines. Growership agreements typically provide for an initial 10-year period renewable at the Group's option on a cycle-to-cycle basis, up to five cycles, with each cycle averaging 40 months. Other agreements have been negotiated to provide for an extended period of 20 years. However, there is no assurance that these agreements will be continually renewed and on terms favourable to the Group.

In January 1997, the Group concluded negotiations with the Del Monte Employees Agrarian Reform Beneficiaries Cooperative for the renewal of their agreement covering approximately 8,000 hectares for a term of 25 years effective from 11 January 1999. This may be further renewed by agreement of the parties. Any future changes in legislation relating to the coverage or implementation of the Government's agrarian reform programme may affect this contract with the Del Monte Employees' Cooperative.

In addition, the Group has under lease approximately 1,000 hectares from the National Development Corporation, a Philippine government-owned and controlled corporation. This lease was renewed for a term of 25 years on 1 March 2007. This lease may be affected by any future change in the disposition of public lands owned by government-owned or controlled corporations.

The Group manages potential risks by conducting standard due diligence on land used in its operations, as well as through a dedicated team tasked with sourcing land and renewing existing land leases.

Operations

As an integrated producer of packaged and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, litigious counterparties, insurgent activities and changes in government regulations, including, without limitation, environmental regulations. The Group develops and executes a long-term strategic plan and annual operating plan, supported by a business continuity plan, risk management and a corporate sustainability programme. It also pursues productivity-enhancing and efficiency-generating work practices and capital projects. To manage insurgency risks in its operating units in the Philippines, the Group has strengthened security measures.

Compliance

The Group closely monitors changes in legislation and government regulations affecting the Group's business, including environmental matters. To manage any risks related to regulatory developments, it has a compliance programme in place that aims to monitor and ensure the Group's compliance with laws and regulations. Compliance is also a regular board agenda item.

Sustainability

Our Sustainability Journey

Throughout our history, our Company has been active in environmental stewardship and caring for local communities. We are taking it a step further and have embarked on a journey towards corporate sustainability in accordance with the Global Reporting Initiative (GRI) framework. We firmly believe that sustainability goes beyond corporate social responsibility and philanthropy, as well as environmental compliance.

Sustainability sets us on a path towards a more holistic and strategic approach towards social, environmental and economic performance – for the benefit of our people, planet and profit or the Triple Bottomline.

In line with our sustainability commitment, many initiatives were taken through our business plan, productivity and cost efficiency programme, agricultural enhancement measures, supply chain improvements, capital expenditure and facilities improvement projects, and other key programmes. We continue to explore ways to reduce our environmental footprint and improve our social responsibility.

In our Philippine cannery, we commenced operations of our Waste-to-Energy Project in 2014. Using wastewater as a renewable energy source, it assures us of continuous power supply for the cannery, reducing our power cost and improving our carbon footprint.

In 2015, our Walnut Creek Research Center (WCRC) in California received a "RecycleSmart" Award from the Contra Costa Solid Waste Authority for our food waste recovery efforts.

Our office in Manila prides itself of environment friendly features on energy efficiency, water reduction, waste management and health and safety features for the building occupants.

We also care for the communities where we operate in by providing education, healthy living and livelihood to over 100 communities in Bukidnon and Misamis Oriental in the Philippines.

Our Company stands by our commitment to grow our business in a manner that sustains a healthy balance among diverse interests of all our stakeholders – our employees and their families, business partners, customers and host communities.

As a leading global food company, we have organised a Corporate Sustainability Team to develop strategic plans guided by the GRI framework and included corporate sustainability as part of the company's strategic plan.

With the formalisation of our sustainability efforts, we, together with our stakeholders, stand to reap greater benefits, both tangible and intangible. Sustainability is not just a business strategy, it is essential to our success.

Our approach

Fully acknowledging this responsibility towards the future, the Corporate Sustainability Team leads our efforts to increase sustainability advocacy among all our stakeholders. Key leaders across the organisation have been oriented on business sustainability and reporting. Each team within the Group has set goals to formalise commitments to our overall effort and recognise individual share of accountability as we strive to meet varying market demands.

Our goal is to "promote sustainability to achieve our business objectives, environmental stewardship and social responsibility". The benefits we envision are to:

- Improve the **business performance** by generating operational efficiency and cost savings through a more sustainable business model;
- Enhance a company's **reputation** with stakeholders, including investors, credit institutions, customers, employees, and business partners through a sustainable economic performance, environmental and social responsibility;
- Boost the **brand** equity of the company; and
- Promote **risk management** and **compliance** and avoid penalties by catching risks early on and taking action to mitigate them.

Our initial steps to embrace sustainability and promote this value within the organisation include the following:

- Making sustainability an important and critical agenda along other business matters and as such discussed in the operating committee and presented quarterly to the board of directors;
- Weekly dissemination of sustainability articles gathered from leading international and local sustainability websites to improve awareness and provide benchmarks and best practices;
- Conducting orientations in various offices to advocate sustainability in all levels of the company and eventually extend this to our business partners and other stakeholders; and
- Including sustainability as part of the goals of managers and supervisors.

We will take stock of all the corporate-wide sustainability initiatives within the GRI framework to come up with a baseline report and eventually publish a GRI sustainability report.

Part of our strategic plan is to develop long-range goals on:

1. Health and safety
2. Environment
    a. Renewable energy
    b. Reduction in green house gas (GHG) emissions
    c. Climate Change
    d. Water stewardship
3. Employee Engagement
4. Supply chain and sourcing
5. Corporate social responsibility

Sustainability

We continue to focus on building future long-term resiliency for our business as we deepen our understanding of the global business environment and remain mindful of the impact of our activities on the future of our planet.

Guided by our Vision, Mission and Values on providing Health and Wellness, Environmental Stewardship, Corporate Responsibility and Employee Welfare, we strive to ensure that we make life better for all.

Governance

We have a strong and comprehensive governance structure accountable to our stakeholders to ensure we operate in an ethical and responsible manner. Our Board of Directors shape the long-term viability of the Company, review material issues and provides guidance on matters relating to shareholders and their concern, and sustainability.

To legally and ethically perform our business function and ensure consistency of our behaviour, the company has a Code of Conduct which directors, management and all employees abide by. All employees are required to provide information on related party and conflict of interest which is updated annually.

Why we report

Reporting allows us to communicate the Company's efforts on environmental stewardship, social responsibility and our economic progress. Reporting also provides information on our successes and failures, challenges and opportunities.

By reporting on sustainability, we believe that we can build the trust with our stakeholders and help address issues, enhance the sustainability within the organisation, and provide us an opportunity to improve by incorporating sustainability in our business strategy, process and culture.

Scope

This report covers the Transition Period of January to April 2014 and our fiscal year 2015 which is from May 2014 to April 2015 unless otherwise specified.

Awards and Citations

Recognising the continuing excellence of our programmes, leading organisations have bestowed their highest awards on the Group.

Del Monte Pacific Ltd won the Best Managed Board (Gold) Award, Mid-Cap category, in July 2015, and the Best Investor Relations and Best Annual Report (both Bronze) Awards in July 2014 from the Singapore Corporate Awards.

DMPL ranked 19 out of 644 SGX firms in the 2014 Governance and Transparency Index (GTI) done annually by The Business Times and the National University of Singapore. The 2014 ranking was the highest attained by the Company so far. DMPL has consistently been in the GTI's top 10% from 2009 to 2014.

In October 2014, the Securities Investors Association (Singapore) or SIAS, awarded DMPL Runner-up in the 15th SIAS Investors' Choice Award – Singapore Corporate Governance Award 2014, Mid-Cap category.

On the commercial side, Del Monte Pacific's S&W Heart Smart Pineapple Juice, launched in the United Arab Emirates as an innovative product, won the Food & Beverage Award in the Singapore Business Review Listed Companies Awards 2015 for the Best Innovation - Food & Beverage category.

Meanwhile, Del Monte Kitchenomics continues its winning streak. Now the biggest culinary club in the Philippines with 2.1 million members, and with its iconic cooking segment registering the highest rating for any branded content in Philippine television, 2014 was also an award-filled year for the programme and our key partners, TV channel GMA 7 and Movent.

DMPL's subsidiary, Del Monte Philippines, Inc (DMPI), bagged the coveted Gold Apple Award for the Food Division from Robinsons Supermarket. This prestigious award is given to companies whose exemplary performance and servicing contributed to the achievement of Robinsons Supermarket's business objectives.

On the sustainability front, DMPI was amongst 12 pioneering groups in Cagayan de Oro (CDO) Philippines

Mr Rolando C Gapud, DMPL Chairman, receives the Best Managed Board (Gold) Award from President Tony Tan Keng Yam in July 2015

Mr Ignacio C O Sison, DMPL CFO, and Jennifer Y Luy, DMPL Investor Relations Manager, receive the Best Investor Relations and Best Annual Report (both Bronze) Awards in July 2014 honoured with the Pahinungod (Honours) Awards, during the City's 65th Charter Day on 15 June 2015. The award was given by the City for the first time to honour key contributors to its growth. We opened our pineapple cannery in Bugo on 30 June 1930, making it the region's first export manufacturing factory. DMPI has since become a key engine of growth, providing livelihood and spurring growth of local businesses.

DMPI Mindanao Operations Group Head Francisco Molas receiving the Pahinungod (Honours) Award from Cagayan de Oro City Mayor Oscar Moreno

The CDO Chamber of Commerce and Industry Foundation, Inc lauded DMPI and 10 other volunteer-organisations for supporting the Interruptible Load Program initiated by the CDO Electric Cooperative (CEPALCO). Amidst power shortage from the national grid causing brownouts across Mindanao from 2013 through 2015, DMPI and other ILP partners serviced by CEPALCO volunteered to run standby generators to augment local power supply, enabling thousands of families and small businesses in the city to continue with business as usual.

Bursting with Life for our Stakeholders

The economic impact of Del Monte Pacific in the Philippines benefits more than 10,000 full time and seasonal employees. We have engaged service providers in all areas of our operation. Our pineapple plantation encompasses ten municipalities in Bukidnon and seven towns in Misamis Oriental, Mindanao, Southern Philippines. We engage over 50 supplier partners who provide various goods and services to the Company. An estimated 15,000 families or approximately 75,000 individuals directly or indirectly depend on the Company.

Packing operations in Bukldnon, Philippines

Overall, our presence has immensely contributed to the region's economic growth, creating a multiplier effect in the local economy by fuelling local business supporting the Group's operations as well as serving day-to-day needs of our employees and their families.

In the United States, we are one of the country's largest producers, distributors and marketers of premium quality, branded food products, generating about US$1.7 billion in net sales and employing approximately 8,000 full time and seasonal employees. With a powerful portfolio of brands, *Del Monte* products are found in six out of ten US households.

DMPI donated US$400,000 to the Del Monte Foundation, Inc (Foundation) to fund various projects such as scholarship grants, various technical training to unemployed community members and relief operations.

Board of Directors of Del Monte Foundation, Inc as at July 2014

The economic benefits of the company are explained further through the Operating and Financial Review and financials of this annual report.

We have enhanced our programme of business reciprocity with Strategic Partners through collaborative efforts to achieve business objectives and seize business opportunities. Information sharing, business tours of our operational facilities and celebrations to mark these great partnerships are key to this programme.

Bursting with Life for our People

We are a people-driven organisation committed to growing wellness and a high quality of life through healthy working relationships with all stakeholders, including customers, employees, business partners and investors.

Our employees are our most valuable resource. Close to 7,000 full time employees work at our plantation, manufacturing facilities, and administrative and marketing offices in the US, Venezuela, Mexico, Philippines, India and Singapore.

Healthy Work Environment

We are committed to fundamental human rights and adherence to labour standards. Our farm and production facilities in the Philippines employ people from surrounding villages. Workers are paid above average rates in the industry, and are informed of the terms and conditions of employment prior to their appointment. They undergo annual medical examinations or whenever required. Child and forced labour and any other form of exploitation are not practised. Discrimination on the grounds of nationality, ethnic group, religion, age and gender goes against the Group's Code of Business Ethics.

Sustainability

We place a high importance on health and safety and as such, we provide safety training for operations employees and enforce the use of personal protective equipment. These trainings have also been extended to our service providers in both the plantation and cannery. We conducted truck inspection, safety talks and initiated accident forums on safety and training on defensive driving.

Close to 15,000 employees and service providers operate the plantation and cannery including 2,000 drivers and/or operators of a thousand fleet of motor vehicles, farm equipment and contracted trucks all around Bukidnon, Misamis Oriental and Cagayan de Oro city. The Company's accident frequency and severity rate is lower than the recorded rates of other Philippine agricultural industries as published last 2014 by the Bureau of Labor and Employment Statistics (BLES).

	Philippine Cannery	Philippine Plantation
Accident Rate (Accidents/Headcount)	0.6%	0.7%
No of Occupational Health Illness	0	5

Mr Joselito D Campos, Jr, DMPL Managing Director and CEO, visiting Cannery Staff in Bugo, Cagayan de Oro City, Philippines

Training and Development

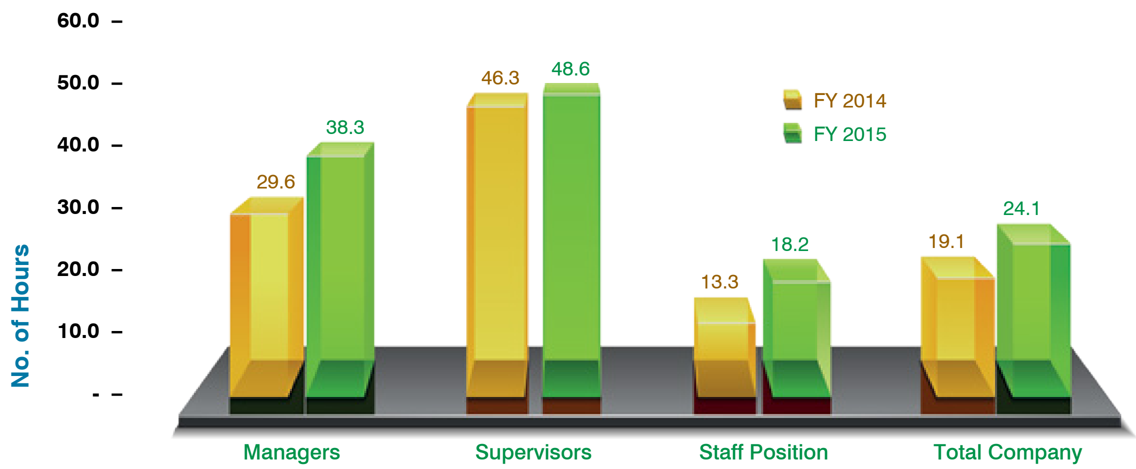
Our Company cultivates a culture of excellence as we continue to encourage our people to innovate and strive for continuous improvement.

Our Roadmap to Global Competitiveness starts with building on the capabilities of each employee on the ground. With the Centre of Excellence on Talent Management, key leaders at the plantation, cannery and Philippine market have developed a Competency Framework that will guide their teams towards achieving the Company's Strategic Roadmap. The Framework that each team drafted pinpoints the specific technical and operational skill set each team member must develop to deliver high performance. Each Competency Framework also serves as a foundation for broad-range people program on recruitment, learning, career development, succession planning and performance management.

Annual Finance Conference planning workshop

Training facilities on-site help employees upgrade technical and other skills. At "PineU" (Pineapple University), plantation personnel hone farming expertise through formal sessions and benchmarking trips. "ManU" (Manufacturing University) opened a breakthrough for cannery staff to reorient on processes and adapt to new technologies. ManU also administers two-year supervisory and trade-traineeship programmes for high-potential applicants and long-serving employees. On the faculty are our senior managers, who count among leading experts in their respective fields. Similar development programmes

Average Training Hours



are implemented in Finance through its Finance University and Marketing's Brand Leadership University (BLU). The objective of these programmes is to improve and enhance development in their respective fields.

In FY2015, the total training hours in the Philippines increased by 26% vs FY2014 which included leadership and business training programmes, culture building, technical and regulatory training.

In the United States, we offer specific developmental programmes to help employees meet organisational objectives, enhance their careers, and maintain a consistently high level of performance. These opportunities include:

- Managers provide internal learning opportunities by working closely with employees to structure appropriate on-the-job activities to meet identified developmental needs;
- External programmes and professional certifications are provided at seminars, conferences or other specialised workshops;
- External university courses are available through the Del Monte Employee Education Assistance Programme. Under the provisions of this programme, eligible employees may receive up to US$5,250 annually in financial assistance for approved courses of study at accredited educational institutions.

The Company has in place a succession plan, with a portfolio of well-trained candidates to assume the responsibilities of Key Management Personnel in the event of an immediate vacancy.

DMPL Operations Committee's annual strategic planning session

Benefits

Our workforce enjoys one of the most attractive compensation and benefit packages granted to agro-industrial workers in the Philippines. Complementing government-mandated privileges for all employees and qualified dependents is a broad range of free medical and dental services, a comprehensive retirement package, and voluntary plans for providential and insurance benefits.

Plantation employees live with their families in Group-owned houses and dormitories (for unmarried employees) within housing camps complete with social hall, chapel, playground and plaza, day care centre, primary and secondary schools, camp clinics and a 100-bed hospital managed by a medical service provider. Employee-organised cooperatives provide our workers with services that enhance economic benefits for their families. Cooperative members enjoy annual dividends and patronage refunds.

The Del Monte Football Club provides opportunities for children of workers to excel in sports as well as earn scholarship grants. The Group's Football Scholars have been selected as members of the Philippine Football Youth Team, and has had the opportunity to play and represent the country in tournaments held in other Asian countries. Children around the region also join the annual Del Monte Football Cup, now on its eighth year with the support of the Philippine and Asian Football Federations.

Children of cannery employees enjoy free year-round weekend tutorials on basketball and, as scheduled, other sports (tennis, swimming, martial arts) and creative skills (photography, theatre arts). Core Values are introduced through learning exposure to help them grow a strong sense of community and family life.

Communication

The Group's strategies and accomplishments as presented to the Operations Committee during the Annual State-of-the-Business Meeting are cascaded to all employee levels through various forms of formal and informal information sharing in divisional, departmental and team assemblies.

Our news magazine called "Tidbits" and a digital edition called "FreshCut" feature key operational goals and programmes, team achievements, environmental initiatives, community outreach efforts, and individual stories that highlight our Core Values. A quarterly wall poster called "Pinikit," written in a Philippine dialect commonly understood in our areas of operations, provides information on our business thrusts and social programmes for the community.

Employee Engagement

As part of the ongoing employee engagement programmes, our employees in the Philippines are involved in various activities that promote a healthy work-life balance which include philanthropic work, sports, fitness classes, music, arts, outreach, summer outing, Halloween and Christmas parties, and eco-projects such as tree planting, and the Brown Bag lifestyle series focus on employee health.

Manila Office employees during their CSR programmes last December 2014

In the USA, we have an adoption assistance programme, community service day allocation (one volunteer day time-off per year), matching gifts, etc.

To improve employee communication, our Human Resources Department in the Philippines has enhanced our online HRIS system called MyHR. It is an online system that maximises technology for fast and accurate employment transactions. Employees can access and update their personal data, apply for leave, request for certificate of employment, view corporate announcements, download HR forms, policies and videos, and update and monitor employee performance.

Other employee engagement initiatives by the company include the Montee stores, where employees can purchase DMPL products at a discount, and the Montee Pass, a tie-up with various restaurants and stores for employee discounts and privileges.

Labour-Management Cooperation

In the Philippines, Labour-Management Cooperation (LMC) councils meet regularly to discuss and decide issues affecting employees, their families, the Group and the community. Memorandums of agreement (MOA) with three key labour unions stipulate wage increases and enhancements in benefits for farm and factory workers from year to year. An LMC Day enjoins plantation union members to celebrate 'wins', including innovations whose benefits have created ripples beyond their own families.

LMCs prepare the ground for efficient and short negotiations between Union and Management, as manifested in the signing of two MOA's covering enhanced economic and social benefits for approximately 3,000 employees at the plantation and cannery in the Philippines.

Cannery and Plantation CBA signing in Cebu City, Philippines

As a testament to the high degree of cooperation between Del Monte Labour and Management, a new Collective Bargaining Agreement for the plantation and cannery hourly-paid employees was ratified on 13 February 2015 for the plantation and on 26 September 2014 for the cannery.

Industrial Relations and Staff Turnover

We employ one of the largest agro-industrial workforces in the Philippines. We have one of the lowest employee turnover rates in the agricultural sector in southern Philippines. The Group is proud to have enjoyed a sustained period of industrial peace, with no notices of strikes and lock-outs for over 40 years.

In the United States, most of our growers are third generation Del Monte Growers, especially in fruit where we have families who have grown for Del Monte for over 70 years. Tomato growers have shorter tenure but many have grown for 30 plus years. Vegetable growers have been with our company in an excess of 20 years, with less than 2% turnover year to year.

Innovation, our Way of Life

To highlight the value of Innovation as a key pillar for global competitiveness and recognise the invaluable contributions of our employees, the Group showcases innovations and creative ideas of employees in various forums within and outside the organisation.

Cannery operators at work

Plantation and cannery employees and service providers present process breakthroughs in work through quarterly and annual Innovations Congress and Quality Circle forums. Past winners have brought home honours from regional competitions.

The Productivity and Cost Efficiency Programme (PCEP) awards both production and support teams that initiate and implement innovations that enhance production capability, enhance worker efficiency and reduce operational costs. Major innovations included energy efficiency and conservation initiatives, automation, process flow improvement, cost reduction programmes, reduced usage of production materials, and improvements on line equipment, generating total savings of close to US$4.0 million in FY2015.

Bursting with Life for our Community

Del Monte Foundation, Inc Community Home Care Programme discussions

The impact of the Group's business is clearly felt in the day-to-day life of communities around its farm and production units. While its business directly and indirectly supports the livelihood of at least 20,000 residents in the Philippines – from fruit growers and truckers to harvesters and maintenance crews – other rural residents greatly benefit from the Group's presence.

Our rich heritage of partnership with host communities inspires us to continue to make a difference in the lives of thousands of families around our worksites and in other areas where insurgency and unrest have hampered growth.

Del Monte Foundation, Inc, a non-stock and non-profit organisation, spearheads our efforts as we expand our reach in the community. The Foundation employs a framework for identifying and selecting community projects, in coordination with the Del Monte plantation and cannery teams. This is in line with their policies and procedures for CSR projects.

Teams fan out daily through close to 100 urban and remote villages to deliver vital community services and help residents face new challenges. The Foundation has served close to 100,000 community residents through scholarships and education, capacity-building, home care and community health, youth development and other programmes.

In the United States, we are proud to support our valued partners in promoting health, wellness and stronger farm to family connections. Our facilities and corporate employees are actively involved in contributing time and money to organisations that serve: medical research, education, natural disaster, special needs, youth activities and veteran support. We also offer employees the option to take one paid day off per year to volunteer for the non-profit organisation of their choice. Employees may also request and receive a matching donation to their charitable financial contributions.

Our US employees have the option to take one paid day off per year to volunteer for the non-profit organisation of their choice

Livelihood Support

We have embarked on a landmark partnership with select local farmers and entrepreneurs who now earn more from underutilised or unproductive farm land. Farmers learn eco-friendly ways to grow high-volume pineapple and papaya for processing at our cannery.

Del Monte Foundation continues to implement its Home Care Education Programme (HCEP), a 5-month programme that teaches women proper nutrition, preventive health, family planning, herbal remedies, emergency care and livelihood skills, amongst others. The course has been enhanced to include FAITH (Food Always in the Home) Gardening, which aims to make households self-reliant for their daily food needs.

Technical Education

We promote short-term technical skills courses as an alternative to college education as we introduce community leaders, family heads, women and out-of-school youth and families of employees to agro-technical skills.

Our main Community Education Centre received official accreditation from the Philippine Technical Education and Skills Development Authority (TESDA), highlighting public-private sector cooperation for community education. The Group has channelled funds for enhanced learning in five centres, all satellite training centres of the government. Fully-equipped workshops welcome students in food processing, commercial cooking, baking, electronics, welding and woodworking. A computer centre, with 15 computer units and internet access, also serves the community.

In 2014, close to 800 graduates from the communities, where we conducted the Foundation's Technical Skills Training Programme, who applied for national certification also passed the assessment tests conducted by TESDA. The NC-II TESDA certification gives graduates the edge when applying for employment locally or abroad.

Scholarships and Education

Gifted children earn quality education from pre-school and primary levels up to post-graduate studies through our academic scholarships, grants-in-aid and sports scholarships. The Jose Yao Campos College Grants-in-Aid Scholarships, launched in 2008, is funded through the personal contribution of Group CEO Joselito D Campos, Jr.

A total of 35 new Del Monte Barrio Scholars join the pioneer 110 Barrio Scholars recruited from last year by the Foundation. Scholars enjoy free tuition, other fees and allowances until they complete high school or college.

Latest batch of Del Monte Scholars for School Year 2014 - 2015

For the school year 2014-2015, 375 Del Monte scholars were enrolled in different schools in the region under academic, barrio and sports scholarships as well as from the Jose Yao Campos Grants-in-Aid. Fifteen (15) college scholars graduated in March 2015, six of which graduated cum laude. Eleven (11) scholars who graduated in 2014 and took licensure examinations with the support of the Foundation also made it with flying colours.

Sustainability

Over 1,000 alumni of Del Monte's college scholarship programme started in 1956 are now key contributors to community growth in the Philippines. Among Del Monte's former scholars are:

- Cayetano Paderanga, Jr, former member of the Cabinet of Philippine President Benigno C Aquino III, who served as Secretary for Economic Planning and Director-General of the National Economic and Development Authority;
- Attorney Rufus Rodriquez, a prominent member of the Philippine House of Representatives representing Cagayan de Oro City, who initiates and supports legislative proposals for enhanced government support to community education;
- Engineer Elpidio Paras, an inventor and pioneer in the telecommunications industry in Southern Philippines, who now serves as Chairman of the Board of Trustees of Xavier University-Ateneo de Cagayan, and a leading proponent of quality education in the Philippines;
- Dr Lampa Pandi, former Undersecretary of Health for the Autonomous Region of Muslim Mindanao, who continues to serve the region's Muslim community as municipal mayor of his hometown Poona Bayabao, Lanao del Sur. He also served as resident doctor of Phillips Memorial Hospital.
- Dr Glenn Gregorio counts among the leading plant geneticists in Asia. For his pioneering work in rice genetics and outstanding contributions to enhanced rice production in the Philippines, he was named one of the Ten Outstanding Young Men of the Philippines in 2004.

Consistent with our commitment to help the national government address the shortage in school facilities, ie, classrooms, chairs, etc, the Foundation undertakes the construction and donation of classrooms, chairs and tables. The chairs and tables were made from recycled wooden pallets from the cannery.

Donation of one 2-classroom building for the Impalutao Integrated School in Impasug-ong

Youth Development

We work closely with the community to harness the potential of the youth to lead and transform their communities into self-sufficient units for nation-building.

Rural youth comprises a majority of graduates under the Foundation's technical skills training programme. Community youth leaders also join Leadership Trainings after which they are expected to harness resources of their respective youth organisations to attain both medium- and long-term development goals of their communities.

With the cooperation of the Philippine Drug Enforcement Agency which provided eloquent resource persons, the Foundation organised two (2) symposia on Drug Abuse Prevention in Pangantucan, Bukidnon during the year.

Community Health

As a company with a mission to raise the level of global health and wellness, we help bring greater awareness on health, nutrition and food safety to our host communities.

Medical and dental missions conducted by Del Monte Foundation, Inc

With the Del Monte Ladies' Civic Association and the Phillips Memorial Hospital, we conducted medical missions or free clinics in eight remote villages where families rarely see a doctor in their lifetime benefiting close to 3,600 patients.

Mobile Clinics serves one to two barangay communities daily, bringing free medicines and the services of a doctor to communities where medical care is out of reach.

Hope Bears Fruit

Donation of fishing boats to typhoon victims

Hope bears fruit for fishing communities in Northern Leyte. Ten brand new 18- and 20-footer fibreglass fishing boats were donated to these communities through the joint contribution of the Foundation and the Company's employees. This initiative to help victims of typhoon Yolanda (International code Haiyan) was undertaken in partnership with the American Chamber of Commerce in the Philippines. Seven of the fishing boats were given to fishermen's families to boost their livelihood after their boats were destroyed by the typhoon. Three other boats were turned over to Bantay Dagat Association (Sea Watch Association) to help safeguard local waters against illegal fishing and support search and rescue operations.

Feeding America

Since 2010, Del Monte Foods, Inc (DMFI) contributed more than 12 million pounds of product to Feeding America or local food banks.

DMFI is proud to be a long-standing supporter of this leader in hunger-relief charity work. Formerly named 'America's Second Harvest', Feeding America is the nation's largest non-profit organisation addressing hunger. Each year the Feeding America network provides food assistance to more than 25 million low-income people facing hunger in the United States, including more than nine million children and nearly three million senior citizens, through their network of more than 200 food banks throughout the country. These food banks support about 63,000 local charitable agencies that distribute food directly to Americans in need by way of some 70,000 programmes including food pantries, soup kitchens, emergency shelters, and after-school programmes.

We also voluntarily participate in the Second Harvest Field to FoodBank programme where our carrot growers grow carrots specifically for the Central Wisconsin Food Banks. This programme was developed in response to the financial collapse in 2008 to serve local Wisconsin communities who were impacted. Along with our can manufacturer who donates the cans, the growers who donate the crops, and the truckers who donate the hauling time and fuel, we donate the processing time and equipment to deliver safe and nutritious products in an area where we do business. Together, we have collectively grown the programme from 3,000 cases in 2008 to over 20,000 cases in 2014.

Product Integrity

Drawing strength from our heritage of quality and reliability, we produce globally competitive food products in the most sustainable way possible. We implement strict controls throughout our operations to ensure our products consistently meet the highest levels of quality, safety, and purity. Continuous improvement of our quality system is driven through management review, quality planning and quality improvement teams. We maintain a product traceability programme that allows us to track products shipped to our customers.

Six out of ten households in the States have a Del Monte product in their pantry

Our agro-industrial processes in the Philippines are accredited by the world's leading certifying bodies, with seven and 19 quality audits performed in January-April 2014 and FY2015, respectively, by reputable, independent international auditors, business partners and customers.

The Cannery Team after passing the FSSC 22000 certification process

Del Monte Philippines raised the bar on quality manufacturing with its first Food Safety Systems Certification (FSSC). FSSC 22000 is currently the world's leading ISO-based food certification standard. It is an International Standard recognised by Global Food Safety Initiative (GFSI) for the manufacture and processing of foods and food packaging materials. FSSC incorporates key systems – ISO, HACCP, GMP, and Manufacturing standards - into a single system.

Aside from FSSC 22000, other quality certifications issued to DMPI include ISO 9001:2008, HACCP (Hazards Analysis and Critical Control Points) and Food Hygiene – GMP (Good Manufacturing Practices), Grade A certification from British Retail Consortium for continued entry of our products into the United Kingdom, International Featured Standards for food imports into Europe; Sure – Global – Fair (certified under the Voluntary Control System of the SGF of the European Union) and certifications for HALAL for countries with Muslim population, and Kosher (certified by Kashrus and Triangle K) for the Jewish community.

FieldFresh Foods Pvt Ltd was granted Kosher Certification for juice products intended for sale in Israel under the S&W brand

The respective Food and Drug Administration of the United States, Republic of South Korea and the Philippines have issued quality certifications for importation and purchase of our products in their respective territories.

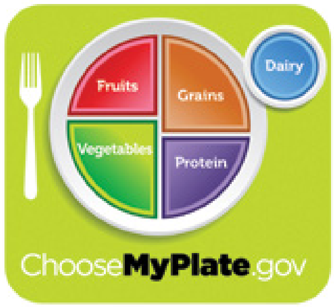
The Company is ISO9001:2008 certified for Toll Manufacturing Operations Quality Management Systems, validating Industry Best Practices, in cooperation with manufacturing business partners, in producing safe and quality products for our customers in the Philippines.

In the United States, the foundation of our food quality and safety programme is based upon the following: Industry Best Practices, FDA and USDA Regulations and Compliance Standards, Customer Requirements, the Global Food Safety Initiative (GFSI), the ISO 22000 standard and AIB guidelines. As of July 2012, all DMFI-owned production facilities are GFSI certified.

