Del Monte Pacific Limited
Annual Report
FY2016

NOURISHING
FAMILIES.

ENRICHING
LIVES.

Every Day

CONTENTS

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

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

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

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

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

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 AND *Mission*

Vision

**NOURISHING FAMILIES.
ENRICHING LIVES.
EVERY DAY.**

We nourish families by providing delicious food and beverages that make eating healthfully effortless – anytime and anywhere. We build brands with quality products that are perfectly wholesome and thoughtfully prepared.

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.

DEL MONTE PACIFIC

Strategy

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.

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STRATEGIC PILLARS

I
Strengthen the Core

II
Expand the Product Portfolio

III
Expand Markets

IV
Improve Operational Excellence and Sustainability

V
Strive for Commercial Excellence

TOPLINE GROWTH PILLARS

ENABLERS

BUILD THE RIGHT CAPABILITIES, TALENT, CULTURE AND TEAM TO DELIVER AGAINST VISION


Strategic Planning Workshop with the US leadership team in San Francisco


Strategic Planning Workshop with the Asia leadership team in Manila

FY2016

Highlights

FY2016 HIGHLIGHTS

- Group sales reached US$2.3bn in FY2016, up 4% from prior year on higher USA, Philippines and S&W Asia sales
- The US business accounted for US$1.8bn or almost 80% of total sales
- The Asian business, both packaged and fresh segments, continued to grow with broader and deeper penetration
- Without one-off items, the Group generated
  - EBITDA of US$202.1m, up 38%
  - Operating profit of US$128.6m, up 36%
  - Net profit of US$19.8m, a turnaround from the loss of US$6.7m in FY2015
- Including one-off items, the Group generated
  - EBITDA of US$235.2m, up 172%
  - Operating profit of US$161.7m, up 362%
  - Net profit of US$51.5m, a turnaround from the loss of US$43.2m in FY2015
- Declared dividend of 1.33 US cents (US$0.0133) per share or 50% payout of FY2016 earnings
- Received Best Managed Board (Gold) Award from the Singapore Corporate Awards
- Won the Best Innovation - Food & Beverage category in the Singapore Business Review Listed Companies Awards

Notes on DMPL's results

1. Effective 1 May 2014, DMPL changed its financial yearend to 30 April instead of 31 December to align with that of its US subsidiary, Del Monte Foods, Inc (DMFI). FY2016 runs from 1 May 2015 to 30 April 2016.
2. DMFI's financial results have been consolidated in DMPL's financials since the acquisition was made on 18 February 2014.
3. DMPL's financial statements are based on IFRS. DMFI's financial statements were converted from US GAAP to IFRS for consolidation purposes.
4. DMPL's effective stake in DMFI is 89.4%, hence the non-controlling interest (NCI) line in the P&L. Consolidated net income in the narratives are net of NCI.
5. DMPL changed its group policy with respect to measurement of the cost of inventory from weighted average cost method to FIFO method. The change in accounting policy was applied retrospectively.

LETTER TO

Shareholders

MR ROLANDO C GAPUD
Executive Chairman

MR JOSELITO D CAMPOS, JR
Managing Director and CEO

DEAR SHAREHOLDERS,

It has been almost two and a half years since our milestone Del Monte Foods, Inc (DMFI) acquisition in the United States in February 2014. In the first two years, your Company focused on the transition, integration, restructuring and stabilisation of DMFI's core business. Building on this foundation, we turned the results of the Company around and reported a net profit of US$51.5 million in FY2016, from a net loss of US$43.2 million in FY2015 resulting from the acquisition. While our net profit in FY2016 included a one-off gain, even if we exclude that, we are pleased to report that your Company delivered a core net income of US$19.8 million.

Del Monte Pacific (DMPL) generated sales of US$2.3 billion in FY2016, 4% higher than the prior year period as all key markets – USA, the Philippines, and Asia through the *S&W* brand – delivered higher sales.

DMFI achieved sales of US$1.8 billion or 78% of Group sales. Inclusive of Sager Creek, DMFI sales were up 4% but without Sager Creek, DMFI's sales were lower by 4% mainly due to unsuccessful government contract bids. However, certain segments of the business - *Del Monte* canned vegetable, *Del Monte* fruit in cups and *College Inn* broth - generated higher sales.

In FY2016, DMFI launched the *Del Monte Fruit & Veggie Fusions*, fruits in single-serve cup served in a lightly sweetened vegetable and fruit juice primarily targeted at children to address both their daily fruit and vegetable requirements.

Our US business has been focused on strengthening its core categories and leading share positions amidst canned vegetable and canned fruit industry contraction. It increased its market shares in the canned vegetable and fruit segments, up 1.1% and 0.9%, respectively, for the full year.

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LETTER TO

Shareholders

+38%

EBITDA

Without the one-off gain, the Group generated an EBITDA of US$202.1 million and operating profit of US$128.6 million, still up strongly by 38% and 36%, respectively.

US¢ 1.33

DIVIDEND

The Board would like to reward you, our shareholders, for your support and patience. We are mindful of the Company's leverage relating to the acquisition and remain committed to delever the balance sheet.

The Philippine market delivered a record performance with sales of US$323.0 million, up 11% in peso terms as all product categories – packaged fruit, beverage and culinary – posted higher sales, driven by an expanded user base and household penetration.

The Group launched the *Del Monte Heart Smart Orange Juice Drink* in a new 1-litre pack, and the *Del Monte Ketchup* in a new pouch with a reclosable spout.

Meanwhile, the foodservice or institutional channel performed strongly on the back of meal tie-ups with 7-Eleven, Jollibee and Greenwich which involved pairing *Del Monte Pineapple Juice* with meals.

Sales of the S&W branded business in Asia and the Middle East reached US$69.1 million in FY2016, a record for this brand since the Group acquired it at the end of 2007. Sales were up 10% driven by higher volume and favourable mix. Both the fresh and packaged segments delivered higher sales.

Sales at FieldFresh Foods, our Indian joint venture, which are equity accounted and not consolidated, were US$65.8 million in FY2016, 16% stronger in rupee terms. It launched a number of innovative products in the Indian market including pasta made from whole wheat, dried apricots, pink guava drink and eggless mayonnaise in a pouch with a spout.

FieldFresh sustained its positive EBITDA. DMPL's share of loss in the FieldFresh joint venture in India was, therefore, lower at US$1.6 million from US$2.1 million in the prior year.

In FY2016, the Group reported an EBITDA of US$235.2 million, up 172%, and an operating profit of US$161.7 million, up 362%, both inclusive of one-off net gain of US$33.1 million pre-tax. The two one-off gains arose from the change in retirement plan at DMFI and the working capital settlement from the seller of DMFI. More details are provided in the Operating and Financial Review section of this report.

Without the one-off gain, the Group generated an EBITDA of US$202.1 million and operating profit of US$128.6 million, still up strongly by 38% and 36%, respectively.

DMFI's restructuring initiatives which we started last year will continue into FY2017. These consist of procurement synergies and optimisation of G&A costs including shifting to a leaner organisation model in the US to drive channel growth and bring down costs in line with competition.

DIVIDENDS

With our return to profitability, your Board is pleased to declare a dividend of 1.33 US cents (US$0.0133) per share, representing a 50% payout of FY2016 net profit. After two years of losses, the Board would like to reward you, our shareholders, for your support and patience. We are mindful of the Company's leverage relating to the acquisition and remain committed to delever the balance sheet.

INDEBTEDNESS

The Group's net debt amounted to US$1.8 billion as at 30 April 2016.

As part of the Group's deleveraging plan, DMPL intends to issue US dollar denominated perpetual preference shares this year in the Philippine capital market, to be listed on the Philippine Stock Exchange (PSE), subject to all regulatory approvals and market conditions. The proposed issue will be up to US$360 million (with an initial tranche of up to US$250 million and the balance issuable within three years) that will result in a further improvement of the Group's leverage ratios.

Moreover, the Group expects to meet its financial obligations by increasing its operating cash flow in the coming year by generating higher sales and managing costs.

STRATEGY

As our Company has become larger and global with our transformational acquisition, and with the United States as our major market, we have engaged an international strategy consultant to work with us in refreshing our Group vision and aspirations for the reunited Del Monte, anchored on market trends and the changing consumer landscape. We have undertaken this important process since this will define our strategic roadmap and set our course for many years to come.

Del Monte is an iconic brand, a household name in the United States with more than 100 years of brand heritage. Our Company stands for health, wellness and nutrition and strives to be a part of every eating occasion for our consumers. We enhance their quality of life through our trusted portfolio of food and beverage brands in the international markets where we are present. Our promise to our stakeholders goes beyond our customers and consumers and includes our shareholders and employees with our commitment to deliver sustainable and meaningful returns.

The collective strategic process with our management team across all business units brought forth a new vision for the Company: ***Nourishing Families. Enriching Lives. Every Day.*** *We nourish families by providing delicious food and beverages that make eating healthfully effortless – anytime and anywhere. We build brands with quality products that are perfectly wholesome and thoughtfully prepared.*

Our vision and aspirations are supported by five strategic pillars – strengthen the core, expand the product portfolio, expand markets, improve operational excellence and sustainability, and strive for commercial excellence. In order to achieve these, we are building the right capabilities, talent, culture and team to deliver against the vision.

Our business is well positioned vis-à-vis the ongoing consumer trends for health, wellness and nutrition. There is latent market demand to consume more fruits and vegetables, and we provide healthy and convenient solutions to address this, as we continuously improve and innovate products to meet ever evolving consumer trends.

We are one Del Monte, working as one team toward a shared ambition. Supporting each other across geographies, we will draw from each other's strengths and diversity, which we will harness for our Company's future.

OUTLOOK

With the return to profitability in FY2016, the Group has successfully laid a foundation from which it will execute its strategies and growth plans. Barring unforeseen circumstances, the Group will continue to be profitable in FY2017, continuing the improvements achieved in FY2016.

In the United States, the near term key profit drivers are the benefits from the restructuring exercise that we started last year. We closed down a factory in North Carolina and streamlined our operations across our 12 factories.

While we optimise our cost structure in the United States, DMFI will increasingly offer differentiated value propositions through meaningful product improvements, marketing campaigns, and innovation, as well as effectively manage pricing fundamentals and executing well at retail.

Our Company will continue to expand our existing branded business in Asia, through the *Del Monte* brand in the Philippines, where we are a dominant market leader. *S&W*, both packaged and fresh, will gain more traction as we leverage our distribution expansion in Asia and the Middle East, while our joint venture in India is expected to continue generating higher sales and sustaining its positive EBITDA.

In the Philippines, the Group expects to take full advantage of the growing foodservice industry by forging strategic tie-ups with key foodservice accounts, while in the *S&W* Asian markets we plan to partner with leading foodservice and e-commerce accounts to accelerate

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LETTER TO *Shareholders*

the penetration of *S&W* products in those markets.

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 the US, our ingredients and packaging will address consumer preferences and trends. In the fourth quarter of FY2016, DMFI announced its transition to 100% BPA-free internal can coatings by the end of the pack season in October 2016, and will also shift its products to non-GMO.

We developed high yield, high recovery seed varieties that reduced water, pesticides and energy usage.

Our office in the Philippines, the Jose Y Campos Centre, achieved LEED Silver Certification from the US Green Building Council.

The Del Monte Foundation supported 375 scholars for School Year 2015-2016.

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 – *nourishing families, enriching lives, every day.*

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. Since the SCA began in 2006, DMPL is one of only five companies to have won at least two Golds for the Best Managed Board Award amongst nearly 800 companies listed in Singapore.

In the recent SCA in July 2016, we won Best Annual Report (Bronze) Award.

DMPL is one of only 13 companies to have received at least four distinct awards, which include Best CFO and Best Investor Relations. This is the seventh consecutive year that the Company has been recognised by the SCA.

DMPL also ranked 41st or top 6% amongst 639 Singapore-listed companies in the Business Times' Governance and Transparency Index in August 2015.

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

In the US and the Philippines, the Group bagged awards from its key foodservice and retail customers for exemplary performance and service.

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

APPRECIATION

We thank our employees for their continued hard work and dedication, and for being proponents and agents of our vision – ***Nourishing Families. Enriching Lives. Every Day.***

We would like to extend our appreciation to Mr Patrick L Go who resigned as director after having served the Board since 2001. On behalf of the Board, we thank him for his invaluable contributions and wish him the best in his future endeavours.

We welcome our new independent director Mrs Yvonne Goh. She was DMPL's Company Secretary from 1999, when the Company went public in Singapore, until she retired in 2014. We are excited to have her back with us as a director and we look forward to her wisdom and experience.

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.

Nourishing Families.
Enriching Lives.
Every Day.

MR ROLANDO C GAPUD
Executive Chairman

MR JOSELITO D CAMPOS, JR
Managing Director and CEO

25 July 2016

FIVE–YEAR Summary

FINANCIAL YEAR[1] (Amounts in US$ million unless otherwise stated)	FY2016	FY2015 (As Restated[2])	CY2013	CY2012	CY2011
Profitability[3]					
Turnover	**2,267.8**	2,186.7	492.2	459.7	425.2
Gross Profit	**481.9**	408.2	115.6	112.8	101.4
EBITDA	**235.2**	86.5	42.3	59.9	47.8
EBITDA - without Non-Recurring items	**202.1**	146.1	68.8	59.9	47.8
Profit/(loss) from Operations	**161.7**	35.0	27.5	49.7	44.6
Net Profit Attributable to Owners	**51.5**	(43.2)	16.1	32.0	27.6
EPS (US cents)	**2.65**	(3.10)	1.24	2.47	2.14
Net Profit - without Non-Recurring items	**19.8**	(6.7)	33.9	32.0	27.6
EPS - without Non-Recurring items (US cents)	**1.02**	(0.48)	2.62	2.47	2.14
Gross Margin (%)	**21.2**	18.7	23.5	24.5	23.9
EBITDA Margin (%)	**10.4**	4.0	8.6	13.0	11.2
Operating Margin (%)	**7.1**	1.6	5.6	10.8	10.5
Net Margin (%)	**2.3**	na	3.3	7.0	6.5
EPS Growth (%)	**185.5**	na	(49.8)	15.4	46.6
Return on Equity (%)	**15.0**	na	6.7	13.4	12.4
Return on Assets (%)	**2.0**	na	2.9	6.9	6.7
Balance Sheet					
Cash	**47.2**	35.6	132.9	24.6	20.9
Debt	**1,843.8**	1,718.5	276.7	140.5	110.0
Net Debt	**1,796.6**	1,682.9	143.8	116.0	89.1
Fixed Assets	**563.6**	578.4	99.5	93.4	85.4
Total Assets	**2,694.6**	2,622.1	617.6	496.7	425.5
Shareholders' Equity	**365.2**	324.2	228.4	250.7	225.4
Net Tangible Asset Per Share (US cents)	**(19.8)**	(22.4)	16.5	21.8	19.7
Net Debt to Equity Ratio (%)	**491.9**	519.1	62.9	46.3	39.5
Cash Flow					
Cash Flow from Operations	**31.0**	239.6	27.8	19.5	37.5
Capital Expenditure	**60.3**	75.2	24.7	17.3	18.5
Share Statistics[4]					
Number of Outstanding Shares (million)	**1,943**	1,944	1,297	1,080	1,075
Average for period					
Share Price (Singapore cents)	**34.4**	45.9	71.2	38.3	35.7
Share Price (US cents equivalent)	**24.8**	35.5	57.0	30.6	28.5
Market Capitalisation (S$ million)	**668.5**	892.3	923.2	413.7	383.9
Market Capitalisation (US$ million)	**482.6**	690.1	739.1	330.2	306.2
P&L rate: US$1 : S$	**1.39**	1.29	1.25	1.25	1.25
Price Earnings Multiple[3] (x)	**9.4**	na	46.0	12.4	13.3
End of period					
Share Price (Singapore cents)	**30.0**	42.0	56.3	47.3	38.1
Share Price (US cents equivalent)	**22.2**	30.5	44.4	38.8	29.3
Market Capitalisation (S$ million)	**583.0**	816.5	730.0	510.9	409.7
Market Capitalisation (US$ million)	**431.9**	593.7	575.2	418.8	314.7
P&L rate: US$1 : S$	**1.35**	1.38	1.27	1.22	1.30
Price Earnings Multiple[3] (x)	**8.4**	na	35.8	15.7	13.7
Dividend					
Dividend Per Share (US cents)	**1.33**	-	0.62	2.23	1.91
Dividend Per Share (Singapore cents)[5]	**1.80**	-	0.78	2.77	2.37
Dividend Yield (%)	**5.2**	-	1.1	7.2	6.6
Dividend Payout (%)	**50**	-	50	75	75

[1] DMPL changed its fiscal year to end in April in line with its USA subsidiary Del Monte Foods, Inc. For 2011-2013, fiscal year was ending December.

[2] DMPL changed its group policy with respect to measurement of the cost of inventory from weighted average cost method to FIFO method. The change in accounting policy was applied retrospectively.

[3] The profitability of the Group from 2013-FY2016 had been impacted by non-recurring items mostly due to the acquisition of the US company. For FY2015, the impact was recorded starting from the gross profit line. Please refer to the Operating and Financial Review section for more details.

[4] DMPL 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 cents for the purpose of computing financial ratios. DMPL did a 2:10 Bonus Issue with ex-date of 9 April 2013. It also did a Rights Issue in March 2015. New shares issued resulted in a 33% dilution.

[5] Dividend per share (Singapore cents) for FY2016 is based on an indicative exchange rate as the dividend has not been paid yet at the time of print.

Innovations

**NOURISHING FAMILIES.
ENRICHING LIVES. EVERY DAY.**

With our new vision, we would like to share our Innovations journey across our markets. Innovation is at the heart of being able to nourish families with delicious food and beverages that make eating healthfully effortless – anytime and anywhere. It is our hope that, by doing so, we are able to enrich lives every day.

IN USA THROUGH THE DEL MONTE, S&W, CONTADINA AND COLLEGE INN BRANDS

In the two years since Del Monte Pacific acquired the Del Monte consumer food business in the US, significant strides have been made in introducing new, more convenient and environment-friendly products to the American public. DMPL's US subsidiary, Del Monte Foods, has taken a leadership role in meeting consumer preferences.

In an effort to help make Americans' snacking healthier, Del Monte recently introduced a new range of *Del Monte®* *4 oz Fruit Cup®* snacks that are packed in lightly sweetened juice and water, an improvement from the usual light syrup, resulting in better tastes and less calories.

To make cooking healthier, Del Monte introduced two new "No Salt Added" cooking stock products to its *College Inn®* line of broths and stocks. The entire *College Inn®* stock lineup now has "clean labels" and no added MSG. 17 other *College Inn®* broth products are now allergen-free and free of partially hydrogenated oils (PHO) to appeal to a wider audience of creative cooks who are seeking out healthier options in their meals.

Healthier range of *College Inn* broth products

Recently, Del Monte also forged ahead to meet consumer demand for organic products with nine new *Del Monte® Organic Cut Tomato* items; 3 new *Contadina®* organic SKUs, and new *Contadina® Organic Crushed Tomato with Basil* product.

Del Monte has met American consumer expectations for transparency in labelling and for non-GMO products by certifying that the majority of *Del Monte®* brand vegetable products, all *Del Monte® Fruit Cup®* snacks, and 95% of *Del Monte®* brand tomato products are made without genetically engineered ingredients. The fruits, vegetables and tomatoes used in *Del Monte* products have always been non-GMO, but many other ingredients like sweeteners, thickeners, seasonings, and the like were not. It took innovative product development and supply chain assurance programmes to make this happen.

Del Monte has also been an innovation leader in working with our packaging suppliers to develop, qualify through rigorous testing, and commercially implement BPA-NI (BPA Non Intent) packaging. These programmes now permit 100% of *Del Monte®* fruit and tomato products, and nearly all of *Del Monte®* vegetable products, to be packaged in containers that do not use BPA in the packaging production. This packaging innovation helps assure that Del Monte is a trusted source of high-quality food products and satisfies evolving regulatory requirements.

Innovative *Del Monte* juices

IN THE PHILIPPINES THROUGH THE DEL MONTE BRAND

In the past ten years, the Group has launched a slew of new products using breakthrough technologies in ingredients, packaging and processes. Health and Wellness has been the anchor for new product introductions, with the consumers' health needs in mind. Finding solutions to address emerging health issues has led to a host of innovative products that offered clinically-proven benefits, from promoting weight management and body fat reduction, to cholesterol lowering and bone health advantage.