We are regularly challenging and evolving our system to meet the changing needs of both the industry and our customers. The effectiveness of DMFI's quality system is further evaluated through customer and consumer feedback, as well as its three-tiered approach to auditing. First tier requires regular internal plant audits, followed by tier two consisting of annual corporate quality systems audits modelled after ISO 22000. Tier three involves annual third-party GFSI audits. Additional third-party audits are conducted through state and federal agencies, and customer audits.

Nutritious Products for Consumers

In Asia, our nutrition platforms are anchored on weight management, heart health and bone health. In the United States, we aim to have a good number of our products provide at least half a cup of fruits or vegetables per serving and to meet healthy nutrient levels as specified by the FDA. A majority of our products are low in fat and we carry several specialised product lines: organic, low-salt and reduced-salt, no sugar added, and light-in-calories for those seeking additional health benefits or following specific dietary regimes. We have more No-Sugar-Added fruit products, and No-Salt-Added, and Reduced-Sodium vegetable products than any other brand in the States.



Approximately 95 percent of all Del Monte canned fruit, vegetable and tomato products are preservative-free. As such, we are recognised as a Produce for Better Health Foundation (PBH) Role Model; PBH's highest recognition level, awarded to those who provide significant steps toward improving the health of Americans. We are also a national partner of the USDA's "Choose My Plate" initiative.

Bursting with Life for the Environment

The success of our business is intertwined with responsible stewardship of nature, the source of our products and profits. As such, we continuously build on our agro knowledge and experience, and communicate our Environmental Policy to our stakeholders as we support resource-efficient processes to enhance our environmental footprint.

Our environmental management system sets out rigorous guidelines and processes to ensure that our facilities meet the highest standards of environmental performance, every day. In the USA, our programme is based on the ISO standard 14001. We view full compliance with all

Del Monte pineapple plantation in Bukidnon, Philippines applicable regulations as a minimum goal, and strive to exceed industry standards across our operations.

Our environmental team remains on the cutting edge of environmental management by being active in industry and governmental forums, and by taking leadership roles in local, regional, and national environmental organisations.

In 2007, DMFI set aggressive environmental footprint reduction targets for energy, water and waste. It was able to meet most of its goals in 2014 and are currently refreshing goals in 2015. DMFI also took initial steps in analysing GHG emissions along its supply chain. In 2009, DMFI partnered with a third-party to assess its supply chain emissions by commissioning a hybrid lifecycle assessment. The results concluded that majority of its emissions are attributed to the production of purchased ingredients and materials (Scope 3 according to World Resources Institute GHG Reporting Protocol).

In the Philippines, our Carbon Footprint is negative, implying that our operations are eco-friendly. We employ best practices to monitor and continuously improve our overall Carbon Footprint.

Agricultural Practices in the Philippines

The foundation of our sustainable agriculture practices is efficient land use, carried on from our pioneers who started farming in 1926 in areas where no forests in the Philippines were cleared to give way to pineapple fields. Additional land acquired later by our pioneers were already cultivated to other crops. Today, pineapple is the fifth major farm produce in the Philippine province where we continue to farm, after corn, rice, sugar cane and banana. Pineapple fields account for five percent of the province's agricultural land area of 375,000 hectares or about two percent of its total land area of 1.04 million hectares.

Across 89 years of operation, our land use practices are mainly aimed at improving plantation yield through ecologically friendly land preparation, plant disease management and chemical application; efficient water sourcing and drainage; and use of sustainable planting materials.

With better fruit quality and greater operational efficiency, we have initiated programmes to minimise waste, improve efficiencies in electricity and water consumption; increase usage of recycled but viable packaging materials; measure production efficiencies via 5S, Total Productive Maintenance and 6 Sigma; enhance the health and well-being of our workforce and their families; and ensure compliance of our service providers with local labour laws.

Our agricultural teams work closely with local farmers to adopt agronomic measures that can mitigate adverse consequences of crop agriculture on soil and water conservation. Responsible farming focuses on sustainable crop cultivation and efficient drainage systems, with innovative as well as tried-and-tested practices, including minimising build-up of surface water during heavy rain, and positioning grass strips at strategic points to slow down waterflow.

Following local government regulations, the Group has not expanded its farmed areas in the Philippines. The Group's biggest leased landholdings remains under the collective ownership of the Del Monte Employees Agrarian Reform Cooperative, a cooperative among the Group's employees organised in 1988 under the Philippine Comprehensive Agrarian Reform Programme. The Group fully cooperates with agrarian reform beneficiaries and the Philippine Department of Agrarian towards efficient implementation of CARP. Other landholdings are leased by the Group from lawful landowners by virtue of their respective ownership or stewardship documents as attested by concerned government agencies.

Pineapple harvesting operations

Our plantation in the Philippines received its first GLOBALGAP (Good Agricultural Practices) certification, further affirming a management system focused on Food Safety, Worker's Health and Safety, Environmental Protection and Conservation of Wildlife. GLOBALGAP is a globally-recognised private sector body that sets voluntary standards for agricultural products.

Our participation in the GLOBALGAP certification process was voluntary, and was a strategic response to customers calling for safe food worldwide. A Philippine GAP certificate issued by the Philippine Department of Agriculture in the Philippines in 2010 also attests that our farms grow, pack and distribute fresh produce in conformance with international standards on food safety and quality.

Agricultural Practices in the USA

The fruits and vegetables we use in our products are contractually grown on farms that collectively span thousands of acres of land. Although we do not own any of these farms, we help our growers implement advanced agricultural practices to reduce the amount of water, fertilizer and pesticide needed to grow healthy and productive crops. We provide support through programmes that are integrated from initial research through to the final product.

Partnering with Growers

Del Monte contracts with 900 farmers across North America, and about 90% of the food we produce is grown in the US. Our crops are locally sourced and travel less than an average of 100 miles from the field to the manufacturing gate, and an average of 350 miles from distribution centre to retailer. Many growers are third generation Del Monte Growers, especially in fruit where we have families who have grown for Del Monte for over

70 years. Tomato growers have shorter tenure but many have grown for 30 plus years. Vegetable growers have been with our company in an excess of 20 years, with less than 2% turnover year to year.

Our company is unique compared to our competitors where we have our own dedicated agricultural Seed Operations research team. Seeds produced by our Seed Operations team are bred naturally, with no genetic engineering. This team carefully select those plants that exhibit desirable traits to produce stronger crops through traditional breeding techniques. Seeds for the peas, beans, corn, and spinach are ones that originate from varieties that we have bred to exhibit beneficial characteristics such as high yield, hardiness, and pest-resistance which in turns reduces the overall environmental footprint. For example, the yield per common case of corn in 2014 was 43% greater than that in 2000.

Lastly, we are an avid participant in the Stewardship Index for Specialty Crops, a multi-stakeholder organisation piloting on-farm metrics with growers to track and monitor agricultural inputs to drive continuous improvement and gained efficiencies.

Tomato farm in the Central Valley, California where all our tomatoes grow

Pest Management

We have participated in a number of Integrated Pest Management (IPM)-related partnerships and initiatives to share knowledge and best practices:

- Charter member and active participant in the United States Environmental Protection Agency's Pesticide Environmental Stewardship Program (PESP);
- Board member of the National Foundation for IPM Education;
- Partner in the California Pear Pest Management Research Fund, which has funded more than US$2 million in IPM and sustainability research;
- Lead Processor in the Pew Center for Agricultural Partnerships (CAP) Northwest Pear Initiative;
- In 2007, Del Monte's Dr Brian Flood co-edited the definitive text on IPM in Midwest vegetables titled "Vegetable Insect Management". The principles outlined in the book apply to both disease and weed pests and serve as a constant reference for our pest management team.

Optimising Irrigation

Our growers use various irrigation systems to supplement natural rainfall and ensure a steady and reliable water supply for their crops. We are mindful that in many parts of the country, water scarcity is a real and pressing environmental concern. We thus work with our growers in implementing the least water-intensive cultivation methods possible.

We recently embarked on a new irrigation optimisation project with other food processors and the California Tomato Growers Association. The initiative focuses optimising water use while maintaining crop productivity, thus lessening the strain on drought-stricken regions of the state. To date, over 98 percent of our 25 tomato growers located in California utilise drip irrigation.

Energy Efficiency

Consistent power supply has been a major issue for companies in Mindanao Philippines.

The Renewable Energy Plant at the Cannery, Cagayan de Oro City, Philippines

Responding to this challenge and the global clamour for the use of renewable energy, Del Monte embarked on a Renewable Energy project that produces bio-gas using the cannery's wastewater. More significantly, cleansed water discharged at coastal waters of Macajalar Bay remains at BOD levels below mandated government food production industries.

The Renewable Energy Plant has the potential to generate 5.6MW of electricity which represents 71% of the cannery's power demand. This plant supports our Company's long-range Business Plan for increased production which ensures 100% wastewater treatment, and serves as a shield against unstable power supply and power cost increases. This plant can do what an equally eco-effective but power-intensive aerobic treatment plant does.

This plant highlights our commitment to reducing GHGs, recycling while enhancing our business competitiveness through reduced energy costs.

In the United States, as early as 2009, solar panels began generating renewable energy at the primary tomato production Hanford, California facility. 6,400 solar panels were installed covering over 122,473 square feet, and producing 1.8 million kWh – equal to more than 8 percent of total electricity requirements during non-pack season. The solar panel installation at the Hanford facility has enabled DMFI to become a member of the EPA Green Power Programme.

As a result of these efforts, Del Monte received the 2011 Greenhouse Reduction Award from the California Manufacturers and Technology Association and the Industrial Environmental Association. This Award recognises companies that display environmental excellence in their operations.

In 2007, DMFI set an energy reduction goal of 10 percent in GHGs per ton of finished product with the target year of 2016. To date, it has stayed relatively flat at one percent reduction due to fluctuations in production volumes. However, DMFI's total electricity and natural gas usage in 2014 was approximately 104,500,000 kWh and 1,707 MMcf, respectively, equalling the generation of 153,211 metric tonnes of GHG emissions – down by 14,000 metric tonnes versus the 2007 GHG emission level.

Our Modesto Plant in the US serves as an example of a facility that implemented multiple initiatives to reduce energy consumption. The plant installed a combined heat and power system, selective catalytic reduction unit, condensing economiser, and backpressure turbine generator to its boiler system. These upgrades cut natural gas use by 20 percent. Lighting, compressed air, and other electric efficiency upgrades also reduced energy use by 12 percent. DMFI has a company-wide programme dedicated to implementing condensing economisers to improve heat recovery and steam system efficiency. As of 2012, 50 percent of DMFI's facilities utilise this technology, and it continues to expand this programme across its other facilities.

DMFI began utilising one type of energy efficiency equipment in 2001. This equipment allows it to capture waste heat from boilers and reuse it in other plant processes. Six facilities installed "condensing boiler stack economisers" to use hot exhaust gases from boilers to preheat water in a heat-exchanger system. This process improves the operating efficiency of the boilers by up to 12 percent, reducing the amount of natural gas needed to run the boilers by the same percentage. We are currently installing this technology at two additional plants.

Water Efficiency

To the extent possible, we capture and reuse water within the plant. For example, at most of our facilities we recycle our can cooling water and, through heat exchangers, use it to preheat our boiler feed water. By doing so, we reduce the amount of new water needed and also reduce our energy needs.

In 2014, DMFI and its subsidiaries used 1,465 million gallons of fresh water at production facilities, distribution centres, and research locations – a reduction of 571 million gallons or 28 percent versus 2007.

Waste Management

Our pineapple pulp waste disposal system in the Philippines, a pioneering effort started in the 1950s, converts a by-product of the cannery into feed for our cattle farm at the plantation. This helps us reduce waste and cut costs.

Our high-filtration extraction system processes excess juice into pineapple concentrate and syrup, significantly reducing volume of wastewater.

Plantation-based families share in our total conservation effort as they segregate domestic solid waste right in their own homes. Recyclable materials collected from households are sold to fund community projects.

In the United States, we are currently benchmarking our waste management practices - specifically comparing landfilling to recycling rates to ensure that we are managing our waste streams in the most efficient manner possible. We instituted a "Ner0 Landfill" policy (Ner0 means Near Zero) where we aim to divert up to 98 percent from reaching the landfill based on the Environmental Protection Agency's Waste Reduction Hierarchy.

For over three years, DMFI has been actively involved in the Food Waste Reduction Alliance (a collaborative effort between the Grocery Manufacturers Association, Food Marketing Institute, and National Restaurant Association). DMFI research food waste in its supply chains and identify where and how it can make a difference by learning from each other and receiving guidance from European entities, environmental organisations and industry-related firms.

In 2014, less than 3% of the total waste DMFI generated at production facilities, distribution centres, and research locations went to a landfill. The rest was reused for feed stock, reapplied to farm land, used for waste-to-energy, or recycled.

Sustainability

In 2015, our Walnut Creek Research Center (WCRC) in California received a "RecycleSmart" Award from the Contra Costa Solid Waste Authority for our food waste recovery efforts. The WCRC diverts the food and packaging materials of the unused food by the manual opening of pallets of un-donatable packaged food, recycles the container and sends the food to compost for energy as part of a local restaurant programme, Food Recycling Project. Our WCRC is also certified as a Bay Area Green Business due to its efforts to conserve water, energy and waste, implement eco-friendly materials and engaging employees in conservation behaviour best practices.

Responsible Use of Materials

We work with local government units, suppliers and community organisations to ensure a safe environment for our workers and host communities. We comply with government standards in the use of fertilizers and industrial chemicals, including safe transport and handling, and collection and recovery of packaging materials. We conduct regular safety audits on our fertilizer and chemical storage and work areas. A Supplier Quality Management programme and product traceability measures are in place to respond to customer requirements. Audit results are shared with concerned teams to ensure deficiencies are immediately addressed. Workers handling chemicals are issued protective equipment and undergo regular medical check-ups.

We have launched a comprehensive programme to increase Safety and Health Awareness as we aim for reduced worksite accidents and increase preparedness for all types of emergencies (fire, flood, earthquake, terrorism). Through "Project Safe," information drives, surveillance audits and safety drills are conducted regularly across all plantation facilities, including employee homes, and at our cannery.

Green Initiatives

Under our new sustainability framework, we have significantly enhanced our stakeholder advocacy programme for environmental conservation. While our carbon footprint remains within global standards, many initiatives were undertaken during the year to reduce process residues, strengthen energy conservation in all worksites and plantation homes, and explore more efficient energy sources.

Tree planting activities by Del Monte employees

In support of GAP, we undertake innovative composting, community-based tree planting and reforestation of denuded areas close to our operations sites. A total 15,000 trees were planted in 2014, compared to only 3,000 in 2013. The Foundation aggressively pursued tree growing efforts and has partnered with schools and organisations in the vicinity of the plantation to gather volunteers to plant more trees. Beneficiaries of its training programmes also planted trees in community tree parks prior to their graduation. The Foundation scholars gathered to continue their yearly commitment to plant trees during school break.

Karner Blue Butterfly Habitat

Del Monte Foods' efforts to save the Karner Blue butterfly

The Karner blue butterfly is a threatened species in Wisconsin. It relies exclusively on wild lupine as its food source. Unfortunately, lupine is a prairie wildflower whose range has declined precipitously as agriculture has expanded into prairie lands. Del Monte partnered with the Wisconsin State Department of Agriculture, Trade, and Consumer Protection over a five-year period to grow lupine at the Company's research farm in Plover, Wisconsin. We distributed seeds from the lupine to volunteers for planting to spread the distribution of this native wildflower and support the resurgence of the Karner blue in its natural range. Read more about the Karner blue butterfly and habitat restoration efforts at: http://dnr.wi.gov/

Corporate Governance

Del Monte Pacific is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited ("SGX-ST"), and similarly upheld by the Philippine Stock Exchange, Inc (the "PSE") and the Philippine Securities and Exchange Commission (the "SEC").

The Board of Directors and Management are also committed to use their best endeavours to align the Company's governance framework with the recommendations of the revised Code of Corporate Governance which was issued on 2 May 2012 by the Monetary Authority of Singapore (the "2012 Code"), as well as the Governance and Transparency Index ("GTI") and the ASEAN Corporate Governance Scorecard ("ACGS").

The Company confirms that it has adhered to the principles and guidelines set out in the 2012 Code, where applicable, and has identified and explained areas of non-compliance in this report.

This report describes the Company's corporate governance policies and practices with specific reference made to each of the principles of the 2012 Code (where stated) in compliance with the Listing Manual of the SGX-ST.

Board Matters

Principle 1
The Board's Conduct of Affairs

The Board of Directors ("Board") oversees Management and ensures that the long-term interests of the Company's shareholders are served. The Board provides entrepreneurial leadership and sets the strategic direction for the Company. It is responsible for the overall policies and integrity of the Group to ensure success. The Board will amongst other things, review on an annual basis (i) the vision, mission and strategy of the Company; and (ii) Management's performance.

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. These include approval of the Group's strategic plans, appointment of Directors and key managerial personnel, annual budgets, major investment proposals, and review of the financial performance of the Group.

The Company has established guidelines setting forth matters reserved for the Board's decision. Management was also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval.

Certain material corporate actions that require the Board's approval are:

- quarterly results announcements;
- annual results and financial statements;
- grant of share awards or options;
- remuneration and HR matters;
- declaration of dividends;
- convening of shareholders' meetings;
- merger and acquisition transactions; and
- major transactions and investments.

The Company's Memorandum and Articles of Association require the Directors to abstain from participating in the Board discussion on a particular agenda if they are conflicted.

The Board likewise reviews and approves all corporate actions for which shareholder approval is required.

To facilitate effective management, certain functions have been delegated to various Board committees, each of which has its own written terms of reference ("TOR") and whose actions are reported to and monitored by the Board. To achieve its goals, the Board ensures that the Company is equipped with the necessary financial, technical and human resources. The Board, together with Management, shapes the Company's values and standards to be more dynamic, innovative and global in its mindset and outlook.

The Board works closely with Management to drive the Group's business to a higher level of success. Management is accountable to the Board and its performance is reviewed by the Board annually.

The Board has also put in place a framework of prudent and effective controls that allows risks to be assessed and managed.

The Board ensures that obligations to shareholders and other stakeholders are understood and complied with. With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from various regulatory requirements and changes.

The Board meets at least quarterly, or more frequently when required, to review and evaluate the Group's operations and performance, and to address key policy matters.

Board meetings are scheduled to enable the Board to perform its duties. These meetings are scheduled before the start of the financial year. Board papers are provided to the Board at least five (5) business days before the date of meeting.

During the period in review[1], the Board held seven (7) meetings. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management.

Attendance for the Transition Period from 1 January 2014 to 30 April 2014

Directors	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Share Option Committee Meetings	Nominating Committee Meetings
Mr Rolando C Gapud	2	1	2	1
Mr Joselito D Campos, Jr	2	NA	NA	NA
Mr Edgardo M Cruz, Jr	2	1	2	1
Mr Benedict Kwek Gim Song	2	1	1	1
Mr Patrick L Go	2	1	2	1
Dr Emil Q Javier	2	NA	NA	1
Mr Godfrey E Scotchbrook	2	1	2	1
Total No of Meetings Held	**2**	**1**	**2**	**1**

Attendance for FY2015 from 1 May 2014 to 30 April 2015

Directors	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Share Option Committee Meetings	Nominating Committee Meetings
Mr Rolando C Gapud	5	5	3	–
Mr Joselito D Campos, Jr	5	NA	3	NA
Mr Edgardo M Cruz, Jr	5	5	3	–
Mr Benedict Kwek Gim Song	5	5	3	–
Mr Patrick L Go	5	4	3	–
Dr Emil Q Javier	5	NA	3	–
Mr Godfrey E Scotchbrook	5	5	3	–
Total No of Meetings Held	**5**	**5**	**3**	**–**

New Directors undergo an orientation programme whereby they are briefed by the Company Secretary on their obligations as Directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They are also briefed by Management on the Group's industry and business operations. Ongoing orientation includes visits to the Group's plantation and manufacturing facilities for existing Directors, in order for Board members to gain a firsthand understanding and appreciation of the Group's business operations.

Timely updates on developments in accounting matters, legislation, jurisprudence, government policies and regulations affecting the Group's business and operations are likewise provided to all Directors. The Board was duly updated on the 2012 Code, as well as on any developments or changes to relevant laws and related matters.

[1] *Due to the Company's change of financial year end to 30 April 2015, any references to "the period in review" in this Corporate Governance Report shall mean to cover (i) the transition period from 1 January 2014 to 30 April 2014; and (ii) the financial year FY2015 from 1 May 2014 to 30 April 2015.*

In addition, all Directors are encouraged to regularly attend such training as may be relevant to the discharge of their responsibilities, at the expense of the Company, as set out in the table below:

Directors and Officers Training and Seminars Attended in January 2014 - April 2015

Date	Location	No of hours	Training/Seminar/ Conference	Organiser	Attendees
19 Sep 2014	Manila	3.0	Corporate Governance Seminar	SGV	Joselito D Campos, Jr
20-24 Oct 2014	California	45.0	Executive Programme on Innovation	Singularity University, Silicon Valley	Patrick L Go
21 Oct 2014	Manila	8.5	SEC-PSE Corporate Governance Forum	SEC and PSE	Antonio E S Ungson
18, 20 Nov 2014	Hong Kong	8.0	Investor Relations Update		Godfrey E Scotchbrook
2-4 Dec 2014	Amsterdam	24.0	Health Ingredients Europe and Natural Ingredients 2014	UBMi BV	Ma Bella B Javier
2 Apr 2015	Singapore	9.5	Leadership Judgment and Succession	WPO/YPO	Patrick L Go

The Nominating Committee ("NC") has formalised procedures for the selection, appointment and re-appointment of Directors. Letters of appointment will be issued to Directors setting out their duties, obligations and terms of appointment, as appropriate.

The Board is of the view that all Directors objectively discharge their duties and responsibilities at all times as fiduciaries, in the interest of the Company.

Principle 2
Board's Composition and Guidance

The Board comprises seven (7) Directors, three (3) of whom are Executive Directors. The four (4) Non-Executive Directors are Independent Directors. The composition of the Board of Directors is as follows:

Mr Rolando C Gapud	Executive Chairman*
Mr Joselito D Campos, Jr	Managing Director and CEO
Mr Edgardo M Cruz, Jr	Executive Director
Mr Benedict Kwek Gim Song	Lead Independent Director
Mr Patrick L Go	Independent Director
Dr Emil Q Javier	Independent Director
Mr Godfrey E Scotchbrook	Independent Director

* *On 1 July 2015, Mr Rolando C Gapud was re-designated from Non-Executive Chairman to Executive Chairman of the Board.*

The profiles of the Directors, including information on their appointments and re-appointments, are set out on pages 8-9 of this Report.

Lead Independent Director

Mr Benedict Kwek Gim Song acts as the Lead Independent Director and is the principal liaison to address shareholders' concerns, in which direct contact through normal channels of the Chairman, CEO or Management had failed to resolve, or for which such contact is inappropriate. His role as Lead Independent Director includes the following:

- Act as liaison between the Independent Directors and the Chairman of the Board and lead the Independent Directors to provide a non-executive perspective in circumstances where it would be inappropriate for the Chairman to serve in such capacity, and to contribute a balanced viewpoint to the Board;

- Advise the Chairman of the Board as to the quality, quantity and timeliness of information submitted by Management that is necessary or appropriate for the Independent Directors to effectively and responsibly perform their duties;

- Assist the Board in better ensuring compliance with, and implementation of, governance guidelines; and

- Serve as a liaison for consultation and communication with shareholders.

The Board is of the view that a strong element of independence is present in the Board with Independent Directors making up more than half the Board. The Board exercises objective and independent judgment on the Group's corporate affairs. No individual or group of individuals dominates the Board's decision-making.

In addition, the roles of the Chairman and the CEO are assumed by different persons.

The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against pre-determined goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. The Directors exercise independent judgment and discretion on the Group's business activities and transactions, in particular, in situations involving conflicts of interest and other complexities.

The NC, on an annual basis, determines whether or not a director is independent, taking into account the 2012 Code's definition.

Independence is taken to mean that Directors have no relationship with the Company, or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment.

The 2012 Code states that the independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment should be subject to particularly rigorous review.

The NC had assessed the independence of each Director, including Directors whose tenure had exceeded nine (9) years from the date of their first appointment. In this regard, the NC had noted that Mr Patrick L Go (first appointed on 19 April 2001) and Mr Godfrey E Scotchbrook (first appointed on 28 December 2000) would be deemed non-independent under the guidelines of the 2012 Code.

The NC had noted that Mr Patrick L Go, although first appointed in 2001, was re-designated in 2006 as an Independent Director. In addition, based on the NC's observation, both Mr Patrick L Go and Mr Godfrey E Scotchbrook had demonstrated independent mindedness and conduct at Board and Board committee meetings. The NC is also of the firm view and opinion that both Mr Patrick L Go and Mr Godfrey E Scotchbrook are able in exercising independent judgment in the best interest of the Company in the discharge of their duties as Directors, despite their extended tenure in office.

The NC, having reviewed the individual Directors' judgment and conduct in carrying out their duties for the year in review, deems that Mr Patrick L Go, Dr Emil Q Javier, Mr Benedict Kwek Gim Song and Mr Godfrey E Scotchbrook continue to be independent.

Each member of the NC had abstained from deliberations in respect of the assessment on his own independence.

Our Directors also bring invaluable experience, extensive business network and expertise in specialised fields, such as strategic planning, mergers and acquisitions, corporate finance and restructuring, accounting, marketing and business development, risk and crisis management, corporate communications and investor relations.

The size, composition, range of experience and the varied expertise of current Board members allow discussions on policy, strategy and performance to be critical, informed and effective. The Board is mindful of the diversity advocated by the 2012 Code and will be reviewing the Board's composition with a view to producing a Diversity Policy in the future.

Management, together with the Board Committees, namely, the Audit and Risk Committee ("ARC"), NC, and Remuneration and Share Option Committee ("RSOC") supports the Board in discharging its responsibilities. The roles and powers of the Board committees are set out separately in this Report.

All committees have been constituted with clear written TORs which set out the duties, authority and accountabilities of each. The TORs are reviewed on a regular basis to ensure continued relevance. The TORs of the respective committees had also been updated to be in line with the 2012 Code.

Principle 3
Chairman and Chief Executive Officer

There is a clear division of executive duties and responsibilities in the Company, providing checks and balances to ensure that there is no concentration of power, in any one individual and that accountability is increased. The Company's business is managed and administered by the Managing Director and CEO, Mr Joselito D Campos Jr, whilst the Board is headed by Mr Rolando C Gapud as Chairman. The Chairman of the Board and the CEO are not related to each other.

The Chairman sets the tone of Board meetings to encourage proactive participation and constructive discussions on agenda topics. During Board and Board Committee meetings, the Chairman ensures that adequate time is available for discussion of all agenda items, in particular, discussions on strategic matters and issues. Constructive relations between the Board and Management are encouraged, as with Executive Directors and Non-Executive Directors. The Chairman ensures that Directors and shareholders alike, receive clear, timely and accurate information from Management, thus maintaining the Company's high standards of corporate governance.

The Board of Directors was honoured to receive the Best Managed Board (Gold) Award from the Singapore Corporate Awards (for companies with a market capitalisation of between S$300 million to less than S$1 billion) in July 2015, and will continue to uphold the Company's high standards of corporate governance.

Principle 4
Board Membership

The NC was set up on 7 February 2003 and currently comprises the following members, a majority of whom, including the Chairman, are Independent Directors:

Mr Godfrey E Scotchbrook	NC Chairman
Mr Rolando C Gapud	Member
Mr Edgardo M Cruz, Jr	Member
Mr Benedict Kwek Gim Song	Member
Mr Patrick L Go	Member
Dr Emil Q Javier	Member

Under its TOR, the NC is responsible for reviewing the Board's composition and effectiveness and determining whether Directors possess the requisite qualifications and expertise and whether the independence of Directors is compromised.

All appointments and re-appointments of Directors are first reviewed and considered by the NC and then recommended for approval by the Board. The NC has formalised this process and has adopted procedures for the selection, appointment and re-appointment of Directors, in order to increase transparency of the nominating process.

The NC will evaluate the balance of skills and competencies on the Board and in consultation with the Chairman of the Board and Management, determine the desired skill sets and qualities for a particular appointment.

The NC does not usually engage the services of search consultants to identify prospective candidates and will consider recommendations and referrals provided the prospective candidates meet the qualification criteria established for the particular appointment.

The NC undertakes the process of identifying the quality of directors aligned with the Company's strategic directions. The NC will evaluate the suitability of a prospective candidate based on his qualification and experience, ability to commit time and effort in the effective discharge of his duties and responsibilities, independence, past business and related experience and track record. The NC will also identify any core competencies that will complement those of current Directors on the Board.

The NC is also tasked with reviewing the performance and contribution of the Directors in order to nominate them for re-election or re-appointment. The NC will review, in particular, the Directors' attendance and participation at meetings of the Board and Board committees, and their efforts and contributions towards the success of the Group's business and operations.

The NC reviews and determines the independence of each Director on an annual basis.

Details of each Director's academic and professional qualifications, directorships or chairmanships in other companies, and other major appointments, are presented on pages 8-9 of this Annual Report.

In cases where a Director has multiple Board representations, the NC also assesses whether such Director has been adequately carrying out his duties as a Director of the Company. The NC noted the confirmations from Directors who held multiple Board representations that their time/effort in carrying out their duties as Directors of the Company would not be compromised.

In addressing competing time commitments faced when Directors serve on multiple boards, the Board had set a maximum limit of four (4) directorships and/or chairmanship that Executive Directors can hold concurrently for listed companies and a maximum limit of five (5) directorships and/or chairmanship for Independent and Non-Executive Directors. The details of directorships and/or chairmanships in other listed companies and other principal commitments of the Directors are set out in the "Board of Directors" section of the Annual Report.

All Directors hold office for a maximum period of three (3) years whereupon they shall retire in accordance with the Company's Articles of Association but are eligible for re-election. Newly appointed Directors will be subject to re-election at the Annual General Meeting ("AGM") following his appointment.

Directors Retiring Under Article 88

Mr Godfrey E Scotchbrook
Independent Director
Appointed on 28 December 2000
Re-elected on 27 April 2007, 27 April 2009 and 30 April 2012

Mr Edgardo M Cruz, Jr
Executive Director
Appointed on 2 May 2006
Re-elected on 27 April 2007, 27 April 2009 and 30 April 2012

In reviewing the nomination for re-election of the Directors retiring by rotation under Article 88 of the Company's Articles of Association, the NC had considered the contributions and performance of each Director, taking into account his attendance and participation at Board and Board committee meetings.

All Directors retiring by rotation have consented to continue in office and have offered themselves for re-election at the Company's AGM.

Both Mr Godfrey E Scotchbrook and Mr Edgardo M Cruz, Jr, are not substantial shareholders nor are they directly associated to any substantial shareholder or a 10% shareholder of the Company.

For the period in review, the NC had initiated a review on the succession planning of Board members, CEO and Key Management Personnel[2] of the Company. The Company has in place a succession plan, with a portfolio of well-trained candidates to assume the responsibilities of Key Management Personnel in the event of an immediate vacancy.

In its long term drive towards excellence, the Company recognises the importance of sustainable leadership. To support this, a Succession Planning Programme has been established where a leadership talent bench is developed. DMPL is committed to building and sustaining leadership capabilities by strengthening the talent pipeline, rolling out the leadership competencies, identifying high performers, and executing development and retention plans for these high performers. The Company further drives functional excellence via an integrated employee development programme which includes training, on-the-job learning, coaching and mentoring.

The NC implements an evaluation process to assess the effectiveness of the NC as a whole. The evaluation process is undertaken as an internal exercise and involves NC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of NC meetings
- Trainings and resources available
- Reporting to the Board
- Process for Selection and appointment of new Directors
- Nomination of Directors and re-election
- Independence of Directors
- Board performance evaluation
- Succession planning
- Multiple Board representations
- Standards of conduct
- Communication with shareholders

[2] *Key Management Personnel refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company.*

The evaluation process takes into account the views of each NC member and provides an opportunity for the NC to give constructive feedback on the workings of the NC, including procedures and processes adopted, and if these may be improved upon.

The evaluation exercise is carried out by the NC on an annual basis.

Principle 5
Board Performance

The Board, through the NC, implements an annual evaluation process to assess the effectiveness of the Board as a whole. The evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas relating to:

- Board composition
- Information to the Board
- Board procedures
- Board accountability
- Communication with CEO and Key Management Personnel
- Succession planning of Key Management Personnel
- Standards of conduct by the Board

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board including its procedures and processes and if these may be improved upon.