The beverage portfolio in the Philippines offers a range of *Del Monte Fit 'n Right Juice Drinks with Green Coffee Extract and L-Carnitine* proven to result in body fat reduction with diet and exercise; *100% Pineapple Juice HeartSmart with Reducol™*, a special blend of plant sterols and stanols that help lower bad cholesterol; and *100% Pineapple Juice BoneSmart™*, a calcium-fortified juice that has twice the level of calcium than a glass of milk, designed to provide the same benefit to the lactose-intolerant consumers.

From a recent study, it was established that consumption of a small can of *Del Monte Pineapple Tidbits* a day increased the production of

Innovative fruit in cups sold in the States packed in vegetable and fruit juice


Shift to non-GMO and non-BPA cans

Del Monte Pineapple Tidbits in a more affordable format to encourage increased consumption

granulocytes, which make up 60% of the body's white blood cells, known as the body's first line of defence against infection. In order to make the product more accessible every day for consumers, a low-cash outlay pack format was developed. *Del Monte Pineapple Tidbits* was introduced in a Stand-up Pouch (SUP) format, the first in the market to offer an affordable format that encourages increased consumption, not only for enjoyment but also for better immunity.

The portfolio of products that offer healthier choices has expanded: *100% Pineapple Juice* fortified with vitamins A, C & E, *100% Fiber-Enriched Pineapple Juice*, *100-Calorie Fruit Cups*, lycopene-rich tomato sauces and ketchup; No-MSG culinary sauces and cooking aids.

We have different flavours of juice drinks and spaghetti sauces that cater to diverse tastes of consumers. We have a selection of *Quick 'n Easy* cooking aids that provide easy-to-prepare every day dishes for novice cooks. We have also launched a convenient packaging for ketchups in SUP with reclosable spout.

We have expanded our juice drinks from single-serve cans to a multi-use, more affordable 1-Litre Tetra packaging.

IN ASIA PACIFIC THROUGH THE S&W BRAND

Being at the forefront of innovation in our key Philippine market allows us to market products regionally via the *S&W* brand platform. *S&W HeartSmart 100% Pineapple Juice with Reducol™* was brought to the regional arena via DMPL's international brand platform – *S&W*. Two interesting variants were launched nationally in United Arab Emirates (UAE) - *100% Pineapple Juice* and *Four Seasons*, capturing the consumers' minds with its unique product benefit of lowering bad cholesterol.

Pairing the launch of *S&W HeartSmart™* in the UAE was *S&W Fruit Delight*, chunky pineapples in three delightfully flavoured light syrups - lychee, coconut and grapefruit. *S&W Fruit Delight* was very well-received given its natural flavours, low-calorie and less-sugar offering.

Another unique product that Del Monte Pacific brought to the regional arena is *S&W Pina Coolada*, a refreshing pineapple fruit drink with coconut flavour. This product was introduced in Israel with trail-blazing success. The first-in-market combination of two favourite tropical fruits – pineapple and coconut, took the market by storm instantaneously.

In Southeast Asia, S&W launched the organic version of the staple *Prune Juice*. This changed the game in the prune juice segment in terms of product positioning where S&W rode on the consumers' trend for organic and holistic food.

S&W HeartSmart 100% Pineapple Juice™ was also launched in China via e-commerce. *S&W Sweet 16 Fresh Pineapple* is already very popular amongst the Chinese consumers.

S&W Organic Prune Juice, top 3 brand in Singapore and Indonesia

IN INDIA THROUGH THE DEL MONTE BRAND

In our seven year-journey in India, Del Monte has worked continuously to establish itself as the lead player in the alternative cuisine/gourmet food products space.

Picking up on the rise and growing acceptance of Italian cuisine in the out of home space by Indian consumers, Del Monte introduced in retail in 2009 its pasta range, imported entirely from Italy.

Over time, the pasta range expanded to meet the growing desire of affluent Indian consumers to try out new tastes in food. Del Monte has also added to its Italian range olive oil (imported from Italy and Spain), table olives (from Spain) and pasta sauces, offering to consumers the convenience to make great Italian dishes at home.

Tapping into the growing consumer trend for healthier snacking alternatives amongst young working adults, Del Monte was one of the first to introduce a range of packaged dried fruits - *Del Monte Apricots, Cranberries*, and *Prunes* - that gave consumers the benefit of a low fat, low sodium, high fiber snack.

Del Monte's endeavour in India remains to be at the forefront of identifying and catering to the evolving food needs of the growing young and affluent consumer base.

Nourishing Families. Enriching Lives. Every Day.

Giving Indian consumers healthy snacking options.

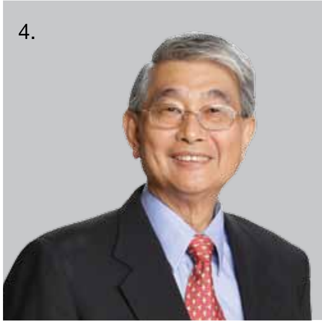
BOARD OF Directors

1.

2.

3.

4.



5.

6.

7.

1. MR ROLANDO C GAPUD

Executive Chairman, 74

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.

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)
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.

2. MR JOSELITO D CAMPOS, JR

Executive Director, 65

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 Consul General 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.

3. MR EDGARDO M CRUZ, JR

Executive Director, 61

Appointed on 2 May 2006
and last elected on 28 August 2015

Mr Edgardo M Cruz, Jr is a member of the Board of the NutriAsia Group of Companies. Mr Cruz is a Director of Del Monte Foods, Inc, DMPL's US subsidiary. He is the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water 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 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 earned his MBA degree from the Asian Institute of Management after graduating from De La Salle University. He is a Certified Public Accountant.

4. MR BENEDICT KWEK GIM SONG

Lead Independent Director, 69

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 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.

5. MR GODFREY E SCOTCHBROOK

Independent Director, 70

Appointed on 28 December 2000
and last elected on 28 August 2015

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.

6. DR EMIL Q JAVIER

Independent Director, 75

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.

7. MRS YVONNE GOH

Independent Director, 63

Appointed on 4 September 2015

Mrs Goh is a Director of UNLV Singapore Limited, the Singapore campus of the University of Nevada Las Vegas (UNLV), USA. Mrs Goh is also a Director of EQUAL-ARK Singapore Ltd, a charity registered under the Charities Act and an Institution of Public Character (IPC), assisting at-risk-kids through equine-assisted learning. She was previously Managing Director of the KCS Group in Singapore, a professional services organisation and Managing Director of Boardroom Limited, a company listed on the SGX. Mrs Goh had served on the Board of WWF Singapore Limited, a registered charity and the Singapore chapter of WWF International, a leading global NGO. She had served as a Council Member and Vice Chairman of the Singapore Institute of Directors as well as Chairman of its Professional Development Committee. Mrs Goh was also a Director of the Accounting and Corporate Regulatory Authority (ACRA) and a past Chairman of the Singapore Association of the Institute of Chartered Secretaries and Administrators. Mrs Goh is a Fellow of the Singapore Institute of Directors and a Fellow of the Institute of Chartered Secretaries and Administrators, UK.

SENIOR

Management

MR JOSELITO D CAMPOS, JR
Managing Director and
Chief Executive Officer
Joined the DMPL Group on 16 March 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 Consul General 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
Joined the DMPL Group on 16 March 2006

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 then became 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 Corporate Officer
Joined the DMPL Group on 1 August 1999

Mr Ignacio C O Sison is DMPL's Chief Corporate Officer, in charge of corporate strategy, sustainability, risk management and investor relations. He has been with DMPL since 1999 and was the group's Chief Financial Officer for nine years. Mr Sison has about 25 years of finance experience spanning corporate and strategic planning, financial planning, treasury, controllership and corporate sustainability. Before joining Del Monte Pacific in 1999, he was CFO of Macondray and Company, Inc, then DMPL's parent company, for three years. He also worked for Pepsi-Cola Products Philippines and SGV & Co, the largest audit firm in the Philippines. Mr Sison holds a MSc in Agricultural Economics from Oxford University; 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 from 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 PARAG SACHDEVA
Chief Financial Officer
Joined the DMPL Group on 21 September 2015

Mr Parag Sachdeva has more than 20 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Before joining DMPL, he was with Carlsberg Asia for more than a year and supported efficiency and effectiveness programmes across the Asian and African regions. Prior to Carlsberg, he was with HJ Heinz for 20 years and held leadership positions in Asia Pacific regions in finance, IT and human resources. Mr Sachdeva graduated from the Aligarh Muslim University in India, Major in Accounting and Economics. He also has an MBA degree, Major in Finance from the same university.

MR ANTONIO E S UNGSON
Chief Legal Counsel, Chief Compliance Officer and Company Secretary
Joined the DMPL Group on 16 August 2006

Mr Antonio E S Ungson is Chief Legal Counsel, Chief Compliance Officer and 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
Joined the DMPL Group on 5 February 2007

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 (UP). She sits in the Board of Trustees of UP's Chemistry Alumni Foundation. Ms Javier was accorded the 2015 UP Distinguished Alumni in the field of Science and Technology.

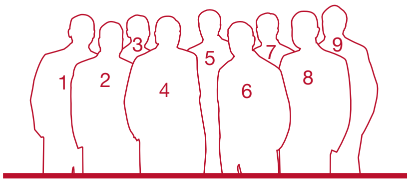
SENIOR

Management

DEL MONTE FOODS, INC

DEL MONTE PHILIPPINES, INC

S&W FINE FOODS INTERNATIONAL LTD



DEL MONTE FOODS, INC

1 **GENE ALLEN**
SVP, Business Transformation

2 **DAVE MCLAIN**
SVP, Operations

3 **JOHN CLARK**
SVP, Chief Human Resources Officer

4 **DAVID MEYERS**
EVP and Chief Administrative Officer

5 **NILS LOMMERIN**
President and CEO

6 **EMMANUEL NISPEROS**
SVP, Office of the Executive Committee

7 **PAUL MILLER**
SVP and Chief Financial Officer

8 **WILLIAM SAWYERS**
SVP, General Counsel, Chief Compliance Officer, Secretary

9 **DAVID WITHYCOMBE**
SVP, Chief Operations Officer

DEL MONTE PHILIPPINES, INC

1 **AMANTE AGUILAR**
Group Head, Supply Chain

2 **EILEEN ASUNCION**
Group Head, Marketing

3 **FRANCISCO MOLAS**
Group Head, Mindanao Operations

4 **GREGORIO HONASAN**
Group Head, Customer Development

5 **JENA ROJAS**
Chief Financial Officer

6 **JOSELITO CAMPOS, JR**
President and CEO

7 **LUIS ALEJANDRO**
General Manager and COO

8 **CESAR CANLAS**
Group Head, Information Technology

9 **GERARD BAUTISTA**
Group Head, Corporate Human Resources

10 **LANA PARUNGAO**
Group Head, Food Service

11 **ANGEL GATCHALIAN, JR**
Group Head, Corporate Procurement

S&W FINE FOODS INTERNATIONAL LTD

1 **MARCO VERDEFLOR**
Commercial Manager, China and Korea (Fresh)

2 **FRITZ MATTI**
Commercial Manager, Japan (Fresh and Packaged)

3 **SUMARLEKI AMJAH**
Head, ASEAN, MENA and Indian subcontinent (Packaged)

4 **TAN CHOOI KHIM**
General Manager

5 **CHAN WAI KEONG**
Commercial Manager, ASEAN and Pacific Islands (Fresh and Packaged)

6 **SHARIN REBOLLIDO**
Commercial Manager, China, Korea and Hong Kong (Packaged)

7 **MUDASIR TAK**
Commercial Manager, Middle East, Africa and South Asia (Fresh and Packaged)

History

1892

Del Monte was born in California

1926
Del Monte US set up operations in the Philippines

1980
RJR acquired Del Monte US

1990
KKR bought RJR-Nabisco

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

1996

Del Monte US fully divested from its Philippine operations

1997
TPG acquired Del Monte US

2011
KKR reacquired Del Monte US

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

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

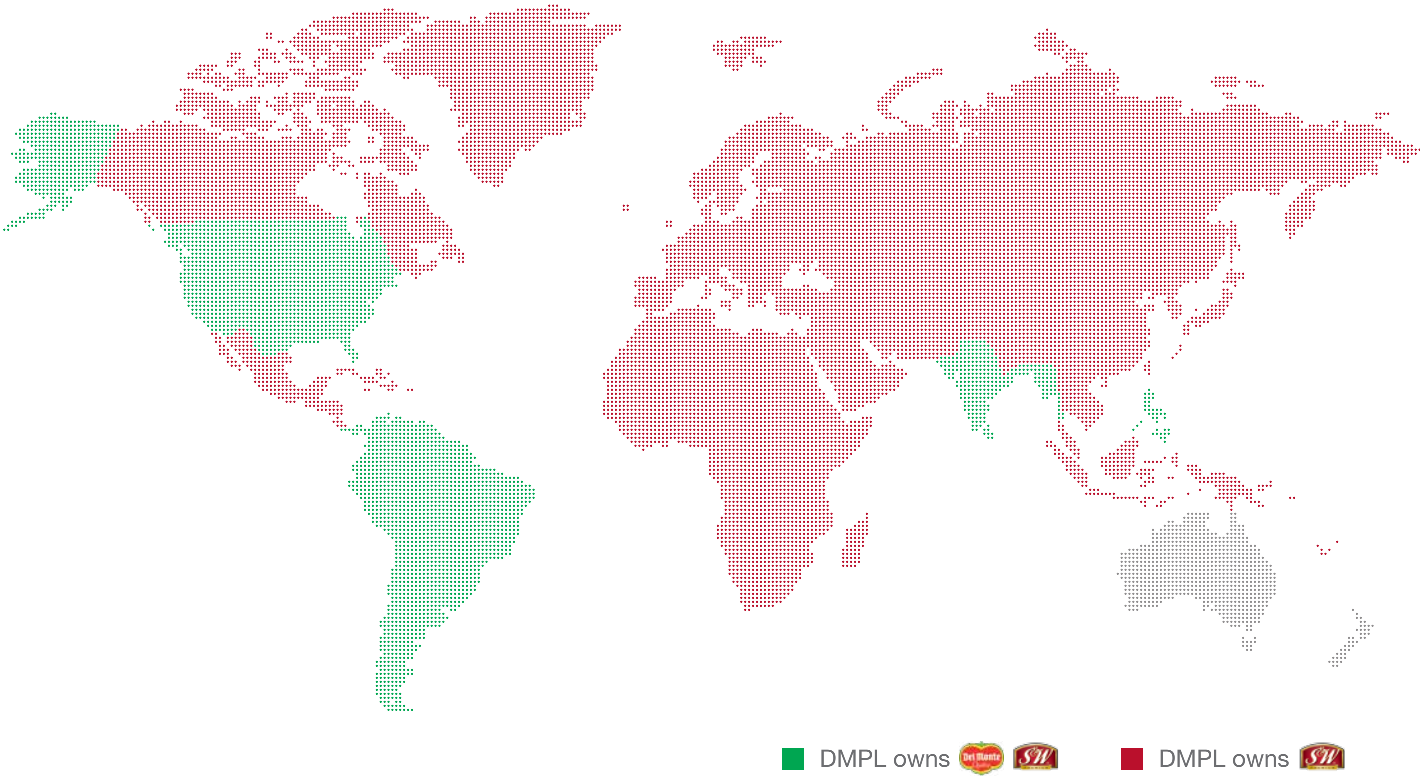
2007
- DMPL bought the *S&W* brand from Del Monte US for Asia and EMEA
- DMPL entered into a joint venture with the Bharti group in India

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

2014

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

KEY BRANDS AND BRAND *Ownership*



PRODUCTION FACILITIES

USA	12
MEXICO	2
VENEZUELA	1
PHILIPPINES	1
INDIA	1

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

The Group also owns the CONTADINA and COLLEGE INN trademarks

90 FRUITFUL YEARS

in the Philippines

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.

THROUGHOUT OUR 90 YEARS OF OPERATIONS IN THE PHILIPPINES

THIS YEAR 2016 DEL MONTE PHILIPPINES, INC (DMPI) MARKS 90 YEARS OF DOING BUSINESS AROUND THE WORLD.

It has been a long and fruitful journey. The first pineapple seeds brought in from the pest devastated pineapple fields in Hawaii had grown lush in a new land. Our American and Filipino pioneers worked side by side to build the company from the ground up. New generations of highly skilled and dedicated Filipinos team have taken full rein of our expanding operations.

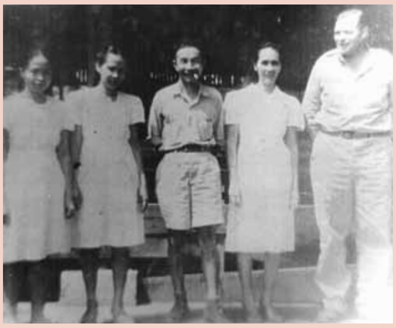
1920s

Ox-powered pineapple cultivation highlights Philpack's (now DMPI) humble roots in Bukidnon.

Experimental plot in Diklum (Bukidnon),1926. Pineapple crowns from plot were gathered and planted as initial seeds.

Harry White, Philpack's 1st President (1926-1938), steers the company through start-up years.

1930s



Tagoloan Mayor Cosin persuades young women to work at Cannery.

Mechanical farming starts at the Plantation, with purchase of US-made tractors and trucks.

Philippine President Manuel Quezon, and James McNeil Crawford, Philpack's 2nd President, at the Cannery.

1940s

Cannery complex, at the end of World War II.

Surviving crowns are gathered and replanted to begin a new plant cycle.

The Cannery gains new packing lines.

1950s

Further mechanisation improves yield.

Philpack opens its Sales and Marketing offices in Intramuros (Manila).

Workers celebrate Workers Day, highlighting worker unity.

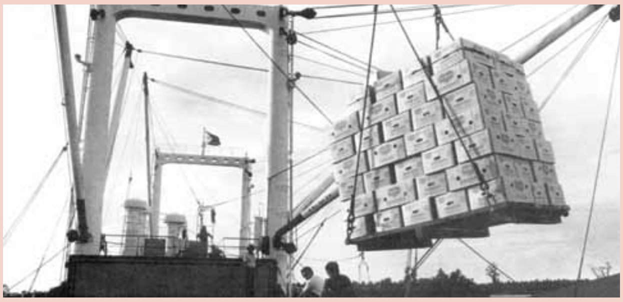
90 FRUITFUL YEARS *in the Philippines*

1960s

Cannery expands, with new can plant, processing lines for tomato, papaya and tuna, and a seaport.

Filipinos rise to top positions in Mindanao operations. Luis Lorenzo becomes the 1st Filipino Plantation Manager.

1970s



Philpack ventures into banana-growing for export, in the Davao and Misamis provinces.

Quality checks are conducted on all processed products.

1980s

Administrative employees get together as the Bugo Main Office Building opens.

For the 2nd time, DMPI is named Outstanding Employer by PMAP.

1990s

DMPI celebrates 65 years in the Philippines.

Manila-based Sales executives are honoured for outstanding performance.

SGX SINGAPORE EXCHANGE

DMPL, parent of DMPI, is listed on the Singapore Exchange (SGX).

2000s

NutriAsia Pacific Limited acquires majority stake in Del Monte Pacific Ltd.

DMPL acquires exclusive rights to the *S&W* brand globally except in Australia and New Zealand.

DMPL enters into a JV with the Bharti group in India.

2010s

DMPL acquires the consumer food business of Del Monte Corporation in the US. The acquisition reunites DMPI with our founding parent, and brings our products directly into the world's largest consumer market.

For the 1st time, the Board of Directors of Del Monte Pacific Ltd led by Board Executive Chairman Rolando Gapud visits the Company's operations.

Our Manila office is named after the late Jose Yao Campos, pioneer of the Asian pharmaceuticals industry and father of our CEO.

For the 1st time, DMPL shares are traded on the Mainboard of the Philippine Stock Exchange (PSE), 2013, giving Filipinos the opportunity to invest and be part of the success of our Company. DMPL is the first company to be dual-listed on the PSE and the SGX.

"LOOKING FORWARD TO THE NEXT 90 YEARS, LET US PUT MORE VALUE INTO THE FRUIT THAT WE PRODUCE."

MR JOSELITO D CAMPOS, JR
Managing Director and CEO

Products

DEL MONTE IN THE UNITED STATES

NOURISHING FAMILIES.
ENRICHING LIVES. EVERY DAY.

DEL MONTE IN THE PHILIPPINES

Products

S&W IN ASIA AND THE MIDDLE EAST

NOURISHING FAMILIES.
ENRICHING LIVES. EVERY DAY.

DEL MONTE IN INDIA

Awards

Photo courtesy of Singapore Corporate Awards

GOVERNANCE

DEL MONTE PACIFIC WINS BEST MANAGED BOARD (GOLD) AWARD AT THE SINGAPORE CORPORATE AWARDS

Del Monte Pacific Limited 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, making DMPL one of only five companies amongst nearly 800 companies listed in Singapore, to have won at least two Golds for the Best Managed Board Award. DMPL also won the Best Annual Report (Bronze) Award in the most recent SCA held on 19 July 2016.

DMPL is one of only 13 companies to have received at least four distinct awards including Best CFO and Best Investor Relations.

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 amongst listed companies in Singapore. The Awards are organised by the Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times, supported by Accounting and Corporate Regulatory Authority and Singapore Exchange.

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

COMMERCIAL

DEL MONTE IN USA AND PHILIPPINES WIN IN THE FOODSERVICE CHANNEL

1. **USA – Nominated Supplier of the Year by UniPro**

   Del Monte Foods' foodservice was nominated Supplier of the Year at UniPro Foodservice, Inc. UniPro is the largest foodservice distributor cooperative in the US with over 750 locations. It provides nationwide access to exclusive purchasing opportunities with the country's premier suppliers.

2. **Philippines - Brand Activation Partnership Award from 7-Eleven**

   Del Monte Philippines foodservice grabbed the "Brand Activation Partnership Award" on 6 April 2016, as 7-Eleven recognised its active participation in Thematic Promotions to showcase *Del Monte* brands and for strategically partnering with 7-Eleven's ready-to-eat food and beverage categories with product offerings of *Del Monte* juices and ketchup condiment sachets, delivering double digit growth in CY2015.

3. **Philippines - Supplier of the Year Award from Princess Jolliant**

   Del Monte Philippines bagged the “2015 Best Supplier” on 26 February 2016 with recognition for exceptional performance and contributions leading to the collective success of Princess Jolliant Corporation. Princess Jolliant is a major commissary for 7-Eleven and Mini Stop which supplies ready to eat meals in these convenience stores. Del Monte works with Princess Jolliant for menu or meal recommendations that include *Del Monte* culinary products as ingredients in approved recipes.

4. **Philippines - Trade Partner of the Year from Mini Stop**

   Del Monte Philippines was nominated as “2015 Mini Stop Trade Partner of the Year” under the Food Division on 16 March 2016 as Mini Stop recognises Del Monte’s innovation and high standards while keeping the spirit of partnership.

DEL MONTE PHILIPPINES WINS IN THE RETAIL CHANNEL

1. **Top 30 Most Valued Trade Partners Award from Citimart**

   Del Monte Philippines was awarded “One of the Top 30 Most Valued Trade Partners” during the 30th Anniversary Celebration of Citimart Group of Companies on 16 June 2016. Besting other companies like Johnson & Johnson, Mead Johnson, Wyeth, and CDO to name a few, the award is given to top companies that have contributed to the achievement of Citimart’s business goals for CY2015 where Del Monte ranked amongst the top 12 in their roster of suppliers. The award is given based on overall business value, business growth and overall account servicing.

2. **Nominated Supplier of the Year in the Golden Apple Category from Robinsons Supermarket**

   Once again, Del Monte Philippines was nominated as “Supplier of the Year in the Golden Apple Category” during Robinsons Supermarket Trade Partners Night on 16 March 2016. The award gives recognition to the supplier that delivers excellence in overall account servicing. Merits in servicing include growth performance across categories, Customer Service Level (CSL) performance and trade programmes. Notable programmes implemented in Robinsons were the following: *Quick ‘n Easy* participation in the Customer Relationship Management, *Del Monte Tipco* highlight in Health and Wellness, *Kikkoman* participation in the Christmas Basket and improved *Pamasko Pack* pipeline. These extra efforts helped deliver a sell-out growth of 12% for Del Monte versus Robinsons’ 10% in CY2015.

3. **SM Top Choice for *Del Monte Spaghetti Sauce Sweet Style* 1kg**

   Del Monte Philippines was recently awarded the “SM Top Choice for *Del Monte Spaghetti Sauce Sweet Style* 1kg” by Super Value Inc on 1 May 2016 for its outstanding growth for the first quarter of CY2016. The award is given quarterly to top products that have shown exemplary performance and have contributed to SM’s overall growth. Only four suppliers from the Food Group are qualified in this quarterly recognition. The award comes with a concession of free mass displays in 20 SVI and Savemore stores for one month.

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.

SUSTAINABILITY

1. **Pahinungod (Honours) Award**

   Del Monte Philippines was amongst 12 pioneering groups in Cagayan de Oro Philippines honoured with the Pahinungod Award, 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.

2. **Salamat Po (Thank You) Award**

   The Department of Social Welfare and Development Region 10 gave the Salamat Po Award on 4 February 2016 to recognise Del Monte Foundation’s support and participation in various social welfare activities in the region.

OPERATING AND FINANCIAL *Review*

Please refer to the Notes on page 4 before reading this section.

SALES

The Group generated sales of US$2.3 billion in FY2016, up 3.7% versus the prior year on higher sales from the US, Philippines and S&W in Asia and the Middle East.

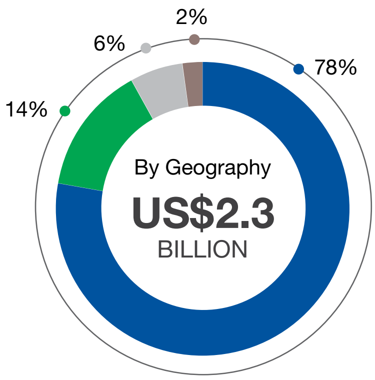
USA

The Group's US subsidiary, Del Monte Foods, Inc (DMFI), grew sales by 4.0% to US$1.8 billion or 78.4% of Group sales. Without Sager Creek, DMFI's sales decreased by 3.9%, mainly due to unsuccessful government contract bids and lower pineapple sales due to constrained supply as a result of the El Niño weather pattern. Certain segments - *Del Monte* canned vegetable, *Del Monte* fruit in cups and *College Inn* broth - generated higher sales.

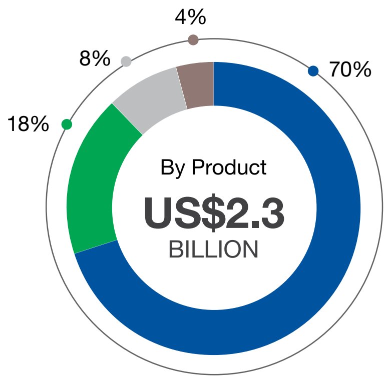
DMFI has been focused on strengthening its leading share positions amidst canned vegetable and fruit industry contraction. It increased its market shares in the canned vegetable and fruit segments, up 1.1% and 0.9%, respectively, for the full year period.

DMFI increasingly offers differentiated value propositions through meaningful product improvements, marketing campaigns, and innovation as well as effectively managing pricing fundamentals and executing well at the retail channel.

DMPL FY2016 SALES



- North America
- Philippines
- Asia ex-Philippines
- Europe



- Packaged Fruit and Vegetable
- Culinary
- Beverage
- Fresh Fruit and Others

The *Del Monte* 'From our Farm to Your Table' campaign was launched in August 2015 to reinforce *Del Monte's* quality message from seed to harvest and make it relevant to every day meals and the holidays.

In the fourth quarter of FY2016, DMFI announced its transition to non-BPA internal can coatings for substantially all *Del Monte*-branded products by the end of the pack season in October 2016. It will also shift many products to non-GMO ingredients. The Group is replacing secondary ingredients so that the majority of *Del Monte* vegetables, 100% of single-serve fruit products, and 95% of tomatoes will be non-GMO. Furthermore, the Group will be expanding the number of products in its vegetable line with convenient easy open lids, eliminating the need for a can opener.

Finally, DMFI is reformulating its single-serve *Del Monte Fruit Cup* brand snack cups, replacing the light syrup pack medium with lightly sweetened juice which is consumer-preferred for its taste and health attributes.

The industry for single-serve fruit in plastic cup continued to grow in FY2016. The Group has identified

STRONG MARKET POSITION IN KEY CATEGORIES IN THE USA

Products	Market Share	Market Position	Brands
Packaged Core Vegetable	25.7%	#1	Del Monte
Packaged Core Fruit	35.6%	#1	Del Monte
Plastic Fruit in Cup	30.1%	#2	Del Monte
Packaged Cut Tomato*	10.1%*	#2	Del Monte, S&W, Contadina

* Combined share for Del Monte, S&W and Contadina brands
Source: Nielsen Scantrack, Total US Grocery + WalMart, 12M ending 30 April 2016

'From our Farm to Your Table' campaign

New product in USA

New product in the Philippines

Del Monte Fiesta Fruit Cocktail, a Christmas favourite

this segment as high performing and as such has actively increased its business development efforts to capture this growth. In FY2016, DMFI launched the *Del Monte Fruit & Veggie Fusions*, fruits in single-serve cup packed in lightly sweetened vegetable and fruit juice. This new product line is primarily targeted at children to address both their daily fruit and vegetable requirements.

As part of the Group's strategy to cross-sell between USA and Asia, DMFI started importing Del Monte Philippines' products into the US 18 months ago. These include juices, canned mixed fruit, and sauces in stand-up-pouches. These products are now distributed nationwide in over 1,000 Asian ethnic retailers. DMFI will continue to accelerate the distribution expansion and store penetration in the growing Asian ethnic segment.

Meanwhile, DMFI has continued to export its *S&W* canned specialty fruits, corn and tomato products to Asia, and recently added exports of *Contadina* canned tomato products to South Korea.

PHILIPPINES

The Philippine market delivered a record performance with sales of US$323.0 million, up 6% in US dollar terms and up 11% in peso terms as all product categories – packaged fruit, beverage and culinary – posted higher sales, driven by an expanded user base and household penetration.

In addition, the market continues to benefit from the resurgent multi-serve beverage segment, behind trade expansion and digital-based awareness building initiatives for the 1-litre Tetra Juice Drink line. The Group launched the *Del Monte Heart Smart Orange Juice Drink* in a new 1-litre pack, and the *Del Monte Ketchup* in a new resealable pouch.

The Group maintained its dominant market share position in most categories it competes in.

Green Bean holiday campaign in the States

Ketchup in a new resealable pouch in the Philippines


Del Monte Spaghetti Christmas tree

MARKET LEADER IN VARIOUS CATEGORIES IN THE PHILIPPINES			
Products	Market Share	Market Position	Brands
Canned Pineapple	84%	#1	
Canned Mixed Fruit*	76%	#1	
Canned and Tetra RTD Juices	83%	#1	
Tomato Ketchup	91%	#1	
Tomato Sauce	81%	#1	
Spaghetti Sauce*	52%	#1	

* Del Monte owns both the Del Monte and Today's brands hence this is a combined share
Source: Nielsen Retail Index, April 2016

Del Monte Fruit Slush in Easy Day stores in the Philippines

The foodservice or institutional channel also performed strongly as it introduced a number of initiatives:

- Launch of new, limited-time-offer juice variants of *Del Monte Pineapple Strawberry* and *Del Monte Blueberry Juice Drinks* in 7-Eleven which generated strong performance for the total *Del Monte* juices;
- Pilot *Del Monte Fruit Slush* in Easy Day Stores which grabbed shares from frozen beverages and refreshments and created a new segment; and
- Jollibee breakfast promotion.

The new in-house PET plant has started commercial operations in November 2015. The plant also includes a Technical and R&D Centre.

S&W IN ASIA AND THE MIDDLE EAST

Sales of the *S&W* branded business in Asia and the Middle East reached US$69.1 million in FY2016, a record for this brand since the Group acquired it in 2007. Sales were up 10% driven by higher volume and favourable mix. Both the fresh and packaged segments delivered higher sales with the canned fruit category up strongly.

The fresh segment accounted for 60% of S&W's total sales in FY2016, while the packaged segment accounted for the balance 40%.

China generated strong growth in fresh, driven by distribution expansion, while Middle East's packaged product sales were up significantly. *S&W* also launched its *100% Apple Juice* and *Pineapple & Coconut Juice* in Israel. It introduced *Calamansi Juices* at the chilled section in various Mini Stop outlets in the Philippines. It also increased its foodservice or institutional channel footprint with its

Meal tie-ups with Chowking...

...and Greenwich in the Philippines

In India, we invited food bloggers to create their original pasta to highlight the *Del Monte* pasta range

Del Monte Olives in India

innovative cholesterol-reducing *S&W Heart Smart Juice* sold in Dubai.

S&W's Heart Smart Juice won a Best Innovation Award (please refer to page 29 for more details).

FIELDFRESH INDIA (EQUITY ACCOUNTED)

Sales at FieldFresh Foods, our Indian joint venture, which are equity accounted and not consolidated, were US$65.8 million in FY2016, 8% higher versus prior year in US dollar terms but 16% stronger in rupee terms. US$54.8 million came from the *Del Monte*-branded packaged segment and US$11.0 million from the *FieldFresh*-branded fresh segment.

The *Del Monte* business in India was up strongly by 19% in rupee terms. It launched a number of innovative products in the Indian market:

- *Del Monte Pasta* made from whole wheat;
- *Del Monte Olives* in smaller jars;
- *Del Monte Dried Apricots* in 130g pouches;
- *Del Monte Pink Guava* and *Peach Fruit Drinks* in 180ml cans;
- *Del Monte Eggless Mayonnaise* 500g spout; and
- *Del Monte Mayonnaise* glass bottle range re-launch, expanded and revamped to tap into the fast growing mayo category. The new look has been designed to better reflect *Del Monte's* brand personality – young, modern, fun, foodie.

FieldFresh sustained its positive EBITDA and as such, DMPL's share of loss in the FieldFresh joint venture in India was lower at US$1.6 million from US$2.1 million in the prior year as a result of higher sales and production efficiencies.

GROSS PROFIT AND MARGIN

The Group generated a gross profit of US$481.9 million, higher by 18% over the prior year. Prior year included the US$44.3 million unfavourable inventory step-up adjustment related to the February 2014 acquisition. Stripping that out, gross profit for FY2016 would

S&W Pineapple Juice tie-up with Jollibee in Singapore

New products in India

OPERATIONS AND FINANCIAL Review

Re-launch of *Del Monte Mayonnaise* in India

have still been up 7% on higher sales and cost optimisation initiatives.

Group gross margin for the full year improved to 21.2% from 18.7% in the same period last year with lower trade spend in the States and cost optimisation initiatives to mitigate the impact of lower pineapple output from El Niño, particularly in the first half of the financial year. In addition, prior year included the unfavourable inventory step-up adjustment mentioned above. Absent that, FY2015's gross margin would have been 20.7%.

DMFI's gross margin for the full year improved to 18.1%, much higher than the 15.9% in the prior year for the same reasons above. In FY2016, DMFI encountered operational issues and inefficiencies in the newly acquired Sager Creek production sites. The supply chain footprint for Sager Creek is being integrated with the rest of DMFI and the operational issues had been addressed.

DMPL ex-DMFI's gross profit grew to US$160.7 million, and its gross margin increased to 29.0% from 26.3% due to better sales mix, pricing actions and cost optimisation initiatives.

EBITDA AND NET PROFIT

The Group posted an EBITDA of US$235.2 million, up 172% as it included a one-off net gain of US$33.1 million due to DMFI's retirement plan amendment and the working capital adjustment, which offset expenses from the closure of a plant in North Carolina. Even without the one-off gain, EBITDA would have been up a strong 38%. A table on the non-recurring items is provided below. DMFI accounted for US$155.5 million of Group EBITDA.

The Group achieved a net income of US$51.5 million for FY2016, inclusive of one-off net favourable adjustments of US$31.7 million after tax. Even after excluding non-recurring items, the core or recurring net income in FY2016 of US$19.8 million is a significant improvement from the US$43.2 million reported loss last year. DMFI accounted for US$26.3 million of the Group net income.

DEBT AND CASH FLOW

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.8 billion as at 30 April 2016, slightly higher than the US$1.7 billion as at 30 April 2015 due to DMFI's higher working capital loan balance given the higher inventory level from reduced sales to the USDA. This inventory is shelf-stable and can be sold on a go-forward basis.

As part of the Group's deleveraging plan, DMPL intends to issue US dollar denominated perpetual preference shares in 2016 in the Philippine capital

FY2016 Non-Recurring Items (in US$m)	Impact	Booked under
Closure of Sager Creek North Carolina plant[1]	(16.3)	CGS and G&A expense
SAP stabilisation[2]	(13.2)	G&A expense
Sager Creek integration[1]	(6.9)	G&A and other expense
Severance[1]	(6.6)	G&A expense
Litigation related to working capital adjustment[3]	(1.3)	G&A expense
Retirement plan amendment (no tax impact)[4]	39.4	G&A expense
Working capital adjustment with seller[3]	38.0	Other operating income
Total (pre-tax basis)	**33.1**	
Total (net of tax and non-controlling interest of 10.6%)	**31.7**	

[1] The Group closed one of the plants in the US located in North Carolina to streamline operations and improve profitability. The Group shifted to a leaner organisation model in the US to drive channel growth and bring down costs in line with competition hence the severance costs booked in FY2016.

[2] 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 incurred additional costs in FY2016 as it stabilised SAP. DMFI expects to book additional costs related to the ERP (SAP) in FY2017.

[3] On 18 February 2014, the DMPL Group acquired Del Monte Corporation's consumer products business (through DMPL's subsidiary Del Monte Foods, Inc. (DMFI)) for US$1.675 billion plus working capital adjustments. Since then, there was a dispute between DMFI and the seller on the working capital adjustments calculation. The dispute was settled on 29 April 2016 and pursuant to such settlement, the seller's successor-in-interest paid US$38.0 million to DMFI.

[4] DMFI amended one of its post employment benefits replacing its retiree medical and dental benefits to contributions to a Health Reimbursement Account. Such amendment requires the remeasurement of the benefit obligation/liability. IFRS requires this to be recognised in the P&L as one-time income and this is non-taxable.

market, to be listed on the Philippine Stock Exchange (PSE) subject to all regulatory approvals and market conditions. The Company has received pre-effective approval from the Philippine SEC earlier and is awaiting the approval of its listing application and the offering from the PSE and the Bangko Sentral ng Pilipinas (Cenral Bank), respectively.

As this is the first ever US$-denominated preference shares to be issued and listed on the PSE, the platform is being set up. The PSE has approved and endorsed its amended Dollar Denominated Securities rules to the SEC for its concurrence. The proposed issue will be up to US$360 million (with an initial tranche of up to US$250 million and the balance issuable within three years) that will result in a further improvement of the Group's leverage ratios.

In March 2015, the Group raised approximately US$150 million from the oversubscribed Rights Issue.

The Group's cash flow from operations was US$31.0 million for FY2016, significantly lower than the US$239.6 million in FY2015 due to the higher working capital requirement mentioned above.

The Group expects to meet its financial obligations by increasing its operating cash flow in the coming year 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.

CAPEX

Capital expenditures (capex) were US$60.3 million for FY2016, lower than the US$75.2 million in the prior year due to completion of key SAP projects at DMFI. DMFI accounted for US$44.3 million of Group capex for FY2016.

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 capitalised another US$7.1 million (and expensed US$13.2 million) for SAP in FY2016.

DMPL ex DMFI's capex was US$16.0 million for FY2016 which included spending for the PET bottling plant in the Philippines.

DIVIDENDS

The Board declared a dividend of 1.33 US cents (US$0.0133) per share, representing a 50% payout of FY2016 net profit.

New in-house PET plant in the Philippines

Del Monte Fit 'n Right Juice Drinks aid in body fat reduction

BUSINESS *Outlook*

With the return to profitability in FY2016, the Group has successfully laid a foundation from which it will execute its strategies and growth plans. Barring unforeseen circumstances, the Group will continue to be profitable in FY2017, continuing the improvements achieved in FY2016. The Group sees opportunities in foodservice or institutional accounts and e-commerce, and will be accelerating its business development in these channels.

USA

Del Monte Foods, Inc (DMFI) is expected to be profitable in financial year 2017 largely on the back of cost saving initiatives and operational improvements. DMFI's Sager Creek business experienced manufacturing issues in FY2016 which impacted the overall US company's margins. DMFI's manufacturing team has already addressed these inefficiences at Sager Creek, closing one of the two manufacturing plants and integrating DMFI best practices into the other.

In the short-to-mid term, DMFI also plans to improve its financial performance through procurement synergies and transformation, and optimisation of G&A costs through the restructuring initiative which started in FY2016. The Group has shifted to a leaner organisation model in the US to drive channel growth and bring down costs in line with competition.