An evaluation exercise was carried out for the period in review.

Led by the Chairman, this collective assessment was conducted by means of a confidential questionnaire completed by each Director, which is collated, analysed and discussed with the NC and the Board with comparatives from the prior period evaluation. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate.

The NC had conducted a performance evaluation of the Board for the period in review and determined that all Directors had contributed effectively and had demonstrated full commitment to their roles. No external facilitator had been engaged by the Board for this purpose.

Principle 6
Access to Information

Management provides the Board with timely and complete information at least five (5) days prior to Board meetings and on an ongoing basis. These include relevant information and explanatory notes for matters that are presented to the Board, such as budgets and forecasts.

At Board meetings, the Group's actual results are compared with budgets, and material variances are explained. The strategies and forecasts for the following months are discussed and approved as appropriate.

The Directors have separate and independent access to Management and the Company Secretary. The Company Secretary assists the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure the effective functioning of the Board, and that the Company's Memorandum and Articles of Association, and relevant rules and regulations are complied with.

The Company Secretary also assists in the preparation of the Agenda for the Board meetings, and attends and prepares minutes of all Board and Board committee meetings.

The Company Secretary ensures the flow of qualitative information within the Board and its committees and between senior Management and the Non-Executive Directors. She is the primary channel of communication between the Company and the SGX-ST, and liaises with the Company's Chief Legal Counsel and Compliance Officer and Assistant Company Secretary insofar as the PSE is concerned.

The Company Secretary advises newly-appointed Directors on their duties and obligations as Directors, the Group's governance practices, and relevant statutory and regulatory compliance matters, as part of an orientation programme. In addition, she assists with the professional development and training of Board members, as appropriate.

The appointment and the removal of the Company Secretary is a matter for the Board.

The Company Secretary, Ms Tan San-Ju, is trained in company secretarial practices. She is a Chartered Secretary and holds a Practising Certificate issue by the Singapore Association of Chartered Secretaries & Administrators. She had served as Company Secretary of many companies listed on the SGX-ST for more than 20 years and is currently Company Secretary of a number of companies listed on the SGX-ST.

She is assisted by the Assistant Company Secretary, Mr Antonio Eugenio S Ungson, who is a lawyer by profession. He had previously served as company secretary in various companies during the course of his career. He also has an understanding of basic financial and accounting matters.

Aside from access to the advice and services of Management and the Company Secretary, the Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs at the Company's expense.

Remuneration Matters

Principle 7
Procedures for Developing Remuneration Policies

The RSOC was set up on 7 February 2003 and for the period in review, the RSOC comprises the following members:

Mr Godfrey E Scotchbrook	RSOC Chairman
Mr Rolando C Gapud	Member*
Mr Edgardo M Cruz, Jr	Member*
Mr Benedict Kwek Gim Song	Member
Mr Patrick L Go	Member

* *The NC and the Board, being cognizant of Guideline 7.1 of the 2012 Code, had on 1 July 2015 reconstituted the RSOC to comprise solely of Independent Non-Executive Directors. Mr Rolando C Gapud (Executive Chairman) and Mr Edgardo M Cruz, Jr (Executive Director) ceased to be members of the RSOC with effect from 1 July 2015.*

The RSOC's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as Key Management Personnel of the Group. It is at liberty to seek independent professional advice as appropriate.

Under its TOR, the RSOC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's Key Senior Executives. The RSOC assumed the role of the Employee Share Option Plan Committee, previously responsible for administering the Del Monte Pacific Executive Stock Option Plan, the Del Monte Pacific Restricted Share Plan and the Del Monte Pacific Performance Share Plan. The RSOC considers all aspects of remuneration - Director's fees, salaries, allowances, bonuses, options, share awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.

In conjunction with the review of remuneration matters of the Company's Key Management Personnel, the RSOC works with the Company's human resource department in reviewing individual performance appraisal reports and benchmark studies conducted by Management.

The RSOC's recommendation for Directors' fees had been made in consultation with the Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RSOC or the Board participated in the deliberation of his own remuneration.

During the period in review, the RSOC held five (5) meetings.

The RSOC implements an evaluation process to assess the effectiveness of the RSOC as a whole. The evaluation process is undertaken as an internal exercise and involves RSOC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of RSOC meetings
- Trainings and resources available
- Scope of remuneration matters reviewed
- Reporting to the Board
- Standards of conduct
- Communication with shareholders

The evaluation process takes into account the views of each RSOC member and provides an opportunity for the RSOC to give constructive feedback on the workings of the RSOC including procedures and processes adopted and if these may be improved upon.

The evaluation exercise is carried out by the RSOC on an annual basis.

Principle 8
Level and Mix of Remuneration

The remuneration of the Company's Directors and Key Management Personnel has been formulated to attract, retain and motivate these Executives to run the Company successfully.

Where appropriate, the RSOC reviews the service contracts of the Company's Executive Directors and Key Management Personnel. The compensation commitments in service contracts are reviewed periodically and notice periods for termination are also reviewed to ensure that they are not excessively long.

In reviewing the recommendation for Non-Executive Directors' remuneration for FY2015, the RSOC continued to adopt a framework, based on guidelines of the Singapore Institute of Directors, which comprises a base fee, fees for membership on Board committees, as well as fees for chairing Board committees. The fees take into consideration the amount of time and effort that each Board member is required to devote to their role.

The compensation structure for Key Management Personnel of Group subsidiaries consists of two (2) key components - fixed cash and a short term variable bonus. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable upon the achievement of individual and corporate performance targets.

The Company has two (2) share plans - the Restricted Share Plan ("RSP") and the Performance Share Plan ("PSP") (collectively the "Share Plans"). These are also administered by the RSOC. The RSP and PSP are long-term incentive schemes based on participants achieving pre-set operating unit financial goals, individual performance, as well as achieving corporate financial goals in the case of the PSP.

The purpose of these plans is to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, currently targeted at Executives at key positions, to excel in their performance. These are also designed to align the interest of these Executives with those of shareholders.

Under the Share Plans, shares are delivered after the participant has served the Group for a specific period or after a further period beyond completion of prescribed performance targets.

The aggregate number of shares which may be offered under the Share Plans should not exceed 10% of the Company's total issued capital. The terms of Share Plans are described in more detail in the Directors' Report.

The Share Plans which were first adopted on 26 April 2005 had a duration of ten (10) years and had expired on 25 April 2015. The RSOC would review and consider the necessity to adopt new share plans, in the future.

The RSOC had in 2012 considered the recommendations of the 2012 Code to implement a scheme to encourage Non-Executive Directors to hold shares in the Company, so as to better align the interests of the Non-Executive Directors with the interests of Shareholders.

The Company had adopted a policy for Non-Executive Directors to purchase shares (within three (3) years from the adoption of the policy or the date of their appointments to acquire a number of shares in the Company having an investment value that is equal to at least one year's annual base retainer fees) and to hold such shares for as long as they remain as Directors of the Company.

Principle 9
Disclosure on Remuneration

The remuneration of Directors and the CEO are disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

The remuneration of the top five (5) Key Management Personnel are similarly disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

Although the disclosure is not in compliance with the recommendation of the 2012 Code, the Board is of the view that, given the confidentiality and commercial sensitivity attached to remuneration matters, disclosure in bands of S$250,000/-

in excess of S$500,000/- will not be provided. In addition, for personal security reasons, the names of the Company's top five (5) Key Management Personnel are not disclosed.

Ms Jeanette Beatrice Naughton has been appointed Vice President, Strategic Planning of the Company's USA subsidiary, Del Monte Foods, Inc ("DMFI"), effective 1 March 2015. She is the daughter of Mr Joselito D Campos, Jr, Del Monte Pacific Ltd's Managing Director and CEO, and DMFI's Vice Chairman and Director. Ms Naughton is responsible for spearheading DMFI's strategic planning function, with principal involvement in DMFI's mid-to-long term corporate vision, financial goals and key measures, business strategies and resources requirements. Her remuneration for the period in review was above S$300,000 and below S$350,000.

DISCLOSURE ON REMUNERATION OF DIRECTORS FOR THE TRANSITON PERIOD JANUARY – APRIL 2014

REMUNERATION BANDS AND NAMES OF DIRECTORS	FIXED SALARY/ CONSULTANCY FEES %	DIRECTOR FEES %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
EXECUTIVE DIRECTORS				
S$250,000 to below S$500,000				
Mr Joselito D Campos, Jr	85	3	12	–
Below S$250,000				
Mr Edgardo M Cruz, Jr	74	10	15	1
Mr Rolando C Gapud[1]	–	100	–	–
NON-EXECUTIVE DIRECTORS				
Below S$250,000				
Mr Patrick L Go	–	100	–	–
Dr Emil Q Javier	53[2]	43	4	–
Mr Benedict Kwek Gim Song	–	100	–	–
Mr Godfrey E Scotchbrook	–	100	–	–

Notes:
[1] On 1 July 2015, Mr Rolando C Gapud was re-designated from Non-Executive Chairman to Executive Chairman of the Board
[2] Refers to consultancy fees
Details of the share options and share awards granted to each Director are shown in the Directors' Report

DISCLOSURE ON REMUNERATION OF TOP FIVE KEY MANAGEMENT PERSONNEL[1] FOR THE TRANSITON PERIOD JANUARY – APRIL 2014

REMUNERATION BANDS AND NUMBER OF KEY MANAGEMENT PERSONNEL	FIXED SALARY %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
Above S$500,000			
1	39	60	1
Below S$250,000			
1	90	8	2
1	82	16	2
1	80	17	3
1	95	–	5

Notes:
[1] Key Management Personnel who are not Directors
Details of the share awards granted to each Key Management Personnel are shown in the Directors' Report

DISCLOSURE ON REMUNERATION OF DIRECTORS FOR FY2015

REMUNERATION BANDS AND NAMES OF DIRECTORS	FIXED SALARY/ CONSULTANCY FEES %	DIRECTOR FEES %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
EXECUTIVE DIRECTORS				
Above S$500,000				
Mr Joselito D Campos, Jr	81	3	16	–
S$250,000 to below S$500,000				
Mr Edgardo M Cruz, Jr	84	15	–	1
Below S$250,000				
Mr Rolando C Gapud[1]	–	100	–	–
NON-EXECUTIVE DIRECTORS				
Below S$250,000				
Mr Patrick L Go	–	100	–	–
Dr Emil Q Javier	53[2]	43	4	–
Mr Benedict Kwek Gim Song	–	100	–	–
Mr Godfrey E Scotchbrook	–	100	–	–

Notes:
[1] On 1 July 2015, Mr Rolando C Gapud was re-designated from Non-Executive Chairman to Executive Chairman of the Board
[2] Refers to consultancy fees
Details of the share options and share awards granted to each Director are shown in the Directors' Report

DISCLOSURE ON REMUNERATION OF TOP FIVE KEY MANAGEMENT PERSONNEL[1] FOR FY2015

REMUNERATION BANDS AND NUMBER OF KEY MANAGEMENT PERSONNEL	FIXED SALARY %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
Above S$500,000			
1	42	57	1
S$250,000 to below S$500,000			
1	97	2	1
1	98	1	1
1	99	–	1
Below S$250,000			
1	89	6	5

Notes:
[1] Key Management Personnel who are not Directors
Details of the share awards granted to each Director are shown in the Directors' Report

Accountability and Audit

Principle 10
Accountability

There are in place comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company policies and Board decisions, including the day-to-day management of the Group's operating units.

For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board. Information such as disclosure documents, quarterly results, profit and loss statements, cash flow statements, working capital requirements and borrowing levels are presented using comparative figures between actual results, budgeted levels and prior year's results.

The Group's annual budget is reviewed and approved by the Board. A strategic plan, which defines business development goals and overall business objectives, is prepared and updated periodically.

Based on Management's reports, the Board provides a balanced and fair assessment of the Company's performance, position and prospects for interim reports, other price sensitive public reports and other reports to regulators as required.

Principle 11
Internal Controls

The Group maintains an effective system of internal controls addressing financial, operational, compliance and information technology risks. These controls are designed to provide reasonable assurance as to the adequacy, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The adequacy and effectiveness of these controls is subject to review by the Group's Internal Audit department and is monitored by the ARC. In addition, the Company's external auditors also review the effectiveness of the Group's key internal controls as part of their audit for the year with respect to financial reporting. Significant non-compliance in internal controls, if any, together with recommendations for improvement, is reported to the ARC. A copy of this report is also issued to the relevant department for follow-up action.

Risk assessment and evaluation takes place as an integral part of the annual operating plan ("AOP"). Having identified key risks to the achievement of the Group's AOP, mitigating actions are formulated in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up. The approach to risk management is set out in the Risk Management section on pages 28-30 of this Annual Report.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and the ARC, the ARC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective as at 30 April 2015.

The Board had received written confirmation from the CEO and the Chief Financial Officer (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) that the Company's risk management and internal control systems remain adequate and effective.

The Board will, on a continuing basis, endeavour to further enhance and improve the Company's system of internal controls and risk management policies.

Principle 12
Audit and Risk Committee

The Audit Committee was set up on 9 July 1999 and had on 25 June 2015 been renamed the Audit and Risk Committee ("ARC") as the Audit Committee had always served the function of overseeing the Company's risk management framework and policies. For the period in review, the ARC comprises the following members:

Mr Benedict Kwek Gim Song	ARC Chairman
Mr Rolando C Gapud	Member*
Mr Edgardo M Cruz, Jr	Member*
Mr Godfrey E Scotchbrook	Member
Mr Patrick L Go	Member

* *The NC and the Board, being cognizant of Guideline 12.1 of the 2012 Code, had on 1 July 2015 reconstituted the ARC to comprise solely of Independent Non-Executive Directors. Mr Rolando C Gapud (Executive Chairman) and Mr Edgardo M Cruz, Jr (Executive Director) ceased to be members of the ARC with effect from 1 July 2015.*

The members of the ARC are highly qualified with two (2) members having the requisite financial management experience and expertise.

The ARC implements an evaluation process to assess the effectiveness of the ARC as a whole. The evaluation process is undertaken as an internal exercise and involves ARC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of ARC meetings
- Trainings and resources available
- Financial reporting processes
- Financial and operational internal controls
- Risk management systems
- Internal and external audit processes
- Whistle-blowing reporting processes
- ARC's relationship with the Board

The evaluation process takes into account the views of each ARC member and provides an opportunity for the ARC to give constructive feedback on the workings of the ARC including procedures and processes adopted and if these may be improved upon.

The evaluation exercise is carried out by the ARC on an annual basis.

Led by the ARC Chairman, a summary of findings prepared based on responses from the completed questionnaires was discussed with feedback noted.

Under its TOR, the ARC reviews the scope and results of the audit and its cost effectiveness. The ARC also ensures the independence and objectivity of the external auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors. In the year in review, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent.

For the period in review, a breakdown of the aggregate fees paid for audit and non-audit services is set out below:

	Year ended 30 April 2015 US$'000	**Four months ended 30 April 2014 US$'000**
Audit fees		
paid to the auditors of the Company	322	246
paid to other auditors	2,658	200
Non-audit fees		
paid to the auditors of the Company	222	–
paid to other auditors	590	8

The ARC also reviews significant financial reporting issues so as to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance. The ARC further conducts periodic reviews of all interested persons transactions.

Except for the following, the Company has not entered into any other material contracts involving the interests of its CEO, Directors or controlling shareholders.

Pursuant to the rights issue of shares conducted in Singapore and in the Philippines in February 2015, NutriAsia Pacific Limited ("NAPL") and Bluebell Group Holdings Limited ("Bluebell") each executed on 26 January 2015 an Irrevocable Undertaking to the Company, each other and certain arranger banks, wherein:

a) NAPL shall subscribe for 285,727,964 rights shares and renounce 142,844,452 entitled rights shares to Bluebell; and
b) Bluebell shall subscribe for the 142,844,452 renounced rights shares.

NAPL and Bluebell are beneficially owned by Mr Joselito D Campos, Jr, the Company's Managing Director and CEO.

The ARC has the authority to investigate any matter within its TOR, has unrestricted access to Management and the Head of the Internal Audit department, and has full discretion to invite any Director or Executive Officer to attend its meetings.

The ARC monitors the adequacy and effectiveness of the Group's internal controls system and internal audit function. It has set in place arrangements to ensure independent investigation of matters such as improprieties in financial reporting.

A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group's affairs. As representatives of the Group, officers and employees must practice honesty and integrity and strictly comply with all applicable laws, rules and regulations.

The Policy aims to deter and uncover corrupt, illegal, unethical, fraudulent or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties/any other persons, such as suppliers and contractors. The Group encourages its officers and employees, suppliers and contractors to provide information that evidences unsafe, unlawful, unethical, fraudulent or wasteful practices. It does not disregard anonymous complaints.

This policy enables the Group to effectively deal with reports from whistleblowers in a manner that will protect the identity of the whistleblower and provide for the appropriate use of the information provided. It also establishes the policies for protecting whistleblowers against reprisal by any person internal or external to the Company and provide for the appropriate infrastructure, including the appointment of a "Whistleblower Protection Officer", a "Whistleblower Investigations Officer" and alternative means of reporting.

The Board, together with the Chairman of the ARC, had appointed the Group CFO as the Protection Officer, as well as the Head of Internal Audit as the Investigations Officer, to administer the Company's Whistleblower programme. These are the contact details:

For legal compliance: +632 856 2557, +63 917 872 1472, or email legalcompliance@delmonte-phil.com

For other matters: +6388 855 2090, +63 917 712 0311, or email othercompliance@delmonte-phil.com

The ARC also makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors, including the remuneration and terms of engagement of the external auditors.

In appointing the external auditors for the Company and its subsidiaries, the Group has complied with Rule 712 of the SGX Listing Manual in having appointed a suitable auditing firm to meet its audit obligations, and one that is registered with the Accounting and Corporate Regulatory Authority of Singapore ("ACRA"). The Group has also complied with Rule 715 in having engaged the same auditing firm based in Singapore to audit its Singapore-incorporated subsidiaries and significant associated companies, and for having appointed suitable auditing firms for its significant foreign-incorporated subsidiaries and associated companies. The Group has also complied with the requirements of SRC Rule 68 in selecting an SEC-accredited auditing firm in the Philippines.

As a matter of new policy, the Audit and Risk Committee and the Board of Directors are of the opinion that a review of Auditors should be carried out every five years.

The ARC meets with the Group's external auditors and with the head of the Internal Audit department without the presence of Management at least once a year. During the period in review, the ARC held six (6) meetings.

Principle 13
Internal Audit

The Group's Internal Audit department is staffed by trained personnel with appropriate segregation of duties. The head of Internal Audit is Mr Gil Ramon S Veloso and he reports functionally to the ARC and administratively to the CEO. All of the Group's auditors are members of the Institute of Internal Auditors-Philippines.

This department commands a respectable standing within the Company and is responsible for reviewing the risk management, control and governance processes to determine whether these are adequate and effectively implemented.

It is the Group's policy to support the Internal Audit department in complying with the International Professional Practices Framework set by The Institute of Internal Auditors.

The ARC is of the view that the Company has an adequate internal audit function.

Principle 14
Shareholder Rights

The Group treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights. Moreover, the Group continually reviews and updates such governance arrangements.

Shareholders are informed of changes in the Company's business that are likely to materially affect the value of the Company's shares.

The Group ensures that shareholders have the opportunity to participate effectively in and vote at General Meetings ("GM"). Shareholders are informed of the rules, including voting procedures, that govern AGMs/GMs.

The Memorandum & Articles of Association of the Company do not allow corporations which provide nominee or custodial services to appoint more than two (2) proxies to vote. At present, only the Central Depository (Pte) Ltd is permitted to appoint more than two (2) proxies. The Company does, however, allow non-shareholders to attend the AGM or GM as observers.

The Company's dividend payment policy is to distribute a minimum of 33% of full year profit but this is subject to review by the Board in light of the Company's acquisition of Del Monte Foods, Inc in the US. The Company pays dividends in an equitable and timely manner within 30 days after being declared. The dividend policy and terms including the declaration dates are provided in the Company's website.

Principle 15
Communication with Shareholders/Investor Relations

The Group is committed to engaging its stakeholders and providing easy and regular access to timely, effective, fair, pertinent and accurate information about the Company, in clear language. The Group has an Investor Relations policy that clearly articulates and promotes this.

The Group provides descriptive and detailed disclosure whenever possible and avoids boilerplate disclosure, and immediately announces any material information known to the Company concerning DMPL or any of its subsidiaries or associated companies.

Material information, including the Company's financial position, performance, ownership, strategies, activities and governance, are disclosed to all shareholders and the investing community equally via SGX-ST and the PSE portals (no selective disclosure).

The Company observes a closed-window period of two (2) weeks prior to the announcement of its quarterly results and one (1) month prior to the announcement of its full year results. During this period, the Company does not meet nor communicate with the investing community to ensure no selective disclosure is made.

The Company announces its financial results on a quarterly basis within the prescribed timeframe and holds joint briefings with the investing community on its half-year and full-year performance in an accessible central location. These briefings are also broadcast via webcast to global viewers with a recording available for six months. Key Management Personnel are present during the briefings. The Company uploads materials if and when there are media briefings or press conferences.

The Management, Discussion and Analysis (MDA) report, press release and presentation on the Company's financial results are disseminated through the SGX-ST and PSE portals, the Company's email alerts and website all on the same day.

The Company strengthens relationships with the investing community and solicits their views through one-on-one meetings, participation in at least two (2) annual conferences, forums and road shows organised by stock broking and investing companies. Between January 2014 and April 2015, the Company participated in two (2) conferences organised by DBS and Phillip Capital in Singapore; road shows organised by Maybank, and DBS in Singapore, Hong Kong and London; and met with 252 investors and brokers, including conference calls.

The Company organises trips to its plantation and cannery, as well as trade checks, for the investing community, providing them with firsthand appreciation and understanding of the Company's operations and markets.

The corporate website (www.delmontepacific.com) has a dedicated and comprehensive IR section that is user-friendly with easily downloadable and updated press releases, announcements, quarterly reports, presentations and annual reports. Announcements are uploaded as soon as they are released to the SGX-ST and PSE portals, including other disclosures and reports submitted to the Philippine Securities and Exchange Commission ("SEC").

The following are also included in the IR site: IR policy, IR calendar, next events, AGM or GM Minutes, dividend policy and payout details, bio-data of Directors and Senior Management, and corporate governance. The following are uploaded in other sections of the website: Sustainability and Code of Business Ethics.

The IR email address (jluy@delmontepacific.com) and telephone number (+65 6594 0980), as well as the share registrars' details, are listed prominently on the IR homepage. DMPL's IR manager is accessible and available through the IR contact details listed on its IR homepage and annual report. The IR team endeavours to reply to emails and requests within a day.

The Company is committed to providing easily accessible, timely and relevant information. To maintain an open channel of communication, the Company has an email alert system whereby emails on its developments and updates are sent out to investors on a regular basis. Such information is also announced to the public via the SGX-ST and PSE portals.

Various IR and communication modes are employed by the Company to establish and maintain frequent engagement and regular dialogue with the investing community, not just for the Company to provide them with information but also to gather their feedback and address their concerns. Insights gathered are taken and where appropriate, acted upon.

DMPL is guided by strong principles grounded on the guidelines of the 2012 Code, the SGX Listing Manual, the GTI and the ACGS to strengthen stakeholder relations. DMPL's IR is guided by the principles of trust; good corporate governance; transparency, openness and quality of disclosure; fairness; timeliness; pro-activeness and engagement; accessibility; employment of information technology, and continuous improvement.

The Company is pleased to report that it received the Best Managed Board (Gold) Award in July 2015, and the Best Investor Relations and Best Annual Report (both Bronze) Awards in July 2014 from the Singapore Corporate Awards (SCA) for companies with a market capitalisation of between S$300 million to less than S$1 billion.

Among nearly 800 companies listed in Singapore and, since the SCA began in 2006, DMPL is one of only three companies to have won two (2) Golds for the Best Managed Board Award, and is one of only eleven companies to have received at least four (4) distinct awards including Best CFO. Since 2010, DMPL has won nine (9) times (including similar awards) six (6) years in a row.

The Company is also honoured to receive from the Securities Investors Association (Singapore) the 2014 Runner-Up for Singapore Corporate Governance Award Mid Cap Category of the SIAS Investors' Choice Award.

As part of the Company's ongoing effort to improve investor relations, it will continue to review and update governance arrangements with stakeholders. The Company also benchmarks against peers and industry best practices by having the relevant executives attend seminars and forums, joining IR organisations, and keeping abreast of the 2012 Code and similar guidelines and recommendations.

Principle 16
Conduct of Shareholder Meetings

DMPL encourages shareholder participation at GMs and ensures that the venue for GMs is in a central location easily accessed by public transportation.

Shareholders have the opportunity to participate effectively and to vote in the AGMs/GMs either in person or by proxy.

Resolutions on each distinct issue are tabled separately at GMs.

In GMs, shareholders are given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company. The Chairman of the Board, the respective Chairman of the ARC, NC and RSOC, all other Directors and the external auditors are present to assist the Board in addressing shareholders' questions. The Chairman of the ARC attended the most recent AGM.

For greater transparency, the Company had since 2013 instituted electronic poll voting and all resolutions are put to vote by electronic poll at its AGMs and GMs. The Company had also appointed independent scrutineers, Drewcorp Services Pte Ltd, to validate the votes. Announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages is made on the same day.

The AGM and GM Minutes are available on the Company's website. The AGM Minutes record that there is an opportunity allowing shareholders to ask questions.

Dealings with Securities

In 2013, the Company adopted and implemented a Securities Dealings Policy (which replaces and incorporates the guidelines set out in the Best Practices on Securities Transactions adopted by the Company in 2003) to govern dealings by Directors, Key Management Personnel and employees in the Company's securities. With this policy, the Directors, Key Management Personnel and their associates are required to seek the approval of the Chairman or the Board before dealing in the Company's shares. Directors are also required to report their dealings in the Company's shares within two (2) business days from the date of transaction.

The Group's employees had been advised that it is an offence to deal in the Company's securities when the officers (Directors and employees) are in possession of unpublished material price-sensitive information. The officers are also discouraged from dealing in the Company's securities on short-term considerations.

The Board and the Group's officers and employees are not allowed to deal in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year; and (1) one month before the announcement of the Company's full-year financial results. For the period in review, the Directors, Key Management Personnel, Group's officers and employees had been compliant with the Securities Dealings Policy.

Directors' Report

The Directors are pleased to present their report to the members together with the audited financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively, the "Group") comprising the statements of financial position, income statements, statements of comprehensive income, statements of changes in equity and the statements of cash flow of the Group and Company for the financial year ended 30 April 2015.

Directors

The Directors in office at the date of this report are as follows:

Mr Rolando C Gapud	(Non-Executive Chairman)*
Mr Joselito D Campos, Jr	(Managing Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Patrick L Go	(Independent Director)
Dr Emil Q Javier	(Independent Director)
Mr Benedict Kwek Gim Song	(Lead Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)

** Mr Rolando C Gapud had been re-designated from Non-Executive Chairman to Executive Chairman of the Board with effect from 1 July 2015.*

Arrangements to enable Directors to acquire shares or debentures

Except as disclosed under the "Share Option and Incentive Plans" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

Directors' interests

According to the registers kept by the Company, particulars of interests of Directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares and share options in the Company are as follows:

Directors' interest in shares:

	Direct interests			Deemed interests		
	As at beginning of the year 1 May 2014	**As at end of the year 30 April 2015**	**As at 21 May 2015**	**As at beginning of the year 1 May 2014**	**As at end of the year 30 April 2015**	**As at 21 May 2015**
The Company						
Ordinary shares of US$0.01 each						
Mr Rolando C Gapud	980,000	1,463,140	1,463,140	–	–	–
Mr Joselito D Campos, Jr	5,104,800	7,621,466	7,621,466	869,315,246	1,303,256,961	1,303,256,961
Mr Edgardo M Cruz, Jr	2,362,900	2,881,635	2,881,635	–	–	–
Mr Patrick L Go	–	–	–	–	–	–
Dr Emil Q Javier	358,240	534,851	534,851	–	–	–
Mr Benedict Kwek Gim Song	–	–	–	–	–	–
Mr Godfrey E Scotchbrook	–	–	–	–	–	–

Directors' interests (cont'd)

Directors' interest in options:

	Direct interests			Deemed interests		
	As at beginning of the year 1 May 2014	As at end of the year 30 April 2015	As at 21 May 2015	As at beginning of the year 1 May 2014	As at end of the year 30 April 2015	As at 21 May 2015
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018						
Mr Rolando C Gapud*	–	–	–	–	–	–
Mr Joselito D Campos, Jr	–	–	–	–	–	–
Mr Edgardo M Cruz, Jr*	–	–	–	–	–	–
Mr Patrick L Go	240,000	240,000	240,000	–	–	–
Dr Emil Q Javier*	–	–	–	–	–	–
Mr Benedict Kwek Gim Song	300,000	300,000	300,000	–	–	–
Mr Godfrey E Scotchbrook	360,000	360,000	360,000	–	–	–

* *Mr Edgardo M Cruz, Jr and Dr Emil Q Javier had exercised the 200,000 options they each held, on 12 March 2013 and 20 March 2013 respectively, at a consideration of S$125,400 each. Mr Rolando C Gapud had exercised the 400,000 options he held on 28 March 2013, at a consideration of S$250,800.*

Directors' interest in share awards:

	Direct interest			Deemed interest		
	As at beginning of the year 1 May 2014	As at end of the year 30 April 2015	As at 21 May 2015	As at beginning of the year 1 May 2014	As at end of the year 30 April 2015	As at 21 May 2015
Grant of 688,000 share awards at S$0.84 per share vesting period from 22/08/2013 onwards**						
Mr Rolando C Gapud	211,000	211,000	211,000	–	–	–
Mr Joselito D Campos, Jr	–	–	–	–	–	–
Mr Edgardo M Cruz, Jr	95,000	95,000	95,000	–	–	–
Mr Patrick L Go	95,000	95,000	95,000	–	–	–
Dr Emil Q Javier	71,000	71,000	71,000	–	–	–
Mr Benedict Kwek Gim Song	108,000	108,000	108,000	–	–	–
Mr Godfrey E Scotchbrook	108,000	108,000	108,000	–	–	–

** *Up to 60% of share awards granted (i.e. 412,800) will be released upon completion of vesting on or after 21 August 2016. Remaining 40% of share awards granted (i.e. 275,200) will be released upon completion of vesting on or after 21 August 2017.*

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Directors' contractual benefits

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Notes 27 and 40 to the financial statements, since the end of the last financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share option and incentive plans

The Del Monte Pacific Executive Stock Option Plan 1999 ("ESOP") of the Company was approved and amended by its shareholders at general meetings held on 30 July 1999 and 21 February 2002, respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance. No further share awards could be granted pursuant to the Share Plans as they had expired on 25 April 2015. Any share awards granted prior to 25 April 2015 would continue to be valid.

The ESOP and Share Plans are administered by the Remuneration and Share Option Committee ("RSOC") comprising of the following members:

Mr Godfrey E Scotchbrook	(RSOC Chairman)
Mr Edgardo M Cruz, Jr	(Member)*
Mr Rolando C Gapud	(Member)*
Mr Patrick L Go	(Member)
Mr Benedict Kwek Gim Song	(Member)

** The Nominating Committee and the Board, had on 1 July 2015 reconstituted the RSOC to comprise solely of Independent Non-Executive Directors. Mr Rolando C Gapud (Executive Chairman) and Mr Edgardo M Cruz, Jr (Executive Director) ceased to be members of the RSOC with effect from 1 July 2015.*

Other information regarding the ESOP is set out below:

Under the ESOP, 2 types of options were granted:

- Initial Public Offering Options ("IPO Options")
- Market Price Options

<u>IPO Options</u>

At the time of the Company's initial public offering in July 1999, a total of 11,428,571 IPO Options were granted at an exercise price of US$0.504 each. None of the IPO Options granted were exercised and all IPO Options granted have since lapsed.

<u>Market Price Options</u>

(a) A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the Listing Date.

(b) A Market Price Option may be granted only after the lapse of one year from the Listing Date.

(c) The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

(d) The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

Share option and incentive plans (cont'd)

In March 2001, a total of 14,050,000 Market Price Options were granted at an exercise price of S$0.490 each. All of the 14,050,000 Market Price Options have either been exercised or have lapsed following the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006.