In terms of revenue building, DMFI will increasingly offer differentiated value propositions through meaningful product improvements, marketing campaigns, and innovation as well as effectively manage pricing fundamentals and executing well at retail.

DMFI's products align well with the ongoing consumer trend for health and wellness as well as emerging consumer concerns about food ingredient and packaging safety. There is latent market demand to consume more fruits and vegetables, and DMFI's product line provides healthy and convenient solutions to address this. It has also made important strides to address emerging concerns, including GMO and BPA. The key is to continuously improve products to meet ever evolving consumer trends and concerns and be able to clearly communicate the new product attributes.

For its strong brands with significant scale, there is tremendous opportunity in the better-for-you eating trend and the Group believes that it is well positioned to grow long-term with this trend.

ASIA

The Group will continue to expand its existing branded business in Asia, through the *Del Monte* brand in the Philippines, where it is a dominant market leader. *S&W*, both packaged and fresh, will continue to gain more traction as it leverages its distribution expansion in Asia and the Middle East, while the Group's joint venture in India will continue to generate higher sales and maintain its positive EBITDA.

PHILIPPINES

In the Philippines, the Group will be sustaining prior years' successful programmes aimed at driving user base expansion, generating more frequent consumption, building new usage occasions, and innovation meant to expand the brand's footprint into new consumer segments.

In addition, the Group expects to take full advantage of the growing foodservice industry by forging strategic tie-ups with key foodservice accounts, particularly on beverage expansion and culinary meal inclusion.

ASIA THROUGH S&W

The Group expects the S&W business to sustain its strong growth as it expands distribution, partners with foodservice companies, explores the e-commerce channel, and increase its beverage portfolio in its markets.

INDIA

The focus for Del Monte in India in the near term will be on increasing the penetration and reach of each of its key categories in India in retail, led by the culinary segment – both mayonnaise and ketchup – and the Italian range. As one of the most widely distributed brands in the B2B space, FieldFresh will also continue to leverage its considerable strength in the foodservice segment by regular introduction of new products.

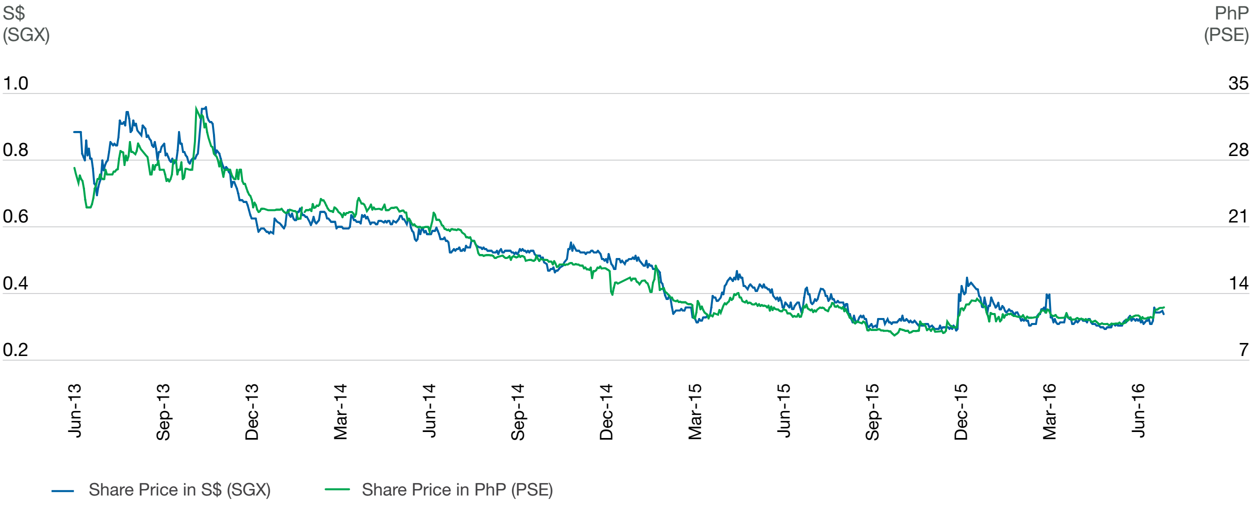
DELEVERAGING

As part of the Group's deleveraging plan, DMPL intends to issue US dollar denominated perpetual preference shares in 2016 in the Philippine capital market, to be listed on the Philippine Stock Exchange (PSE), subject to all regulatory approvals and market conditions. The Company has received pre-effective approval from the Philippine SEC earlier and is awaiting the approval of its listing application and the offering from the PSE and the Bangko Sentral ng Pilipinas (Cenral Bank), respectively. As this is the first ever US$-denominated preference share to be issued and listed on the PSE, the platform is being set up. The PSE has approved and endorsed its amended Dollar Denominated Securities rules to the SEC for its concurrence. The proposed issue will be up to US$360 million (with an initial tranche of up to US$250 million and the balance issuable within three years) that will result in a further improvement of the Group's leverage ratios.

A fruitful outlook

SHARE PRICE AND *Calendar*

DEL MONTE PACIFIC SHARE PRICE ON THE SINGAPORE EXCHANGE AND THE PHILIPPINE STOCK EXCHANGE



DEL MONTE PACIFIC SHARE PRICE HIGHLIGHTS [1]

	IN SGX (S$)				IN PSE [2] (PHP)			
	Up to 22 July 2016	2015	2014	2013	Up to 22 July 2016	2015	2014	2013
Low	0.290	0.285	0.42	0.49	10.60	9.49	12.34	20.11
High	0.395	0.470	0.60	0.88	12.56	15.09	21.45	29.90
End of Period	0.355	0.385	0.46	0.56	12.40	13.44	13.84	20.29
Average	0.326	0.366	0.52	0.71	11.47	11.96	17.92	23.98

[1] Based on Calendar Year basis and adjusted for the Rights Issue in March 2015 and Bonus Issue in April 2013
[2] DMPL shares were listed on the Philippine Stock Exchange on 10 June 2013

CALENDAR FOR FY2017 (MAY 2016 - APRIL 2017)

30 Aug 2016	FY2016 Annual General Meeting
9 Sep 2016	1Q FY2017 results announcement
6 Dec 2016	2Q FY2017 results announcement
14 Mar 2017	3Q FY2017 results announcement
28 Jun 2017	4Q FY2017 results announcement

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

AGM held in Singapore in August 2015

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, information technology and sustainability risks of the organisation.

Risk management is a regular board agenda item.

Principal risk	Specific risk we face	Risk mitigation
Financial Leverage	The Group has long-term acquisition financing resulting in a leveraged balance sheet. Risks would arise if there is a general economic or industry slowdown that may impact the Group's performance, which subsequently may affect the Group's ability to service its interest and principal obligations.	• The Group raised approximately US$150 million in March 2015 from the oversubscribed Rights Issue in Singapore and the Philippines, and used the proceeds to partially pay down the acquisition bridge financing • US$350 million of bridge financing had been extended for two years to February 2017 • The Group plans to launch a preferred share offering of up to US$350 million in the Philippines, subject to regulatory and market conditions, which would refinance the bridge financing • The Group also expects to meet its financial obligation by generating more cash flows through the following: – Expected sales and profit growth in the US, which accounts for approximately 80% of Group sales, by strengthening the core business and expanding the product portfolio and markets – Expected sales and profit growth in the 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 through its market leadership position – Expected cost savings from selling, general and administrative expense reduction initiatives, managing working capital, production levels and capital spending, productivity enhancements and operational efficiencies • The Group manages its interest rate risk by swapping variable with fixed interest rates – The majority of the term acquisition loans in the USA have already been swapped to fixed rates in February 2014 – The swap rates became effective beginning February 2016
New ERP system in USA	In January 2015, the Group implemented a new Enterprise Resource Planning system, SAP, in the US and outsourced 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, monitoring of expenditures, along with the change of service provider and decision-making associated with the steady flow of detailed quality information.	• The Group is in the process of transitioning to a new global service provider for finance and accounting • The Group will manage the transition by retaining existing staff in its back office for a certain period, managing knowledge transfer to key members of the new staff, and solid training for all staff involved with SAP • Refocus IT support to effectively manage the project implementation which includes prioritising SAP enhancements and alignment of key business processes with functional groups • Transition plan in place

Principal risk	Specific risk we face	Risk mitigation
Branded and Non-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 core categories in the US – Canned Vegetables, Canned Fruits and Canned Tomato – are large categories that generate strong cash flows but are slowing down. Certain non-branded business of the Group (including the USDA and certain private label) requires a competitive bidding process which does not guarantee the outcome of the bid nor the profitability of such bids.	• Strengthen the core business and expand the product portfolio and markets • Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, convenience, quality, competitiveness and consumer appeal of the categories • Reinforce consumption-driven marketing strategies such as consumer advertising • Focus resources on growing categories – Broth and Single-serve Fruit snacks • Market and customer diversification: increased penetration of high-growth channels such as foodservice and e-commerce • Building on closer working relationships with trade partners • The Group is reassessing its non-branded business in its long-term strategic plan
Compliance with Regulatory Changes	Changes in legislation and government regulations affect the Group's business, including food safety, labelling, labour and environmental matters.	• The Group has a compliance programme in place that aims to monitor and ensure the Group's compliance with laws and regulations to manage any risks related to regulatory developments • Our US business is converting to BPA free cans for our branded and non-branded fruit, vegetable and tomatoes • Compliance is a regular board agenda item
Operations Integration in the United States	Acquisition of Sager Creek resulted in excess capacity and labour, breakdown of production equipment and different manufacturing operations.	• Standardisation of all US manufacturing operations • SAP implementation at Sager Creek's Arkansas plant and monitoring of inventory balances • Closure of Sager Creek's North Carolina manufacturing facility in FY2016, in addition to the closure of the Wisconsin plant of Sager Creek a year earlier; Consolidation of production capacity in other plants
Trade Concentration	A relatively limited number of customers account for a large percentage of the Group's total sales. In FY2016, DMFI's top customer accounted for more than 20% of Group sales.	• Leverage market leadership position in packaged Vegetable, Fruit and Tomato and growing categories – Broth and Fruit Cups • The Group has a dedicated sales team in the US and Asia to service these major accounts and maximise growth opportunities • Diversify customers and channels, including foodservice and e-commerce

RISK

Management

Principal risk	Specific risk we face	Risk mitigation

Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, catastrophes, crop yields, contract growers and service providers' performance, and leasehold arrangements.
	
	There is no assurance that natural catastrophes or climate change 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 risks.
	
	Our business in the US operates and contractually grows food in the United States where water availability may be at risk due to drought and limited water supply, new regulations on fresh water use and grey water discharges, and increasing cost.
	
	During the fiscal period, the Group experienced the El Niño weather phenomenon in certain areas of its operation. This affected crop yield.
	
	The drought in California has had an effect on fruit trees such as peaches, affecting quality, volume and pricing which could reduce consumer demand. The drought in southern Philippines impacted the pineapple supply.
		• The Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures
		• The Group also has in place disaster recovery plans and business continuity plans to mitigate these incidents, and has implemented programmes and initiatives to mitigate the effects of El Niño
		• The Group also works with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective
		• The Group has Global Agricultural Practices (GAP) certifications, and complies with proven agricultural practices
		• The Group is exploring sourcing peaches from foreign sources
		  – Higher peach product costs are expected to be offset by lower costs from productivity enhancements and operational efficiencies
		• To minimise water risks, the Group needs to:
		  – Invest in technologies to improve water conservation and encourage the business culture of saving water
		  – Reuse and/or recycle water in operations as many times as possible before discharging to grey water
		  – Improve the quality of grey water discharges using source point pollution control and new raw product processing methods that discharge less pollutants of concern
		  – Work with growers to encourage the use of more water-efficient irrigation systems and techniques
		• 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
		• Long-term land leases with staggered expiry terms are also secured

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.	• 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

Principal risk	Specific risk we face	Risk mitigation
Cyber Security	The increasing global incidence of cyber attacks on company servers and websites demonstrates the need to strengthen and improve security of the Group's systems.	• The Group develops and implements measures to counter and eliminate cyber attacks from outside sources • The Group has engaged a third party to audit its systems and mitigate such risks
Group Assets	The Group assets are exposed to various risks relating to the assets of, and the possible liabilities from, its operations.	• To safeguard its assets, the Group assesses its risk exposure annually with its insurance brokers and insurance companies • Assets are generally 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
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 security risks in its operating units in the Philippines, the Group has strengthened security measures and improved its stakeholder relations in the communities where it operates
Product Recall and Litigation	The Group may be exposed to product recall, 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 programmes' effectiveness is periodically verified by various third-party certification bodies following well established and accepted quality systems and standards such as ISO 9001:2008, GMP, HACCP, GLP, GAP, BRC, IFS, GFSI and FSSC • 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 • The Group maintains Accidental Contamination, Recall and Adverse Publicity coverage • In the event that a product withdrawal or recall is activated, 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 a periodic conduct of mock recalls

Sustainability

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

OUR SUSTAINABILITY JOURNEY – NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.

Throughout our over 100 years of history, our Company has strived to operate a sustainable business that produces quality products, creates jobs, acts with integrity and contributes to the economic, environmental and social wellbeing of the local communities we serve.

By embracing the Global Reporting Initiative (GRI) framework, we have now embarked on a journey towards a more holistic approach to social, environmental and economic performance. Sustainability has been firmly embedded in our annual plans and is one of five pillars driving our long-term strategic blueprint for growth. This commitment is reinforced by a dedicated function at Group level that reports to the Board of Directors. Each part of the Company is responsible for integrating sustainability in its operations and proposals. Initiatives and results are regularly reviewed by the Company's Executive Committee.

In this report, we are pleased to share with you the progress we have made during the past year through our productivity and cost efficiency programmes, agricultural enhancement measures, supply chain improvements, capital expenditure and facilities improvement projects, and other key programmes, including the Del Monte Foundation. We also continued to explore ways to further reduce our environmental footprint and broaden our social responsibility.

We're passionate about *cultivating good food for a better life* by bringing high-quality, healthy, and nutritious food to people in a way that protects the environment, builds strong ties to our communities, and enables our Company, consumers, customers and employees to grow and flourish.

We have long been considered a leader in introducing agricultural practices that minimise the use of pesticides and help farmers grow stronger, more productive crops with less fertilizer, water, and other materials. We know that the success of our business relies on a healthy environment, in our growers' fields and across our own operations.

Equally important is our attention to the relationships we have established with our employees, suppliers, and customers, and within the communities in which we live and work. For us, sustainability reflects the balanced consideration of people, planet, and performance.

Del Monte in the Philippines extended its sustainability programmes to their toll manufacturers. We have included in our Suppliers Quality Management Programmes (SQMP) for toll manufacturers that their manufacturing facility be certified with Food Safety System Certification 22000 (FSSC 22000). This is aimed to provide safe and quality products to our consumers.

The Del Monte office in Manila was recently awarded a LEED (Leadership in Energy and Environmental Design) Silver certification by the U.S. Green Building Council (USGBC). Based on the USGBC Project Directory, the Jose Y. Campos Centre (JYCC) building is the 44th LEED Certified building in the Philippines and is the first building in the Philippines to earn the LEED Innovation Credit for Bird Collision Deterrence. The building prides itself of environment friendly features on energy efficiency, water reduction, waste management and health and safety features for the building occupants.

Through the Del Monte Foundation, we also focus on communities where we operate, where we help provide education, healthy living and livelihood to over 100 communities in Bukidnon and Misamis Oriental in the Philippines.

We believe in building future long-term resiliency for our business. New challenges and threats emerge. Our Company needs to continually understand these global issues and engage our stakeholders to identify key issues which affects our customers, the community where we operate, our employees, the environment and our ability to deliver a fair return to our investors. We continue to remain mindful of the impact of our activities on the future of our planet.

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. The sustainability framework should help the Company achieve its business objectives since sustainability benefits not only the environment and society, but also the business -- people, planet and profit or the Triple Bottomline.

Sustainability is not just a business strategy, it is essential to our success. Living sustainably ensures our company nourishes families, enriches lives every day!

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

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

- Make sustainability an important and critical agenda along other business matters discussed in the operating committee and presented to the board of directors;
- Identify key sustainability material issues using our risk management assessment and feedback from stakeholders;
- Weekly dissemination of sustainability articles gathered from leading international and local sustainability websites to improve awareness and provide benchmarks and best practices;
- Conduct orientations to advocate sustainability in all levels of the company and eventually extend this to our business partners and other stakeholders; and
- Include 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 sustainability report. GRI reporting provides common performance measures among enterprises worldwide leading to easier benchmarking.

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

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

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 and Employee Welfare, we strive to ensure that we nourish families, enrich lives every day!

GOVERNANCE

We have a strong and comprehensive governance structure accountable to the shareholders and stakeholders to ensure we operate in an ethical and responsible manner. Our Board of Directors shapes the long-term strategy of the Company, reviews material issues and provides guidance on matters relating to shareholders, the SGX, and sustainability.

The Company abhors any form of corruption by its employees and suppliers. Any solicitation or offering of gifts, payments or commissions by Company employees and their families, or by suppliers and their representatives, in exchange for business or for personal gain is strictly prohibited. Employees are expected to report any such violations or suspected violations.

The Del Monte Anti-Corruption programme aligns with the U.S. Department of Justice Hallmarks of an effective compliance programme. We have an Anti-Corruption task force that meets as needed to reassess the programme and evaluate whether further enhancements are necessary and roles and responsibilities of the task force are documented. An Anti-Corruption Policy as well as supporting policies (e.g., Code of Conduct, Employee Handbook, Travel & Expense) have been communicated to employees and are readily available on the Del Monte intranet.

Sustainability

The Anti-Corruption procedures also require Del Monte employees to follow a specific due diligence process and obtain prior written approval from the Law Department before retaining any consultant, agent, or other third-party who or which may reasonably be expected to interact with any foreign government official on behalf of Del Monte. Anti-Corruption training is provided every two years to approximately 100 officers and employees at Del Monte and its subsidiaries.

The Group implements a Whistleblower Policy that aims to deter and uncover any 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.

Internal audits are periodically performed to assess corporate, facility and subsidiary processes and controls to mitigate corruption risks. 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.

A separate team evaluates and manages Risks and both Compliance and Risk Issues are reported to the Board of Directors.

Please refer to the Corporate Governance report found on pages 60 – 73 for more details on this.

SUPPLIER SELECTION

The Company acknowledges the importance of building a sound relationship with its suppliers. Accordingly, the Company shall conduct business with all customers on the basis of integrity, mutual interest and fairness.

In selecting suppliers, Del Monte in the Philippines uses its Supplier Quality Management Programme (SQMP). The SQMP assesses the quality and delivery performance, feedback, recognition and continuous improvement programme for all direct materials suppliers and toll manufacturers.

The Supplier Quality Management Programme (SQMP) was launched in April 2008 for direct materials suppliers and later applied to toll manufacturers as an aid to help in the selection of best suppliers for the Company. The objective of the programme is to

1. Align the Company's quality parameters with that of suppliers;
2. Provide suppliers with performance scorecards;
3. Classify suppliers into certified, preferred, approved and conditional suppliers;
4. Align suppliers with Del Monte Philippines, Inc. goals that would help support growth in the next 5 years; and
5. As a tool to determine allocation of the Company's requirements to suppliers.

The suppliers are rated based on quality performance, delivery performance and competitiveness. For FY2017, this programme will be open to indirect materials and service providers. The Company also has in place, product traceability measures to respond to customer requirements.

Del Monte Foods, Inc. has in place a Supplier Code of Conduct that applies to any entity providing goods or services, including suppliers and sub-contractors. The objective is for suppliers to practice and uphold ethical business standards. The Company performs periodic audits of contract manufacturers and certain direct suppliers, some independent and unannounced audits are used to address quality assurance and compliance issues. Furthermore, we prohibit the practice of forced and child labour.

Del Monte's Supplier Diversity Programme enables small and diverse businesses to be considered fairly as subcontractors and suppliers. It is our policy to seek out opportunities to buy from these suppliers where price, quality, and delivery of service are competitive.

WHY WE REPORT

Our Company strives to be transparent when reporting on sustainability where we focus on our environmental and social responsibility. We have supported communities around our plantation providing employment, health services and livelihood programmes.

We continue to build on our reporting based on the principles of transparency and accountability. We believe the value of reporting can help communicate the Company's efforts on environmental stewardship, social responsibility and our economic progress. The report will also provide information on our successes and failures, challenges and opportunities.