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

On 30 April 2013, the Company approved the grant of 150,000 Adjustment Options to three Non-Executive Directors of the Company, arising from the bonus issue of two (2) bonus shares for every ten (10) existing ordinary shares ("Bonus Issue") carried out by the Company on 18 April 2013. The grant of the additional 150,000 options represented a 20% adjustment to the number of unexercised options previously granted by the Company. The rationale for the adjustment is to account for the dilutive effect arising from the Bonus Issue on the unexercised options.

On 1 July 2015, the Company approved the grant of 75,765 Adjustment Options to three Non-Executive Directors, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 75,765 options was for the adjustment to account for the dilutive effect arising from the rights issue on the unexercised options.

Del Monte Pacific RSP

Other information regarding the Del Monte Pacific RSP is set out below:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 per share to Mr Joselito D Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 per share to Mr Joselito D Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 29 April 2011.

On 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 per share.

On 30 April 2013, the Company approved the grant of 486,880 share awards to Mr Joselito D Campos, Jr and five employees of related companies at a market price of S$0.81 per share, arising from the bonus issue of two (2) bonus shares for every ten (10) existing ordinary shares ("Bonus Issue") carried out by the Company on 18 April 2013. The grant of the additional 486,880 share awards represented a 20% adjustment to the number of unvested share awards previously granted by the Company. The rationale for the adjustment is to account for the dilutive effect arising from the Bonus Issue on the unexercised options.

On 22 August 2013, 688,000 shares were awarded at the market price of S$0.84 per share to Messrs Rolando C Gapud, Edgardo M Cruz, Jr, Emil Q Javier, Benedict Kwek Gim Song, Patrick L Go and Godfrey E Scotchbrook.

On 1 July 2015, 57,918 shares were awarded at the market price of S$0.385 per share to six Directors, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 57,918 share awards was for the adjustment to account for the dilutive effect arising from the rights issue on the unvested share awards previously granted by the Company.

Share option and incentive plans (cont'd)

As at the date of this report, no share awards had been granted to Directors or employees of related companies.

Del Monte Pacific PSP

Other information regarding the Del Monte Pacific PSP is set out below:

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

At the end of the financial period, details of the options granted under the ESOP on the unissued ordinary shares of the Company, are as follows:

Date of Grant	Exercise Price S$	Number of options outstanding at 1 May 2014	Options Granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 30 April 2015	Number of option holders at 30 April 2015	Exercise period
07/03/2008	0.627	750,000	–	–	–	750,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2018
30/04/2013	0.627	150,000	–	–	–	150,000	3	100% from 07/03/2011 onwards
		900,000				900,000		

Note:

On 1 July 2015, the Company approved the grant of 75,765 Adjustment Options to three Non-Executive Directors, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 75,765 options was for the adjustment to account for the dilutive effect arising from the rights issue on the unexercised options. The exercise price of the options was S$0.578 per option and is valid up to 6 March 2018.

Share option and incentive plans (cont'd)

At the end of the financial period, details of share awards granted under the Del Monte Pacific RSP are as follows:

Date of grant	Market price on date of grant S$	Number of share awards granted as at 30 April 2015	Number of share award holders at 30 April 2015	Vesting period
07/03/2008	0.615	1,725,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2012
20/05/2008	0.680	1,611,000	1	Up to 60%: 20/05/2010 – 19/05/2011 40%: 20/05/2011 – 19/05/2012
12/05/2009	0.540	3,749,000	6	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 – 11/05/2013
29/04/2011	0.485	2,643,000	1	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 – 11/05/2013
21/11/2011	0.455	67,700	1	No vesting period imposed, shares were released to the grantee on 12 December 2011
30/04/2013	0.810	486,880	6	No vesting period imposed, shares were released to the grantee on 12 May 2013
22/08/2013	0.840	688,000	6	Up to 60%: 22/08/2013 – 21/08/2016 40%: 22/08/2016 – 21/08/2017
		10,970,580		

Note:

On 1 July 2015, 57,918 shares were awarded at the market price of S$0.385 per share to six Directors, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 57,918 share awards was for the adjustment to account for the dilutive effect arising from the rights issue on the unvested share awards previously granted by the Company. The validity of the share awards would follow the same vesting periods as per the share awards granted on 22 August 2013 (i.e. 60% to vest after 21 August 2016 and the remaining 40% to vest after 21 August 2017).

Share option and incentive plans (cont'd)

Details of options granted to Directors of the Company under the ESOP are as follows:

Name of Director	Options granted in financial period ended 30 April 2015	*Aggregate options granted since commencement of ESOP to 30 April 2015	*Aggregate options exercised since commencement of ESOP to 30 April 2015	Aggregate options outstanding as at 30 April 2015
Mr Rolando C Gapud	–	400,000	400,000	–
Mr Edgardo M Cruz, Jr	–	200,000	200,000	–
Mr Patrick L Go	–	240,000	–	240,000
Dr Emil Q Javier	–	200,000	200,000	–
Mr Benedict Kwek Gim Song	–	300,000	–	300,000
Mr Godfrey E Scotchbrook	–	360,000	–	360,000
	–	1,700,000	800,000	900,000

* *Excludes options granted prior to the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006, all of which have either been exercised or have lapsed.*

On 1 July 2015, the Company approved the grant of 75,765 Adjustment Options to three Non-Executive Directors, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 75,765 options was for the adjustment to account for the dilutive effect arising from the rights issue on the unexercised options.

Details of share awards granted to Directors of the Company under the Del Monte Pacific RSP are as follows:

Name of Director	Share awards granted in financial period ended 30 April 2015	** Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards outstanding at as 30 April 2015
Mr Rolando C Gapud	–	211,000	211,000
Mr Joselito D Campos, Jr	–	4,465,440	–
Mr Edgardo M Cruz, Jr	–	95,000	95,000
Mr Patrick L Go	–	95,000	95,000
Dr Emil Q Javier	–	71,000	71,000
Mr Benedict Kwek Gim Song	–	108,000	108,000
Mr Godfrey E Scotchbrook	–	108,000	108,000

** *On 1 July 2015, 57,918 shares were awarded at the market price of S$0.385 per share to six Directors, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 57,918 share awards was for the adjustment to account for the dilutive effect arising from the rights issue on the unvested share awards previously granted by the Company.*

Except as disclosed above, no options or share awards have been granted to the controlling shareholders of the Company or their associates, or to Directors, or to employees of the Group, and no participant under the ESOP and Del Monte Pacific RSP has been granted 5% or more of the total options available under the ESOP and Del Monte Pacific RSP.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries at the end of the financial period.

Audit and Risk Committee

The Audit Committee was on 25 June 2015 been renamed the Audit and Risk Committee ("ARC") as the Audit Committee had always served the function of overseeing the Company's risk management framework and policies. For the financial year ended 30 April 2015, the ARC comprised of the following members:

Mr Benedict Kwek Gim Song	(ARC Chairman)
Mr Edgardo M Cruz, Jr	(Member)*
Mr Rolando C Gapud	(Member)*
Mr Patrick L Go	(Member)
Mr Godfrey E Scotchbrook	(Member)

* *The Board had on 1 July 2015 reconstituted the ARC to comprise solely of Independent Non-Executive Directors. Mr Rolando C Gapud (Executive Chairman) and Mr Edgardo M Cruz, Jr (Executive Director) ceased to be members of the ARC with effect from 1 July 2015.*

Between 1 May 2014 to 30 April 2015, the ARC had held six (6) meetings. The ARC reviews the effectiveness of the systems of internal controls in the Group, its accounting policies, annual financial statements and quarterly reports, the adequacy and effectiveness of the internal audit function, and the findings of both the external and internal auditors. The ARC may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. Furthermore, all interested person transactions are subject to regular periodic reviews by the ARC to ensure that they are carried out on arm's length commercial terms consistent with the Group's usual business practices and policies and are not be prejudicial to the Company's minority shareholders.

In performing its functions, the ARC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The ARC met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of internal controls. The ARC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial period ended 30 April 2015 as well as the external auditors' report thereon.

The ARC has full access to and cooperation of Management and the internal auditors. It also has full discretion to invite any Director or executive officer to attend its meetings. The Chief Financial Officer attends meetings of the ARC. The auditors have unrestricted access to the ARC. The ARC has reasonable resources to enable it to discharge its functions properly.

Internal controls

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the ARC and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate and effective as at 30 April 2015.

Auditors

The retiring independent auditors, KPMG LLP, will not be seeking re-appointment. Ernst & Young LLP will be nominated for appointment as the Company's auditors at the Company's forthcoming General Meeting (scheduled to be held immediately after the Company's Annual General Meeting on 28 August 2015).

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

28 July 2015

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 73 to 175 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2015 and the results, changes in equity and cash flows of the Group and of the Company for the year then ended in accordance with International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, notwithstanding the net working capital deficit of US$154.4 million.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

28 July 2015

Independent Auditors' Report

Members of the Company
Del Monte Pacific Limited

Report on the financial statements

We have audited the accompanying financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 April 2015, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 73 to 175.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Group and of the Company are properly drawn up in accordance with International Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Group and of the Company as at 30 April 2015 and the financial performance, changes in equity and the cash flows of the Group and of the Company for the year then ended on that date.

KPMG LLP.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 July 2015

Statements of Financial Position

	Note	Group 30 April 2015 US$'000	Group 30 April 2014 US$'000 (Restated)	Group 31 December 2013 US$'000	Company 30 April 2015 US$'000	Company 30 April 2014 US$'000 (Restated)*	Company 31 December 2013 US$'000 (Restated)*
Non-current assets							
Property, plant and equipment	6	578,359	504,953	99,465	–	–	–
Subsidiaries	7	–	–	–	774,123	803,514	212,675
Joint ventures	8	22,590	21,008	20,193	2,551	–	–
Intangible assets and goodwill	9	759,700	742,763	14,862	–	–	–
Deferred tax assets	10	80,773	45,108	10,555	–	–	–
Other assets	11	28,985	23,688	13,208	–	–	–
Biological assets	12	1,446	1,613	1,685	–	–	–
Employee benefits	23	–	10,673	–	–	–	–
		1,471,853	1,349,806	159,968	776,674	803,514	212,675
Current assets							
Biological assets	12	127,194	118,310	111,489	–	–	–
Inventories	13	764,350	814,257	98,162	–	–	–
Trade and other receivables	14	224,272	216,256	115,104	105,860	104,555	110,927
Cash and cash equivalents	17	35,618	28,401	132,921	6,126	232	100,293
Assets held for sale	18	8,113	–	–	–	–	–
		1,159,547	1,177,224	457,676	111,986	104,787	211,220
Total assets		2,631,400	2,527,030	617,644	888,660	908,301	423,895
Equity							
Share capital	19	19,449	12,975	12,975	19,449	12,975	12,975
Reserves	20	254,407	170,301	217,681	254,546	170,440	217,820
Equity attributable to owners of the Company		273,856	183,276	230,656	273,995	183,415	230,795
Non-controlling interests		59,590	67,603	(2,273)	–	–	–
Total equity		333,446	250,879	228,383	273,995	183,415	230,795
Non-current liabilities							
Financial liabilities	21	1,272,945	934,385	11,260	348,250	–	–
Other non-current liabilities	22	61,163	46,880	1,036	–	–	–
Employee benefits	23	129,199	99,060	1,876	–	–	–
Environmental remediation liabilities	24	4,580	4,241	–	–	–	–
Deferred tax liabilities	10	1,092	1,092	–	–	–	–
		1,468,979	1,085,658	14,172	348,250	–	–
Current liabilities							
Financial liabilities	21	445,542	919,579	265,404	102,630	602,491	–
Employee benefits	23	7,720	13,039	–	–	–	–
Trade and other payables	25	374,414	257,749	104,539	163,785	122,395	193,100
Current tax liabilities		1,299	126	5,146	–	–	–
		828,975	1,190,493	375,089	266,415	724,886	193,100
Total liabilities		2,297,954	2,276,151	389,261	614,665	724,886	193,100
Total equity and liabilities		2,631,400	2,527,030	617,644	888,660	908,301	423,895

** see Note 3.6*

The accompanying notes form an integral part of these non-statutory financial statements.

Income Statements

Year ended 30 April 2015

	Note	Group: Year ended 30 April 2015 US$'000	Group: Four months ended 30 April 2014 US$'000	Group: Year ended 31 December 2013 US$'000	Company: Year ended 30 April 2015 US$'000	Company: Four months ended 30 April 2014 US$'000 (Restated)*	Company: Year ended 31 December 2013 US$'000 (Restated)*
Revenue	26	2,159,375	378,799	492,177	–	–	–
Cost of sales		(1,769,516)	(342,698)	(376,567)	–	–	–
Gross profit		389,859	36,101	115,610	–	–	–
Other income		26,568	–	–	–	–	–
Distribution and selling expenses		(145,877)	(32,541)	(33,980)	–	–	–
General and administrative expenses		(216,289)	(47,455)	(52,248)	(6,417)	(2,024)	(5,283)
Other expenses		(10,048)	(5,923)	(1,906)	(578)	(190)	(1,796)
Results from operating activities		44,213	(49,818)	27,476	(6,995)	(2,214)	(7,079)
Finance income		400	391	395	4	21	–
Finance expense		(99,861)	(18,247)	(5,478)	(25,294)	(5,574)	–
Net finance expense	28	(99,461)	(17,856)	(5,083)	(25,290)	(5,553)	–
Share of (loss)/profit, net of tax		(2,453)	(1,154)	(4,908)	(5,762)	(33,997)	23,188
(Loss)/Profit before taxation		(57,701)	(68,828)	17,485	(38,047)	(41,764)	16,109
Tax credit/(expense)	29	14,440	22,339	(1,710)	–	–	–
(Loss)/Profit for the year/period	27	(43,261)	(46,489)	15,775	(38,047)	(41,764)	16,109
Profit attributable to:							
Non-controlling interests		(5,214)	(4,725)	(334)	–	–	–
Owners of the Company		(38,047)	(41,764)	16,109	(38,047)	(41,764)	16,109
		(43,261)	(46,489)	15,775	(38,047)	(41,764)	16,109
Earnings per share							
Basic (loss)/earnings per share (US cents)	30	(2.74)	(3.22)	1.24			
Diluted (loss)/earnings per share (US cents)	30	(2.74)	(3.22)	1.24			

** see Note 3.6*

The accompanying notes form an integral part of these non-statutory financial statements.

Statements of Comprehensive Income

	Group			Company		
	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000 (Restated)*	Year ended 31 December 2013 US$'000 (Restated)*
(Loss)/Profit for the year/period	(43,261)	(46,489)	15,775	(38,047)	(41,764)	16,109
Other comprehensive income						
Items that will or may be reclassified subsequently to profit or loss:						
Currency translation differences, net of tax	(1,655)	696	(20,408)	(1,468)	499	(20,408)
Effective portion of changes in fair value of cash flow hedges, net of tax	(10,399)	(2,708)	–	(9,300)	(2,422)	–
Items that will not be reclassified to profit or loss:						
Remeasurement of retirement plans, net of tax	(14,378)	(3,551)	2,057	(12,861)	(3,741)	2,057
Gain on property revaluation, net of tax	–	–	5,912	–	–	5,912
Other comprehensive income for the year/period, net of tax	(26,432)	(5,563)	(12,439)	(23,629)	(5,664)	(12,439)
Total comprehensive income for the year/period	(69,693)	(52,052)	3,336	(61,676)	(47,428)	3,670
Total comprehensive income attributable to:						
Non-controlling interests	(8,017)	(4,624)	(334)	–	–	–
Owners of the Company	(61,676)	(47,428)	3,670	(61,676)	(47,428)	3,670
	(69,693)	(52,052)	3,336	(61,676)	(47,428)	3,670

** see Note 3.6*

The accompanying notes form an integral part of these non-statutory financial statements.

Consolidated Statement of Changes in Equity Year ended 30 April 2015

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<---------- Attributable to owners of the Company								---------->		
2013												
At 1 January 2013		10,818	69,543	(24,965)	3,594	(2,686)	953	(504)	195,842	252,595	(1,939)	250,656
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	16,109	16,109	(334)	15,775
Other comprehensive income												
Currency translation differences		–	–	(20,408)	–	–	–	–	–	(20,408)	–	(20,408)
Gain on property revaluation		–	–	–	5,912	–	–	–	–	5,912	–	5,912
Remeasurement of retirement plans		–	–	–	–	2,057	–	–	–	2,057	–	2,057
Total other comprehensive income		–	–	(20,408)	5,912	2,057	–	–	–	(12,439)	–	(12,439)
Total comprehensive income for the year		–	–	(20,408)	5,912	2,057	–	–	16,109	3,670	(334)	3,336
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Share bonus issue		2,157	–	–	–	–	–	–	(2,157)	–	–	–
Dividends declared	31	–	–	–	–	–	–	–	(24,319)	(24,319)	–	(24,319)
Acquisition of treasury shares		–	–	–	–	–	–	(2,188)	–	(2,188)	–	(2,188)
Share options exercised		–	225	–	–	–	(76)	255	–	404	–	404
Share-based payment transactions		–	(563)	–	–	–	(1,245)	1,808	–	–	–	–
Value of employee services received for issue of share options	27	–	–	–	–	–	494	–	–	494	–	494
Total contributions by and distributions to owners		2,157	(338)	–	–	–	(827)	(125)	(26,476)	(25,609)	–	(25,609)
At 31 December 2013		12,975	69,205	(45,373)	9,506	(629)	126	(629)	185,475	230,656	(2,273)	228,383

The accompanying notes form an integral part of these non-statutory financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 April 2015

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Hedging reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<------ Attributable to owners of the Company									------>		
2014													
At 1 January 2014		12,975	69,205	(45,373)	9,506	(629)	–	126	(629)	185,475	230,656	(2,273)	228,383
Total comprehensive income for the period													
Loss for the period		–	–	–	–	–	–	–	–	(41,764)	(41,764)	(4,725)	(46,489)
Other comprehensive income													
Currency translation differences		–	–	499	–	–	–	–	–	–	499	197	696
Remeasurement of retirement plans		–	–	–	–	(3,741)	–	–	–	–	(3,741)	190	(3,551)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(2,422)	–	–	–	(2,422)	(286)	(2,708)
Total other comprehensive income		–	–	499	–	(3,741)	(2,422)	–	–	–	(5,664)	101	(5,563)
Total comprehensive income for the period		–	–	499	–	(3,741)	(2,422)	–	–	(41,764)	(47,428)	(4,624)	(52,052)
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	74,500	74,500
Value of employee services received for issue of share options	27	–	–	–	–	–	–	48	–	–	48	–	48
Total contributions by and distributions to owners		–	–	–	–	–	–	48	–	–	48	74,500	74,548
At 30 April 2014		12,975	69,205	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,276	67,603	250,879

The accompanying notes form an integral part of these non-statutory financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 April 2015

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Hedging reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<------ Attributable to owners of the Company									------>		
2015													
At 1 May 2014		12,975	69,205	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,276	67,603	250,879
Total comprehensive income for the year													
Loss for the year		–	–	–	–	–	–	–	–	(38,047)	(38,047)	(5,214)	(43,261)
Other comprehensive income													
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)	(187)	(1,655)
Remeasurement of retirement plans		–	–	–	–	(12,861)	–	–	–	–	(12,861)	(1,517)	(14,378)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(9,300)	–	–	–	(9,300)	(1,099)	(10,399)
Total other comprehensive income		–	–	(1,468)	–	(12,861)	(9,300)	–	–	–	(23,629)	(2,803)	(26,432)
Total comprehensive income for the period		–	–	(1,468)	–	(12,861)	(9,300)	–	–	(38,047)	(61,676)	(8,017)	(69,693)
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Proceeds from issue of ordinary shares, net of transaction cost		6,474	145,638	–	–	–	–	–	–	–	152,112	–	152,112
Value of employee services received for issue of share options	27	–	–	–	–	–	–	144	–	–	144	–	144
Non-controlling interest		–	–	–	–	–	–	–	–	–	–	4	4
Total contributions by and distributions to owners		6,474	145,638	–	–	–	–	144	–	–	152,256	4	152,260
At 30 April 2015		19,449	214,843	(46,342)	9,506	(17,231)	(11,722)	318	(629)	105,664	273,856	59,590	333,446

The accompanying notes form an integral part of these non-statutory financial statements.

Statement of Changes in Equity

Year ended 30 April 2015

	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
Company										
At 1 January 2013, as previously stated		10,818	69,682	–	–	–	953	(504)	30,301	111,250
Impact of change in accounting policies*		–	–	(24,965)	3,594	(2,686)	–	–	165,541	141,484
At 1 January 2013, as restated*		10,818	69,682	(24,965)	3,594	(2,686)	953	(504)	195,842	252,734
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	–	–	16,109	16,109
Other comprehensive income										
Currency translation differences		–	–	(20,408)	–	–	–	–	–	(20,408)
Gain on property revaluation		–	–	–	5,912	–	–	–	–	5,912
Remeasurement of retirement plans		–	–	–	–	2,057	–	–	–	2,057
Total other comprehensive income		–	–	(20,408)	5,912	2,057	–	–	–	(12,439)
Total comprehensive income for the year		–	–	(20,408)	5,912	2,057	–	–	16,109	3,670
Transactions with owners of the Company recognised directly in equity										
Contributions by and distributions to owners of the Company										
Share bonus issue		2,157	–	–	–	–	–	–	(2,157)	–
Dividends declared	31	–	–	–	–	–	–	–	(24,319)	(24,319)
Acquisition of treasury shares		–	–	–	–	–	–	(2,188)	–	(2,188)
Share options exercised		–	225	–	–	–	(76)	255	–	404
Share-based payment transactions		–	(563)	–	–	–	(1,245)	1,808	–	–
Value of employee services received for issue of share options	27	–	–	–	–	–	494	–	–	494
Total contributions by and distributions to owners		2,157	(338)	–	–	–	(827)	(125)	(26,476)	(25,609)
At 31 December 2013		12,975	69,344	(45,373)	9,506	(629)	126	(629)	185,475	230,795

** see Note 3.6*

The accompanying notes form an integral part of these non-statutory financial statements.

Statement of Changes in Equity

Year ended 30 April 2015

	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Hedging reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
Company											
2014											
At 1 January 2014, as previously stated		12,975	69,344	–	–	–	–	126	(629)	21,746	103,562
Impact of change in accounting policies*		–	–	(45,373)	9,506	(629)	–	–	–	163,729	127,233
At 1 January 2013, restated*		12,975	69,344	(45,373)	9,506	(629)	–	126	(629)	185,475	230,795
Total comprehensive income for the period											
Loss for the period		–	–	–	–	–	–	–	–	(41,764)	(41,764)
Other comprehensive income											
Currency translation differences		–	–	499	–	–	–	–	–	–	499
Remeasurement of retirement plans		–	–	–	–	(3,741)	–	–	–	–	(3,741)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(2,422)	–	–	–	(2,422)
Total other comprehensive income		–	–	499	–	(3,741)	(2,422)	–	–	–	(5,664)
Total comprehensive income for the period		–	–	499	–	(3,741)	(2,422)	–	–	(41,764)	(47,428)
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Value of employee services received for issue of share options	27	–	–	–	–	–	–	48	–	–	48
Total contributions by and distributions to owners		–	–	–	–	–	–	48	–	–	48
At 30 April 2014		12,975	69,344	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,415

** see Note 3.6*

The accompanying notes form an integral part of these non-statutory financial statements.

Statement of Changes in Equity

Year ended 30 April 2015

	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Hedging reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
Company											
2015											
At 1 May 2014, as previously stated		12,975	69,344	–	–	–	–	174	(629)	13,979	95,843
Impact of change in accounting policies*		–	–	(44,874)	9,506	(4,370)	(2,422)	–	–	129,732	87,572
At 1 May 2014, restated *		12,975	69,344	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,415
Total comprehensive income for the year											
Loss for the year		–	–	–	–	–	–	–	–	(38,047)	(38,047)
Other comprehensive income											
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)
Remeasurement of retirement plans		–	–	–	–	(12,861)	–	–	–	–	(12,861)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(9,300)	–	–	–	(9,300)
Total other comprehensive income		–	–	(1,468)	–	(12,861)	(9,300)	–	–	–	(23,629)
Total comprehensive income for the period		–	–	(1,468)	–	(12,861)	(9,300)	–	–	(38,047)	(61,676)
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Proceeds from issue of ordinary shares, net of transaction cost		6,474	145,638	–	–	–	–	–	–	–	152,112
Value of employee services received for issue of share options	27	–	–	–	–	–	–	144	–	–	144
Total contributions by and distributions to owners		6,474	145,638	–	–	–	–	144	–	–	152,256
At 30 April 2015		19,449	214,982	(46,342)	9,506	(17,231)	(11,722)	318	(629)	105,664	273,995

** see Note 3.6*

The accompanying notes form an integral part of these non-statutory financial statements.

Statement of Cash Flows

Year ended 30 April 2015

	Note	Group: Year ended 30 April 2015 US$'000	Group: Four months ended 30 April 2014 US$'000	Group: Year ended 31 December 2013 US$'000	Company: Year ended 30 April 2015 US$'000	Company: Four months ended 30 April 2014 US$'000 (Restated)*	Company: Year ended 31 December 2013 US$'000 (Restated)*
Cash flows from operating activities							
(Loss)/Profit for the year/period		(43,261)	(46,489)	15,775	(38,047)	(41,764)	16,109
Adjustments for:							
Amortisation of intangible assets	9	7,560	1,434	571	–	–	–
Depreciation of property, plant and equipment	6	51,423	13,803	18,826	–	–	–
Reversal of impairment loss of property, plant and equipment	6	(508)	(172)	(313)	–	–	–
Loss/(Gain) on disposal of property, plant and equipment		1,278	41	(141)	–	–	–
Equity-settled share-based payment transactions	27	144	48	494	144	48	494
Share of loss/(profit), net of tax	32	2,453	1,154	4,908	5,762	33,997	(23,188)
Finance income	28	(400)	(391)	(395)	(4)	(21)	–
Finance expense	28	99,861	18,230	5,478	25,294	5,574	–
Tax (credit)/expense	29	(14,440)	(22,339)	1,710	–	–	–
Ineffective portion of cash flow hedges		319	–	–	–	–	–
Bargain purchase on acquisition of Sager Creek	5	(26,568)	–	–	–	–	–
Deconsolidation of a subsidiary	27	5,186	–	–	–	–	–
		83,047	(34,681)	46,913	(6,851)	(2,166)	(6,585)
Changes in:							
Other assets		10,951	(6,867)	188	–	–	–
Inventories		101,853	82,637	7,229	–	–	–
Biological assets		(9,040)	(6,750)	(12,182)	–	–	–
Trade and other receivables		(33,166)	31,808	(18,000)	(6,103)	(40)	1
Trade and other payables		88,426	(6,815)	15,470	856	4,390	(103)
Amounts due to subsidiaries (non-trade)		–	–	–	–	–	38,620
Amounts due from subsidiaries (non-trade)		–	–	–	–	6,412	(5,769)
Employee benefits		10,180	1,323	(1,004)	–	–	–
Operating cash flows		252,251	60,655	38,614	(12,098)	8,596	26,164
Taxes paid		(12,623)	(5,982)	(10,846)	–	–	–
Net cash flows from/(used in) operating activities		239,628	54,673	27,768	(12,098)	8,596	26,164

** see Note 3.6*

*** continued on next page*

	Note	Group: Year ended 30 April 2015 US$'000	Group: Four months ended 30 April 2014 US$'000	Group: Year ended 31 December 2013 US$'000	Company: Year ended 30 April 2015 US$'000	Company: Four months ended 30 April 2014 US$'000	Company: Year ended 31 December 2013 US$'000
Cash flows from investing activities							
Interest received		353	111	370	–	21	–
Proceeds from disposal of property, plant and equipment		353	63	444	–	–	–
Purchase of property, plant and equipment		(75,179)	(17,980)	(24,739)	–	–	–
Investments in joint ventures		(4,249)	(2,271)	(3,594)	(2,551)	–	–
Acquisition of Consumer Food Business, net of cash acquired	5	–	(1,783,497)	–	–	(630,500)	–
Purchase of Sager Creek	5	(75,000)	–	–	–	–	–
Deconsolidation of a subsidiary		(1,258)	–	–	–	–	–
Withdrawal/(Deposit) to escrow account related to the Acquisition of Consumer Food Business		–	100,000	(100,000)	–	100,000	(100,000)
Net cash flows used in investing activities		(154,980)	(1,703,574)	(127,519)	(2,551)	(530,479)	(100,000)
Cash flows from financing activities							
Interest paid		(88,111)	(7,650)	(3,644)	(27,087)	(5,574)	–
Proceeds from borrowings		1,270,084	2,133,766	1,107,203	16,000	602,491	–
Repayment of borrowings		(1,411,388)	(558,176)	(956,638)	(167,000)	–	–
Proceeds from issue of share capital		155,036	–	–	155,036	–	–
Payment of transactions costs related to issuance of share capital		(2,924)	–	–	(2,924)	–	–
Loans from subsidiaries		–	–	–	–	–	100,000
Repayment of loans to subsidiaries		–	–	–	–	(75,095)	–
Capital injection by non-controlling interests of subsidiaries		4	74,500	–	–	–	–
Proceeds from exercise of share options		–	–	404	–	–	404
Acquisition of treasury shares		–	–	(2,188)	–	–	(2,188)
Amounts due to subsidiaries (non-trade)		–	–	–	41,716	–	–
Amounts due from subsidiaries (non-trade)		–	–	–	4,802	–	–
Dividends paid	31	–	–	(24,319)	–	–	(24,319)
Net cash flows (used in)/ from financing activities		(77,299)	1,642,440	120,818	20,543	521,822	73,897

The accompanying notes form an integral part of these non-statutory financial statements.

Statement of Cash Flows

	Note	<---- Group ----		---->	<---- Company ----		---->
		Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Net increase/(decrease) in cash and cash equivalents		7,349	(6,461)	21,067	5,894	(61)	61
Cash and cash equivalents at beginning of year/period		28,401	32,921	24,555	232	293	232
Effect of exchange rate changes on balances held in foreign currency		(132)	1,941	(12,701)	–	–	–
Cash and cash equivalents at end of year/period	17	35,618	28,401	32,921	6,126	232	293

The accompanying notes form an integral part of these non-statutory financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 July 2015.

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 10 June 2013, the Company was also listed on the Philippine Stock Exchange ("PSE"). The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is that of investment holding. Its subsidiaries are principally engaged in growing, processing, developing, manufacturing, marketing, distributing and selling packaged fruits and vegetables, canned and fresh pineapples, pineapple concentrate, tropical mixed fruit, tomato-based products, broth and certain other food products mainly under the brand names of *"Del Monte", "S&W"*, *"Contadina"*, *"College Inn"* and other brands.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc and Well Grounded Limited, which at 30 April 2015 held 57.8% and 42.2% (30 April 2014: 57.8% and 42.2%) interest in NutriAsia Pacific Limited respectively, through their intermediary company, NutriAsia Holdings Limited. NutriAsia Pacific Limited, NutriAsia Inc and Well Grounded Limited are incorporated in the British Virgin Islands.

The financial statements of the Group as at and for the year ended 30 April 2015 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interests in joint ventures.

2. Going concern – The Company

The Company's current liabilities are higher by US$154.4 million compared to current assets as at 30 April 2015 (30 April 2014: US$620.1 million). The Company's financial statement has been prepared on a going concern basis, which assumes that the Company will be able to pay its liabilities as and when they fall due.

Management believes that the use of going concern assumption is appropriate taking into account the following:

- The availability of a US$100.0 million loan offered to the Company that has a 5 year repayment period;
- The ability of the Company to extend the maturity dates of certain of its financing facilities to more than twelve months after the reporting date;
- The ability of the Company to raise additional equity through issuance of subordinated perpetual securities to the shareholders in the next twelve months; and
- The Group's expected positive cash flows from its operations and the Group's net current assets position of US$330.6 million as at 30 April 2015.

The financial statements do not contain any adjustments that would be required if the Company's financial statements were not drawn up on a going concern basis. If required these adjustments would be made to the statement of financial position of the Company to increase or reduce the recoverable amounts of assets, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

These financial statements are presented in United States ("US") dollars, which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

3.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the next financial year are included in the following notes:

Note 5	–	Acquisition of business: fair value measured on a provisional basis
Note 6	–	Useful life of property, plant and equipment
Note 7	–	Recoverability of investment in subsidiaries
Note 8	–	Recoverability of investment in joint venture
Note 9	–	Useful life of intangible assets and impairment of intangible assets and goodwill
Note 12	–	Cost of growing crops and fair value of livestock and harvested crops
Note 13	–	Allowance for inventory obsolescence and net realisable value
Note 15	–	Impairment of trade receivables
Note 23	–	Measurement of employee benefit obligations
Note 29	–	Measurement of tax

3.5 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

3. Basis of preparation (cont'd)

3.6 Changes in accounting policies

Adoption of new standards and interpretations

The Group has adopted all the new standards, amendments to standards, including any consequential amendments to other standards, and interpretations with a date of initial application of 1 May 2014. The adoption of these new standards, amendments to standards, interpretations has no significant impact to the Group.

From 1 May 2014, as a result of the early adoption of amendments to IAS 27 *Equity Method in Separate Financial Statements*, the Company has changed its accounting policy with respect to its investments in the subsidiaries.

Previously, investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses. Upon the early adoption of the amendments to IAS 27, investments in subsidiaries are accounted for using the equity method.

These amendments were applied retrospectively. The following tables summarise the material impacts resulting from the above changes in accounting policies with respect to the adoption of amendments to IAS 27, on the Company's statement of financial position and statement of comprehensive income.

Statement of financial position

	Effect of changes in accounting policy		
	As previously reported US$'000	Increase/ (decrease) US$'000	As restated US$'000
Company			
As at 1 January 2013			
Investment in subsidiaries	85,442	141,484	226,926
Total assets	165,833	141,484	307,317
Reserve	100,432	141,484	241,916
Total equity	111,250	141,484	252,734
As at 31 December 2013			
Investment in subsidiaries	85,442	127,233	212,675
Total assets	296,662	127,233	423,895
Reserve	90,587	127,233	217,820
Total equity	103,562	127,233	230,795
At 30 April 2014			
Investment in subsidiaries	715,942	87,572	803,514
Total assets	820,729	87,572	908,301
Reserve	82,868	87,572	170,440
Total equity	95,843	87,572	183,415

3. Basis of preparation (cont'd)

3.6 Changes in accounting policies (cont'd)

As at 30 April 2015

	Effect of changes in accounting policy US$'000
Investment in subsidiaries	58,181
Overall increase in total assets at the end of the year	58,181
Reserve	58,181
Overall increase in total equity at the end of the year	58,181

Income statements and statement of comprehensive income

	Effect of changes in accounting policy		
	As previously reported US$'000	Increase/ (decrease) US$'000	As restated US$'000
For the year ended 31 December 2013			
Dividend income	25,000	(25,000)	–
Share of profits of subsidiaries, net of tax	–	23,188	23,188
Profit for the year	17,921	(1,812)	16,109
Other comprehensive income for the year, net of tax	–	(12,439)	(12,439)
Total comprehensive income for the year	17,921	(14,251)	3,670
For the four months ended 30 April 2014			
Share of loss of subsidiaries, net of tax	–	(33,997)	(33,997)
Loss for the period	(7,767)	(33,997)	(41,764)
Other comprehensive income for the period, net of tax	–	(5,664)	(47,428)
Total comprehensive income for the period	–	(5,664)	(47,428)

For the year ended 30 April 2015

	Effect of changes in accounting policy Increase/ (decrease) US$'000
Share of loss of subsidiaries, net of tax	(5,762)
Loss for the year	(5,762)
Other comprehensive income for the year, net of tax	(23,629)
Total comprehensive income for the year	(29,391)

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 3.6, which addresses changes in accounting policies.

4.1 Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries are aligned with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(iii) Acquisition under common control

The formation of the Group in 1999 was accounted for as a reorganisation of companies under common control using merger accounting. The financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a Group for all periods presented. The assets and liabilities of Del Monte Pacific Resources Limited and its subsidiaries contributed to the Company have been reflected at predecessor cost in these financial statements.

(iv) Loss of control

When the Group losses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the income statement.

(v) Investments in joint ventures

Joint ventures are those entities in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs. Subsequent to the initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and joint ventures in the separate financial statements

Interest in subsidiaries and joint venture is accounted for using the equity method. It is initially recognised at cost, which includes transactions costs. Subsequent to the initial recognition, the financial statements include the Company's share of profit or loss and other comprehensive income of the equity-accounted investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Company's share of losses exceeds its interest in subsidiaries and joint venture, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

4. Significant accounting policies (cont'd)

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the income statement, except for differences which are recognised in Other Comprehensive Income (OCI) arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

(iii) Foreign operation in hyperinflationary economy

Financial statements of a foreign entity with a functional currency of a country that has a highly inflationary economy, are restated to reflect changes in the general price level or index in that country before translation into US Dollars.

In adjusting for hyperinflation, a general price index is applied to all non-monetary items in the financial statements (including equity) and the resulting gain or loss, which is the gain or loss on the entity's net monetary position, is recognised in the income statement. Monetary items in the closing statement of financial position, which are defined as money held and items to be received or paid in money, are not adjusted.

4. Significant accounting policies (cont'd)

4.3 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill of initial recognition, see note 5.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of the joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint ventures.

(ii) Indefinite Intangible Assets

Intangible assets are measured at cost less accumulated impairment losses.

(iii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

(vi) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and, from the date that they are available for use. The estimated useful lives for the current period and comparative years are as follows:

Trademarks	– 10 to 40 years
Customer relationships	– 8 to 20 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4. Significant accounting policies (cont'd)

4.4 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets comprise of loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash on hand.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities comprise financial liabilities, and trade and other payables.

4. Significant accounting policies (cont'd)

4.4 Financial instruments (cont'd)

(iii) Derivative financial instruments, including hedge accounting

The Group uses derivative financial instruments for the purpose of managing risks associated with interest rates, currencies, transportation and certain commodities. The Group does not trade or use instruments with the objective of earning financial gains on fluctuations in the derivative instrument alone, nor does it use instruments where there are not underlying exposures. All derivative instruments are recorded in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether the instrument has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, the Group designates the hedging instrument based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 - 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; any directly attributable transaction costs are recognised in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to the income statement.

(iv) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

4. Significant accounting policies (cont'd)

4.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for freehold land, which are stated at its revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluation is carried out by independent professional valuers regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in the revaluation amount is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value of the same asset that was recognised in the income statement. A decrease in value is recognised in the income statement where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from other comprehensive income to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, when the Group has an obligation to remove the asset or restore the site as estimate of the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognised net within other income/ other expenses in the income statement.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the income statement on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

4. Significant accounting policies (cont'd)

4.5 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The estimated useful lives for the current period and comparative years are as follows:

Buildings on freehold land	–	15 to 45 years
Buildings, land improvements and leasehold improvements	–	3 to 50 years
Machinery and equipment	–	3 to 30 years
Computers and software	–	3 to 7 years
Dairy and breeding herd	–	3½ years to 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.6 Biological assets

The Group's biological assets include: (a) growing crops consisting of pineapple and papaya; (b) breeding and dairy herd; (c) growing herd; and (d) cattle for slaughter. Agricultural produce include: (a) pineapple and papaya fruits harvested from the Group are growing crops and (b) cut meat from the cattle for slaughter.

The Company's biological assets are accounted for as follows:

Growing crops

Growing crops are measured at cost reduced by the estimated costs of harvests. Costs to grow include purchase costs, land preparation expenses, and direct expenses during the cultivation of the primary, ratoon and, if needed, re-ratoon crops. The accumulated costs are deferred and are amortised as raw product costs upon harvest. Raw product cost is the estimated cost of the actual volume of harvest in a given period.

The cost method of valuation is used since fair value cannot be measured reliably. The growing crops have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Growing crops are classified as current assets in the statement of financial position.

Breeding and dairy herd

The breeding and dairy herd are measured at cost less accumulated depreciation. The breeding and dairy herd have useful lives of 3½ to 6 years. The cost method was used since fair value cannot be measured reliably. The breeding and dairy herd have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Breeding and dairy herd are classified as non-current assets in the statements of financial position.

Growing herd

Growing herd is measured at cost. The cost method was used since the fair value cannot be measured reliably. Growing herd has no defined active market since it has not yet been identified if this will be for breeding or for slaughter. Growing herd is classified as non-current assets in the statement of financial position.

Cattle for slaughter

Cattle for slaughter is measured at each reporting date at their fair value less point-of-sale costs. Gains and losses arising from changes in fair values are included in profit or loss for the period in which they arise. Cattle for slaughter is classified as current assets in the statements of financial position.

4. Significant accounting policies (cont'd)

4.6 Biological assets (cont'd)

The Group's agricultural produce are accounted for as follows:

Agricultural produce

The Company's agricultural produce, at the point of harvest, is measured at their fair value less estimated point-of-sale costs on initial recognition. Point-of-sale costs include expenses such as commissions to brokers and dealers, as applicable. The fair value less the estimated point-of-sale costs of the agricultural produce is the deemed cost of the raw product which forms part of the cased goods.

Cut meat

Cut meat is measured at each reporting date at their fair value less point-of-sale costs. Gains and losses arising from changes in fair values are included in profit or loss for the period in which they arise.

4.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of finished goods is based on the weighted average method, while the cost of production materials and storeroom items is based on the weighted moving average method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of conversion include costs directly related to the units of production, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

The allocation of fixed production overheads is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average for the periods or seasons under normal circumstances, taking into account the seasonal business cycle of the Group.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of growing crops transferred from biological assets is its fair value less cost to sell at the date of harvest.

4.9 Impairment

(i) Non-derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) have occurred after the initial recognition of the asset, and that the loss event(s) had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults.

4. Significant accounting policies (cont'd)

4.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the income statement.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

4. Significant accounting policies (cont'd)

4.9 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Joint ventures

An impairment loss in respect of joint ventures is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in the income statement. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

When conducting the annual impairment test for goodwill, the Group compares the estimated fair value of the Cash Generating Unit (CGU) containing goodwill to its recoverable amount. Goodwill is allocated to a CGU or group of CGUs that represents the lowest level within the entity at which the goodwill is monitored for internal management purposes The Group has one CGU. The recoverable amount is computed using two approaches: the value-in-use approach, which is the present value of expected cash flows, discounted at a risk adjusted weighted average cost of capital; and the fair value less cost to sell approach, which is based on using market multiples of companies in similar lines of business. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed.

Intangible assets with indefinite lives, are components of the CGU containing goodwill and the impairment assessment is as described above.

4. Significant accounting policies (cont'd)

4.10 Non-current assets held for sale

Non-current assets held for sale are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in the income statement.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

4.11 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

A defined benefit pension plan requires contributions to be made to separately administered funds. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in staff cost in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

When the plan amendment or curtailment occurs, the Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to certain union employees.

4. Significant accounting policies (cont'd)

4.11 Employee benefits (cont'd)

(iii) Other plans

The Company has various other non-qualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Company's qualified retirement plans. These plans are unfunded and comply with Internal Revenue Service (IRS) rules for non-qualified plans.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in the income statement in the period in which they arise.

(v) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(vi) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vii) Share-based payment transactions

The Group grants share awards and share options for the shares of the Company to employees of the Group. The fair value of incentives granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and accounted for as described below.

Share awards

The fair value, measured at grant date, is spread over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is spread over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee benefit expense and in a corresponding adjustment to equity over the remaining vesting period.

4. Significant accounting policies (cont'd)

4.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Environment remediation liabilities

In accordance with the Group's environment policy and applicable legal requirements, a provision for environmental remediation obligations and the related expense, is recognised when such losses are probable and the amounts of such losses can be estimated reliably. Accruals for estimated losses for environmental remediation obligations are recognised no later than the completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change.

(ii) Retained insurance liabilities

The Group accrues for retained-insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations. A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks (primarily worker's compensation). Additionally, the Group's estimate of retained-insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

(iii) Deferred rent

Rent expense is being recognised on a straight-line basis over the life of the lease. The difference between rent expense recognised and rental payments, as stipulated in the lease, is reflected as deferred rent in the statements of financial position.

4.13 Revenue recognition

(i) Sales of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of transfers of risks and rewards varies depending on the individual terms of the contract of sale but usually occurs when the customer receives the product.

(ii) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

4.14 Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

4. Significant accounting policies (cont'd)

4.15 Finance income and finance costs

Finance income comprises interest income earned mainly from bank deposits. Interest income is recognised as it accrues in the income statement, using the effective interest method.

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4. Significant accounting policies (cont'd)

4.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise the restricted share plan and share options granted to employees.

4.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly non-recurring expenses.

4.19 New standards and interpretations not adopted

A number of new or revised standards and amendments to standards are effective for annual periods beginning after 1 May 2015, and have not been applied in preparing these Consolidated Financial Statements. Except as otherwise indicated, none of these are expected to have a significant effect on the financial statements. The Group does not plan to adopt these standards early.

The Group will adopt the following new or revised standards and amendments to standards on the respective effective dates:

IFRS 9 *Financial Instruments*. IFRS 9 *effective 1 January 2018* replaces IAS 39 *Financial Instruments: Recognition and Measurement* and supersedes the previously published versions of IFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). IFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2013. IFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

The new standard is to be applied retrospectively for annual periods beginning on or after 1 January 2018 with early adoption permitted.

The Group is assessing the potential impact of the adoption of IFRS 9 and does not plan to adopt this standard early.

Agriculture: *Bearer Plants (Amendments to IAS 16 and IAS 41) effective 1 January 2016.* Bearer plants are now in the scope of IAS 16, *Property, Plant and Equipment*, for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 *Agriculture*. A bearer plant is a plant that is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. Although the amendments withdraw mandatory fair value measurement, a company will still need information about future cash flows to determine the recoverable amount of a bearer plant when an indicator of impairment exists. The amendments are effective for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

4. Significant accounting policies (cont'd)

4.19 New standards and interpretations not adopted (cont'd)

On transition, a company can elect to use the fair value of bearer plants as at the beginning of the earliest comparative reporting period as deemed cost at that date. This option is intended to make adopting the amendments easier - especially for companies with long-cycle bearer plants - by avoiding the need to recalculate the asset's cost.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of this amendment.

IFRS 15*, Revenue from Contracts with Customers effective 1 January 2018.* This replaces most of the detailed guidance on revenue recognition that currently exists under IFRS. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Entities will apply a five-step model to determine when to recognise revenue, and at what amount. The new standard provides application guidance on numerous topics, including warranties and licenses. It also provides guidance on when to capitalise costs of obtaining or fulfilling a contract that are not addressed in other accounting standards - e.g. for inventory.

IFRS 15 is effective for annual periods beginning on or after 1 January 2018. Early adoption is permitted under IFRS. The standard may be adopted retrospectively, or as of the application date by adjusting retained earnings at that date and disclosing the effect of adoption on each line of profit or loss (the 'cumulative effect approach'). Practical expedients are available to those taking a retrospective approach.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

5. Acquisition of business

(i) Acquisition of Sager Creek

The Group, through its wholly-owned U.S. subsidiary, Vegetable Acquisition Corp., has acquired Sager Creek Vegetable Company's ("Sager Creek") vegetable business effective 11 March 2015 in San Francisco, U.S.A. Sager Creek is a producer of specialty vegetables for the foodservice and retail markets headquartered in Siloam Springs, Arkansas. Sager Creek has manufacturing operations located in North Carolina, Arkansas, and Wisconsin. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. The cash price paid for the Sager Creek assets is US$75.0 million. Such price was established through an auction process and negotiations between the parties. The acquisition cost was financed through Del Monte Foods Inc's ("DMFI") revolving credit facility, the payment for which will be secured by the acquired assets.

The acquisition of Sager Creek's business provides the Group access to new customers and new retail product offerings and the opportunity to expand on Sager Creek's foodservice business platform, while driving significant operating synergies in the Group's network of vegetable production facilities.

During the period from the date of acquisition on 3 March 2015 to 30 April 2015, Sager Creek contributed revenue of US$29.5 million and an operating loss of US$0.2 million to the Group's results. If the acquisition had occurred on 1 May 2014, management estimates that the contribution to the consolidated revenue would have been US$251.6 million, and operating loss would have been US$23.3 million.

(a) Consideration transferred

The consideration for the acquisition of Sager Creek is US$75.0 million and is subject to post closing working capital adjustments.

(b) Acquisition-related costs

The Group incurred a total of US$0.8 million of acquisition-related costs in respect of the acquisition of Sager Creek. These costs include external legal fees and due diligence costs, and have been included in "administrative expenses" in the income statements.

5. Acquisition of business (cont'd)

(i) Acquisition of Sager Creek (cont'd)

(c) Identifiable assets acquired and liabilities assumed

The transaction was accounted for as a business acquisition under the purchase method of accounting. The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition:

	US$'000
Property, plant and equipment	39,511
Intangible assets	25,400
Other non-current assets	2,117
Inventories	53,589
Assets held for sale	8,113
Other current assets	4,412
Trade and other payables	(31,113)
Other non-current liabilities	(461)
Total identifiable net assets	101,568

Of the US$25.4 million of acquired intangible assets, US$11.9 million was assigned to customer relationships and US$13.5 million was assigned to trademarks and trade names.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows: *Property, plant and equipment:* Market comparison technique and cost technique: The valuation model considered quoted market prices for similar items when available, and depreciated replacement cost as appropriate. *Intangible assets:* Relief-from-royalty method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as result of the patents or trademarks being owned. *Inventories:* Market comparison technique: The fair value was determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(d) Fair values measured on a provisional basis

The fair values of the assets and liabilities have been measured on a provisional basis. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

(e) Bargain purchase

Bargain purchase arising from the acquisition has been recognised as follows:

	US$'000
Total consideration transferred	75,000
Fair value of identifiable net assets	(101,568)
Bargain purchase	(26,568)

5. Acquisition of business (cont'd)

(i) Acquisition of Sager Creek (cont'd)

(e) Bargain purchase (cont'd)

This acquisition resulted in a bargain purchase transaction because the fair value of assets acquired exceeded the total of the fair value of consideration paid. The bargain purchase gain is recognised directly in the income statement. The Group believes the bargain purchase arose mainly because the transaction occurred at a more rapid pace than what would be considered a normal transaction timeframe for similar purchase transactions. The prior owners had a short time period to close the deal so that the new buyer handles the grower and other commitments for the upcoming grower season and it was important to the acquiree to get these commitments signed. The process was subject to a limited competitive bidding process, due to the need to close quickly.

(ii) Acquisition of DMFI

On 10 October 2013, the Company and the Group's wholly owned subsidiary, Del Monte Foods, Inc. ("DMFI") entered into a purchase agreement with Del Monte Corporation, now known as Big Heart Pet Brands ("the Seller"), to acquire all of the shares of certain subsidiaries of the Seller and acquire certain assets and assume certain liabilities related to the Seller's consumer food business ("Consumer Food Business") for a purchase price of US$1,675.0 million subject to a post-closing working capital adjustment (the "Acquisition"). The transaction was completed on 18 February 2014.

The Consumer Food Business sells products under the *Del Monte, Contadina, College Inn, S&W* and other brand names, as well as private label products, to key customers. The Consumer Food Business is one of the largest marketers of processed fruit, vegetables and tomatoes in the United States, with the leading market share for branded products in both fruit and vegetable.

As a result of the acquisition, the Group expects to gain access to a well-established, attractive and profitable branded consumer business in the US. The Group anticipates generating significant value creation opportunities in the US market through the expansion of the Consumer Food Business' current product offering to include beverage and culinary products. Furthermore, with greater access for its products, the Group expects to realise synergies by leveraging its vertical integration, benefiting from economies of scale and value-added expansion and optimising operations over time.

In order to support the continued and uninterrupted operation of the Consumer Food Business following the close date, a transition services agreement, dated 18 February 2014 was made by and between the Seller, DMFI and the Company. Beginning on the close date, the Seller provided transition services relating to warehousing, transportation, customer financial services, IT services/use of system and administration (accounting/finance).

From the date of acquisition on 18 February 2014 to 30 April 2014, the Consumer Food Business contributed revenue of US$293.0 million and loss of US$43.3 million to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that contribution to consolidated revenue would have been US$525.0 million, and consolidated loss for the period would have been US$58.0 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

(a) Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

	US$'000
Original purchase price	1,675,000
Working capital adjustments	110,981
Total cash consideration	1,785,981
Settlement of pre-existing relationship	(1,160)
Total consideration transferred	1,784,821

5. Acquisition of business (cont'd)

(ii) <u>Acquisition of DMFI</u> (cont'd)

(a) Consideration transferred (cont'd)

The cash consideration includes the post-closing working capital adjustments of US$111.0 million which was calculated based on the difference between the target working capital stipulated in the purchase agreement and the Seller's good faith estimate of working capital and was paid upon the completion of the acquisition on 18 February 2014.

Based on the Seller's calculation of working capital, the Seller requested an additional upward adjustment to the post-closing working capital adjustment of US$16.4 million plus interest accrued from 18 February 2014 through to the date of payment. The US$16.4 million has not been accrued by the Group. DMFI served its Notice of Disagreement asserting that the Sellers' statement setting forth its calculation of closing working capital is in breach of several provisions of the Agreement and that the Seller is not entitled to any adjustment to the purchase price on account of working capital, including the additional post-closing working capital adjustment of US$16.4 million plus interest accrued, and the post-closing adjustment amount must be returned.

DMFI and the Seller have now submitted the dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement.

Settlement of pre-existing relationship

The Group and the Seller were parties to a long-term supply contract in respect of processed foods (three-year notice of termination was served by the Group in November 2011) in North America (except Canada), Mexico and the Caribbean.

On the completion of the acquisition on 18 February 2014, the Seller's rights and obligations under the supply contract between the Company and the Seller were transferred to DMFI. The loss of US$1.2 million on settlement of the pre-existing relationship has been included in "other expenses" in the income statements. This amount is the lower of the termination amount and the value of the off-market element of the contract. The fair value of the agreement at the date of acquisition was approximately US$1.2 million, which relates to the unfavourable aspect of the contract to the Group relative to market prices.

(b) Acquisition-related costs

The Group incurred a total of US$2.2 million for the year ended 30 April 2015 (four months ended 30 April 2014: US$9.5 million; year ended 31 December US$22.8 million) of acquisition-related costs in respect of the Acquisition. These costs include external legal fees and due diligence costs, and have been included in 'Administrative expenses' in the consolidated income statement.

5. **Acquisition of business (cont'd)**

(ii) **Acquisition of DMFI (cont'd)**

(c) ***Identifiable assets acquired and liabilities assumed***

The following table summarises the recognised fair values of identifiable assets acquired and liabilities assumed at the date of acquisition.

	Note	Fair values recognised on acquisition (provisional) 30 April 2014 US$'000	Adjustments during window period US$'000	Fair values recognised on acquisition (final) 30 April 2015 US$'000
Property, plant and equipment	6	395,268	3,546	398,814
Intangible assets	9	529,000	(4,000)	525,000
Other assets		22,619	(359)	22,260
Deferred tax assets	10	8,534	45	8,579
Inventories	13	797,459	–	797,459
Cash and cash equivalents		2,484	–	2,484
Trade and other receivables		124,698	805	125,503
Trade and other payables		(144,335)	–	(144,335)
Current employee benefits		(4,563)	172	(4,391)
Other liabilities		(46,277)	(697)	(46,974)
Deferred tax liabilities		–	(1,092)	(1,092)
Non-current employee benefits		(105,465)	2,644	(102,821)
Total identifiable net assets acquired		1,579,422	1,064	1,580,486
Goodwill	9	205,399	(1,064)	204,335
Total consideration transferred		1,784,821	–	1,784,821
Less: Cash and cash equivalents acquired		(2,484)	–	(2,484)
Acquisition of DMFI, net of cash acquired		1,782,337	–	1,782,337

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows: *Property, plant and equipment:* Market comparison technique and cost technique: The valuation model considered quoted market prices for similar items when available, and depreciated replacement cost as appropriate. *Intangible assets:* Relief-from-royalty method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as result of the patents or trademarks being owned. *Inventories:* Market comparison technique: The fair value was determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Trade and other receivables comprised gross contractual amounts due of US$126.1 million, of which, US$0.6 million was expected to be uncollectible at the date of acquisition. Of the US$525.0 million of acquired intangible assets, US$107.0 million was assigned to customer relationships and US$418.0 million was assigned to trademarks. Customer relationships and amortisable trademarks will be amortised over 10 - 20 years.

Retrospective adjustment

The Group retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information about facts and circumstances that existed as of the acquisition date that affected the measurement of the amounts initially recognised or would have resulted in the recognition of other assets or liabilities with a corresponding adjustment to goodwill. The Group also revised comparative information for prior periods presented in the financial statements as needed, including making changes to depreciation, amortisation, or other income as a result of changes made to provisional amounts recognised as of 30 April 2014.

5. Acquisition of business (cont'd)

(ii) Acquisition of DMFI (cont'd)

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	Note	US$'000
Total consideration transferred		1,784,821
Fair value of identifiable net assets		1,580,486
Goodwill	9	204,335

The goodwill is attributable mainly to the significant value creation opportunities in the US market through the expansion of the Consumer Food Business' current product offering to include beverage and culinary products as well as synergies between the Consumer Food Business and the different subsidiaries under the Group. Furthermore, with greater access for its products, the Group expects to realise synergies by leveraging its vertical integration, benefiting from economies of scale and value-added expansion and optimising operations over time.

6. Property, plant and equipment

	<------ At cost				------>	Valuation	
	Buildings on freehold land	Buildings, land improvements and leasehold improvements	Machinery and equipment	Dairy and breeding herd	Construction -in-progress	Freehold land	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group							
Cost/Valuation							
At 1 January 2013	20,594	11,131	152,706	249	20,559	8,604	213,843
Additions	946	3,813	6,819	–	13,161	–	24,739
Disposals	(103)	(125)	(5,650)	–	–	–	(5,878)
Reclassifications	(595)	854	14,284	–	(15,661)	1,118	–
Surplus on revaluation	–	–	–	–	–	6,387	6,387
Currency realignment	(1,176)	(1,105)	(11,394)	(19)	(1,537)	(727)	(15,958)
At 31 December 2013	19,666	14,568	156,765	230	16,522	15,382	223,133
At 1 January 2014	19,666	14,568	156,765	230	16,522	15,382	223,133
Additions through business combinations	–	145,613	199,750	–	11,283	38,622	395,268
Finalisation of purchase price allocation	–	(696)	579	–	38	3,625	3,546
Additions	11	14	368	–	19,380	–	19,773
Disposals	–	–	(373)	–	–	–	(373)
Reclassifications	88	1,970	12,014	–	(14,072)	–	–
Currency realignment	(60)	(51)	375	(1)	(51)	(21)	191
At 30 April 2014	19,705	161,418	369,478	229	33,100	57,608	641,538

6. Property, plant and equipment (cont'd)

	<---- At cost				---->	Valuation	
	Buildings on freehold land US$'000	Buildings, land improvements and leasehold improvements US$'000	Machinery and equipment US$'000	Dairy and breeding herd US$'000	Construction -in-progress US$'000	Freehold land US$'000	Total US$'000
Group							
Cost/Valuation							
At 1 May 2014	19,705	161,418	369,478	229	33,100	57,608	641,538
Additions through business combinations	–	14,603	10,462	–	–	14,446	39,511
Additions	1,783	2,215	14,367	–	77,075	9	95,449
Disposals	–	(140)	(5,615)	–	–	–	(5,755)
Reclassifications	2,396	1,085	76,921	–	(80,402)	–	–
Currency realignment	6	(3)	44	(1)	8	5	59
At 30 April 2015	23,890	179,178	465,657	228	29,781	72,068	770,802
Accumulated depreciation and impairment losses							
At 1 January 2013	6,580	4,947	108,717	249	–	–	120,493
Charge for the year	648	2,352	15,826	–	–	–	18,826
Reversal of impairment loss	(26)	(23)	(264)	–	–	–	(313)
Disposals	(100)	(87)	(5,388)	–	–	–	(5,575)
Currency realignment	(434)	(117)	(9,193)	(19)	–	–	(9,763)
At 31 December 2013	6,668	7,072	109,698	230	–	–	123,668

6. Property, plant and equipment (cont'd)

	At cost					Valuation	
	Buildings on freehold land US$'000	Buildings, land improvements and leasehold improvements US$'000	Machinery and equipment US$'000	Dairy and breeding herd US$'000	Construction -in-progress US$'000	Freehold land US$'000	Total US$'000
Group							
Accumulated depreciation and impairment losses							
At 1 January 2014	6,668	7,072	109,698	230	–	–	123,668
Charge for the period	433	1,852	11,518	–	–	–	13,803
Reversal of impairment loss	(3)	(64)	(105)	–	–	–	(172)
Disposals	–	–	(371)	–	–	–	(371)
Currency realignment	(12)	(32)	(298)	(1)	–	–	(343)
At 30 April 2014	7,086	8,828	120,442	229	–	–	136,585
At 1 May 2014	7,086	8,828	120,442	229	–	–	136,585
Charge for the year	1,101	9,215	50,355	–	–	–	60,671
Reversal of impairment loss	(14)	(191)	(303)	–	–	–	(508)
Disposals	–	(6)	(4,145)	–	–	–	(4,151)
Currency realignment	139	(218)	(74)	(1)	–	–	(154)
At 30 April 2015	8,312	17,628	166,275	228	–	–	192,443
Carrying amounts							
At 1 January 2013	14,014	6,184	43,989	–	20,559	8,604	93,350
At 31 December 2013	12,998	7,496	47,067	–	16,522	15,382	99,465
At 30 April 2014	12,619	152,590	249,036	–	33,100	57,608	504,953
At 30 April 2015	15,578	161,550	299,382	–	29,781	72,068	578,359

As at 30 April 2015, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

The table below summarises the valuation of freehold lands held by the Group as at 30 April 2015 in the various locations:

Located in	Valuation US$'000	Date of valuation	Valuer
The Philippines	6,853	31 December 2013	Cuervo Appraisers, Inc., Philippines
United States of America	42,264	17 February 2015	Ernst & Young, United States
United States of America	14,446	30 April 2015	CB Richard Ellis, United States
Singapore	8,505	31 December 2013	CB Richard Ellis, Singapore
	72,068		

The carrying amount of the freehold land of the Group as at 30 April 2015 would be US$59.1 million (30 April 2014: US$44.7 million, 31 December 2013: US$2.3 million) had the freehold land been carried at cost less impairment losses.

6. **Property, plant and equipment (cont'd)**

Estimating useful lives of property, plant and equipment

The Group estimates the useful lives of its property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property, and property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experiences with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded depreciation expense and decrease non-current assets.

7. **Subsidiaries**

	30 April 2015 US$'000	30 April 2014 US$'000 (Restated)*	31 December 2013 US$'000 (Restated)*	31 December 2012 US$'000 (Restated)*
Unquoted equity shares, at cost	640,699	640,699	10,199	10,199
Amounts due from a subsidiary (non-trade)	75,243	75,243	75,243	75,243
Accumulated share of profit of subsidiaries, net of tax	715,942	715,942	85,442	85,442
Accumulated share of other comprehensive income of subsidiaries, net of tax	123,970	129,732	163,729	165,541
Interests in subsidiaries	(65,789)	(42,160)	(36,496)	(24,057)
	774,123	803,514	212,675	226,926

* *see Note 3.6*

The amounts due from subsidiaries are unsecured and interest-free. Settlement of the balances are neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investment in the subsidiaries.