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

NOURISHING 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. Some 6,300 regular employees work at our plantation, manufacturing facilities, and administrative and marketing offices in the United States, Mexico, Venezuela, Philippines, India and Singapore.

HEALTHY WORK ENVIRONMENT

We are committed to fundamental human rights and adherence to labour standards. Our farm and production facilities employ people from

Our US employees' ensuring our green beans' high quality

	FY2015	Incidence FY2016	% Change
Injury Rate	1.36	1.34	-1.1%
No. of Occupational Health Illness	5	3	-40.0%

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 is against the Group's Code of Business Ethics.

We are mindful of our employees' health and safety. Our company provides an ongoing safety training of plantation, cannery employees and enforce the use of personal protective equipment (PPE) required in performing their assigned duties and responsibilities. Work committees identify potential safety improvements and concerns to ensure workplace health and safety.

These safety trainings have been extended to our service providers in both the plantation and cannery. We conducted inspection of trucks, safety talks, imposed the use of PPEs and initiated accident forums on safety and training on defensive driving. These initiatives helped reduce our accident rate and occupational health and safety incidence in the Philippine Cannery and Plantation.

The Jose Y. Campos Centre building where our office in Manila is located was certified LEED Silver by the USBGC. The building provides employees with a safe and healthy work environment. The building boasts itself as energy and water efficient and uses materials safe for building occupants. Our office design promotes collaboration and better communication among employees.

The health and safety of our employees are of paramount concern to the Group. We strive to provide a workplace free of preventable hazards and to comply with all laws and regulations governing workplace safety and health, including the Occupational Safety and Health Act. Our managers and supervisors are expected to keep abreast of and understand the workplace safety laws and regulations that apply to their areas of responsibility and ensure compliance with these provisions.

TRAINING AND DEVELOPMENT

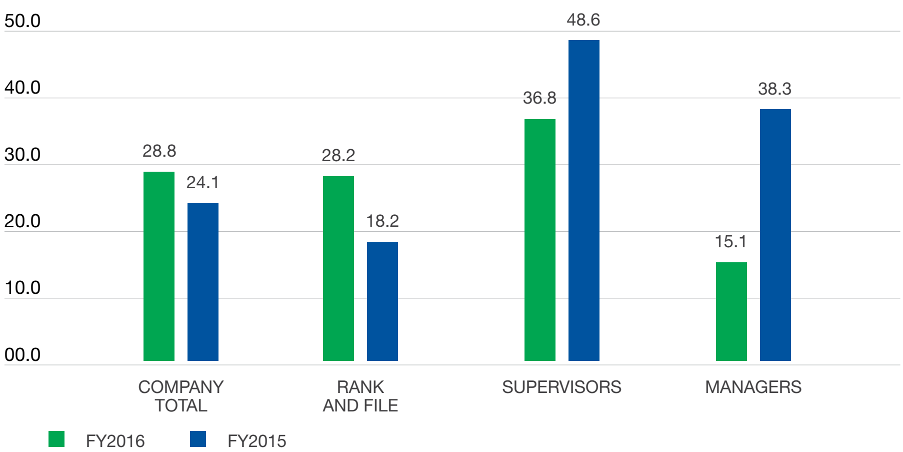
Our Company cultivates a culture of excellence as we continue to encourage our people to innovate and strive for continuous improvement.

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, we 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 programme on recruitment, learning, career development, succession planning and performance management.

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

In FY2016, the Company's average training hours in the Philippines increased by 20% vs. FY2015 which include leadership and business training programmes, culture building, technical and regulatory training. The Company strengthened the competencies of Rank and File employees in FY2016.

AVERAGE TRAINING HOURS



In the United States, professional development is an integral part of our performance system and links to our core values and competencies. Employees are encouraged to participate in opportunities and programmes that will contribute to their ability to deliver value and ensure further growth and success for themselves and the Company.

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 the following:

- 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 $5,250 annually in financial assistance for approved courses of study at accredited educational institutions.

A management succession plan is fully in place, with a deep bench of candidates trained among our ranks to be able to immediately assume responsibilities of key management positions in the event of vacancy.

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.

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 that help them grow a strong sense of community and family life.

DMFI employee benefits are designed to provide employees the flexibility to select a package of coverage that meets their unique needs. Benefits are available to employees and their dependents, including children, spouses, and domestic partners. Benefits may include: medical, dental, and vision insurance; short and long-term disability insurance; life insurance; paid time off for vacation and holidays; savings plans; and employee assistance programmes. In addition, we offer additional benefits that we believe help our employees improve their quality of life including an adoption assistance programme, community service day allocation (one volunteer day time-off per year), matching gifts donations, and floating holidays (at designated locations).

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 were involved in various activities that promote a healthy work-life balance.

The Del Monte family prides itself in giving back to the community. It has become our tradition which started back when the first pineapple was planted in the 1920's. To this day, Del Monte employees keep this tradition as we visit various communities. DMPL employees volunteer their time to help make lives better for the less fortunate, our way of being a blessing to others.

Each employee believes in having a sound mind and sound body. It is part of our employees' healthy lifestyle. Competition on various sporting events in Manila, the Cannery and Plantation are held each year. These sporting events extend to the employees' dependents in summer during school break. Programmes include sports, music, arts outreach and eco-projects

Company summer event with the family

Del Monte Runners

that promote positive values to the children. Other employee activities include tree planting activities, fitness classes, summer outing, Halloween and Christmas parties, the Brown Bag lifestyle series focus on employee health.

As a way to improve employee communication, our Human Resources Department 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, online application of leaves, benefits, 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 are 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. These programmes aim to help each employee achieve great results for the organisation.

Our US 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
- Veteran support

To further support our communities and employees, we 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

Building a culture of engagement is an ongoing journey. It requires commitment from everyone in the organisation. We know that with DMPL's commitment to engagement, it is a journey worth taking. It is one way we nourish our employees, enrich lives, every day!

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 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 memorandums of agreements covering enhanced economic and social benefits for close to 3,000 employees at the plantation and cannery in the Philippines this 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.

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 USD 2 Million in FY2016.

NOURISHING OUR COMMUNITY

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 – from fruit growers and truckers to harvesters and maintenance crews – other rural residents greatly benefit from the Group's presence.

As a responsible corporate citizen, the Group continues to contribute to the development and upliftment of the quality of life in communities where we operate.

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 there is insurgency and unrest.

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,

Manila-based employees lend a hand to the community

'Adopt a Highway Programme' where we sponsor roads near the plants and clean them up

Arc welding course

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.

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, among others. Five classes were conducted during the fiscal year benefitting 274 homemakers in the company's expansion and more remote areas.

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. Continuing partnership with TESDA ensures that training standards comply with government requirements. Local governments help us select training participants, identify skills needed by the community, and find jobs for graduates.

Over 800 out-of-school youth and unemployed heads of families availed of the Foundation's free technical skills training courses conducted in 15 municipalities. About 50% of all participants were members of the Pantawid Pamilyang Pilipino Programme of the DSWD which partnered with the Foundation to help its members gain self-sufficiency. Training graduates took national certification exams given by TESDA and were helped by the government's employment officer for job placement. Others opt to be self-employed and were also given start-up assistance by the DSWD or LGU.

The Del Monte Foundation Centre in Camp Phillips continues to offer technical and vocational training on shielded metal arc welding, bread and pastry production and basic driving. In the past year, about 200 completed courses and passed the NC II assessment of TESDA. The Centre also started negotiation with the Holy Cross High School for the provision of technical and vocational courses to its Grade 11 and 12 students beginning school year 2016 to 2017.

The Foundation likewise continues to operate Community Education Centres in Libona and Manolo Fortich, Bukidnon, respectively. These centres serve as headquarters for the barangay health workers' federation in Manolo Fortich and as a venue for the Alternative Learning System for out-of-school youth in Libona. The facilities are being used year-round.

SCHOLARSHIPS AND EDUCATION

Gifted children earn quality education from pre-school and primary levels up to post-graduate studiess 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.

For the school year 2015-2016, 375 Del Monte scholars were enrolled in different schools in the region

Del Monte Pacific Group COO, Mr. Luis F. Alejandro and Ms. Bella Quimpo of the Foundation, with some of the Del Monte Foundation scholars under academic, barrio and sports scholarships and the Jose Yao Campos Grants-in-Aid for children of Del Monte employees and from the community. Nineteen (19) college scholars supported by the Foundation graduated in March 2016 and seven (7) scholars passed licensure exams. Of the board passers, 4 are licensed agriculturists, an accountant, a mechanical engineer and a doctor. Six of the college scholars who graduated garnered academic honours from their respective universities.

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, i.e., classrooms, chairs, etc., the Foundation undertook the construction and donation of one 2-classroom building for the Impalutao Integrated School in Impasug-ong, a classroom for Sumilao Elementary School. Another classroom was donated to the Sumilao National High School Annex in Upper Culaman, Sumilao, where the vast pineapple fields in the town are located. All classrooms meet the Department of Education classroom building standard and each were equipped with a toilet, armchairs and chalk and bulletin boards.

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.

Twenty-nine (29) schools in Eleven (11) towns benefitted from the assistance extended by the Foundation during the annual Brigada Eskwela. Materials to help restore classroom buildings and facilities were donated to make them functional and ready for the opening of the new school year.

Using recycled wood from DMPI's Cannery, the Foundation fabricated 900 classroom chairs for twelve (12) public schools and 50 sets of kiddie tables and chairs for day care centres and pre-schools in 10 towns where the company grows its pineapples. It also continued its partnership with Manolo Fortich and Libona in the production of armchairs for which the local government units provide labour and other materials.

The Foundation continues to promote child development through the material assistance it extends to institutions that cater to the needs of young children. This year, it donated various materials designed to help develop the psychomotor skills of pre-school children in sixteen (16) communities, located mostly in Claveria, Misamis Oriental.

To help keep children, teenagers and young adults physically fit and healthy and stave off the lure of drugs and gambling common in most communities today, the Foundation invests in programmes for youth development. Eight barangays were recipients of playground equipment fabricated by graduates of the Del Monte Foundation Centre's welding course. Each set of equipment has swings, slides, see-saws and monkey bars that are placed in the communities' open grounds where children and adults alike congregate for fun and recreation. It has also partnered with the Labour Management Councils of DMPI's North, West and East Operations teams to stage inter-barangay sports tournaments that span several weeks. This brought communities together in friendly competitions that also strengthened relations with the company's neighbours.

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.

Foundation scholars and selected community youth leaders likewise participated in the various trainings on leadership and values enrichment.

COMMUNITY HEALTH

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

The Foundation helped address a community concern on sanitation and health in the barangays of Patpat and Dalwangan in Malaybalay City.

School chairs made from recycled wooden pallets

Sustainability

Doctors providing health care to patients in the plantation area

Over 100 families residing around the company's pineapple plantation did not have toilets. In partnership with the local government, each household was given materials to construct individual toilets. The Foundation provided the toilet bowls, pipes and cement, the local government unit provided sand and gravel and technical assistance while the beneficiary's counterpart was the manual labour for construction.

Twelve barangays were recipients of medical apparatus given by the Foundation to ensure health services are properly rendered in local health centres or clinics. Several communities are not equipped with the appropriate tools due to lack of resources. Based on their need, the Foundation donated blood pressure apparatus, weighing scale and sphygmomanometer.

The Foundation's Mobile Clinic catered to about 30,000 patients in its daily rounds over 40 remote communities within and around the company's plantation. It serves one to two barangays daily, bringing free medicines and the services of a doctor to communities where medical care is out of reach. With about 40 areas to cover per month, the Mobile Clinic team is able to visit a barangay once a month. The team also recommends interventions to help improve health conditions in a particular area. It gives feedback on its significant findings to the municipal health officers or recommends health education classes to be conducted by the Foundation.

Dental mission in Baungon, Bukidnon

Del Monte Foundation continues to influence residents in small communities towards a better way of life through short and informal information campaigns and educational sessions. Topics recommended by community leaders pertained to family values, health and nutrition, prevention and treatment of common illnesses, financial management, family planning and such other concerns relevant to the community. About 2,000 attended the twenty seven (27) sessions organised by the Foundation last fiscal year.

The Foundation conducted twelve (12) medical and dental missions benefitting about 4,000 patients, providing them with free treatment and medicines. Over 1,000 community health workers underwent continuous training supported by the Foundation so they could render better service to their constituents. These trainings were spread over nine municipalities. These are some of the Foundation's programmes as we nourish communities, enrich lives, every day!

FEEDING AMERICA

Since 2015, Del Monte Foods, Inc. (DMFI) contributed more than 8.5 million lbs. of product to Feeding America® or local food banks.

Del Monte is proud to be a long-standing supporter of Feeding America®[1], a leader in hunger-relief charity work. Feeding America® is the nation's largest nonprofit 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 partnered with Feeding America® to help create and participate in innovative programmes such as the:

- **"Grocery Programme®"** through which we sold the not-so-pretty, but still perfectly edible, safe and healthy peach product to Feeding America® to supplement their inventory to support local pantries.
- **"Brite Recovery" Programme** in Rochelle, IL, during which Feeding America collected damaged brite, or unlabeled cans, and re-labelled the product for their food banks.
- **Second Harvest® "Field to FoodBank" Programme** - A system that our Wisconsin plants created, through which they process carrots on behalf of growers who want to provide product specifically for Feeding America 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 23,000 cases in 2015.

PRODUCT INTEGRITY

Drawing strength from our heritage of quality and reliability, we produce globally competitive food products in the most sustainable way possible.

Our agro-industrial processes are accredited by the world's leading certifying bodies, with at least 20

[1] FEEDING AMERICA is a registered trademark of its owner. Use of the trademark does not imply any affiliation or endorsement by said owner.

Cannery employee performing a pineapple quality check.

Quality managers of the Company's US based facilities took time out to attend the Preventive Control for Human Food Course

quality audits performed during the year by reputable, independent international auditors, business partners and customers. Once again, audit results confirm that our processes meet or often exceed standards for the purchase or importation of food products to certain countries.

Del Monte Philippines elevated the bar higher on quality manufacturing with its Food Safety Systems Certification (FSSC) from Société Générale de Surveillance Philippines (SGS Philippines) at the Cannery. FSSC 22000 covers fruit and juice products in cans, aseptic pack, plastic cups and stand-up pouches. The certification ensures the product quality of products manufactured in our Cannery. It is a key requirement for marketing our products worldwide. FSSC incorporate key systems – ISO, HACCP, GMP manufacturing standards into a single system.

The Company has expanded its FSSC certification to toll manufacturers. To ensure that the products manufactured by the toll packers comply with stringent food safety standards, a key sustainability improvement in the Supplier Quality Management Programme (SQMP) of the toll packers includes a provision that toll packers are certified with Food Safety System Certification 22000 (FSSC 22000).

Aside from the FSSC22000, other quality certifications issued to Del Monte Philippines includes ISO 9001:2008, HACCP (Hazards Analysis and Critical Control Points) and Food Hygiene – GMP (Good Manufacturing Practices), certified by Société Générale de Surveillance), 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 (certified by the Ulamah Conference of the Philippines) for countries with Muslim population, and Kosher (certified by Kashrus and Triangle K) for the Jewish community.

The respective Food and Drug Administrations 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 markets.

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. Likewise, our Fresh Fruit Pack House is also ISO 9001:2008 certified in line with the Company's commitment to quality.

In the United States, 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. 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 Del Monte-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. We built a multi-layered quality system protocol which starts with our executive leadership establishing the Company's quality protocol. This quality protocol is then communicated to each of our facilities to provide guidance and direction which is further supported by our manufacturing site level procedures. We further rely on effective packaging to protect our products from damage and contamination once they leave our processing plants.

In accordance with federal food safety requirements, we maintain a product traceability programme that allows us to track products shipped to our customers. We have significantly enhanced this programme to allow for faster and more accurate traceability using electronic tracking of product movement. The system is tested frequently, and test results are used to drive continuous process improvements. Del Monte also maintains records that allow the Company to determine the source of the ingredients used in its products. All of our facility quality managers have received the Preventive Control Qualified Individual certification as part of the Food Safety Modernization Act.

NUTRITIOUS PRODUCTS FOR CONSUMERS

Our brands are some of the best known and most trusted in the marketplace today. We work hard to earn and keep this trust, and invite consumers to contact us with any questions or concerns about our products. We are always listening for ways to improve our products and service. Consumers can be assured that their feedback will be shared with key decisions makers.

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 of a cup of fruits or vegetables per serving and to meet healthy nutrient levels as recommended 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 United States.

Approximately 95 percent of all Del Monte canned fruit, vegetable, and tomato products are preservative-free. None of our vegetables and tomatoes have preservatives, except potatoes. Vitamin C is the only preservative we use in canned fruit or shelf stable fruit cups, which is a naturally inherent nutrient already present in those products. As such, we are recognised as a Produce for Better Health Foundation (PBH) Role Mode - PBH's highest recognition level, awarded to those companies which provide significant steps toward improving the health of Americans. We are proud to serve on the PBH Board of Trustees to help drive more consumer demand for fruits and veggies. We are also a national partner of the United States Department of Agriculture's "Choose My Plate" initiative and member of the Tomato Wellness Council.

We are also proud members of the Canned Food Alliance Executive Committee, where we are committed to educating health and nutrition professionals, as well as consumers, about the many benefits of canned fruits, vegetables and beans and how they can contribute to a healthy diet.

NON-BPA AND NON-GMO PRODUCTS

In March 2015, Del Monte Foods, Inc. announced plans to convert to non-BPA packaging and increase non-GMO product offerings. These moves, which represent a majority of the Company's products, are not a statement about the science around either issue, but come as a direct response and commitment towards meeting the evolving preferences of many consumers and ensuring that all consumers are empowered to make the most informed decisions.

In the United States, we began the process of verifying non-GMO ingredients from suppliers, and, where necessary, sourcing replacement non-GMO ingredients. We also successfully labelled 70 vegetable and tomato products as non-GMO that year. All future non-GMO Del Monte products will be clearly labelled.

Starting with the Company's fresh pack production in 2016, which begins in May and runs through October, all Del Monte fruit and tomato products, as well as nearly 100 percent of vegetable products found under the Del Monte brand will convert to non-BPA linings. By 2017, all added ingredients in all Del Monte vegetables, single-serve fruit snacks and most tomato products will be non-GMO, representing a majority of its product line (154 products in total).

We do these initiatives to ensure the safety of our products as we nourish consumers, enrich lives, every day!

NOURISHING OUR 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 (EMS) sets out rigorous guidelines and processes to ensure that our facilities meet the highest standards of environmental performance, every day. Our programme is based on the ISO standard 14001. We view full compliance with all applicable regulations as a minimum goal, and strive to exceed industry standards across our operations.

Del Monte has an excellent track record in maintaining compliance with all applicable environmental regulations. We conduct in-house audits for all

Nutritious products for the family

Shift to non-BPA cans and non-GMO

our U.S.-based facilities at least once every three years.

We maintain a written Environmental Policy that is updated periodically to reflect new advances in best practice and to better serve the Company's operating needs. This policy is posted in our facilities, communicated to facility management, and also incorporated into training for environmental and operations staff.

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 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.

Bountiful pineapple harvest

Across 90 years of operations, 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.

We installed soil conservation measures in pineapple fields implemented by crop growing units for better soil and drainage management, deepen and install auxiliary canals and silting basins specially designed for each field and planted trees along river easement near pineapple fields. Furthermore, our agricultural team conducted soil erosion study and created a soil conservation manual. We also reinforced technical competency through continuous training and education on soil management to reduce soil erosion in our plantation.

During the business fiscal year, our plantation experienced El Nino weather phenomenon that affected the Group's crop yield. The counter this weather condition, the Group implemented continuity plans, programmes and initiatives to mitigate these effects.

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 buildup 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 Reform 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.

Our plantation in the Philippines received its first Global GAP (Good Agricultural Practices) certification, further affirming a management system focused on Food Safety, Worker's Health and Safety, Environmental Protection and Conservation of Wildlife. GLOBALG.A.P. is a globally-recognised private sector body that sets voluntary standards for agricultural products. Our pack house for fresh fruits was certified ISO 9001:2008 for growing, harvesting and packing of fresh fruits by SGS United Kingdom Ltd. Systems and Services Certification body.

Our participation in the GLOBAL G.A.P. 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

Partnering with Growers

Del Monte contracts with 900 farmers across North America, and about 90% of the food we produce is grown in the U.S. Our crops are locally sourced and travel less than an average of 100 miles from the field

Sustainability

Del Monte AGRI-News keep our partner growers well informed on new technology and processes

to the manufacturing gate, and an average of 350 miles from distribution centre to retailer. Many growers are 3rd generation Del Monte growers, especially in fruit where we have families that have grown for Del Monte for over 70 years. Tomato growers have somewhat shorter tenure, but many have grown for 30 plus years. Vegetable growers have been with our Company in excess of 20 years, with less than two percent turnover year-to-year.