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2015 %	30 April 2014 %	31 December 2013 %
Held by the Company					
Del Monte Pacific Resources Limited ("DMPRL") [4]	Investment holding	British Virgin Islands	100.00	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [1]	Investment holding	Singapore	100.00	100.00	100.00
DMPL Management Services Pte Ltd ("DMS") [1]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00

7. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2015 %	30 April 2014 %	31 December 2013 %
GTL Limited ("GTL") [1]	Trading food products mainly under the brand names, "Del Monte" and buyer's own label	Malaysia	100.00	100.00	100.00
S&W Fine Foods International Limited ("S&W") [1]	Selling processed and fresh food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00	100.00
DMPL Foods Limited ("DMPLFL") [4]	Investment holding	British Virgin Islands	89.43	89.43	100.00
Held by DMPRL					
Central American Resources, Inc ("CARI") [1]	Investment holding	Panama	100.00	100.00	100.00
Held by CARI					
Del Monte Philippines, Inc ("DMPI") [2]	Growing, processing and distribution of food products mainly under the brand names "Del Monte".	Philippines	100.00	100.00	100.00
Dewey Limited ("Dewey") [4]	Owner of trademarks in various countries; investment holding	Bermuda	100.00	100.00	100.00
Pacific Brands Philippines, Inc [4]	Inactive	USA	100.00	100.00	100.00
Held by DMPLI					
Del Monte Foods India Private Limited ("DMFIPL") [a] [3]	Manufacturing, processing and distributing food, beverages and other related products	India	100.00	100.00	100.00
DMPL India Limited [3]	Investment holding	Mauritius	94.20	93.90	93.50
Held by DMPI					
Philippines Packing Management Services Corporation [2]	Management, logistics and support services	Philippines	100.00	100.00	100.00
Del Monte Txanton Distribution Inc ("DMTDI") [b]	Manufacturing, processing and distributing food, beverages and other related products	Philippines	40.00	–	–
South Bukidnon Fresh Trading Inc ("SBFTI") [c]	Manufacturing, processing and distributing food, beverages and other related products	Philippines	100.00	–	–

7. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2015 %	30 April 2014 %	31 December 2013 %
Held by Dewey					
Dewey Sdn. Bhd. [2]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Malaysia	100.00	100.00	100.00
Held by DMPLFL					
Del Monte Foods Holdings Limited ("DMPLFHL") [2]	Investment holding	British Virgin Islands	100.00	100.00	100.00
Held by DMPLFHL					
Del Monte Foods Holdings Inc ("DMPLFHI")	Investment holding	British Virgin Islands	100.00	–	–
Held by DMPLFHI					
Del Monte Foods Inc. ("DMFI") [2]	Manufacturing, processing and distributing food, beverages and other related products	USA	100.00	100.00	100.00
Held by DMFI					
Sager Creek Vegetable Corp	Manufacturing, processing and distributing food, beverages and other related products	USA	100.00	–	–
Del Monte Andina C.A. [2]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	100.00	–
Del Monte Colombiana S.A. [2][d]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	81.97	99.97	–
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA) [2]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	100.00	100.00	–
Del Monte Peru S.A.C. [2]	Distribution food, beverages and other related products	Peru	100.00	100.00	–
Del Monte Ecuador DME C.A. [2]	Distribution food, beverages and other related products	Ecuador	100.00	100.00	–
Hi-Continental Corp. [2]	Lessee of real property	USA	100.00	100.00	–
College Inn Foods [2]	Inactive	USA	100.00	100.00	–
Contadina Foods, Inc. [2]	Inactive	USA	100.00	100.00	–
S&W Fine Foods, Inc [2]	Inactive	USA	100.00	100.00	–

7. **Subsidiaries (cont'd)**

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2015 %	30 April 2014 %	31 December 2013 %
Held by Del Monte Andina C.A.					
Del Monte Argentina S.A. [2]	Inactive	Argentina	–	100.00	–

(a) 0.1% held by DMPRL.
(b) DMTDI is consolidated as the Group has de facto control over the entity.
(c) The Group has agreement with the shareholders of SBFTI where the Group is to receive substantially all the returns related to its operations and its net assets. The Group is able to direct the entity's activities and operations and is deemed to have 100% control over SBFTI.
(d) The non-controlling interest in Del Monte Colombiana S.A. is deemed immaterial.
[1] Audited by KPMG LLP Singapore.
[2] Audited by member firms of KPMG International.
[3] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[4] Not required to be audited in the country of incorporation.

A subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

During the financial year, the Group deconsolidated its subsidiary, Del Monte Andina C.A., an entity which has operations in Venezuela. Venezuela is a hyperinflationary economy. The Venezuelan exchange control regulations have resulted in an other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US dollar. This has restricted the Venezuelan entity's ability to pay dividends and obligations denominated in US dollars. The exchange regulations, combined with other recent Venezuelan regulations, have constrained the Venezuelan entity's ability to maintain normal production. Due to the Group's inability to effectively control the operations of the entity, the Group deconsolidated the subsidiary with effect from February 2015. The equity interest in this entity is determined to be the cost of investment of the entity at the date of deconsolidation. Going forward, the investment will be carried at cost less impairment.

The deconsolidation of the Venezuelan entity resulted in a loss from deconsolidation of US$5.2 million, which was recognised as "other expenses" in the income statements.

Source of estimation uncertainty

When the subsidiary has suffered recurring operating losses, a test is made to assess whether the interests in subsidiary has suffered any impairment by determining the recoverable amount. This determination requires significant judgement and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the subsidiary, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

8. Joint ventures

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2015 %	30 April 2014 %	31 December 2013 %
FieldFresh Foods Private Limited ("FFPL") *	Production and sale of fresh and processed fruits and vegetable food products	India	47.08	46.95	46.70
Nice Fruit Hong Kong Limited #	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	–	–

* *Audited by Deloitte Haskins & Sells, Gurgaon, India.*
\# *Audited by other certified public accountants. Not material to the Group as at 30 April 2015.*

The summarised financial information of a material joint venture, FFPL, not adjusted for the percentage ownership held by the Group, is as follows:

	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Revenue	62,285	18,966	47,080
Loss from continuing operations [a]	(4,564)	(2,307)	(9,816)
Other comprehensive income	(369)	(794)	71
Total comprehensive income	(4,933)	(3,101)	(9,745)
[a] Includes:			
– depreciation	264	28	24
– interest expense	2,876	275	277
Non-current assets	18,365	20,319	22,985
Current assets [b]	19,292	19,906	18,126
Non-current liabilities [c]	(25,821)	(29,277)	(28,935)
Current liabilities [d]	(10,807)	(8,720)	(11,578)
Net assets	1,029	2,228	598
Includes			
[b] Cash and cash equivalents	70	40	77
[c] Non-current financial liabilities (excluding trade and other payables and provisions)	25,821	29,277	28,935
[d] Current financial liabilities (excluding trade and other payables and provisions)	–	5,151	8,278
Group's interest in net assets of FFPL at beginning of the year/period	21,008	20,193	21,150
Capital injection during the year	1,694	2,271	3,594
Group's share of:			
– loss from continuing operations	(2,149)	(1,083)	(4,584)
– other comprehensive income	(134)	(373)	33
– total comprehensive income	(2,283)	(1,456)	(4,551)
Carrying amount of interest in FFPL at end of the year/period	20,419	21,008	20,193

8. Joint ventures (cont'd)

Source of estimation uncertainty

When the joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgement and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

Since its acquisition, the Indian sub-continent trademark (Note 9) and the investment in FFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections approved by FFPL's Board of Directors.

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, revenue growth rates and terminal value growth rate. The values assigned to the key assumptions represented management assessment of future trends in the industries and were based on both external and internal sources.

	30 April 2015	30 April 2014	31 December 2013
	%	%	%
Discount rate	13.5	14.3	14.3
Revenue growth rate	16.0 – 21.0	22.0 – 40.0	22.0 – 40.0
Terminal growth rate	5.0	5.0	5.0

The discount rate is a post-tax measure estimated based on past experience, and industry average weighted average cost of capital, which is based on a possible rate of debt leveraging of 57% at a market interest rate of 12.2%.

Revenue growth rate is expressed as a compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 16% based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for four years was projected at the growth rate based on the historical growth in volume and prices and industry growth.

A long-term growth rate into perpetuity has been determined based on management's estimate of the long-term compound annual growth rate in EBITDA which management believed was consistent with the assumption that a market participant would make.

8. Joint ventures (cont'd)

Sensitivity to changes in assumptions

The estimated recoverable amount exceeds its carrying amount of interest in joint venture and trademark (Note 9) and accordingly no impairment loss is recorded.

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount		
	30 April 2015	30 April 2014	31 December 2013
	%	%	%
Group			
Discount rate	0.7	2.1	1.5
Revenue growth rate	(0.3)	(1.6)	(1.5)

9. Intangible assets and goodwill

	Goodwill	Indefinite life trademarks	Amortisable trademarks	Customer relationships	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 January 2013 and 31 December 2013	–	–	22,310	–	22,310
At 1 January 2014	–	–	22,310	–	22,310
Additions through business combinations	205,399	394,000	24,000	111,000	734,399
Purchase price adjustment	(1,064)	–	–	(4,000)	(5,064)
At 30 April 2014	204,335	394,000	46,310	107,000	751,645
At 1 May 2014	204,335	394,000	46,310	107,000	751,645
Additions through business combinations	–	–	11,900	13,500	25,400
Deconsolidation of a subsidiary	(903)	–	–	–	(903)
At 30 April 2015	203,432	394,000	58,210	120,500	776,142

9. **Intangible assets and goodwill (cont'd)**

	Goodwill US$'000	Indefinite life trademarks US$'000	Amortisable trademarks US$'000	Customer relationships US$'000	Total US$'000
Accumulated amortisation					
At 1 January 2013	–	–	6,877	–	6,877
Amortisation	–	–	571	–	571
At 31 December 2013	–	–	7,448	–	7,448
At 1 January 2014	–	–	7,448	–	7,448
Amortisation	–	–	430	1,004	1,434
At 30 April 2014	–	–	7,878	1,004	8,882
At 1 May 2014	–	–	7,878	1,004	8,882
Amortisation	–	–	2,029	5,531	7,560
At 30 April 2015	–	–	9,907	6,535	16,442
Carrying amounts					
At 1 January 2013	–	–	15,433	–	15,433
At 31 December 2013	–	–	14,862	–	14,862
At 30 April 2014	204,335	394,000	38,432	105,996	742,763
At 30 April 2015	203,432	394,000	48,303	113,965	759,700

Goodwill

Goodwill arising from the acquisition of DMFI (Note 5) was allocated to DMFI and its subsidiaries, which is considered as one cash-generating unit ("CGU").

The recoverable amount of the CGU was determined using the value-in-use ("VIU") approach, which is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2015 %
Discount rate	8.0
Terminal value growth rate	2.0
Budgeted EBITDA growth rate (average of next five years)	21.6

During the four months ended 30 April 2014, no impairment test was performed given the recent acquisition of DMFI (Note 5).

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 41% at a risk free interest rate of 4%.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate consistent with the assumption that a market participant would make.

9. Intangible assets and goodwill (cont'd)

Goodwill (cont'd)

Budgeted EBITDA was estimated taking into account past experience adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.

- The amounts are probability-weighted.

Indefinite life trademarks

The indefinite life trademarks arising from the acquisition of DMFI (Note 5) relate to those of DMFI for the use of the *"Del Monte"* trademark in the United States and South America market, and the *"College Inn"* trademark in the United States, Australia, Canada and Mexico. As at 30 April 2015, the carrying amounts of the trademarks with indefinite useful lives are US$394.0 million (30 April 2014: US$394.0 million). Management has designated these assets as having indefinite useful lives as the Group has exclusive access to the use of these trademarks on a royalty free basis.

The indefinite life trademarks are included in the DMFI CGU containing goodwill for the impairment assessment as described above.

Source of estimation uncertainty

Goodwill and the indefinite life trademarks are assessed for impairment annually. The impairment assessment requires an estimation of the value-in-use of the cash-generating unit to which the goodwill and indefinite life trademarks are allocated.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$313.2 million.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate suitable discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Increase (Decrease) required for carrying amount to equal the recoverable amount 2015 %
Discount rate	3.8
Budgeted EBITDA growth rate	(5.1)
Terminal revenue growth rate	(0.7)

9. Intangible assets and goodwill (cont'd)

Amortisable trademarks

	Net carrying amount			Remaining amortisation period (years)		
	2015 US$'000	2014 US$'000	2013 US$'000	2015	2014	2013
Indian sub-continent trademark	4,111	4,301	4,364	21.7	22.7	23.0
The Philippines trademarks	1,773	1,887	1,924	15.7	16.7	17.0
Asia S&W trademark	8,216	8,484	8,574	32.7	33.7	34.0
America S&W trademark	1,763	1,963	–	8.8	9.8	–
America Contadina trademark	20,697	21,797	–	18.8	19.8	–
Sager Creek trademarks	11,743	–	–	11.9	–	–
	48,303	38,432	14,862			

Indian sub-continent trademark

In November 1996, a subsidiary, DMPRL, entered into a sub-license agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademark in the Indian sub-continent territories in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licences to others ("Indian sub-continent trademark"). This led to the acquisition of a joint venture, FFPL in 2007 and the grant of trademarks to FFPL to market the company's product under the "Del Monte" brand name.

The Indian sub-continent trademark and the investment in FFPL were allocated to Indian sub-continent CGU. See Note 8 for the assessment of the recoverable amount of this CGU.

The Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("The Philippines trademarks").

Management has reviewed for indicators of impairment for the Philippines trademarks and concluded that no indication of impairment exist at the reporting date.

Asia S&W trademark

In November 2007, a subsidiary, S&W Fine Foods International Limited, entered into an agreement with Del Monte Corporation to acquire the exclusive right to use the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa for a total consideration of US$10.0 million.

Management has reviewed for indicators of impairment for the Asia "S&W" trademark and concluded that no indication of impairment exist at the reporting date.

America trademarks

The amortisable trademarks relate to the exclusive right to use of the "*S&W*" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "*Contadina*" trademark in the United States, Canada, Mexico, South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Management has included these trademarks in the DMFI CGU impairment assessment and concluded that no impairment exists at the reporting date.

9. Intangible assets and goodwill (cont'd)

Sager Creek trademarks

The trademarks were acquired when the Group acquired the Sager Creek business in March 2015. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. Given that the acquisition was recent, no impairment indicators exist at reporting date.

Customer relationships

Customer relationships relate to the network of customers where DMFI and Sager Creek has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount			Remaining amortisation period (years)		
	2015	2014	2013	2015	2014	2013
	US$'000	US$'000	US$'000			
DMFI customer relationships	100,663	105,996	–	18.8	19.8	–
Sager Creek customer relationships	13,302	–	–	7.9	–	–
	113,965	105,996	–			

Management has included the DMFI customer relationships in the DMFI CGU impairment assessment and concluded no impairment exist at the reporting date.

Given the recent acquisition of Sager Creek, the related customer relationship has no impairment indication at reporting date.

Estimating useful lives of amortisable trademarks and customer relationships

The Group estimates the useful lives of its amortisable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortisable trademarks and customer relationships would increase recorded amortisation expense and decrease non-current assets.

10. Deferred tax

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities are attributable to the following:

	Assets			Liabilities		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Group						
Provisions	5,187	4,610	12,473	–	–	–
Employee benefits	32,013	9,086	562	–	–	–
Property, plant and equipment	256	256	256	(29,281)	(5,852)	(2,616)
Intangible assets and goodwill	–	–	–	(20,394)	(4,393)	–
Tax loss carry-forwards	78,618	39,641	–	–	–	–
Effective portion of changes in fair value of cash flow hedges	7,324	1,660	–	–	–	–
Inventories	–	–	–	(1,385)	(4,509)	–
Biological assets	–	–	–	(314)	(749)	(1,006)
Others	7,657	4,266	886	–	–	–
Deferred tax assets/ (liabilities)	131,055	59,519	14,177	(51,374)	(15,503)	(3,622)
Set off of tax	(50,282)	(14,411)	(3,622)	50,282	14,411	3,622
Net deferred tax assets	80,773	45,108	10,555	(1,092)	(1,092)	–

Movements in deferred tax assets and liabilities of the Group during the period are as follows:

	At 1 May 2014 US$'000	Recognised in profit or loss (Note 29) US$'000	Recognised in other comprehensive income US$'000	Deconsolidation of a subsidiary US$'000	Currency realignment US$'000	At 30 April 2015 US$'000
Group						
30 April 2015						
Provisions	4,610	509	(140)	–	208	5,187
Employee benefits	9,086	14,118	8,806	–	3	32,013
Property, plant and equipment	(5,596)	(22,578)	–	(830)	(21)	(29,025)
Intangible assets and goodwill	(4,393)	(16,001)	–	–	–	(20,394)
Effective portion of changes in fair value of cash flow hedges	1,660	(580)	6,244	–	–	7,324
Tax loss carry-forwards	39,641	38,977	–	–	–	78,618
Inventories	(4,509)	3,124	–	–	–	(1,385)
Biological assets	(749)	431	–	–	4	(314)
Others	4,266	3,629	–	(194)	(44)	7,657
	44,016	21,629	14,910	(1,024)	150	79,681

10. Deferred tax assets (cont'd)

	At 1 January 2014	Acquisition of the business	Recognised in profit or loss (Note 29)	Recognised in other comprehen- sive income	Finalisation of Purchase Price Allocation	Currency realignment	At 30 April 2014
30 April 2014							
Deferred tax assets							
Provisions	12,473	–	(7,850)	–	–	(13)	4,610
Employee benefits	562	5,092	2,242	1,192	–	(2)	9,086
Property, plant and equipment	(2,360)	784	(2,988)	–	(1,048)	16	(5,596)
Intangible assets and goodwill	–	–	(4,393)	–	–	–	(4,393)
Effective portion of changes in fair value of cash flow hedges	–	–	–	1,660	–	–	1,660
Tax loss carry-forwards	–	–	39,641	–	–	–	39,641
Inventories	–	–	(4,509)	–	–	–	(4,509)
Biological assets	(1,006)	–	253	–	–	4	(749)
Others	886	2,658	763	–	–	(41)	4,266
	10,555	8,534	23,159	2,852	(1,048)	(36)	44,016

	At 1 January 2013 US$'000	Recognised in profit or loss (Note 29) US$'000	Recognised in other comprehensive income US$'000	Currency realignment US$'000	At 31 December 2013 US$'000
Group					
At 31 December 2013					
Deferred tax assets					
Provisions	4,964	7,885	(1)	(375)	12,473
Employee benefits	1,562	(14)	(882)	(104)	562
Property, plant and equipment	(2,409)	294	(412)	167	(2,360)
Biological assets	(2,400)	1,201	–	193	(1,006)
Others	114	772	–	–	886
	1,831	10,138	(1,295)	(119)	10,555

The total amount of potential income tax consequences that would arise from the payment of dividends by a subsidiary to the Company, on the total revenue reserve as at 30 April 2015, is approximately US$8.9 million (30 April 2014: US$6.0 million, 31 December 2013: US$8.2 million).

No provision has been made in respect of this potential income tax as it is the Company's intention to permanently reinvest these reserves and not to distribute them as dividends.

Sources of estimation uncertainty

As of 30 April 2015, deferred tax assets amounting to US$78.6 million (30 April 2014: US$39.6 million) of DMFI have been recognised in respect of the tax loss carry forwards because management assessed that it is probable that future taxable profit, will be available against which DMFI can utilise these benefits. DMFI incurred operating loss in the prior year. Management expects profitable growth coming from revenue enhancements and cost efficiencies in the future. To the extent that profitable growth does not materialise in the future periods, the deferred tax totaling US$76.1 million may not be realised. The net operating loss carry forward maybe realised up to a 20 year period.

11. Other assets

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Advances to growers	9,333	7,691	7,411
Advance rentals and deposits	4,973	5,271	2,970
Excess insurance	7,083	5,843	–
Land expansion (development costs of acquired leased areas)	2,404	2,229	2,374
Prepayments	1,561	1,621	–
Others	3,631	1,033	453
	28,985	23,688	13,208

Excess insurance relate mainly to reimbursements from insurers to cover the workers' compensation (Note 22).

Land expansion comprises development costs of newly acquired leased areas including costs such as creation of access roads, construction of bridges and clearing costs. These costs are amortised on a straight-line basis over the lease periods of 10 years (30 April 2014: 10 years, 31 December 2013: 10 years).

Others comprise land development costs incurred on leased land used for the cultivation of growing crops. These costs are amortised over a period of 10 years (30 April 2014: 10 years, 31 December 2013: 10 years).

12. Biological assets

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Livestock (at cost)			
At beginning of the year /period	1,613	1,685	1,598
Purchases of livestock	568	191	488
Changes in fair value attributable to price changes	–	–	182
Sales of livestock	(736)	(257)	(462)
Currency realignment	1	(6)	(121)
At end of the year /period	1,446	1,613	1,685
Growing crops (at cost)			
At beginning of the year /period	118,310	111,489	108,067
Additions	90,891	27,370	82,831
Harvested	(82,107)	(20,202)	(71,329)
Currency realignment	100	(347)	(8,080)
At end of the year /period	127,194	118,310	111,489
Fair value of agricultural produce harvested	94,600	21,800	83,200

12. Biological assets (cont'd)

Growing crops

	Group		
	30 April 2015	**30 April 2014**	**31 December 2013**
Hectares planted with growing crops			
– Pineapples	15,227	14,922	14,744
– Papaya	194	211	170
Fruits harvested from the growing crops: (in metric tons)			
– Pineapples	675,584	170,561	704,620
– Papaya	8,187	1,613	4,668

Growing crops

Growing crops is stated at cost which comprises actual costs incurred in nurturing the crops reduced by the estimated cost of fruits harvested. The cost of fruits harvested from the Group's plant crops and subsequently used in production is the estimated cost of the actual volume of fruits harvested in a given period. An estimated cost is necessary since the growth cycle of the plant crops is beyond twelve months, hence actual growing costs are not yet known as of reporting date. The estimated cost is developed by allocating estimated growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. Estimated growing costs are affected by inflation and foreign exchange rates, volume and labour requirements. Estimated harvest is affected by natural phenomenon such as weather patterns and volume of rainfall. Field performance and market demand also affect the level of estimated harvests. The Group reviews and monitors the estimated cost of harvested fruits regularly.

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at fair value. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Risk management strategy related to agricultural activities

(i) Regulatory and environmental risks

The Group is subject to laws and regulations in the Philippines in which it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of pineapples and papayas. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

(iii) Climate and other risks

The Group's pineapple plantations are exposed to the risk of damage from climate changes, diseases, forest fires, flood, and other natural forces. To manage these risks, the Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures ensuring business continuity should there be a natural catastrophes. The Group is also insured against natural disasters such as floods and earthquakes.

12. Biological assets (cont'd)

Source of estimation uncertainty

The fair value of cattle for slaughter is based on the market prices from various relevant markets. Fair value of the cattle for slaughter is measured on initial recognition and at each reporting date, with changes in fair value recognised in profit or loss. The fair value is based on market prices of mature cattle ready for slaughter. Since market prices used as the basis for fair value refer to mature cattle, for immature cattle already identified for slaughter, the market prices are adjusted to account for the growing cost to be incurred for the immature cattle for slaughter to mature.

The fair values of pineapple fruits are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest, as determined by the Group. The market price is derived from average sales price of the processed product adjusted for margin and associated costs related to production. The estimated margin and associated costs of production are affected by inflation, foreign exchange rates, commodities prices and available supply. Changes in these factors will affect the estimates in the determination of fair values of harvested crops. The Group reviews and monitors these estimates regularly.

13. Inventories

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Finished goods			
– at cost	543,928	601,851	11,892
– at net realisable value	11,165	20,611	14,794
Semi-finished goods			
– at cost	5,549	866	1,244
– at net realisable value	10,681	10,354	8,620
Raw materials and packaging supplies			
– at net realisable value	193,027	180,575	61,612
	764,350	814,257	98,162

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year/period are as follows:

		Group		
	Note	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
At beginning of the year/period		7,982	7,868	12,156
Allowance for the year/period	27	5,992	2,650	1,259
Write-off against allowance		(2,279)	(2,516)	(4,565)
Currency realignment		6	(20)	(982)
At end of the year/period		11,701	7,982	7,868

The allowance for inventory obsolescence recognised during the period is included in "cost of sales".

13. Inventories (cont'd)

Source of estimation uncertainty

The Group recognises allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realised. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date. The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realisable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

14. Trade and other receivables

	Note	<---------------- Group	----------------	---------------->	<---------------- Company	----------------	---------------->
		30 April 2015	30 April 2014	31 December 2013	30 April 2015	30 April 2014	31 December 2013
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Trade receivables, net	15	175,033	148,721	90,358	–	–	–
Deposits, prepayments and other receivables	16	43,226	67,535	24,746	137	43	3
Amounts due from joint venture (non-trade)		6,013	–	–	6,013	–	–
Amounts due from subsidiaries (non-trade)		–	–	–	99,710	104,512	110,924
Trade and other receivables		224,272	216,256	115,104	105,860	104,555	110,927
Prepayments	16	(23,375)	(40,046)	(12,702)	–	–	–
Downpayments to contractors and suppliers	16	(17,496)	(23,859)	(9,167)	–	–	–
Derivative assets	16	(818)	–	–	–	–	–
Loans and receivables		182,583	152,351	93,235	105,860	104,555	110,927

The amounts due from subsidiaries and joint venture are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

14. Trade and other receivables (cont'd)

The ageing of loans and receivables at the reporting date is:

	Group					
	30 April 2015		30 April 2014		31 December 2013	
	Gross US$'000	Impairment losses US$'000	Gross US$'000	Impairment losses US$'000	Gross US$'000	Impairment losses US$'000
Not past due	130,003	(6)	116,851	–	75,771	(11)
Past due 0 - 60 days	32,072	–	27,974	(197)	15,090	–
Past due 61 - 90 days	4,240	(26)	1,576	–	1,163	–
Past due 91 - 120 days	7,347	–	326	(3)	270	–
More than 120 days	11,564	(2,611)	13,052	(7,228)	7,452	(6,500)
	185,226	(2,643)	159,779	(7,428)	99,746	(6,511)

The recorded impairment loss falls within the Group's historical experience in the collection of accounts receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

15. Trade receivables

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Trade receivables, gross	177,676	156,149	96,869
Less: Allowance for impairment	(2,643)	(7,428)	(6,511)
	175,033	148,721	90,358

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical region) is:

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Asia Pacific	38,809	28,623	66,017
Europe and North America	136,224	120,098	24,341
	175,033	148,721	90,358

Movements in allowance for impairment during the year/period are as follows:

		Group		
	Note	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
At beginning of the year/period		7,428	6,511	3,983
Allowance (reversed)/recognised	27	(4,652)	1,220	2,971
Write-off against allowance		(144)	(282)	(185)
Currency realignment		11	(21)	(258)
At end of the year/period		2,643	7,428	6,511

15. Trade receivables (cont'd)

Source of estimation uncertainty

The Group maintains allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilised different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

16. Deposits, prepayments and other receivables

	Group			Company		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Prepayments	23,375	40,046	12,702	–	–	–
Downpayment to contractors and suppliers	17,496	23,859	9,167	–	–	–
Derivative asset	818	–	–	–	–	–
Other recoverable	1,537	3,630	2,877	137	43	3
	43,226	67,535	24,746	137	43	3

17. Cash and cash equivalents

	Group			Company		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Cash and cash equivalents	35,618	28,401	132,921	6,126	232	100,293
Less: Restricted cash	–	–	(100,000)	–	–	(100,000)
Cash and cash equivalents in the statement of cash flows	35,618	28,401	32,921	6,126	232	293

Cash and cash equivalents comprise cash balances and restricted cash. Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.45% (30 April 2014: 0.01% to 0.45%, 31 December 2013: 0.40% to 4.50%) per annum.

At 31 December 2013, the Company deposited US$100.0 million into an escrow account, which could be released to the Seller in the event that the Company does not complete the Acquisition under certain circumstances. Upon the completion of the Acquisition, the withdrawal from escrow account was used to settle the cash consideration for the Acquisition (Note 5).

18. Assets held for sale

In March 2015, management committed to a plan to sell part of the assets of Sager Creek. Accordingly, these assets are presented as assets held for sale. Efforts to sell the assets have started and a sale is expected within twelve months.

	30 April 2015 US$'000
Property, plant and equipment	8,113
Assets held for sale	8,113

There is no cumulative income or expenses included in other comprehensive income relating to the assets held for sale.

19. Share capital

	Company					
	30 April 2015		30 April 2014		31 December 2013	
	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000
Authorised:						
Ordinary shares of US$0.01 each	3,000,000	30,000	3,000,000	30,000	2,000,000	20,000
Preference shares of US$1.00 each	600,000	600,000	600,000	600,000	–	–
	3,600,000	630,000	3,600,000	630,000	2,000,000	20,000
Issued and fully paid:						
Ordinary shares of US$0.01 each	1,944,035	19,449	1,297,500	12,975	1,297,500	12,975

Reconciliation of number of ordinary shares in issue:

	Company		
	30 April 2015 ('000)	30 April 2014 ('000)	31 December 2013 ('000)
In issue at beginning of the year/period	1,297,500	1,297,500	1,297,500
Issued for cash	646,535	–	–
In issue at end of the year/period	1,944,035	1,297,500	1,297,500

On 19 April 2013, US$2.2 million or 215,719,000 shares were granted as bonus shares to the shareholders of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

19. Share capital (cont'd)

In April 2014, the Company increased its authorised share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board of Directors may designate. The terms and conditions of the authorised preference share will be finalised upon issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the Philippine Stock Exchange. The Company had offered and sold by way of primary offer, 5,500,000 shares at an offer price of Php 17.00 per share.

In March 2015, the Company issued 641,935,335 shares at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines respectively.

Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital comprises its share capital and reserves. The Board of Directors monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders.

The bank loans of the Group contain various capital covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group's approach to capital management during the year.

20. Reserves

	Group			Company		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Share premium	214,843	69,205	69,205	214,982	69,344	69,344
Translation reserve	(46,342)	(44,874)	(45,373)	(46,342)	(44,874)	(45,373)
Revaluation reserve	9,506	9,506	9,506	9,506	9,506	9,506
Remeasurement of retirement plan	(17,231)	(4,370)	(629)	(17,231)	(4,370)	(629)
Hedging reserve	(11,722)	(2,422)	–	(11,722)	(2,422)	–
Share option reserve	318	174	126	318	174	126
Retained earnings	105,664	143,711	185,475	105,664	143,711	185,475
Reserve for own shares	(629)	(629)	(629)	(629)	(629)	(629)
	254,407	170,301	217,681	254,546	170,440	217,820

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus account that may be available for dividend distribution. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, Del Monte Pacific Resources Limited, under common control in 1999.

The share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax effects.

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

20. Reserves (cont'd)

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The remeasurement of retirement plan relates to the actuarial gains and losses for the defined benefit plans.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 30 April 2015, the Group held 900,000 (30 April 2014: 900,000, 31 December 2013: 900,000) of the Company's shares.

21. Financial liabilities

	Group			Company		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Current liabilities						
Unsecured bank loans	347,180	807,271	265,404	102,630	602,491	–
Secured bank loans	98,362	112,308	–	–	–	–
	445,542	919,579	265,404	102,630	602,491	–
Non-current liabilities						
Unsecured bank loans	348,250	11,225	11,260	348,250	–	–
Secured bank loans	924,695	923,160	–	–	–	–
	1,272,945	934,385	11,260	348,250	–	–
	1,718,487	1,853,964	276,664	450,880	602,491	–

21. Financial liabilities (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	30 April 2015 Face value US$'000	30 April 2015 Carrying amount US$'000	30 April 2014 Face value US$'000	30 April 2014 Carrying amount US$'000	31 December 2013 Face value US$'000	31 December 2013 Carrying amount US$'000
Group									
Unsecured bank loans	PHP	1.70-3.08	2015	110,984	110,984	80,473	80,473	87,824	87,824
Unsecured bank loans	BSF	9.00	2015	–	–	1,400	1,709	–	–
Unsecured bank loans	USD	1.08-1.80	2015	133,566	133,566	122,597	122,597	177,580	177,580
Unsecured bridging loans	USD	1.50-4.00	2015	104,000	102,630	605,000	602,492	–	–
Unsecured bank loan	PHP	3-Mos PDSTF + 1/95 (GRT)	2015	–	–	11,225	11,225	11,260	11,260
Unsecured bank loan	USD	3.76	2017	350,000	348,249	–	–	–	–
Secured bank loan under ABL Credit Agreement	USD	2.79	2016	99,000	94,488	109,000	103,693	–	–
Secured First lien term loan	USD	Higher of Libor +3.25% or 4.25%	2015-2021	701,125	680,588	710,000	685,602	–	–
Secured Second lien term Loan	USD	Higher of Libor + 7.25% or 8.25%	2021	260,000	247,982	260,000	246,173	–	–
				1,758,675	1,718,487	1,899,695	1,853,964	276,664	276,664

	Currency	Nominal interest rate %	Year of maturity	30 April 2015 Face value US$'000	30 April 2015 Carrying amount US$'000	30 April 2014 Face value US$'000	30 April 2014 Carrying amount US$'000	31 December 2013 Face value US$'000	31 December 2013 Carrying amount US$'000
Company									
Unsecured bridging loans	USD	1.50-4.00	2015-2017	454,000	450,880	605,000	602,492	–	–

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

The unsecured bridging loans of US$454.0 million (30 April 2014: US$605.0 million) were obtained by the Company to finance the Acquisition (Note 5) and its related costs.