Our Company is unique compared to our competitors in that we have our own dedicated agricultural Seed Operations research team. This team carefully selects those plants that exhibit desirable traits to produce stronger crops through traditional breeding techniques. Seeds for 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. The Seed Operations team provides growers with the majority of our seeds for certain crops, including peas; Blue Lake, Romano, and wax beans; corn; and spinach where we are able to yield more common cases per acre for our corn and green beans. For example, the yield per common case of corn was 43% greater from 2000 vs. 2014.

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.

Reducing Fertilizer Use
Our growers apply fertilizer to crops to ensure that the plants receive enough nutrients to grow vigorously and produce abundant yields. Too much fertilizer, however, can be worse than not enough: in many crops, excess nutrients can lead to lush vegetative growth and reduced crop yields. Fertilizers can also leach into groundwater, or wash off with the rain into nearby waterways, entering polluting streams and causing problems such as algae growth. Finally, synthetic fertilizers are often based on petroleum—an expensive and non-renewable resource.

Given the environmental risks and operating costs associated with improper or excessive fertilizer use, our research teams coordinate with our growers to identify the optimal amount of fertilizer suitable for the specific varieties grown. We have found that some crops need much less fertilizer to flourish than expected. For example, over the past several years, our pea and green bean growers have reduced fertilizer application by upwards of 25 percent over 50,000 acres. Although rising fertilizer costs contributed to this decision, Del Monte research also showed the crops would do as well or better with less fertilizer.

Reducing Pesticide Use
We have helped growers apply the principles of Integrated Pest Management (IPM) to minimise the amount of pesticides used to control insects, other pests, and crop diseases. IPM is a common-sense approach to pest control where Del Monte field staff and growers closely monitor crop conditions by field scouting, pheromone traps and use cultural tools to help avoid situations that could contribute to pest outbreaks.

By limiting pesticide use, we reduce the potential for contaminated runoff from fields, protect the health of farm workers, prevent the destruction of beneficial insects and other field organisms, and ultimately decrease the chance that any pesticide residue remains on the crop when it is harvested and processed.

We have participated in a number of 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 Programme (PESP)
- Board member of the National Foundation for IPM Education
- Partner in the California Pear Pest Management Research Fund, which has funded more than $2 million in IPM and sustainability research
- Lead Processor in the Pew Centre for Agricultural Partnerships (CAP) Northwest Pear Initiative
- Participate in the IR-4 programme to evaluate alternative and safer pesticides for use on minor acreage crops.
- 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.
- Partner with seed companies on finding successful downy mildew resistance. Over 300 plots are put in annually to screen for natural resistance of this fungal disease that has affected peas.
- Annual meeting with Seedway, a commercial vegetable seed supplier to evaluate carrot varieties on disease resistance, yield potential, growth and canning characteristics to best suit our needs.
- We work with the University of Wisconsin Madison on herbicide trials for beets and impacts of insecticides on pollinators.

Increasing Crop Density
Del Monte researchers are investigating increased crop density as a way to increase yield per acre

while cutting pesticide and fertilizer use. High-density agriculture requires significant investment in research. Growers must also switch to new equipment that can accommodate closely spaced plants. The potential benefits with regard to resource and cost savings, however, are also significant. We continue to explore the possibility of rolling out high-density techniques to other crops.

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 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

Power supply has been an issue for operating companies in Mindanao. Power interruption causes businesses to cease operation and losses pile up most especially food products.

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 Wastewater. More significantly, cleansed water discharged at coastal waters of Macajalar Bay remains at BOD levels below mandated government food production industries.

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 will take over the job done by an equally eco-effective but power-intensive aerobic treatment plant.

The generator sets for the waste-to-energy facility

This plant highlights our commitment to environmental stewardship on reduction of our green house gas emissions (GHG), 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 our primary tomato production facility in Hanford, California. We installed 6400 solar panels covering over 122, 473 feet and producing 1.8 MM kWh – equal to more than 8 percent of total electricity requirements during non-pack season. The solar panel installation at our Hanford facility has enabled us to become members 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 (CMTA) and the Industrial Environmental Association (IEA). This Award recognises companies that display environmental excellence in their operations.

Solar panels in our Hanford tomato production facility

Our Modesto Plant serves as an example of a facility that implemented multiple initiatives to reduce its energy consumption. In ongoing continuous improvement efforts, the plant installed a combined heat and power system, selective catalytic reduction unit, condensing economizer, 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. We have a company-wide programme dedicated to implementing condensing economizers to improve heat recovery and steam system efficiency. As of 2012, 50 percent of our facilities utilise this technology, and we continue to expand this programme across our other facilities.

DMFI began utilising one type of energy efficiency equipment in 2001. This equipment helps us capture waste heat from boilers and reuse it in other plant processes. Six facilities installed "condensing boiler stack economizers" 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 continue to evaluate which facilities are good candidates for installing additional condensing economizers. Among the factors we consider are whether the extra production of hot water at the plant would be beneficial, whether similar results could be obtained through other (less costly) means, and whether the new equipment costs make sense given overall facility fuel consumption patterns. Currently, we are installing condensing economizers at two additional plants.

We will continue to seek out energy reduction opportunities across all our facilities and invest in the improvements that collectively reduce both our air emissions, including greenhouse gases (GHGs), and our operating costs. Our Company continually assesses our investment opportunities in renewable energy solutions at each of our facilities.

At DMFI, we track "total network miles" as a way to determine the success of our efforts to reduce the distance our finished products travel between processing plant and store. Since 2015, we have eliminated 2.3 million miles (the equivalent of approximately 390,000 gallons of diesel fuel) from our distribution network through a variety of initiatives.

WATER EFFICIENCY

Our plants use water for tasks such as washing and sanitising fruits and vegetables, thermally processing our canned products, and sanitising equipment. To the extent possible, we capture and reuse water within the plant. We recycle our can cooling water and, through heat exchangers, use it to preheat our boiler feed water in most of our facilities. By doing so, we reduce the amount of new water needed and also reduce our energy needs.

Water discharged from our facilities is sent to various destinations based on the quantity of water and whether it requires treatment to remove contaminants before it can be returned to the environment.

Given all that we do, we do understand the current risks associated with water supply and quality. We operate and contractually grow food in seven states where water availability may be in jeopardy. Our 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 our water supplies in Mexico, California, Texas (the Carrizo-Wilcox Aquifer), and Wisconsin (the Central Wisconsin Sand and Gravel Aquifer) 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
- Increasing costs and/or reduced revenues due to all of the above risks

We also understand in order to decrease the risks, we need 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

Work with growers to encourage the use of more water-efficient irrigation systems and techniques to use less water.

WASTE MANAGEMENT

Our pineapple pulp waste disposal system, 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.

We operate effluent treatment plants that treat wastewater discharged from our agro-industrial facilities. 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 and 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 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 four years, we have been actively involved in the Food Waste Reduction Alliance (a collaborative effort between the Grocery Manufacturers Association, Food Marketing Institute, and National Restaurant Association). We research food waste in our supply chains and identify where/how we can make a difference by learning from each other and receiving guidance from European entities, environmental organisations and industry-related firms. We were featured in the FWRA's Member Spotlight in April 2016.

In fiscal 2016, less than 3% of the total waste generated at production facilities, distribution centres, and research locations went to a landfill. We supplied local farmers with approximately 290,000 tons of organic material for animal feed and 54,000 tons for land application purposes.

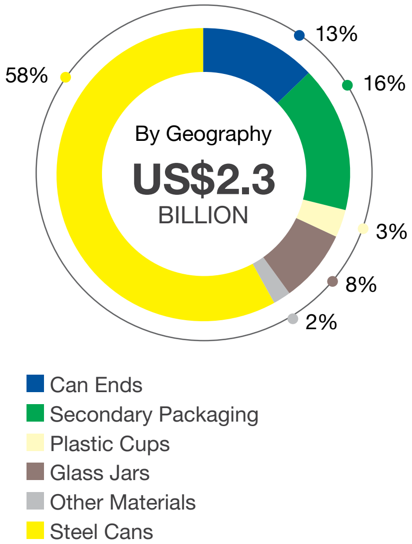
Our Walnut Creek Research Centre (WCRC) in California received a "RecycleSmart" Award from the Contra Costa Solid Waste Authority for our food waste recovery efforts. The WCRC diverts the food and packaging materials of the unused food by the manual opening of pallets of un-donatable packaged food, recycles 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 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.

One project of the Del Monte Foundation is to Use recycled wood from Del Monte Philippines' Cannery, to fabricate 900 classroom chairs for 12 public schools and 50 sets of kiddie tables and chairs for day care centres and pre-schools in 10 towns where the company grows its pineapples. It also continued its partnership with Manolo Fortich and Libona in the production of armchairs for which the local government units provide labour and other materials.



In the United States, Del Monte products carry with them a pledge of freshness and quality—that the products we bring to the table will consistently deliver delicious, flavourful, and healthful nutrition. Part of the reason we can guarantee such high quality is our attention to product packaging. We devote significant effort to good packaging design to ensure that we meet the basic packaging criteria, but that we also use the least amount of materials and resources to package our products.

While Del Monte's innovations are focused on new products, new packages and meeting consumer needs, they also target environmental consciousness and affordability. By reducing the amount of materials used in Del Monte packaging everyone wins. Less packaging materials used means a lower carbon footprint for Del Monte's overall operations, and associated greenhouse gases emitted are lessened. Del Monte has been on a multi-year journey to safely reduce: the amount of metal used in our cans, the amount of plastic in our cups, and the amount of corrugate in our cases. Since 2009, Del Monte has reduced the amount of packaging by almost 15%, which equates to a reduction of about 20,000 tons of packaging materials. By using state of the art testing and simulation techniques, Del Monte's engineers continue to design the most lightweight materials required to meet their required function.

Our focus on packaging efficiency has significant benefits all along our production chain. Even slight adjustments to individual containers can result in big savings of materials, energy, and fuel when considered over millions of units. Reductions in secondary packaging can also significantly minimise waste during shipping.

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 seedlings ready for planting

Year-round, we perform many initiatives to help protect existing forest cover and rehabilitate degraded forests. Our Company plants seedlings from some of the 3,000 species that are indigenous to the Philippines. We work with our community to enhance disaster preparedness and reduce disaster risks as we ensure sustainability and promote resilience.

Through a concerted effort with local partners and Foundation programme beneficiaries, about 17,000 trees were planted in various municipalities in FY2016. Seedlings planted came from local farmers' nurseries supported by the Foundation. The Foundation aggressively pursued increasing its 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.

The Bukidnon Protected Area Management Board has granted the Foundation permission to adopt a 10-hectare area in Mt. Kitanglad to reforest. A Memorandum of Agreement between the Foundation and the Dept. of Environment and Natural Resources formalized the agreement. The agro-forestry project shall be located at Sitio Mantaboo, Sil-ipon, Libona. A small community of about 50 households belonging to the Higaonon tribe has been established in the area. The Foundation plans to grow trees that will not only benefit the environment but will also help the IP's economically.

The Del Monte Foundation donated 10,000 indigenous tree seedlings to the Cagayan de Oro River Basin Management Council (CDORBMC) and its partners, the Department of Environment and Natural Resources (DENR), Department of Interior and Local Government (DILG), the Xavier University Science Foundation and an Indigenous People's Organization (IP) to help rehabilitate Mt. Kalatungan in Talakag, Bukidnon, home to the Philippine Eagle and watershed of the city's main river. The said donation represents Del Monte Philippines' contribution to the Payment for Ecosystem Services (PES) agreed upon by members of the Cagayan De Oro River Basin Management Council. DMPI was the pioneer among agro-industries in the province to contribute to the PES.

The Foundation helped rehabilitate the water system in Barangay Kulasi, one of the pineapple plantation areas of the DMPI in Sumilao. The community of 170 households suffered from poor water supply because its water system from the main water source was comprised of pipes of various sizes. To help the residents have better access to potable water, the Foundation provided 23 rolls or over a thousand meters of polyethylene water pipes for the rehabilitation of the barangay's existing water system.

Our cannery employee volunteers conducted its annual coastal clean-up of the shoreline of Macajalar Bay, one of Mindanao's largest bays and home to many marine species.

These green initiatives are geared towards a more sustainable environment, fulfilling our duty as stewards to nourish our resources, enrich biodiversity, every day!

Del Monte Foods' efforts to save the Karner Blue butterfly

KARNER BLUE BUTTERFLY HABITAT

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 butterfly in its natural range. Read more about the Karner blue butterfly and habitat restoration efforts at: http://dnr.wi.gov/

Beneficial insect conservation is another project Del Monte participates in. In 2016, we planted a mixture of milkweed and lupine seed in the dry corners of our research field to provide habitat for beneficial insects and pollinators. Many of our growers also participate in county funded programmes to put in windbreaks to aid against wind erosion.

As part of our participation in the SYSCO Sustainable Programme we work with producers to establish and maintain pollinator habitat on and near their farms and also maintain field edge buffer zones to aid in erosion control and off target movement of pesticides.

NOURISHING OUR ECONOMY

The economic impact of Del Monte Pacific benefits more than the 6,300 regular employees of the company.

Del Monte products in stand-up pouches (SUP)

In addition, 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.

Over-all, 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.

The company has 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 final construction phase at the Del Monte plantation in Bukidnon. It would utilise Nice Fruits patented technology, nice frozen dry (NFD) that allows fruits and vegetables to be picked at optimal ripeness and frozen while preserving nutrients, structure, original properties and organoleptic characteristics.

In November, 2015, Del Monte Philippines started operations of its Heat Fill Beverage Plant and the Del Monte Technical Centre at the NutriAsia Compound in Cabuyao, Laguna. The PET plant is an important milestone in our beverage business as this will enhance the competitiveness of our beverage products and support our continuous cost and quality improvement strategies.

The Del Monte Technical Centre on the other hand will be the first manufacturing facility of Del Monte Philippines outside Mindanao, capping 90 years of doing business in the Philippines. It will house modern laboratories for Research and Development and Quality Assurance further strengthening our product and process development capability.

S&W Sweet 16 fresh pineapples

OUR PERFORMANCE

For the fiscal year 2016, the Group generated sales of US$2.3 billion, up from US$2.2 billion in 2015. DMFI, which accounts for 78% of the Group's revenue, generated sales of US$1.8 billion in 2016, 4% higher than prior fiscal year. DMFI increased its market share in the US canned vegetable and fruit segments amidst industry contraction.

The Group's gross margin for the full year improved to 21.2 percent, higher than the 18.7 percent in the same period last year with lower trade spend in DMFI and cost optimisation initiatives to mitigate the impact of lower pineapple output from El Niño, particularly in the first half of the financial year.

Meanwhile, sales for Del Monte in the Philippines and S&W in Asia and the Middle East were up strongly by 6% and 10%, respectively, in FY2016.

DMPL's share of loss in the FieldFresh joint venture in India was significantly lower at US$1.6 million from US$2.1million in the prior year period.

The Philippine market delivered a record performance for the full year with sales up six percent as all product categories – packaged fruit, beverage and culinary – posted higher sales, driven by an expanded user base and household penetration.

In addition, the market continues to benefit from the resurgent multi-serve beverage segment, behind trade expansion and digital-based awareness building initiatives for the 1-liter Tetra Juice Drink line. The foodservice or institutional channel also performed strongly.

Sales of the S&W branded business in Asia and the Middle East also posted a record performance on higher sales from both the fresh and packaged segments. China generated strong growth in fresh, driven by distribution expansion.

The Group generated an EBITDA of US$235.2 million and a net income of US$51.5 million for the financial year 2016 mainly due to acquisition-related and non-recurring expenses worth US$31.7 million, after tax. Before other non-recurring expenses, the Group recorded an EBITDA of US$202.1 million and a net income of US$19.8 million for fiscal year 2016.

During the past year, the Group continued to lay the foundation for future growth and this is reflected in the sales and financial performance of Del Monte Pacific in the financial year 2016. The Company drove improvements in its cost structure, aligned operations better with its strategic direction to gain market share, increase margins, strengthen the core business, and expand into adjacent categories.

Del Monte Philippines, Inc donated US$500,000 to the Del Monte Foundation, Inc to fund various projects such as scholarship grants, various technical training to unemployed community members and relief operations.

The economic benefits of the company are explained further through the financials of this annual report.


Nourishing Families. Enriching Lives. Every Day.

CORPORATE GOVERNANCE

Del Monte Pacific Limited (the "Company" or "DMPL") 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 which includes sustainability matters. 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 reviewed the vision and strategy of the Company on 29 June 2016.

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 management personnel, annual budgets, major investment proposals, and review of the financial performance of the Group. Key management personnel refer to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities 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 include:

- 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;
- certain interested person 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 shareholders' 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.

The Board committees, namely, the Audit and Risk Committee ("ARC"), Nominating Committee ("NC"), and Remuneration and Share Option Committee ("RSOC") support 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.

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 strategic, 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. Stakeholders include shareholders, business partners, suppliers, communities in areas where the Group companies have presence, customers and employees. 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 year in review, the Board held five (5) 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 FY2016 from 1 May 2015 to 30 April 2016

Directors	**Board Meetings**	**Audit and Risk Committee Meetings**	**Remuneration and Share Option Committee Meetings**	**Nominating Committee Meetings**
Mr Rolando C Gapud[1]	5	1	1	1
Mr Joselito D Campos, Jr	3	NA	NA	NA
Mr Edgardo M Cruz, Jr [1]	5	1	1	1
Mr Benedict Kwek Gim Song	5	5	4	1
Mr Godfrey E Scotchbrook	5	5	4	1
Dr Emil Q Javier [2]	5	2	2	1
Mr Patrick L Go [3]	3	3	2	1
Mrs Yvonne Goh [4]	2	2	2	–
Total No of Meetings Held	**5**	**5**	**4**	**1**

1 Mr Rolando C Gapud and Mr Edgardo M Cruz, Jr ceased as members of ARC and RSOC on 1 July 2015.
2 Dr Emil Q Javier was appointed as a member of RSOC on 4 September 2015.
3 Mr Patrick L Go resigned as an Independent Director on 4 September 2015 and ceased as a member of ARC, NC and RSOC.
4 Mrs Yvonne Goh was appointed as an Independent Director and a member of ARC, NC and RSOC on 4 September 2015.

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.

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 FY2016 (May 2015 - April 2016)

Date	Location	No of hours	Training/Seminar/ Conference	Organiser	Attendees
19-May-15	Singapore	3.5	EBL 3: Enterprise Risk Management	Singapore Institute of Directors (SID)	Benedict Kwek
9-Jul-15	Singapore	3.5	LCD 4: Nominating Committee Essentials	SID	Edgardo M Cruz, Jr
9-Jul-15	Singapore	5.0	LCD 5: Remuneration Committee Essentials	SID	Edgardo M Cruz, Jr
10-Jul-15	Singapore	3.5	LCD 6: Investor and Media Relations	SID	Edgardo M Cruz, Jr
28-Aug-15	Singapore	2.0	Launch of the Nominating Committee Guide	SID	Yvonne Goh
16-Sep-15	Singapore	8.0	SID Directors' Conference 2015-Boards and Innovation	SID	Benedict Kwek and Yvonne Goh
1-Oct-15	Singapore	2.5	The Director and CFO Forum: Strengthening Financial Governance	SID	Benedict Kwek
11-Nov-15	Philippines	8.0	Corporate Governance	Risks, Opportunities, Assessment and Management, Inc	Joselito D Campos, Jr
11-Nov-15	Hong Kong	3.0	Global Retailing Trends	Convenience Retail Asia	Godfrey E Scotchbrook
18-Nov-15	Singapore	3.0	Corporate Governance Roundup 2015	SID	Yvonne Goh
12-Jan-16	Singapore	2.0	ACRA-SGX-SID Audit Committee Seminar Raising The Bar For Financial Reporting And Audit	ACRA, SGX, SID	Benedict Kwek
18-Feb-16	Singapore	4.0	Workshop by Prof Randel Carlock (INSEAD): Tough Strategy Decisions - The Board, Chair & CEO's Roles and Responsibilities	Diversity Action Committee	Yvonne Goh
24-Feb-16	Singapore	2.0	Improving Board Risk Oversight Effectiveness	SID	Benedict Kwek
31-Mar-16	Singapore	2.0	Launch of the Board Risk Committee Guide and ASEAN Corporate Governance Scorecard	SID	Yvonne Goh
7-Apr-16	Hong Kong	8.0	Fung Retailing Annual Conference - Global Best Practices for Omni	Fung Retailing	Godfrey E Scotchbrook
17-19 Apr-16	Macau	27.0	Singularity University Program	Fung Retailing	Godfrey E Scotchbrook
6-May-16	Singapore	8.5	Board Management Interactions	SID	Benedict Kwek
31-May-16	Singapore	2.0	Of Enron, Entanglement and Enlightenment	SID	Benedict Kwek

The 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 Godfrey E Scotchbrook	Independent Director
Dr Emil Q Javier	Independent Director
Mrs Yvonne Goh	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 12-13 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.