21. Financial liabilities (cont'd)

Secured Term Loan Credit Agreements

The Group is a party to a First Lien term loan credit agreement and a Second Lien term loan credit agreement (the "Term Loan Credit Agreements") with the lenders party thereto, Citibank, N.A., as administrative agent and collateral agent, and the other agents named therein, that provided for a US$710.0 million First Lien Term Loan and a US$260.0 million Second Lien Term Loan with terms of seven years and seven years plus six months, respectively.

Interest rates. Loans under the First and Second Lien Term Loans bear interest at a rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate (with a floor of 1.00%) or (ii) a base rate (with a floor of 2.00%) equal to the highest of (a) the federal funds rate plus 0.50%, (b) CitiBank, N.A.'s "prime commercial rate" and (c) the one-month LIBOR Quoted Rate plus 1.00%. As of 30 April 2015, the interest rate for First Lien Term Loans is 4.25% and the interest rate for Second Lien Term Loans is 8.25%.

Principal payments. The First Lien Term Loan generally requires quarterly scheduled principal payments of 0.25% of the outstanding principal per quarter from 30 April 2014 to 31 January 2021. The balance is due in full on the maturity date of 18 February 2021. Scheduled principal payments with respect to the First Lien Term Loan are subject to reduction following any mandatory or voluntary prepayments on terms and conditions set forth in the First Lien Term Loan Credit Agreement.

The Second Lien Term Loan is due in full at its maturity date of 18 August 2021.

The Term Loan Credit Agreements also require the Group to prepay outstanding loans under the First Lien Term Loan and the Second Lien Term Loan, subject to certain exceptions, with, among other things:

- 50% (which percentage will be reduced to 25% if the leverage ratio is 4.0x or less and to 0% if the leverage ratio is 3.0x or less) of the annual excess cash flow, as defined in the First Lien Term Loan Credit Agreement;
- 100% of the net cash proceeds of certain casualty events and non ordinary course asset sales or other dispositions of property for a purchase price above US$2.0 million, in each case, subject to the Group's right to reinvest the proceeds; and
- 100% of the net cash proceeds of any incurrence of debt, other than proceeds from debt permitted under the First Lien Term Loan Credit Agreement.

Ability to incur additional indebtedness. The Group has the right to request an additional US$100.0 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

ABL Credit Agreement

The Group is a party to a credit agreement (the "ABL Credit Agreement") with Citibank, N.A., as administrative agent, and the other lenders and agents parties thereto, as amended, that provides for senior secured financing of up to US$400.0 million (with all related loan documents, and as amended from time to time, the ABL Facility) with a term of five years.

Interest rates. Borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate, or (ii) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Citibank, N.A.'s "prime commercial rate" and (c) the one-month LIBOR rate plus 1.00%. The applicable margin with respect to LIBOR borrowings is currently 2.0% (and may increase to 2.25% depending on average excess availability) and with respect to base rate borrowings is currently 1.00% (and may increase to 1.25% depending on average excess availability).

Commitment fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, the Group is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilised commitments thereunder. The commitment fee rate from time to time is 0.375% or 0.25% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. The Group must also pay customary letter of credit fees and fronting fees for each letter of credit issued.

21. Financial liabilities (cont'd)

ABL Credit Agreement (cont'd)

Availability under the ABL Credit Agreement. Availability under the ABL Credit Agreement is subject to a borrowing base. The borrowing base, determined at the time of calculation, is an amount equal to: (a) 85% of eligible accounts receivable and (b) the lesser of (1) 75% of the net book value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, of the Group at such time, less customary reserves. The ABL Credit Agreement will mature, and the commitments thereunder will terminate, on 18 February 2019. As of 30 April 2015, there were US$99.0 million of loans outstanding under the ABL Credit Agreement, the amount of letters of credit issued under the ABL Credit Agreement was US$14.1 million and the Group's net availability under the ABL Credit Agreement was US$264.7 million. The interest rate on the ABL Credit Agreement was approximately 2.79% on 30 April 2015.

The ABL Credit Agreement includes a sub-limit for letters of credit and for borrowings on same-day notice, referred to as "swingline loans."

Ability to incur additional indebtedness. The commitments under the ABL Facility may be increased, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$450.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of obligations under the Term Loan Credit Agreements and the ABL Credit Agreement

All obligations of the Group under the *Term Loan Credit Agreements and the ABL Credit Agreement* are unconditionally guaranteed by DMFHL and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of the Group, subject to certain exceptions.

Security Interests

Indebtedness under the First Lien Term Loan is generally secured by (i) a first priority pledge of all of the equity interests of the Group, (ii) a second priority lien on all ABL Priority Collateral of the Group and (iii) a first priority lien on substantially all other properties and assets of the Group. The Second Lien Term Loan is generally secured by (i) a second priority pledge of all of the equity interests of the Group, (ii) a third priority lien on all ABL Priority Collateral of the Group and (iii) a second priority lien on substantially all other properties and assets of the Group. The ABL Credit Agreement is generally secured by a first priority lien on the Group's inventories and accounts receivable and by a third priority lien on substantially all other assets.

Restrictive and Financial Covenants

The Term Loan Credit Agreements and the ABL Credit Agreement contain restrictive covenants that limit the Group's ability and the ability of its subsidiaries to take certain actions.

Term Loan Credit Agreement and ABL Credit Agreement Restrictive Covenants. The restrictive covenants in the Term Loan Credit Agreement and the ABL Credit Agreement include covenants limiting the Group's ability, and the ability of the Group's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group's lines of business.

Financial Maintenance Covenants. The Term Loan Credit Agreements and ABL Credit Agreement generally do not require that the Group comply with financial maintenance covenants. The ABL Credit Agreement, however, contains a financial covenant that applies if availability under the ABL Credit Agreement (US$264.7 million at 30 April 2015) falls below a certain level. As of 30 April 2015, the financial covenant was not applicable.

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the Term Loan Credit Agreements and the ABL Credit Agreement may adversely affect the Group's ability to finance its future operations or capital needs or engage in other business activities that may be in its interest, such as acquisitions.

21. Financial liabilities (cont'd)

Unsecured Bank Loans

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

22. Other non-current liabilities

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Workers' compensation	32,101	30,921	–
Derivative liabilities	20,090	4,368	–
Deferred rental liabilities	5,823	7,466	–
Accrued lease liabilities	1,588	968	810
Other payables	1,561	3,157	226
	61,163	46,880	1,036

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

23. Employee benefits

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Net defined benefit asset	–	10,673	–
Total employee benefit asset (non-current)	–	10,673	–
Post-retirement benefit obligation	94,643	88,506	–
Executive Retirement Plan	11,147	10,971	–
Other plans	4,280	3,124	–
Net defined benefit liability	26,849	9,498	1,876
Total net defined benefit liability	136,919	112,099	1,876
Current	7,720	13,039	–
Non-Current	129,199	99,060	1,876
	136,919	112,099	1,876

The Group contributes to the following post-employment defined benefit plans:

23. Employee benefits (cont'd)

The DMPI Plan

DMPI has a funded defined benefit wherein starting on the date of membership of an employee in the DMPI Plan, DMPI contribute to the retirement fund 7% of the member's salary as defined every month. In addition, DMPI contributes periodically to the fund the amounts which shall be required, if any, to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable on retirement.

DMPI's annual contribution to the pension plan consists of payments covering the current service cost for the year plus payments towards funding the actuarial accrued liability, if any.

DMPI expects to pay US$3.1 million in contributions to the pension plan in fiscal year 2016.

The DMFI Plan

The DMFI Plan comprises of two parts:

The first part is a cash balance arrangement which provides benefits for eligible salaried employees and provides that a participant's benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant's eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month's ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum.

The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI's defined benefit plan if it does not meet the minimum funding levels. DMFI has made contributions in excess of its required minimum amounts during the year.

DMFI expects to pay US$8.0 million in 2016.

23. **Employee benefits (cont'd)**

Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	Defined benefit obligation			Fair value of plan assets			Net defined benefit liability/ (asset)		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Group									
Balance as 1 January	482,221	42,275	43,297	(394,890)	(40,399)	(38,089)	87,331	1,876	5,208
Included in profit or loss									
Current service cost	10,444	2,266	2,335	–	–	–	10,444	2,266	2,335
Plan administration cost	–	–	–	514	–	–	514	–	–
Interest cost/ (income)	21,192	4,752	3,428	(17,226)	(3,923)	(3,183)	3,966	829	245
	513,857	49,293	49,060	(411,602)	(44,322)	(41,272)	102,255	4,971	7,788
Included in OCI									
Remeasurements loss/(gain)									
– Actuarial loss/ (gain) arising from:									
– financial assumptions	11,973	4,532	2,854	–	–	–	11,973	4,532	2,854
– demographic assumptions	33,046	765	–	–	–	–	33,046	765	–
– experience adjustment	(7,657)	(2,755)	(1,725)	–	–	–	(7,657)	(2,755)	(1,725)
– Return on plan assets excluding interest income	–	–	–	(14,026)	2,138	(4,068)	(14,026)	2,138	(4,068)
Effect of movements in exchange rates	12	(111)	(3,270)	(3)	149	2,924	9	38	(346)
	37,374	2,431	(2,141)	(14,029)	2,287	(1,144)	23,345	4,718	(3,285)
Others									
Additions through business combinations	–	435,127	–	–	(356,163)	–	–	78,964	–
Contributions paid into the plan	–	(465)	–	(4,108)	(1,322)	(2,627)	(4,108)	(1,787)	(2,627)
Benefits paid	(36,189)	(4,165)	(4,644)	36,189	4,630	4,644	–	465	–
	(36,189)	430,497	(4,644)	32,081	(352,855)	2,017	(4,108)	77,642	(2,627)
Balance at 30 April	515,042	482,221	42,275	(393,550)	(394,890)	(40,399)	121,492	87,331	1,876

23. Employee benefits (cont'd)

Represented by:

	Net defined benefit liability/(asset)		
	30 April 2015 US$'000	**30 April 2014 US$'000**	**31 December 2013 US$'000**
Net defined benefit asset	–	(10,673)	–
Post-retirement benefit obligation	94,643	88,506	1,876
Net defined benefit liability	26,849	9,498	–
	121,492	87,331	1,876

Plan assets

Plan assets comprise:

	Group		
	30 April 2015 US$'000	**30 April 2014 US$'000**	**31 December 2013 US$'000**
Interest bearing cash	7,495	4,971	204
Real Estate	12,514	9,659	9,859
Common collective trust funds			
– Fixed income	12,286	13,471	–
– Equity fund	134,951	114,738	–
Mutual funds			
– Equity funds	250	19,291	839
Debt Securities			
– Corporate	47,372	50,265	2,888
– Government	62,045	61,212	20,458
– Others	10,519	9,030	–
Equity Securities			
– Quoted	87,302	54,206	5,611
– Unquoted	426	441	–
Others	18,389	17,152	540
Total investments	393,549	354,436	40,399
Add: Residual fair value of plan assets to be transferred	–	40,454	–
Fair value of plan assets	393,549	394,890	40,399

In accordance with the Purchase Agreement with the seller (Note 5), an initial transfer representing the fair value of plan assets related to the Consumer Products Business was completed in connection with the closing date of 18 February 2014. The fair value of plan assets includes the estimated residual fair value of plan assets to be transferred within 270 days after the acquisition date.

23. Employee benefits (cont'd)

The Board of Directors reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due. DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act ("ERISA").

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2014 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2015.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	DMFI			DMPL		
	30 April 2015	**30 April 2014**	**31 December 2013**	**30 April 2015**	**30 April 2014**	**31 December 2013**
Discount rate (per annum)	4.50% – 4.75%	4.60% – 4.75%	–	5.18%	5.27%	5.08%
Future salary increases (per annum)	3.00% – 4.00%	3.63% – 4.00%	–	6.00%	6.00%	6.00%
Current health care cost trend rate	7.80%/8.30%	7.80%/8.30%	–	–	–	–
Ultimate health care cost trend rate	4.00%	4.00%	–	–	–	–

Since the defined benefit plans and other benefits liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. In order to appropriately match the bond maturities with expected future cash payments, the Group utilised differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the postretirement benefits. The discount rate used to determine the defined benefit plans and for the postretirement benefits projected benefit obligation as of the balance sheet date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and postretirement benefits for the following fiscal year. The long-term rate of return for defined benefits pension plans' assets is based on the Group's historical experience; the defined benefits pension plans' investment guidelines and the Group's expectations for long-term rates of return. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

23. Employee benefits (cont'd)

As at 30 April 2015 and 2014, the weighted average duration of DMPI's defined benefit retirement obligation is 18.26 years and 17.78 years, respectively.

The projected future benefit payments for the DMPI plan are as follows:

	Normal Retirement	Other than Normal Retirement	Total
Less than one year	2,877	2,001	4,878
More than one year to five years	11,114	9,211	20,325
More than five years	76,006	62,807	138,813

At 30 April 2015, the weighted-average duration of DMFI's defined benefit obligation was 9.0 years (30 April 2014: 8.3 years)

The projected future benefit payments for the DMFI plan are as follows:

	Normal Retirement	Other than Normal Retirement	Total
Less than one year	36,893	4,295	41,188
More than one year to five years	130,875	20,099	150,974
More than five years	136,475	28,020	164,495

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation to 30 April 2015 is as follows:

	30 April 2015	Target Allocation Range
Equity securities	43%	31-51%
Debt securities	52%	42-64%
Other	5%	2-19%
Total	100%	

The plan exposes the Group to market risk.

The Board of Directors approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of Directors may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Source of estimation uncertainty

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as the rate of return on plan assets, future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/ liabilities and expense recognised in the financial statements.

23. Employee benefits (cont'd)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of reporting period would have increased/(decreased) as a result of a change in the respective assumptions by the respective percentages below.

Defined benefit obligation	DMFI				DMPI					
	2015		2014		2015		2014		2013	
	0.5% increase US$'000	0.5% decrease US$'000	0.5% increase US$'000	0.5% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% Decrease US$'000
Discount rate (per annum)	(16,070)	17,498	(13,672)	14,781	(2,478)	2,892	(2,484)	2,871	(593)	690
Future salary increases (per annum)	1,426	(1,381)	1,289	(1,246)	2,663	(2,321)	2,579	(2,269)	2,523	(2,041)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2015 and are applied to adjust the defined benefit obligation at the end of the report period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

Sensitivity analysis

Post-retirement benefit obligation

	2015		2014	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Health care cost trend rates (per annum)	12,441	(10,128)	10,359	(8,560)

Accumulated postretirement benefit obligation

The accumulated postretirement benefit obligation is computed in accordance with IAS 19 *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the Cost Method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated postretirement benefit obligation as of a particular date for an employee is the portion of the expected postretirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected postretirement benefit obligations for an employee are the same.

Source of estimation uncertainty

Accumulated postretirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the postretirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

23. Employee benefits (cont'd)

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contributions rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and
- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

Other plans

The Group has various other nonqualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with IRS rules for nonqualified plans.

24. Environmental remediation liabilities

	Group		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
At beginning of the year/period	4,241	–	–
Assumed through business combination	–	4,236	–
Provision made during the period	339	5	–
At end of the year/period	4,580	4,241	–

Provision for environmental remediation relates to legal or constructive obligation of a subsidiary to make good and restore a site.

25. Trade and other payables

	Group			Company		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Trade payables	226,445	129,461	35,515	–	–	–
Accrued operating expenses	97,429	93,677	60,023	4,388	4,941	551
Accrued payroll expenses	38,122	23,760	4,054	–	–	–
Withheld from employees (taxes and social security cost)	6,214	7,300	1,287	–	–	–
Derivative liabilities	1,003	–	–	–	–	–
Other payables	5,201	3,551	3,660	226	–	–
Amounts due to subsidiaries (non-trade)	–	–	–	159,171	117,454	192,549
	374,414	257,749	104,539	163,785	122,395	193,100

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

26. Revenue

Revenue of the Group comprises gross invoiced sales, net of discounts and returns, and is recognised when goods are delivered, and title has passed to customers. All intra-group transactions have been excluded from Group revenue.

27. (Loss)/Profit for the year/period

The following items have been included in arriving at (loss)/profit for the year/period:

	Note	<------ Group		------>	<------ Company		------>
		Year ended 30 April 2015	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 30 April 2015	Four months ended 30 April 2014	Year ended 31 December 2013
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Allowance for inventory obsolescence	13	5,992	2,650	1,259	–	–	–
(Reversal)/Impairment of allowance for trade receivables	15	(4,652)	1,220	2,971	–	–	–
Write off of doubtful accounts		(144)	–	–	–	–	–
Amortisation of intangible assets	9	7,560	1,434	571	–	–	–
Audit fees							
– paid to the auditors of the Company*		322	246	203	302	246	174
– paid to other auditors		2,658	200	133	37	–	–
Changes in fair value of agricultural produce harvested and sold		15,456	3,161	11,838	–	–	–
Depreciation of property, plant and equipment	6	60,671	13,803	18,826	–	–	–
Loss on deconsolidation of a subsidiary		5,186	–	–	–	–	–
Loss/(gain) on disposal of property, plant and equipment		1,278	41	(141)	–	–	–
Impairment loss reversed on property, plant and equipment	6	(508)	(172)	(313)	–	–	–
Inventories recognised as cost of sales		1,267,927	199,089	277,123	–	–	–

27. (Loss)/Profit for the year/period (cont'd)

		<----- Group	-----	----->	<----- Company	-----	----->
	Note	Year ended 30 April 2015 US$'000	Four Months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Professional expenses related to the Acquisition							
– paid to the auditors of the Company		–	546	1,947	–	–	–
Non-audit fees							
– paid to the auditors of the Company*		222	–	43	218	–	39
– paid to other auditors		590	8	31	–	–	8
Operating lease rentals		52,444	10,310	11,535	–	–	–
Research and development expenses		13,077	2,886	2,188	–	–	–
Staff costs							
Pension costs – defined benefit pension plan		14,924	3,095	2,580	–	–	–
Pension costs – provident fund		5,114	404	655	–	–	–
Social security costs		16,853	2,231	1,547	–	–	–
Value of employee services received under share-based incentive plans	34	144	48	494	144	48	494
Wages and salaries		364,079	45,365	77,972	3,076	815	2,867
		401,114	51,143	83,248	3,220	863	3,361

* *excluding professional expenses related to the Acquisition of DMFI.*

28. Net finance expense

	Group			Company		
	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Finance income						
Interest income from						
– bank deposits	400	112	395	4	21	–
Foreign exchange gain	–	279	–	–	–	–
	400	391	395	4	21	–
Finance expense						
Interest expenses						
– bank loans	(94,657)	(18,230)	(4,832)	(25,294)	(5,574)	–
– factoring	–	–	(646)	–	–	–
Foreign exchange loss	(5,204)	(17)	–	–	–	–
	(99,861)	(18,247)	(5,478)	(25,294)	(5,574)	–
Net finance expense	(99,461)	(17,856)	(5,083)	(25,290)	(5,553)	–

29. Tax credit/(expense)

	Group		
	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Current tax expense			
– current year	7,189	820	11,848
Deferred tax credit			
– origination and reversal of temporary differences	(21,629)	(23,159)	(10,138)
	(14,440)	(22,339)	1,710
Reconciliation of effective tax rate			
(Loss)/Profit before taxation	(57,701)	(68,828)	17,485
Taxation on profit at weighted average of the applicable tax rates	(19,975)	(22,982)	(888)
Non-deductible expenses	5,535	643	2,598
	(14,440)	(22,339)	1,710

29. **Tax credit/(expense) (cont'd)**

	Group		
	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Applicable tax rates			
– Philippines (non-PEZA)	30%	30%	30%
– Philippines (PEZA)*	5%	5%	5%
– India	31%	31%	31%
– Singapore	17%	17%	17%
– United States of America	38%	38%	35%
– Mexico	30%	30%	#
– Venezuela	#	34%	#

* *based on gross profit for the year/period*
\# *not applicable*

On 22 November 2007, DMPI's core production operations in Cagayan de Oro City, Philippine were approved as a Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). With this approval, DMPI enjoys certain fiscal and non-fiscal incentives including a 5% (2014: 5%, 2013: 5%) tax on gross profit in lieu of the statutory 30% (2014: 30%, 2013 : 30%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. The incentives will be available for as long as DMPI complies with the PEZA's requirements which includes exporting 70% of its production. DMPI has received the PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. The current tax incentives will expire on 31 October 2015.

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands.

Sources of estimation uncertainty

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

30. Earnings/(Loss) per share

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year/period.

	Group		
	Year ended 30 April 2015	Four months ended 30 April 2014	Year ended 31 December 2013
(Loss)/Profit attributable to owners of the Company (US$'000)	(38,047)	(41,764)	16,109
Weighted average number of ordinary shares ('000):			
Issued ordinary shares at 1 May/1 January	1,297,500	1,297,500	1,081,781
Effect of own shares held	(900)	(900)	(11,236)
Effect of share options exercised	–	–	9,636
Effects of shares issued	94,211	–	–
Effect of bonus shares; retrospectively adjusted (Note 19)	–	–	215,719
Weighted average number of ordinary shares during the year/period	1,390,811	1,296,600	1,295,900
Basic (loss)/earnings per share (in US cents)	(2.74)	(3.22)	1.24

Diluted earnings/(loss) per share

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

	Group		
	Year ended 30 April 2015	Four months ended 30 April 2014	Year ended 31 December 2013
(Loss)/Profit attributable to owners of the Company (US$'000)	(38,047)	(41,764)	16,109
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year/period (basic)	1,390,811	1,296,600	1,295,900
Potential ordinary shares issuable under share options	–	–	881
Weighted average number of ordinary shares issued (diluted)	1,390,811	1,296,600	1,296,781
Diluted (loss)/earnings per share (in US cents)	(2.74)	(3.22)	1.24

The potential ordinary shares issuable under the Del Monte RSP were excluded from the diluted weighted average number of ordinary shares calculation for the year ended 30 April 2015 and four months ended 30 April 2014 because their effect would decrease the loss per share and have an anti-dilutive effect.

31. Dividends

	Group and Company		
	Year ended 30 April 2015	Four months ended 30 April 2014	Year ended 31 December 2013
	US$'000	US$'000	US$'000
Tax-exempt final dividend paid in respect of the previous financial period of nil cents (30 April 2014: nil; 31 December 2013: 1.51 US cents per share)	–	–	16,297
Tax-exempt interim dividend paid in respect of the current financial period of nil cents (30 April 2014: nil; 31 December 2013: 0.62 US cents per share)	–	–	8,022
	–	–	24,319

32. Operating segments

Geographical segments

Americas

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 across various channels include retail markets, as well as to the United States military, certain export markets, the food service industry and other food processors.

Asia Pacific

Reported under Asia Pacific 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.

Europe

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

Product segments

Packaged fruit and vegetable

The Packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte and S&W brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

32. Operating segments (cont'd)

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavours in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This would also include non branded sales to South America.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

32. Operating segments (cont'd)

Information about reportable segments

	Americas			Asia Pacific			Europe			Total		
	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Revenue												
Packaged/processed fruit and vegetable	1,316,361	225,893	57,526	106,490	16,016	93,139	22,011	6,929	23,233	1,444,862	248,838	173,898
Beverage	43,283	5,416	21,570	123,482	25,440	114,054	9,533	2,561	15,350	176,298	33,417	150,974
Culinary	303,159	53,033	–	113,748	14,993	110,498	132	–	–	417,039	68,026	110,498
Fresh fruit and others	54,148	11,952	–	67,028	16,566	56,807	–	–	–	121,176	28,518	56,807
Total	**1,716,951**	**296,294**	**79,096**	**410,748**	**73,015**	**374,498**	**31,676**	**9,490**	**38,583**	**2,159,375**	**378,799**	**492,177**
Gross profit												
Packaged/processed fruit and vegetable	213,069	17,439	5,826	23,145	422	21,071	2,129	244	1,301	238,343	18,105	28,198
Beverage	971	(364)	1,842	28,093	2,095	28,238	169	(445)	(2,928)	29,233	1,286	27,152
Culinary	53,739	5,218	–	40,503	3,350	45,082	49	–	–	94,291	8,568	45,082
Fresh fruit and others	13,048	3,908	–	14,944	4,234	15,178	–	–	–	27,992	8,142	15,178
Total	**280,827**	**26,201**	**7,668**	**106,685**	**10,101**	**109,569**	**2,347**	**(201)**	**(1,627)**	**389,859**	**36,101**	**115,610**
Share of joint venture, net of tax												
Packaged/processed fruit and vegetable	–	–	–	(746)	(150)	(638)	–	–	–	(746)	(150)	(638)
Beverage	–	–	–	(157)	(115)	(491)	–	–	–	(157)	(115)	(491)
Culinary	–	–	–	(1,367)	(623)	(2,650)	–	–	–	(1,367)	(623)	(2,650)
Fresh fruit and others	–	–	–	(183)	(266)	(1,129)	–	–	–	(183)	(266)	(1,129)
Total	**–**	**–**	**–**	**(2,453)**	**(1,154)**	**(4,908)**	**–**	**–**	**–**	**(2,453)**	**(1,154)**	**(4,908)**
(Loss)/profit before taxation												
Packaged/processed fruit and vegetable	(57,937)	(34,690)	1,478	8,386	(3,872)	5,929	6	(636)	(615)	(49,545)	(39,198)	6,792
Beverage	(5,177)	(1,767)	734	9,771	(3,252)	7,066	(637)	(779)	(4,368)	3,957	(5,798)	3,432
Culinary	(22,957)	(8,817)	–	19,505	(5,003)	22,275	40	–	–	(3,412)	(13,820)	22,275
Fresh fruit and others	(13,677)	170	–	7,984	2,008	7,739	–	–	–	(5,693)	2,178	7,739
Total	**(99,748)**	**(45,104)**	**2,212**	**45,646**	**(10,119)**	**43,009**	**(591)**	**(1,415)**	**(4,983)**	**(54,693)**	**(56,638)**	**40,238**
Other Material Non-Cash Items												
Depreciation and amortisation	40,588	9,245	–	18,394	5,992	19,397	–	–	–	58,982	15,237	19,397
Capital expenditure	76,256	11,433	–	19,193	8,340	24,739	–	–	–	95,449	19,773	24,739
Segment assets	2,146,925	2,069,462	37,940	452,573	419,104	544,329	31,902	38,464	35,375	2,631,400	2,527,030	617,644
Segment liabilities	1,520,878	1,392,325	34,977	765,527	868,939	342,094	11,549	14,887	12,190	2,297,954	2,276,151	389,261

32. Operating segments (cont'd)

Reconciliation of reportable segment profit or loss, assets and capital expenditures

	Group		
	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
(Loss)/Profit before taxation per operating segment	(54,693)	(56,638)	40,238
Unallocated amounts:			
– acquisition related costs	(3,008)	(11,030)	(22,753)
– settlement of pre-existing relationship	–	(1,160)	–
(Loss)/Profit before taxation as reported	(57,701)	(68,828)	17,485

Major customer

Revenues from a major customer of the Americas segment for the year ended 30 April 2015 amounted to approximately US$496.7 million or 23% (four months ended 30 April 2014: 15%, year ended 31 December 2013: nil) of the Group's total revenue. The customer accounted for approximately 15% of trade and other receivables at 30 April 2015 (30 April 2014: 14%, 31 December 2013: nil).

33. Seasonality of operations

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the three months from August to October.

The Group operates 17 production facilities (30 April, 2014: 15 production facilities) in the U.S., Mexico, Philippines and Venezuela. Fruit plants are located in California and Washington in the United States and Philippines, most of its vegetable plants are located in the U.S. Midwest and its tomato plants are located in California and Indiana.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its *College Inn* broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

34. Share option and incentive plans

The ESOP of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Those options granted by the Company prior to 24 July 2009 are valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific RSP and Del Monte Pacific PSP (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to excel in their performance and are currently targeted at executives in key positions.

Other information regarding the Del Monte Pacific RSP are as follows:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 per share to Mr Joselito D Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 29 April 2011.

On 30 April 2013, 211,440 shares were awarded to Joselito D Campos, Jr, and 275,440 shares to five employees of related companies, representing 20% adjustment to the number of unvested share awards previously granted, at the market price of S$0.810 per share.

On 22 August 2013, 688,000 shares were awarded at the market price of S$0.840 per share to each Group Non-Executive Director/Group Executive Director.

Other information regarding the Del Monte Pacific PSP is set out below:

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

The RSOC is responsible for administering the ESOP and the share plans.

34. Share option and incentive plans (cont'd)

Details of the outstanding options granted to the Company's directors and employees under the ESOP and Del Monte Pacific RSP on unissued ordinary shares of Del Monte Pacific Limited at the reporting date, are as follows:

ESOP

Date of grant of options	Exercise period	Exercise price	Options outstanding		
		S$	30 April 2015	30 April 2014	31 December 2013
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2012	0.627	750,000	750,000	750,000
	40%: 7 March 2012 – 6 March 2018				
30 April 2013*	Up to 100%: 30 April 2013 – 6 March 2018	0.627	150,000	150,000	150,000
			900,000	900,000	900,000

* *On 30 April 2013, the Company approved the grant of 150,000 stock options, representing a 20% adjustment to the number of unexercised stock options previously granted. The exercise period therefore follows that of the options granted on 7 March 2008.*

As at the reporting date, a total of 900,000 options remain outstanding.

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted	Share awards outstanding
12 May 2009	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 – 11 May 2013	0.540	3,749,000	–
29 April 2011	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 – 11 May 2013	0.485	2,643,000	–
30 April 2013	No vesting period imposed, shares were released to the grantee on 12 May 2013	0.810	486,880	–
22 August 2013	Up to 60%: 22 August 2013 – 21 August 2016 40%: 22 August 2016 – 21 August 2017	0.840	688,000	688,000
			7,566,880	688,000

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

34. Share option and incentive plans (cont'd)

Fair value of share options and assumptions

Date of grant of options	7 March 2008	30 April 2013	12 May 2009	29 April 2011	30 April 2013	22 August 2013
	<------------ESOP------------>		<------------------- Del Monte Pacific RSP ------------------>			
Fair value at measurement date	US$0.12	US$0.18	US$0.37	US$0.40	US$0.18	US$0.65
Share price (Singapore dollars) at grant date	0.615	0.810	0.540	0.485	0.810	0.840
Exercise price (Singapore dollars)	0.627	0.627	–	–	–	–
Expected volatility	5.00%	2.00%	–	–	–	3.00%
Time to maturity	3 years	3 years	–	–	–	2 years
Risk-free interest rate	3.31%	1.51%	–	–	–	2.69%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

Del Monte Foods Holding Equity Compensation Plan ("ECP")

The 2014 Equity Compensation Plan was adopted by the Board of Directors of DMFHI effective 24 September 2014, "the Plan". The 2014 Plan provided for the grant of stock options to key executives. 9,000,000 shares of common stock of DMFHI were reserved for grant under the plan.

During 2015, DMFHI granted 7,065,000 stock options. As of 30 April 2015, 2,265,000 shares of common stock were available for future grant.

The options granted under the Plan are subject to service-based and performance-based vesting and vest annually over seven years and have a term of 10 years. The grant date fair value of these options is US$1.22.

The fair value for stock options granted was estimated at the date of grant using a Black-Scholes option pricing model. This model estimates the fair value of the options based on a number of assumptions, such as expected option life, interest rates, the current fair market value and expected volatility of common stock and expected dividends. The expected term of options granted was based on the "simplified" method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected life of the options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid. The following table presents the weighted-average assumptions for performance-based stock options granted for the periods indicated:

	30 April 2015
Expected life (in years)	3
Expected volatility	34.3%
Risk-free interest rate	0.97%
Dividend yield	0%

34. Share option and incentive plans (cont'd)

Del Monte Foods Holding Equity Compensation Plan ("ECP") (cont'd)

Stock option activity and related information during the periods indicated was as follows:

	Options Outstanding	Weighted-Average Exercise Price
Balance at 30 April 2014	–	
Granted	7,065,000	5.00
Forfeited	(330,000)	5.00
Exercised	–	
Cancelled	–	
Balance at 30 April 2015	6,735,000	5.00

No options are currently exercisable.

35. Financial risk management

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- market risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

35. Financial risk management (cont'd)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statement of financial position represent the Group and the company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

The Audit Committee has approved a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for loans and receivables by geographic region was:

		Group		
	Note	**30 April 2015 US$'000**	**30 April 2014 US$'000**	**31 December 2013 US$'000**
Americas		124,345	114,257	17,590
Europe		12,034	6,465	6,757
Asia Pacific		46,204	31,629	68,888
	14	182,583	152,351	93,235

At 30 April 2015, the Group's most significant customer accounted for 15% of the trade and other receivables carrying amount (30 April 2014: 14%, 31 December 2013: nil).