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 considers Mr Benedict Kwek Gim Song (first appointed on 30 April 2007), Dr Emil Q Javier (first appointed on 30 April 2007) and Mr Godfrey E Scotchbrook (first appointed on 28 December 2000), to be independent inspite of their tenure in the Board exceeding nine (9) years.

Based on the NC's observation, Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey E Scotchbrook, have demonstrated independent mindedness and conduct at Board and Board committee meetings. The NC is also of the firm view and opinion that these Directors exercise 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 Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey E Scotchbrook and Mrs Yvonne Goh 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, investor relations and agronomy.

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 has approved and issued a Board Diversity Policy and the Board also now includes a female Director.

The Board Diversity Policy states that diversity is important to Board effectiveness as it will enhance decision making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board. The NC is responsible for administering this policy and for evaluating it annually.

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 Executive Chairman. The Executive Chairman of the Board and the CEO are not related to each other.

The duties of the Executive Chairman include, amongst other things, providing leadership to the Board and ensuring the effectiveness of the Board in all aspects, leading the Company in its relationships with stakeholders and setting the course for the Company to reach greater heights. He works closely with the CEO as well as the business unit heads on strategic planning. He leads the Board in charting the strategic roadmap of the Company including setting the vision and the key initiatives to achieve it. He is in the forefront of any acquisitions, joint ventures and strategic alliances of the Company.

The Executive Chairman also sets the tone of Board meetings to encourage proactive participation and constructive discussions on agenda topics. During Board and Board Committee meetings, he 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 Executive 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 for the second time 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 Benedict Kwek Gim Song	Member
Dr Emil Q Javier	Member
Mrs Yvonne Goh	Member
Mr Rolando C Gapud	Member
Mr Edgardo M Cruz, Jr	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 evaluates 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 considers 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 evaluates the suitability of a prospective candidate based on her or his qualification and experience, ability to commit time and effort in the effective discharge of 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 12-13 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.

To address competing time commitments when Directors serve on multiple boards, the Board had set a maximum limit of four (4) directorships and/or chairmanships that Executive Directors can hold concurrently for listed companies and a maximum limit of five (5) directorships and/or chairmanship in listed companies 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.

Under Article 88 of the Company's Articles of Association, all Directors hold office for a maximum period of three (3) years whereupon they shall retire but they are eligible for re-election. Under Article 92, Directors appointed to fill a vacancy or as an addition to the existing Directors will be subject to re-election at the Annual General Meeting ("AGM") following his or her appointment.

Director Retiring Under Article 88

Dr Emil Q Javier
Independent Director
Appointed on 30 April 2007
Re-elected on 28 April 2010 and 30 April 2013

Director Retiring Under Article 92

Mrs Yvonne Goh
Independent Director
Appointed on 4 September 2015

In reviewing the nomination for re-election of the Directors retiring under Article 88 and Article 92 of the Company's Articles of Association, the NC had considered the contributions and performance of each Director, taking into account his/her attendance and participation at Board and Board committee meetings.

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

Both Dr Emil Q Javier and Mrs Yvonne Goh are not substantial shareholders nor are they directly associated to any substantial shareholder or a 10% shareholder of the Company.

The NC conducts a review of the succession plan for Board members, CEO and Key Management Personnel 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

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 year 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 year 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.

None of the Directors have appointed any alternate Director(s).

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. He is the primary channel of communication between the Company and the SGX-ST, the PSE and the SEC.

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, he 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, Mr Antonio E S Ungson, 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 year in review, the RSOC comprises the following members who are all Independent Non-Executive Directors:

Mr Godfrey E Scotchbrook	RSOC Chairman
Mr Benedict Kwek Gim Song	Member
Dr Emil Q Javier	Member
Mrs Yvonne Goh	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 year in review, the RSOC held four (4) 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 FY2016, 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 and the aggregate remuneration paid to the Company's top five (5) Key Management Personnel are not disclosed.

Employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year

Ms Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's USA subsidiary, Del Monte Foods, Inc ("DMFI"). 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 in the range of S$500,000-S$550,000. Ms Naughton formerly held management positions at Google in their Mountain View, California headquarters. She has an MBA from the Sloan School of Management of the Massachusetts Institute of Technology.

Disclosure on Remuneration of Directors for FY2016

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	49	2	49	–
Mr Rolando C Gapud	79	21	–	–
S$250,000 to below S$500,000				
Mr Edgardo M Cruz, Jr	82	11	6	1
NON-EXECUTIVE DIRECTORS				
Below S$250,000				
Mr Patrick L Go [1]	–	100	–	–
Mrs Yvonne Goh [1]	–	100	–	–
Dr Emil Q Javier	58 [2]	37	5	–
Mr Benedict Kwek Gim Song	–	100	–	–
Mr Godfrey E Scotchbrook	–	100	–	–

Notes:

1 Mr Patrick L Go resigned as an Independent Director of the Company effective 4 September 2015, and was replaced by Mrs Yvonne Goh

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 FY2016

Remuneration Bands and Number of Key Management Personnel	Fixed Salary %	Variable Income / Bonus %	Benefits In Kind %
Above S$500,000			
1	42	57	1
1	94	5	1
1	86	14	–
S$250,000 to below S$500,000			
1	90	9	1
1	90	9	1

Notes:

1 Key Management Personnel who are not Directors

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 38-41 of this Annual Report.

Based on the framework of risk management controls and internal controls established and maintained in the Company, the work performed by the internal auditors and the review undertaken by the external auditors as part of their audit, the assurance from the CEO and CFO and reviews performed by Management and the various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that:

(a) the financial records have been properly maintained and nothing has come to the Board's attention which may render the financial statements to be false or misleading in any material aspect; and

(b) the Group's risk management and internal control systems are adequate and effective to address the risks relating to financial, operational, compliance and information technology controls which the Group considers relevant and material to its operations.

The Board will, on a continuing basis, endeavor 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 year in review, the ARC comprises the following members who are all Independent Non-Executive Directors:

Mr Benedict Kwek Gim Song	ARC Chairman
Mr Godfrey E Scotchbrook	Member
Dr Emil Q Javier	Member
Mrs Yvonne Goh	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 year in review, a breakdown of the aggregate fees paid for audit and non-audit services is set out below:

	Year ended 30 April 2016 US$'000
Audit fees	
paid to the auditors of the Company	339
paid to other auditors	2,374
Non-audit fees	
paid to the auditors of the Company	–
paid to other auditors	579

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 as disclosed, for FY2016, the Company did not enter into any other material contracts involving the interests of its CEO, Directors or controlling shareholders.

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 ARC and the Board of Directors are of the opinion that a review of external auditors should be carried out every five years.

The ARC, comprised of all Non-Executive Directors, meets with the Group's external auditors and with the Head of Internal Audit department without the presence of Management at least once a year. During the year in review, the ARC held five (5) 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.

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. Training and development opportunities are provided for the Internal Audit Department staff to ensure their technical knowledge and skill sets remain current and relevant.

The ARC approves the hiring, removal, evaluation and compensation of the Head of the Internal Audit function. The Internal Audit department has unfettered access to all company documents, records, properties and personnel, including access to the ARC.

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 has been to distribute a minimum of 33% of full year profit. For fiscal year 2016, the Company declared a 50% payout of the year's net profit. 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 Company has a dedicated Investor Relations team who regularly engages and communicates with the investing community. Various IR and communication modes are employed by the Company not just to provide information but also to gather feedback and address questions and concerns. Insights gathered are taken and where appropriate, acted upon.

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 May 2015 and April 2016, the Company participated in three (3) conferences organised by DBS and CIMB in Singapore, and met with 193 investors and brokers, including conference calls.

To maintain an open channel of communication, the Company also has an email alert system whereby emails on its developments and updates are sent out to investors. Such information is also announced to the public via the SGX-ST and PSE portals.

The Company has organised 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 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 (i.e. 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 or conference calls with the investing community. The briefings are held 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 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, annual reports and analyst 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 SEC.

The following are also included in the IR site: IR policy, IR calendar, next events, AGM and GM Minutes, dividend policy and payout details, share information, Top 20 shareholders, bio-data of Directors and Senior Management, and corporate governance. The following are uploaded in other sections of the website: Memorandum and Articles of Association, Sustainability, Code of Business Ethics and other policies.

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.

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 received the Best Managed Board (Gold) Award in July 2015 and the Best Annual Report (Bronze) Award in July 2016 from the Singapore Corporate Awards (SCA) for companies with a market capitalisation of between S$300 million to less than S$1 billion.

Amongst nearly 800 companies listed in Singapore and, since the SCA began in 2006, DMPL is one of only five companies to have won two (2) Golds for the Best Managed Board Award, and is one of only 13 companies to have received at least four (4) distinct awards including Best CFO. Since 2010, DMPL has won ten (10) times (including similar awards) seven (7) years in a row.

The Company ranked 41st amongst 630 Singapore-listed companies or top six percentile in the August 2015 Governance and Transparency Index (GTI). DMPL also ranked 28th amongst 100 largest Singapore-listed companies in the April 2016 ASEAN Corporate Governance Scorecard.

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, Senior Management including the CEO, and the external auditors were present in the most recent AGM to assist the Board in addressing shareholders' questions. This was also stated in the AGM Minutes.

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. Starting from the August 2016 AGM and GM, questions and answers will be included in the Minutes of the meetings.

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 year in review, the Directors, Key Management Personnel, Group's officers and employees had been compliant with the Securities Dealings Policy.

DIRECTORS' STATEMENT

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 flows of the Group and Company for the financial year ended 30 April 2016.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and the financial performance, 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$319.1 million after taking into account the factors included in Note 2 of the financial statements.

DIRECTORS

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

Mr Rolando C Gapud	(Executive Chairman)*
Mr Joselito D Campos, Jr	(Managing Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Benedict Kwek Gim Song	(Lead Independent Director)
Dr Emil Q Javier	(Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)
Mr Patrick L Go	(Independent Director) resigned on 4 September 2015
Mrs Yvonne Goh	(Independent Director) appointed on 4 September 2015

* 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 object 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 2015	As at end of the year 30 April 2016	As at 21 May 2016	As at beginning of the year 1 May 2015	As at end of the year 30 April 2016	As at 21 May 2016
The Company						
Ordinary shares of US$0.01 each						
Mr Rolando C Gapud	1,463,140	2,063,140	2,063,140	–	–	–
Mr Joselito D Campos, Jr	7,621,466	7,621,466	7,621,466	1,303,256,961	1,303,256,961	1,303,256,961
Mr Edgardo M Cruz, Jr	2,881,635	2,881,635	2,881,635	–	–	–
Dr Emil Q Javier	534,851	534,851	534,851	–	–	–

Directors' Interest in Options:

	Direct interests			Deemed interests		
	As at beginning of the year 1 May 2015	As at end of the year 30 April 2016	As at 21 May 2016	As at beginning of the year 1 May 2015	As at end of the year 30 April 2016	As at 21 May 2016
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018						
Mr Benedict Kwek Gim Song	300,000	300,000	300,000	–	–	–
Mr Godfrey E Scotchbrook	360,000	360,000	360,000	–	–	–
Options to subscribe for ordinary shares at S$0.578 per share between 02/07/2015 to 06/03/2018						
Mr Benedict Kwek Gim Song	–	25,255	25,255	–	–	–
Mr Godfrey E Scotchbrook	–	30,306	30,306	–	–	–

DIRECTORS' INTERESTS (CONT'D)

Directors' Interest in Share Awards:

	Direct interest			Deemed interest		
	As at beginning of the year 1 May 2015/ date of appointment, if later	As at end of the year 30 April 2016	As at 21 May 2016	As at beginning of the year 1 May 2015/ date of appointment, if later	As at end of the year 30 April 2016	As at 21 May 2016
Grant of 593,000 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 Edgardo M Cruz, Jr	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. 355,800) will be released upon completion of vesting on or after 21 August 2016. Remaining 40% of share awards granted (i.e. 237,200) will be released upon completion of vesting on or after 21 August 2017.

	Direct interest			Deemed interest		
Grant of 49,921 share awards at S$0.385 per share vesting period from 22/08/2016 onwards***						
Mr Rolando C Gapud	–	17,763	17,763	–	–	–
Mr Edgardo M Cruz, Jr	–	7,997	7,997	–	–	–
Dr Emil Q Javier	–	5,977	5,977	–	–	–
Mr Benedict Kwek Gim Song	–	9,092	9,092	–	–	–
Mr Godfrey E Scotchbrook	–	9,092	9,092	–	–	–

*** Up to 60% of share awards granted (i.e.29,953) will be released upon completion of vesting on or after 21 August 2016. Remaining 40% of share awards granted (i.e. 19,968) will be released upon completion of vesting on or after 21 August 2017.

There was no change in the above-mentioned interests in the Company between the end of the financial year and 21 May 2016.

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 26 and 38 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 Benedict Kwek Gim Song	(Member)
Mrs Yvonne Goh	(Member)
Dr Emil Q Javier	(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

IPO Options

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.

Market Price Options

(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.

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.

SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Market Price Options (cont'd)

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.

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.

SHARE OPTION AND INCENTIVE PLANS (CONT'D)

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 2015	Options Granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 30 April 2016	Number of option holders at 30 April 2016	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
01/07/2015	0.578	–	75,765	–	–	75,765	3	100% up to 06/03/2018
		900,000	75,765	–	–	975,765		

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 2016	Number of share award holders at 30 April 2016	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
01/07/2015	0.385	57,918	6	Up to 60%: 22/08/2016 until 21/8/2017 40%: 22/08/2017 until 21/08/2018
		11,028,498		

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 year ended 30 April 2016	*Aggregate options granted since commencement of ESOP to 30 April 2016	*Aggregate options exercised since commencement of ESOP to 30 April 2016	Aggregate options outstanding as at 30 April 2016
Mr Rolando C Gapud	–	400,000	400,000	–
Mr Edgardo M Cruz, Jr	–	200,000	200,000	–
Dr Emil Q Javier	–	200,000	200,000	–
Mr Benedict Kwek Gim Song	25,255	300,000	–	325,255
Mr Godfrey E Scotchbrook	30,306	360,000	–	390,306
	55,561	1,460,000	800,000	715,561

* 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

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 year ended 30 April 2016	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards outstanding as at 30 April 2016
Mr Rolando C Gapud	17,763	211,000	228,763
Mr Joselito D Campos, Jr	–	4,465,440	–
Mr Edgardo M Cruz, Jr	7,997	95,000	102,997
Dr Emil Q Javier	5,977	71,000	76,977
Mr Benedict Kwek Gim Song	9,092	108,000	117,092
Mr Godfrey E Scotchbrook	9,092	108,000	117,092

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 & 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 2016, the ARC comprised the following members:

Mr Benedict Kwek Gim Song	(ARC Chairman)
Mr Edgardo M Cruz, Jr	(Member)**
Mr Rolando C Gapud	(Member)**
Mr Godfrey E Scotchbrook	(Member)
Dr Emil Q Javier	(Member)
Mrs Yvonne Goh	(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.

DIRECTORS' STATEMENT

AUDIT & RISK COMMITTEE (CONT'D)

Between 1 May 2015 to 30 April 2016, the ARC had held five (5) 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 2016 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.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

25 July 2016

INDEPENDENT AUDITORS' REPORT

to the members of 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") set out on pages 86 to 201, which comprise the statements of financial position of the Group and the Company as at 30 April 2016, 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, and a summary of significant accounting policies and other explanatory information.

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 the auditors' 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, the auditors 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 the Company present fairly, in all material respects, the financial position of the Group and of the Company as at 30 April 2016, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial statements of the Group and the Company as at 30 April 2015 and 2014 and for the year ended 30 April 2015 and four months period ended 30 April 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 28 July 2015.

Ernst and Young LLP

Ernst and Young LLP

Public Accountants and
Chartered Accountants

Singapore
25 July 2016

STATEMENTS OF FINANCIAL POSITION

As at 30 April 2016, 2015 and 1 May 2014

(In US$'000)

	Note	Group			Company		
		30 April 2016	30 April 2015 (As restated*)	1 May 2014 (As restated*)	30 April 2016	30 April 2015 (As restated*)	1 May 2014 (As restated*)
Noncurrent assets							
Property, plant and equipment – net	6	563,614	578,359	504,953	–	–	–
Investments in subsidiaries	7	–	–	–	749,133	765,798	800,325
Investments in joint ventures	8	22,820	22,590	21,008	2,551	2,551	–
Intangible assets and goodwill	9	750,373	759,700	742,763	–	–	–
Deferred tax assets – net	10	100,899	86,303	47,157	–	–	–
Biological assets	12	37,468	41,606	37,462	–	–	–
Employee benefits	22	–	–	10,673	–	–	–
Other noncurrent assets	11	25,941	28,985	23,688	–	–	–
		1,501,115	1,517,543	1,387,704	751,684	768,349	800,325
Current assets							
Biological assets	12	87,994	87,034	82,461	–	–	–
Inventories	13	845,233	749,549	808,671	–	–	–
Trade and other receivables	14	175,532	184,402	158,868	145,240	105,723	104,512
Prepaid expenses and other current assets	15	35,597	39,870	57,388	257	137	43
Cash and cash equivalents	16	47,203	35,618	28,401	361	6,126	232
		1,191,559	1,096,473	1,135,789	145,858	111,986	104,787
Noncurrent assets held for sale	17	1,950	8,113	–	–	–	–
		1,193,509	1,104,586	1,135,789	145,858	111,986	104,787
Total assets		2,694,624	2,622,129	2,523,493	897,542	880,335	905,112
Equity							
Share capital	18	19,449	19,449	12,975	19,449	19,449	12,975
Retained earnings	19	148,866	97,332	140,515	148,866	97,332	140,515
Reserves	19	134,926	148,750	26,597	135,065	148,889	26,736
Equity attributable to owners of the Company	39	303,241	265,531	180,087	303,380	265,670	180,226
Non-controlling interests	39	61,971	58,644	67,255	–	–	–
Total equity		365,212	324,175	247,342	303,380	265,670	180,226
Noncurrent liabilities							
Loans and borrowings	20	1,116,422	1,272,945	934,385	129,234	348,250	–
Employee benefits	22	97,118	129,199	99,060	–	–	–
Environmental remediation liabilities	23	6,313	4,580	4,241	–	–	–
Deferred tax liabilities – net	10	1,092	1,092	1,092	–	–	–
Other noncurrent liabilities	21	62,586	61,163	46,880	–	–	–
		1,283,531	1,468,979	1,085,658	129,234	348,250	–
Current liabilities							
Loans and borrowings	20	727,360	445,542	919,579	348,630	102,630	602,491
Employee benefits	22	33,651	43,080	33,621	–	–	–
Trade and other payables	24	281,043	339,054	237,167	116,298	163,785	122,395
Current tax liabilities		3,827	1,299	126	–	–	–
		1,045,881	828,975	1,190,493	464,928	266,415	724,886
Total liabilities		2,329,412	2,297,954	2,276,151	594,162	614,665	724,886
Total equity and liabilities		2,694,624	2,622,129	2,523,493	897,542	880,335	905,112

* see Note 3.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INCOME STATEMENTS