Impairment losses

The ageing of loans and receivables that were not impaired at the reporting date was:

	Note	**30 April 2015 US$'000**	**30 April 2014 US$'000**	**31 December 2013 US$'000**
Group				
Not past due		129,998	116,851	75,760
Past due 0 - 60 days		32,072	27,777	15,090
Past due 61 - 90 days		4,213	1,576	1,163
Past due 91 - 120 days		7,347	323	270
More than 120 days		8,953	5,824	952
	14	182,583	152,351	93,235

35. Financial risk management (cont'd)

Credit risk (cont'd)

As at 30 April 2015, 30 April 2014 and 31 December 2013, the Company's loans and receivables were all not past due.

The Group believes that the unimpaired amount past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customers' risk rating. An analysis of the credit quality of loans and receivables that are neither past due nor impaired indicates that they are of acceptable risk.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

Cash and cash equivalents

Cash and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash and bank balances held in the following regions are:

	30 April 2015 %	30 April 2014 %	31 December 2013 %
Group			
United States of America	2	66	75
Philippines	70	21	19
Hong Kong	26	13	5
Singapore	2	–	–
Mauritius	–	–	1
Company			
United States of America	–	4	100
Philippines	20	88	–
Hong Kong	80	8	–

Apart from the above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

35. Financial risk management (cont'd)

Interest rate risk

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirement. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Interest rate profile of interest bearing financial instruments

The interest rate profile of the Group's interest bearing financial instruments as reported to management of the Group is as follows:

	<--------------- Group --------------->			<-------------- Company ------------->		
	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	30 April 2015 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Fixed rate instruments						
Financial liabilities	789,960	910,964	265,404	102,630	602,491	–
Variable rate instruments						
Financial liabilities	928,527	943,000	11,260	348,250	–	–
Interest rate swaps	20,090	4,368	–	–	–	–
	948,617	947,368	11,260	348,250	–	–

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, loss/profit before tax in the next 12 months and equity would have been affected as follows:

	Loss/Profit before tax in the next 12 months		Equity	
	100 bp increase US$'000	100 bp decrease US$'000	100 bp increase US$'000	100 bp decrease US$'000
Group				
30 April 2015				
Variable rate instruments	(9,611)	9,611	–	–
Interest rate swaps	–	–	(15,432)	12,181
Cash flow sensitivity (net)	(9,611)	9,611	(15,432)	12,181
30 April 2014				
Variable rate instruments	(9,812)	9,812	–	–
Interest rate swaps	–	–	(18,915)	19,937
Cash flow sensitivity (net)	(9,812)	9,812	(18,915)	19,937
31 December 2013				
Variable rate instruments	(1,126)	1,126	–	–

35. Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$928.0 million (30 April 2014: US$1,043.0 million, 31 December 2013: US$1,564.6 million) in credit lines, of which 22% (30 April 2014: 22%, 31 December 2013: 13%) remain available. The lines are mostly for short term financing requirements, with US$11.0 million (30 April 2014: US$11.0 million, 31 December 2013: US$0.6 million) available for long term requirements. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$450.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The Group has the right to request an additional US$100.0 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2015					
Derivative financial liabilities					
Interest rate swaps used for hedging, net-settled	20,090	10,523	–	9,654	869
Foreign currency forward contracts used for hedging, net settled	1,003	1,003	1,003	–	–
	21,093	11,526	1,003	9,654	869
Non-derivative financial liabilities					
Unsecured bank loans					
– Short-term	347,180	349,204	349,204	–	–
– Long-term	348,250	376,271	13,153	363,118	–
Secured bank loans					
– Short-term	98,362	108,862	108,862	–	–
– Long-term	924,695	1,349,704	56,479	1,024,120	269,105
Accrued lease liabilities	1,588	1,588	–	–	1,588
Other payables	1,561	1,561	–	1,561	–
Trade and other payables	374,414	374,414	374,414	–	–
	2,096,050	2,561,604	902,112	1,389,799	270,693

35. Financial risk management (cont'd)

Liquidity risk (cont'd)

Group	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2014					
Derivative financial liabilities					
Interest rate swaps used for hedging, net-settled	4,368	8,460	–	9,994	(1,534)
Non-derivative financial liabilities					
Unsecured bank loans					
– Short-term	807,271	811,522	811,522	–	–
– Long-term	11,225	11,297	72	11,225	–
Secured bank loans					
– Short-term	112,308	117,875	117,875	–	–
– Long-term	923,160	1,361,181	51,418	327,125	982,638
Accrued lease liabilities	968	968	–	–	968
Other payables	3,157	3,157	–	3,157	–
Trade and other payables	257,749	257,749	257,749	–	–
	2,115,838	2,563,749	1,238,636	341,507	983,606
31 December 2013					
Non-derivative financial liabilities					
Unsecured bank loans					
– Short-term	265,404	265,978	265,978	–	–
– Long-term	11,260	11,600	233	11,367	–
Accrued lease liabilities	810	810	–	–	810
Other payables	226	226	140	86	–
Trade and other payables	104,539	104,539	104,539	–	–
	382,239	383,153	370,890	11,453	810

35. Financial risk management (cont'd)

Liquidity risk (cont'd)

Company	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2015					
Non-derivative financial liabilities					
Unsecured bank loans					
– Long-term	348,250	376,271	13,153	363,118	–
– Short-term	102,630	104,355	104,355	–	–
Trade and other payables	163,785	163,785	163,785	–	–
	614,665	644,411	281,293	363,118	–
30 April 2014					
Non-derivative financial liabilities					
Unsecured short-term bridging loan	602,491	609,949	609,949	–	–
Trade and other payables	122,395	122,395	122,395	–	–
	724,886	732,344	732,344	–	–
31 December 2013					
Non-derivative financial liability					
Trade and other payables	193,100	193,100	193,100	–	–

The Group's bank loans contain loan covenants, for which breaches will require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

35. Financial risk management (cont'd)

Foreign exchange risk

The Group is exposed to foreign exchange risk from its subsidiaries operating in foreign countries, which generate revenue and incur costs in foreign currencies, and from those operations of its local subsidiaries, which are in foreign currencies. The currency giving rise to this risk is primarily the US dollar, Mexican Peso and Venezuelan Bolivar.

Group entities maintain their respective books and accounts in their functional currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

At the reporting date, the Group's exposure to foreign currencies is as follows:

	US Dollar US$'000	Mexican Peso US$'000	Venezuela Bolivar US$'000
30 April 2015			
Trade and other receivables	134,664	2,502	–
Cash and cash equivalents	1,184	208	–
Other non-current assets	1,554	–	–
Financial liabilities	(9,644)	–	–
Trade and other payables	(83,565)	(6,033)	–
	44,193	(3,323)	–
30 April 2014			
Trade and other receivables	72,632	460	11,983
Cash and cash equivalents	1,652	872	2,154
Other non-current assets	2,136	(3,988)	(1,400)
Financial liabilities	(72,600)	–	–
Trade and other payables	(3,810)	–	(11,337)
	10	(2,656)	1,400
31 December 2013			
Trade and other receivables	163,109	–	–
Cash and cash equivalents	3,590	–	–
Other non-current assets	4,270	–	–
Financial liabilities	(127,600)	–	–
Trade and other payables	(4,252)	–	–
	39,117	–	–

The Company has no significant exposure to foreign currencies as at 30 April 2015, 30 April 2014 and 31 December 2013.

35. Financial risk management (cont'd)

Foreign exchange risk (cont'd)

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have (decreased)/increased loss/profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar		Mexican Peso		Venezuelan Bolivar	
	Loss/profit before taxation US$'000	Equity US$'000	Loss/profit before taxation US$'000	Equity US$'000	Loss/profit before taxation US$'000	Equity US$'000
30 April 2015						
10% strengthening	(4,419)	–	(332)	1,933	–	–
10% weakening	4,419	–	332	(931)	–	–
30 April 2014						
10% strengthening	(1)	–	(266)	–	140	–
10% weakening	1	–	266	–	(140)	–
31 December 2013						
10% strengthening	(3,912)	–	–	–	–	–
10% weakening	3,912	–	–	–	–	–

Commodity price risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk related to tinplates and fuel. The Group ensures future supply of tinplates while minimising the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group.

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate; to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months.

Sensitivity analysis

A 10% change in commodity prices at the reporting date would have decreased/(increased) loss/profit before taxation and increased/(decreased) equity by the amounts shown below.

	Loss/profit before taxation US$'000	Equity US$'000
30 April 2015		
10% increase in commodity price	784	473
10% decrease in commodity price	(1,519)	(556)

At 30 April 2014 and 31 December 2013, there were no outstanding commodity contracts.

36. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
30 April 2015						
Cash and cash equivalents	17	35,618	–	–	35,618	35,618
Trade and other receivables*	14	182,583	818	–	183,401	183,401
		218,201	818	–	219,019	219,019
Financial liabilities	21	–	–	1,718,487	1,718,487	1,712,728
Trade and other payables	25	–	1,003	373,411	374,414	374,414
Derivative liabilities	22	–	20,090	–	20,090	21,093
		–	21,093	2,091,898	2,112,991	2,108,235
30 April 2014						
Cash and cash equivalents	17	28,401	–	–	28,401	28,401
Trade and other receivables*	14	152,351	–	–	152,351	152,351
		180,752	–	–	180,752	180,752
Financial liabilities	21	–	–	1,853,964	1,853,964	1,853,964
Trade and other payables	25	–	–	257,749	257,749	257,749
Derivative liabilities	22	–	4,368	–	4,368	4,368
		–	4,368	2,111,713	2,116,081	2,116,081
31 December 2013						
Cash and cash equivalents	17	132,921	–	–	132,921	132,921
Trade and other receivables*	14	93,235	–	–	93,235	93,235
		226,156	–	–	226,156	226,156
Financial liabilities	21	–	–	276,664	276,664	276,664
Trade and other payables	25	–	–	104,539	104,539	104,539
		–	–	381,203	381,203	381,203

** excludes prepayments and downpayments to contractors and suppliers*

36. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company						
30 April 2015						
Cash and cash equivalents	17	6,126	–	–	6,126	6,126
Trade and other receivables	14	105,860	–	–	105,860	105,860
		111,986	–	–	111,986	111,986
Financial liabilities	21	–	–	450,880	450,880	454,798
Trade and other payables	25	–	–	163,785	163,785	163,785
		–	–	614,665	614,665	618,583
30 April 2014						
Cash and cash equivalents	17	232	–	–	232	232
Trade and other receivables	14	104,555	–	–	104,555	104,555
		104,787	–	–	104,787	104,787
Financial liabilities	21	–	–	602,491	602,491	605,000
Trade and other payables	25	–	–	122,395	122,395	122,395
		–	–	724,886	724,886	727,395
31 December 2013						
Cash and cash equivalents	17	100,293	–	–	100,293	100,293
Trade and other receivables	14	110,927	–	–	110,927	110,927
		211,220	–	–	211,220	211,220
Trade and other payables	25	–	–	193,100	193,100	193,100

** excludes prepayments and downpayments to contractors and suppliers*

37. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial instruments

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 36.

37. Determination of fair values (cont'd)

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	Market comparison technique: The fair values are based on brokers' quotes. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Interest rate swaps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve.
Commodities contracts	Market comparison technique: The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.

Financial instruments not measured at fair value

Type	Valuation technique
Financial liabilities	The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Non-financial assets

The valuation techniques used for measuring the fair value of material assets acquired in both Sager Creek acquisition and DMFI were as follows:

Assets	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considered quoted market prices for similar items when available, and depreciated replacement cost as appropriate.
Trademarks	Relief-from-royalty method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as result of the patents or trademarks being owned.
Customer relationship	Multi-Period Excess Earnings Method: Multi-Period Excess Earnings Method considers the present value of the incremental after-tax cash flows specific to the intangible asset afterdeducting contributory asset charges.
Inventories	Market comparison technique: The fair value was determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

37. Determination of fair values (cont'd)

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison.	The unobservable inputs used to determine market value are the net prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighbourhood, utility, terrain, and the time element involved.
Livestock	Sales Comparison Approach: the valuation model is based on market price of livestock of similar age, weight, breed and genetic make-up.	The unobservable inputs are age, average weight and breed.
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit adjusted for margin and costs to sell.	The unobservable inputs are estimated future pineapple gross margin per ton specific for fresh products , estimated pineapple yield per hectare, estimated pineapple fruit recovery.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc) adjusted for margin and associated costs related to production.	The unobservable inputs are estimated future pineapple gross margin per ton specific for processed products, estimated pineapple yield per hectare, estimated pineapple fruit recovery.

38. Commitments

Operating lease commitments

The Group leases certain property, equipment and office and warehouse facilities. At the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		
	30 April 2015 US$'000	**30 April 2014 US$'000**	**31 December 2013 US$'000**
Within one year	47,790	48,754	9,360
Between one to five years	115,888	129,363	38,560
More than five years	51,341	54,301	60,920
	215,019	232,418	108,840

The leases typically run for an initial period of 2 to 25 years, with an option to renew the lease after that date. Some of the leases contain escalation clauses but do not provide for contingent rents. Lease terms do not contain any restrictions on Group activities concerning dividends, additional debts or further leasing.

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes, packaging services and ingredients. At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

	Group		
	30 April 2015 US$'000	**30 April 2014 US$'000**	**31 December 2013 US$'000**
Within one year	542,227	387,605	–
After one year but within five years	296,530	199,691	–
After five years	339,052	77,033	–
	1,177,809	664,329	–

Future capital expenditure

	Group		
	30 April 2015 US$'000	**30 April 2014 US$'000**	**31 December 2013 US$'000**
Capital expenditure not provided for in the financial statements			
– approved by Directors and contracted for	53,478	7,440	3,627
– approved by Directors but not contracted for	29,249	121,560	34,022
	82,727	129,000	37,649

The Group is also committed to incur capital expenditure of US$2.0 million (30 April 2014: US$0.9 million, 31 December 2013: US$1.6 million) in relation to its interest in a joint venture, which is expected to be settled within one year.

39. Contingencies

As at 30 April 2015, a subsidiary, DMPL India Limited has a contingent liability amounting to US$8.9 million (30 April 2014: US$9.9 million, 31 December 2013: US$9.8 million) in the form of a letter of undertaking securing 50% of the obligations of FFPL under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

Legal proceedings

Matters Assumed in Connection with the Acquisition of the DMFI

As described in Note 5, the Company acquired the DMFI from Seller in February 2014. In connection with the acquisition of the DMFI, the Company assumed the legal matters described below.

Kosta Misbranding Class Action

On 5 April 2012, Plaintiff (Kosta) filed a complaint against Seller in the U.S. District Court for the Northern District of California alleging false and misleading advertising under California's consumer protection laws. Plaintiff alleged that Seller made a variety of false and misleading labeling and advertising claims including, but not limited to lycopene and antioxidant claims for tomato products and claims that Seller misled consumers with respect to its refrigerated fruit products. The complaint sought certification as a class action. On 4 September 2014, the Court denied Plaintiff's motion for class certification without prejudice. Plaintiff has narrowed the scope of claims and on 10 November 2014 filed a new motion for class certification. The parties are awaiting a ruling on this motion. DMFI cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Fresh Del Monte vs. Seller

On 19 December 2013, Fresh Del Monte ("FDP") filed a complaint against Seller in the U.S. District Court for the Southern District of New York for breach of a 1989 License Agreement ("License"). FDP asserts that Seller committed a breach by denying FDP's requests for additional rights under the License. DMFI denies these claims and counterclaimed for breach of contract, trademark infringement, and unfair competition on 31 March 2014. Among other things, DMFI asserts that FDP committed a breach and trademark infringement by marketing under the Del Monte trademark pasteurised juice products, and processed avocado and guacamole products, and combination products that combine fresh and non-fresh ingredients. Both parties seek declaratory, monetary, and injunctive relief from the other. Discovery is proceeding in the cases, and no trial date has been set. DMFI cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Fresh Del Monte Injunction

An injunction was issued against Seller in an earlier case. A dispute has arisen over the scope and meaning of that injunction and DMFI moved as a non-party to clarify or modify the injunction. The briefing has been completed. Oral argument has been requested but not yet scheduled. DMFI cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Dispute with Big Heart Pet Brands

On 18 February 2014, DMFI consummated the acquisition of the consumer products business of Big Heart Pet Brands ("BHPB") (formerly Del Monte Corporation). The purchase price to be paid by DMFI at closing was adjusted upward in the amount of US$110.9 million (the "Closing Adjustment Amount") based on the difference between the target working capital agreed by the parties in the Purchase Agreement and BHPB's good faith estimate of working capital on the day immediately preceding the closing date. Based on BHPB's calculation of closing working capital, BHPB seeks an additional upward adjustment to the purchase price in the amount of US$16.3 million, together with interest accrued from the closing date through the date of payment.

On 18 June 2014, DMFI served its Notice of Disagreement asserting that BHPB's statement setting forth its calculation of closing working capital is in breach of several provisions of the Purchase Agreement and that BHPB is not entitled to any adjustment of the purchase price on account of working capital, including the US$16.3 million it now seeks, and the Closing Adjustment Amount must be returned.

The parties have submitted this dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement. DMFI cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

39. Contingencies (cont'd)

Other

The Group is the subject of, or a party to, other various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, The Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

40. Related parties

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group			Company		
	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000
Directors:						
Fees and remuneration	1,870	563	2,250	1,805	543	1,898
Share-based payments	–	–	921	–	–	921
Key executive officers (excluding Directors):						
Short-term employee benefits	2,530	4,828	2,934	1,378	274	983
Post-employment benefits	78	460	124	–	–	–
Share-based payments	–	–	887	–	–	887

41. Non-controlling interest in subsidiaries

The following table summarises the information relating to the Group's subsidiaries with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	30 April 2015 US$'000	30 April 2014 US$'000
DMPLFL		
Ownership interests held by non-controlling interests	10.57%	10.57%
Revenue	1,708,937	293,439
Loss	(48,046)	(44,040)
Other comprehensive income	(26,519)	1,980
Total comprehensive income		
Attributable to non-controlling interests:		
– Loss	(5,077)	(4,655)
– Other comprehensive income	(2,803)	119
Total comprehensive income	(7,880)	(4,536)
Non-current assets	1,308,757	1,187,369
Current assets	822,060	861,678
Non-current liabilities	(1,108,700)	(1,062,906)
Current liabilities	(434,514)	(323,114)
Net assets	587,603	663,027
Net assets attributable to non-controlling interests	62,094	70,139
Cash flows from operating activities	192,394	71,821
Cash flows used in investing activities	(132,160)	(1,793,137)
Cash flows used in financing activities, before dividends to non-controlling interests	(77,775)	1,738,601
Currency realignment	(521)	1,341
Net decrease in cash and cash equivalents	(18,062)	18,626

42. Subsequent events

On July 2015, the Company entered into a 5 year term loan amounting to US$100.0 million.

43. Change of financial year-end

Following the completion of the acquisition of the Consumer Food Business on 18 February 2014, the Group has changed its financial year end from 31 December to 30 April. Thereafter, the financial year of the Company will end on 30 April annually. The periods presented in these financial statements may not be fully comparable.

Statistics of Shareholdings

As at 15 July 2015

Authorised Share Capital	:	US$630,000,000
Issued and Fully-Paid-up Capital (including Treasury Shares)	:	US$19,449,358
Issued and Fully-Paid-up Capital (excluding Treasury Shares)	:	US$18,820,352
Number of Shares Issued (including Treasury Shares)	:	1,944,935,826
Number of Shares Issued (excluding Treasury Shares)	:	1,944,035,406
Class of Shares		Ordinary shares of US$0.01 each, with each ordinary shares entitled to one vote

Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	37	0.45	593	0.00
100 - 1,000	127	1.56	74,207	0.00
1,001 - 10,000	6,299	77.52	16,907,116	0.87
10,001 - 1,000,000	1,617	19.90	93,518,799	4.81
1,000,001 and above	46	0.57	1,833,534,691	94.32
Total	**8,126**	**100.00**	**1,944,035,406**	**100.00**

Twenty Largest Shareholders

No.	Name	No. of shares	%
1	NutriAsia Pacific Limited	1,155,030,190	59.41
2	HSBC (Singapore) Nominees Pte Ltd	162,606,657	8.36
3	Lee Pineapple Company Pte Ltd	100,422,000	5.17
4	Deutsche Bank Manila-Clients A/C	83,213,701	4.28
5	DBS Nominees (Private) Limited	71,786,512	3.69
6	Raffles Nominees (Pte) Limited	36,772,561	1.89
7	Citibank Nominees Singapore Pte Ltd	31,055,966	1.60
8	DB Nominees (Singapore) Pte Ltd	28,601,825	1.47
9	BNP Paribas Nominees Singapore Pte Ltd	16,161,790	0.83
10	Government Service Insurance System	16,150,237	0.83
11	United Overseas Bank Nominees (Private) Limited	14,649,628	0.75
12	Wee Poh Chan Phyllis	12,933,900	0.67
13	Banco De Oro - Trust Banking Group	10,820,426	0.56
14	The Hongkong and Shanghai Banking Corp. Ltd. -Clients' Acct.	10,206,605	0.53
15	DBS Vickers Securities (Singapore) Pte Ltd	8,547,981	0.44
16	COL Financial Group, Inc.	8,541,240	0.44
17	Joselito Jr Dee Campos	7,621,466	0.39
18	Pineapples of Malaya Private Limited	6,432,000	0.33
19	BPI Securities Corporation	4,799,558	0.25
20	IGC Securities Inc.	4,377,249	0.23
	Total	**1,790,731,492**	**92.12**

Substantial Shareholders

As recorded in the Register of Substantial Shareholders as at 15 July 2015

	Number of Shares					
Substantial Shareholders	**Direct Interest**	**%[1]**	**Deemed Interest**	**%[1]**	**Total**	**%[1]**
Bluebell Group Holdings Limited	142,857,471[11]	7.348[3][4]	–	–	142,857,471	7.348
Golden Sunflower International Limited	–	–	142,587,471	7.348[3]	142,587,471	7.348
NutriAsia Pacific Limited	1,155,030,190	59.414[5]	–	–	1,155,030,190	59.414
NutriAsia Holdings Limited	–	–	1,155,030,190	59.414[5]	1,155,030,190	59.414
NutriAsia Inc	–	–	1,155,030,190	59.414[5]	1,155,030,190	59.414
Golden Chamber Investment Limited	–	–	1,155,030,190	59.414[6]	1,155,030,190	59.414
Star Orchid Limited	–	–	1,155,030,190	59.414[6]	1,155,030,190	59.414
Well Grounded Limited	–	–	1,155,030,190	59.414[6]	1,155,030,190	59.414
HSBC Holdings plc	–	–	1,303,256,961	67.038[7]	1,303,256,961	67.038
HSBC International Trustee Limited	–	–	1,303,256,961	67.038 [7]	1,303,256,961	67.038
HSBC Private Banking Holdings (Suisse) SA	–	–	1,303,256,961	67.038 [7]	1,303,256,961	67.038
HSBC Trustee (Hong Kong) Limited	–	–	1,303,256,961	67.038 [7]	1,303,256,961	67.038
HSBC Finance (Netherlands)	–	–	1,303,256,961	67.038[7]	1,303,256,961	67.038
Joselito D Campos, Jr	7,621,466	0.392	1,303,256,961	67.038[2][4] [7]	1,310,878,427	67.430
Lee Foundation			106,854,000	5.496[8]	106,854,000	5.496
Lee Pineapple Company (Pte) Limited	100,422,000	5.165	6,432,000	0.331[9]	106,854,000	5.496
Lee Foundation, States of Malaya	–	–	106,854,000	5.496[10]	106,854,000	5.496

Notes:

(1) *The percentage of issued capital is calculated based on 1,944,035,406 shares (being 1,944,935,826 shares excluding 900,420 treasury shares).*

(2) *NutriAsia Pacific Limited ("**NPL**") is a substantial and controlling shareholder of the Company, holding 1,155,030,190 shares in the Company. Mr Joselito D Campos, Jr ("**JDC**") being an associate of NPL is deemed to be interested in the shares held by NPL.*

(3) *Bluebell Group Holdings Limited ("**BGHL**") is wholly owned by Golden Sunflower International Limited ("**GSIL**"). GSIL is therefore deemed interested in the shares of the listed company held by BGHL.*

(4) *GSIL is wholly owned by HSBC Trustee (Hong Kong) Limited ("**HKL**"). HKL is the trustee of Twin Palms Pacific Trust ("**TPPT**"), the beneficiaries of which are JDC and his children and JDC is therefore interested in the shares held by BGHL.*

(5) *NutriAsia Inc ("**NI**") owns 57.8% of NutriAsia Holdings Limited ("**NHL**"), which in turn owns 100% of NPL. NI is therefore deemed to be interested in the shares held by NPL.*

(6) *NPL holds 1,155,030,190 shares in the Company. NPL is wholly owned by NHL. NHL is therefore deemed interested in the shares held by NPL. NHL is in turn majority owned by NI (57.8%) and partly owned by Well Grounded Limited ("**WGL**") (42.2%). NI and WGL are therefore deemed interested in the shares held by NPL. NI is in turn majority owned by Golden Chamber Investment Limited ("**GCIL**") (65.4%) and WGL is in turn wholly owned by Star Orchid Limited ("**SOL**"). GCIL and SOL are therefore deemed interested in the shares held by NPL.*

(7) *GCIL and SOL are wholly owned by two separate trusts (Twin Palms Pacific Trust and the Star Orchid Trust respectively) for which HKL acts as trustee. HKL is therefore deemed interested in the shares of the Company held by NPL. The beneficiaries of the Star Orchid Trust are beneficially owned by the Campos family.*

BGHL is wholly owned by GSIL. GSIL is in turn wholly owned by HKL. HKL is in turn, wholly owned by HSBC International Trustee Limited. HSBC International Trustee Limited is therefore deemed interested in the shares held by NPL and BGHL.

HSBC International Trustee Limited is wholly owned by HSBC Private Banking Holdings (Suisse) SA. HSBC Private Banking Holdings (Suisse) SA is therefore deemed interested in the shares held by NPL.

HSBC International Trustee Limited is the trustee of the Twin Palms Pacific Trust, the beneficiaries of which are JDC and his children. HSBC Holdings Plc, HSBC International Trustee Limited, HKL and GCIL are therefore deemed to be interested in the shares held by NPL.

HSBC Private Banking Holdings (Suisse) SA is in turn, wholly owned by HSBC Finance (Netherlands). HSBC Finance (Netherlands) is therefore deemed interested in the shares held by NPL.

(8) *Lee Foundation, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte) Limited, had a deemed interest in the Company's shares in which Lee Pineapple Company (Pte) Limited had a direct or deemed interest.*

(9) *Lee Pineapple Company (Pte) Limited is deemed interested in the 6,432,000 shares held by its wholly-owned subsidiary, Pineapples of Malaya Private Limited.*

(10) *Lee Foundation, States of Malaya, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte) Limited, had a deemed interest in the Company's shares in which Lee Pineapple Company (Pte) Limited had a direct or deemed interest.*

(11) *Bluebell Group Holdings Limited had on 20 July 2015 transferred 142,857,471 shares to its nominees, HSBC (Singapore) Nominees Pte Ltd.*

Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$'000
NutriAsia, Inc.	–	3,273
Del Monte Philippines, Inc. Retirement Fund	–	1,524
NutriAsia, Inc. Retirement Fund	–	582
Aggregate Value	**–**	**5,379**

Proforma Group Financial Information *

For the year ended 30 April 2015
(Amounts in Singapore Dollars)

	Group		
	Year ended 30 April 2015 S$'000	**Four months ended 30 April 2014 S$'000**	**Year ended 31 December 2013 S$'000**
Revenue	2,785,594	481,075	615,221
Cost of sales	(2,282,676)	(435,226)	(470,709)
Gross Profit	502,918	45,849	144,512
Other income	34,273	–	–
Distribution and selling expenses	(188,181)	(41,327)	(42,475)
General and administrative expenses	(279,013)	(60,268)	(65,310)
Other expenses	(12,962)	(7,522)	(2,383)
Results from operating activities	57,035	(63,268)	34,344
Finance income	516	497	494
Finance expenses	(128,821)	(23,174)	(6,848)
Net finance expense	(128,305)	(22,677)	(6,354)
Share of loss of joint venture, net of tax	(3,164)	(1,466)	(6,135)
(Loss)/Profit before taxation	(74,434)	(87,411)	21,855
Tax credit/(expense)	18,628	28,371	(2,138)
(Loss)/Profit for the year/period	(55,806)	(59,040)	19,717
Profit attributable to:			
Non-controlling interests	(6,726)	(6,000)	(418)
Owners of the Company	(49,080)	(53,040)	20,135

* *Basis of presentation of Proforma Group Financial Information*

The audited financial statements of the Group are expressed in United States dollars (US$).

Given the Company's listing on the SGX-ST, for the convenience of certain readers, the above financial information for the years 2015, 2014 and 2013 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.29, S$1.27 and S$1.25, respectively.

Such translations should not be construed as a representation that the US$ amounts have been or could be converted into S$ at this or any other rates. In addition, the above financial information does not form part of the audited financial statements of the Group.

Corporate Information

Board of Directors
Mr Rolando C Gapud
Executive Chairman

Mr Joselito D Campos, Jr
Managing Director and CEO

Mr Edgardo M Cruz, Jr
Executive Director

Mr Benedict Kwek Gim Song
Lead Independent Director

Mr Patrick L Go
Independent Director

Dr Emil Q Javier
Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Audit and Risk Committee
Mr Benedict Kwek Gim Song
Chairman and Lead Independent Director

Mr Patrick L Go
Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Nominating Committee
Mr Godfrey E Scotchbrook
Chairman and Independent Director

Mr Benedict Kwek Gim Song
Lead Independent Director

Mr Patrick L Go
Independent Director

Dr Emil Q Javier
Independent Director

Mr Rolando C Gapud
Executive Director

Mr Edgardo M Cruz, Jr
Executive Director

Remuneration and Share Option Committee
Mr Godfrey E Scotchbrook
Chairman and Independent Director

Mr Benedict Kwek Gim Song
Lead Independent Director

Mr Patrick L Go
Independent Director

Executive Officers
Mr Joselito D Campos, Jr
Managing Director and
Chief Executive Officer

Mr Luis F Alejandro
Chief Operating Officer

Mr Ignacio C O Sison
Chief Financial Officer

Mr Richard W Blossom
Senior Vice President

Mr Antonio Eugenio S Ungson
Chief Legal Counsel,
Chief Compliance Officer and
Assistant Company Secretary

Ms Ma Bella B Javier
Chief Scientific Officer

Company Secretary
Ms Tan San-Ju
TMF Singapore H Pte Ltd
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SanJu.Tan@tmf-group.com

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Certified Public Accountants
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Singapore 048581
Audit Partner: Ms Ong Chai Yan
Audit partner appointed for the financial year ended 31 December 2010
Audit firm appointed wef 28 April 2006

Bankers
Australia and New Zealand Banking Group Ltd
BDO Universal Bank, Inc
Bank of the Philippines Islands
Bank of Tokyo Mitsubishi – UFJ Ltd
BMO Harris Bank, NA
Citibank NA
DBS Bank Ltd
Deutsche Bank AG
Hongkong and Shanghai Banking Corp Ltd
Metropolitan Bank and Trust Co
Morgan Stanley Bank NA
MUFG Union Bank, NA
Philippine National Bank
Rabobank International
Rizal Commercial Banking Corporation
Wells Fargo Bank, National Association

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Nerine Trust Company (BVI) Limited
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Road Town, Tortola VG 1110, British Virgin Islands

Listing & Trading Symbols
Listed on 2 August 1999 on the
Singapore Exchange
Listed on 10 June 2013 on the
Philippine Stock Exchange
Bloomberg: DELM SP and DMPL PM
Reuters: DMPL.SI and DMPL.PS

Trademarks
Del Monte, Del Monte Quality and Shield in Colour are principal registered trademarks of the Group for packaged food and beverage products in the USA, South America, the Philippines, Myanmar and Indian subcontinent territories. The Group owns the S&W trademarks worldwide except for Australia and New Zealand. The Group's other trademarks include, among other trademarks in various jurisdictions, Contadina, College Inn, Fruit Naturals, Orchard Select, SunFresh, Veg-All, Freshlike, Popeye, Princella and Allens' in the USA, and Today's, Fiesta, 202, Fit 'n Right, Heart Smart and Del Monte Quick 'N Easy in the Philippines.

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