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

	Note	Group			Company		
		Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)	Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Revenue	25	2,267,837	2,186,689	386,128	–	–	–
Cost of sales		(1,785,985)	(1,778,531)	(348,291)	–	–	–
Gross profit		481,852	408,158	37,837	–	–	–
Distribution and selling expenses		(201,031)	(199,160)	(39,630)	–	–	–
General and administrative expenses		(150,121)	(190,892)	(47,455)	(13,968)	(6,417)	(2,024)
Other income (expenses) – net		31,038	16,896	(5,971)	67	(582)	(190)
Results from operating activities		161,738	35,002	(55,219)	(13,901)	(6,999)	(2,214)
Finance income		2,231	400	391	2	8	21
Finance expense		(99,581)	(99,861)	(18,247)	(21,703)	(25,294)	(5,574)
Net finance expense	27	(97,350)	(99,461)	(17,856)	(21,701)	(25,286)	(5,553)
Share in (loss) profit of investments in joint ventures and subsidiaries, net of tax	30	(1,717)	(2,453)	(1,154)	87,141	(10,898)	(37,007)
Profit (loss) before taxation	26	62,671	(66,912)	(74,229)	51,539	(43,183)	(44,774)
Tax (expense) credit – net	28	(8,139)	17,917	24,382	(5)	–	–
Profit (loss) for the year/period		54,532	(48,995)	(49,847)	51,534	(43,183)	(44,774)
Profit (loss) attributable to:							
Non-controlling interests		2,998	(5,812)	(5,073)	–	–	–
Owners of the Company		51,534	(43,183)	(44,774)	51,534	(43,183)	(44,774)
		54,532	(48,995)	(49,847)	51,534	(43,183)	(44,774)
Earnings per share							
Basic earnings (loss) per share (US cents)	29	2.65	(3.10)	(3.45)			
Diluted earnings (loss) per share (US cents)	29	2.65	(3.10)	(3.45)			

* see Note 3.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

	Note	Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Group				
Profit (loss) for the year/period		54,532	(48,995)	(49,847)
Other comprehensive income				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation differences		(13,476)	(1,655)	695
Effective portion of changes in fair value of cash flow hedges		(10,553)	(16,643)	(4,368)
Income tax effect on cash flow hedges	10	4,090	6,244	1,660
		(19,939)	(12,054)	(2,013)
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans		(428)	(23,184)	(4,743)
Income tax effect on remeasurement of retirement plans	10	7,647	8,806	1,192
Tax impact on revaluation reserve	10	(1,504)	–	–
		5,715	(14,378)	(3,551)
Other comprehensive income (loss) for the year/period, net of tax		(14,224)	(26,432)	(5,564)
Total comprehensive income (loss) for the year/period		40,308	(75,427)	(55,411)
Total comprehensive income (loss) attributable to:				
Non-controlling interests		3,138	(8,615)	(4,972)
Owners of the Company		37,170	(66,812)	(50,439)
		40,308	(75,427)	(55,411)

* see Note 3.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

	Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Company			
Profit (loss) for the year/period	51,534	(43,183)	(44,774)
Other comprehensive income			
Items that will or may be reclassified subsequently to profit or loss:			
Share in currency translation differences of subsidiaries	(13,478)	(1,468)	498
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	(9,323)	(15,000)	(3,906)
Income tax effect on cash flow hedges	3,543	5,700	1,484
	(19,258)	(10,768)	(1,924)
Items that will not be reclassified to profit or loss:			
Share in remeasurement of retirement plans of subsidiaries	6,398	(12,861)	(3,741)
Share in the income tax effect on revaluation reserve of a subsidiary	(1,504)	–	–
	4,894	(12,861)	(3,741)
Other comprehensive income (loss) for the year/period, net of tax	(14,364)	(23,629)	(5,665)
Total comprehensive income (loss) for the year/period	37,170	(66,812)	(50,439)

* see Note 3.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

Group	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		← Attributable to owners of the Company									→		
2016													
At 30 April 2015, as previously reported		19,449	214,843	(46,342)	9,506	(17,231)	(11,722)	318	(629)	105,664	273,856	59,590	333,446
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(8,332)	(8,325)	(946)	(9,271)
At 30 April 2015, as restated		19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,531	58,644	324,175
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	51,534	51,534	2,998	54,532
Other comprehensive income													
Currency translation differences		–	–	(13,478)	–	–	–	–	–	–	(13,478)	2	(13,476)
Tax impact on revaluation reserve		–	–	–	(1,504)	–	–	–	–	–	(1,504)	–	(1,504)
Remeasurement of retirement plans	22	–	–	–	–	6,398	–	–	–	–	6,398	821	7,219
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(5,780)	–	–	–	(5,780)	(683)	(6,463)
Total other comprehensive income (loss)		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	–	(14,364)	140	(14,224)
Total comprehensive income (loss) for the year		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	51,534	37,170	3,138	40,308
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Acquisition of treasury shares		–	–	–	–	–	–	–	(173)	–	(173)	–	(173)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	713	–	–	713	–	713
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	189	189
Total contributions by and distributions to owners		–	–	–	–	–	–	713	(173)	–	540	189	729
At 30 April 2016	19	19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	148,866	303,241	61,971	365,212

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

		Attributable to owners of the Company											
Group	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
2015													
At 1 May 2014, as previously reported		12,975	69,205	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,276	67,603	250,879
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(3,196)	(3,189)	(348)	(3,537)
At 1 May 2014, as restated		12,975	69,205	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,087	67,255	247,342
Total comprehensive income for the year													
Loss for the year		–	–	–	–	–	–	–	–	(43,183)	(43,183)	(5,812)	(48,995)
Other comprehensive income													
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)	(187)	(1,655)
Remeasurement of retirement plans	22	–	–	–	–	(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 loss		–	–	(1,468)	–	(12,861)	(9,300)	–	–	–	(23,629)	(2,803)	(26,432)
Total comprehensive loss for the year		–	–	(1,468)	–	(12,861)	(9,300)	–	–	(43,183)	(66,812)	(8,615)	(75,427)
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	18	6,474	148,562	–	–	–	–	–	–	–	155,036	–	155,036
Transactions costs related to issuance of share capital		–	(2,924)	–	–	–	–	–	–	–	(2,924)	–	(2,924)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	144	–	–	144	–	144
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	4	4
Total contributions by and distributions to owners		6,474	145,638	–	–	–	–	144	–	–	152,256	4	152,260
At 30 April 2015, as restated	19	19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,531	58,644	324,175

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

Group	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		← Attributable to owners of the Company									→		
2014													
At 1 January 2014, as previously reported		12,975	69,205	(45,373)	9,506	(629)	–	126	(629)	185,475	230,656	(2,273)	228,383
Impact of change in accounting policy	3.6	–	–	8	–	–	–	–	–	(186)	(178)	–	(178)
At 1 January 2014, as restated		12,975	69,205	(45,365)	9,506	(629)	–	126	(629)	185,289	230,478	(2,273)	228,205
Total comprehensive income for the period													
Loss for the period		–	–	–	–	–	–	–	–	(44,774)	(44,774)	(5,073)	(49,847)
Other comprehensive income													
Currency translation differences		–	–	498	–	–	–	–	–	–	498	197	695
Remeasurement of retirement plans	22	–	–	–	–	(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 (loss)		–	–	498	–	(3,741)	(2,422)	–	–	–	(5,665)	101	(5,564)
Total comprehensive income (loss) for the period		–	–	498	–	(3,741)	(2,422)	–	–	(44,774)	(50,439)	(4,972)	(55,411)
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	26	–	–	–	–	–	–	48	–	–	48	–	48
Total contributions by and distributions to owners		–	–	–	–	–	–	48	–	–	48	74,500	74,548
At 30 April 2014, as restated	19	12,975	69,205	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,087	67,255	247,342

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2016											
At 30 April 2015, as previously reported		19,449	214,982	(46,342)	9,506	(17,231)	(11,722)	318	(629)	105,664	273,995
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(8,332)	(8,325)
At 30 April 2015, as restated		19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,670
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	51,534	51,534
Other comprehensive income											
Currency translation differences		–	–	(13,478)	–	–	–	–	–	–	(13,478)
Tax impact on revaluation reserve		–	–	–	(1,504)	–	–	–	–	–	(1,504)
Remeasurement of retirement plans	22	–	–	–	–	6,398	–	–	–	–	6,398
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(5,780)	–	–	–	(5,780)
Total other comprehensive income (loss)		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	–	(14,364)
Total comprehensive income (loss) for the year		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	51,534	37,170
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Acquisition of treasury shares		–	–	–	–	–	–	–	(173)	–	(173)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	713	–	–	713
Total contributions by and distributions to owners		–	–	–	–	–	–	713	(173)	–	540
At 30 April 2016	19	19,449	214,982	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	148,866	303,380

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2015											
At 1 May 2014, as previously reported		12,975	69,344	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,415
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(3,196)	(3,189)
At 1 May 2014, as restated		12,975	69,344	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,226
Total comprehensive income for the year											
Loss for the year		–	–	–	–	–	–	–	–	(43,183)	(43,183)
Other comprehensive income											
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)
Remeasurement of retirement plans	22	–	–	–	–	(12,861)	–	–	–	–	(12,861)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(9,300)	–	–	–	(9,300)
Total other comprehensive loss		–	–	(1,468)	–	(12,861)	(9,300)	–	–	–	(23,629)
Total comprehensive loss for the year		–	–	(1,468)	–	(12,861)	(9,300)	–	–	(43,183)	(66,812)
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	18	6,474	148,562	–	–	–	–	–	–	–	155,036
Transactions costs related to issuance of share capital		–	(2,924)	–	–	–	–	–	–	–	(2,924)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	144	–	–	144
Total contributions by and distributions to owners		6,474	145,638	–	–	–	–	144	–	–	152,256
At 30 April 2015, as restated	19	19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,670

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2014											
At 1 January 2014, as previously stated		12,975	69,344	(45,373)	9,506	(629)	–	126	(629)	185,475	230,795
Impact of change in accounting policy	3.6	–	–	8	–	–	–	–	–	(186)	(178)
At 1 January 2014, restated		12,975	69,344	(45,365)	9,506	(629)	–	126	(629)	185,289	230,617
Total comprehensive income for the period											
Loss for the period		–	–	–	–	–	–	–	–	(44,774)	(44,774)
Other comprehensive income											
Currency translation differences		–	–	498	–	–	–	–	–	–	498
Remeasurement of retirement plans	22	–	–	–	–	(3,741)	–	–	–	–	(3,741)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(2,422)	–	–	–	(2,422)
Total other comprehensive income (loss)		–	–	498	–	(3,741)	(2,422)	–	–	–	(5,665)
Total comprehensive income (loss) for the period		–	–	498	–	(3,741)	(2,422)	–	–	(44,774)	(50,439)
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	26	–	–	–	–	–	–	48	–	–	48
Total contributions by and distributions to owners		–	–	–	–	–	–	48	–	–	48
At 30 April 2014, as restated	19	12,975	69,344	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,226

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

	Note	Group Year ended 30 April 2016	Group Year ended 30 April 2015 (As restated*)	Group Four months ended 30 April 2014 (As restated*)	Company Year ended 30 April 2016	Company Year ended 30 April 2015 (As restated*)	Company Four months ended 30 April 2014 (As restated*)
Cash flows from operating activities							
Profit (Loss) for the year/period		54,532	(48,995)	(49,847)	51,534	(43,183)	(44,774)
Adjustments for:							
Amortisation of intangible assets	9	9,327	7,560	1,434	–	–	–
Depreciation of property, plant and equipment	6	64,823	51,423	13,803	–	–	–
Impairment loss (reversal of impairment) of property, plant and equipment	6	4,928	(508)	(172)	–	–	–
Loss on disposal of property, plant and equipment		1,052	1,278	41	–	–	–
Equity-settled share-based payment transactions	26	713	144	48	161	144	48
Share in loss (profit) of investments in joint ventures and subsidiaries, net of tax	30	1,717	2,453	1,154	(87,141)	10,898	37,007
Finance income	27	(2,231)	(400)	(391)	(2)	(8)	(21)
Finance expense	27	99,581	99,861	18,247	21,703	25,294	5,574
Tax expense – current	28	12,729	7,189	820	–	–	–
Tax credit – deferred	28	(4,590)	(25,106)	(25,202)	5	–	–
Ineffective portion of cash flow hedges		5,193	319	–	–	–	–
Bargain purchase on acquisition of Sager Creek	5	–	(26,568)	–	–	–	–
Defined benefit plan amendment	22	(39,422)	–	–	–	–	–
Impairment losses on assets held for sale	26	1,659	–	–	–	–	–
Deconsolidation of a subsidiary	26	–	5,186	–	–	–	–
		210,011	73,836	(40,065)	(13,740)	(6,855)	(2,166)
Changes in:							
Other assets		(13,277)	10,951	(6,867)	–	–	–
Inventories		(103,705)	128,225	92,655	–	–	–
Biological assets		(3,932)	(9,040)	(6,750)	–	–	–
Trade and other receivables		22,851	(42,480)	59,997	(2)	(6,013)	–
Prepaid expenses and other current assets		(2,787)	(18,001)	(35,519)	(83)	(90)	(40)
Trade and other payables		(97,072)	98,580	(4,119)	2,834	860	4,390
Amounts due from subsidiaries (non-trade)		–	–	–	–	–	6,412
Employee benefits		18,989	10,180	1,323	–	–	–
Operating cash flows		31,078	252,251	60,655	(10,991)	(12,098)	8,596
Taxes paid		(38)	(12,623)	(5,982)	–	–	–
Net cash flows provided by (used in) operating activities		31,040	239,628	54,673	(10,991)	(12,098)	8,596

* see Note 3.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

Years/period ended 30 April 2016, 2015 and 2014

(In US$'000)

	Note	Group: Year ended 30 April 2016	Group: Year ended 30 April 2015 (As restated*)	Group: Four months ended 30 April 2014 (As restated*)	Company: Year ended 30 April 2016	Company: Year ended 30 April 2015 (As restated*)	Company: Four months ended 30 April 2014 (As restated*)
Cash flows from investing activities							
Interest received		357	353	111	–	–	21
Proceeds from disposal of property, plant and equipment and assets held for sale		3,775	353	63	–	–	–
Purchase of property, plant and equipment		(60,309)	(75,179)	(17,980)	–	–	–
Investments in joint ventures		(1,947)	(4,249)	(2,271)	–	(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 to escrow account related to the Acquisition of Consumer Food Business		–	–	100,000	–	–	100,000
Net cash flows used in investing activities		(58,124)	(154,980)	(1,703,574)	–	(2,551)	(530,479)
Cash flows from financing activities							
Interest paid		(85,682)	(88,111)	(7,650)	(19,907)	(27,087)	(5,574)
Proceeds from borrowings		1,113,193	1,270,084	2,133,766	233,000	16,000	602,491
Repayment of borrowings		(986,800)	(1,411,388)	(558,176)	(207,000)	(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)	–
Repayment of loans to subsidiaries		–	–	–	–	–	(75,095)
Capital injection by non-controlling interests of subsidiaries		189	4	74,500	–	–	–
Acquisition of treasury shares		(173)	–	–	(173)	–	–
Payment of amounts due to subsidiaries (non-trade)		–	–	–	(6,170)	41,716	–
Decrease (increase) in due from subsidiaries (non-trade)		–	–	–	5,485	4,802	–
Net cash flows provided by (used in) financing activities		40,727	(77,299)	1,642,440	5,235	20,543	521,822
Net increase (decrease) in cash and cash equivalents		13,643	7,349	(6,461)	(5,756)	5,894	(61)
Effect of exchange rate changes held in foreign currency and translation adjustments on cash and cash equivalents		(2,058)	(132)	1,941	(9)	–	–
Cash and cash equivalents at beginning of year/period		35,618	28,401	32,921	6,126	232	293
Cash and cash equivalents at end of year/period	16	47,203	35,618	28,401	361	6,126	232

* see Note 3.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

These notes form an integral part of the financial statements.

The accompanying financial statements were approved and authorised for issuance by the Board of Directors (BOD) on 25 July 2016.

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 2016 and 2015, and 1 May 2014 held 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 2016 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$319.1 million compared to current assets as at 30 April 2016 (30 April 2015: US$154.4 million, 30 April 2014: US$620.1 million). Management believes that the Company will be able to pay its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate taking into account the following:

- the Group's net current assets position of US$147.6 million as at 30 April 2016 and the Group's expected positive cash flows from its operations;
- 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 ability of the Company to extend the maturity dates of certain of its financing facilities to more than twelve months after the reporting date.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS includes statements named IFRS, International Accounting Standards (IAS), International Financial Reporting and Interpretations Committee and Standing Interpretations Committee Interpretations issued by the International Accounting Standards Board (IASB).

3.2 Basis of measurement

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

3.3 Functional and presentation currency

The financial statements are presented in United States Dollars (US$), 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 judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, 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.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 7	–	Determination of control over subsidiaries
Note 8	–	Classification of the joint arrangement
Note 36	–	Leases: whether an arrangement contains a lease
Note 37	–	Contingencies

Estimates and underlying assumptions

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 6	–	Useful lives of property, plant and equipment
Note 7	–	Recoverability of investments in subsidiaries
Note 8	–	Recoverability of investments in joint ventures
Note 9	–	Useful lives of intangible assets and impairment of goodwill and intangible assets
Note 10	–	Realisability of deferred tax assets
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 14	–	Impairment of trade receivables
Note 22	–	Measurement of employee benefit obligations
Note 28	–	Measurement of tax
Note 35	–	Determination of fair values
Note 37	–	Provisions

3. BASIS OF PREPARATION (CONT'D)

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 Group.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. BASIS OF PREPARATION (CONT'D)

3.6 Change in accounting policy

In fiscal year 2016, the Group elected to change the method of valuing inventory to the first-in first-out (FIFO) method. Previously, the cost of finished goods inventory was based on the weighted average method. The FIFO method assumes that the items of inventory that were produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced. The Group believes that the change results in the financial statements providing more reliable and relevant information and results in a fairer and more reasonable valuation of inventory as it more closely reflects the actual physical flows of the finished goods. The Group also reclassified certain of its costs, expenses and sales deductions, based on their nature, for the year/period ended 30 April 2015 and 2014 to align with presentation for the year ended 30 April 2016.

The change in inventory costing and reclassification of accounts were applied on a retrospective basis and comparative statements for fiscal years 2015 and 2014 have been restated to reflect the changes in accounting policies. The following table summarises the material impact resulting from the above change in accounting policy:

Statements of financial position

	Group			Company		
	As previously reported US$'000	Adjustments US$'000	As restated US$'000	As previously reported US$'000	Adjustments US$'000	As restated US$'000
At 30 April 2015						
Investments in subsidiaries	–	–	–	774,123	(8,325)	765,798
Deferred tax assets – net	80,773	5,530	86,303	–	–	–
Inventories	764,350	(14,801)	749,549	–	–	–
Total assets	845,123	(9,271)	835,852	774,123	(8,325)	765,798
Retained earnings	105,664	(8,332)	97,332	105,664	(8,332)	97,332
Reserves	148,743	7	148,750	148,882	7	148,889
Non-controlling interests	59,590	(946)	58,644	–	–	–
Total equity	313,997	(9,271)	304,726	254,546	(8,325)	246,221
At 1 May 2014						
Investments in subsidiaries	–	–	–	803,514	(3,189)	800,325
Deferred tax assets – net	45,108	2,049	47,157	–	–	–
Inventories	814,257	(5,586)	808,671	–	–	–
Total assets	859,365	(3,537)	855,828	803,514	(3,189)	800,325
Retained earnings	143,711	(3,196)	140,515	143,711	(3,196)	140,515
Reserves	26,590	7	26,597	26,729	7	26,736
Non-controlling interests	67,603	(348)	67,255	–	–	–
Total equity	237,904	(3,537)	234,367	170,440	(3,189)	167,251

3. BASIS OF PREPARATION (CONT'D)

3.6 Change in accounting policy (cont'd)

Income statements

	Group			Company		
	As previously reported US$'000	**Adjustments US$'000**	**As restated US$'000**	**As previously reported US$'000**	**Adjustments US$'000**	**As restated US$'000**
For the year ended 30 April 2015						
Revenue	2,159,375	27,314	2,186,689	–	–	–
Cost of sales	(1,769,516)	(9,015)	(1,778,531)	–	–	–
Distribution and selling expenses	(145,877)	(53,283)	(199,160)	–	–	–
General and administrative expenses	(216,289)	25,397	(190,892)	–	–	–
Other income (expenses) – net	16,520	376	16,896	–	–	–
Share of loss in investments in subsidiaries and joint ventures, net of tax	–	–	–	(5,762)	(5,136)	(10,898)
Tax (expense) credit – net	14,440	3,477	17,917	–	–	–
Loss for the year	(43,261)	(5,734)	(48,995)	(38,047)	(5,136)	(43,183)
Non-controlling interests	(5,214)	(598)	(5,812)	–	–	–
Owners of the Company	(38,047)	(5,136)	(43,183)	(38,047)	(5,136)	(43,183)
For the four months ended 30 April 2014						
Revenue	378,799	7,329	386,128	–	–	–
Cost of sales	(342,698)	(5,593)	(348,291)	–	–	–
Distribution and selling expenses	(32,541)	(7,089)	(39,630)	–	–	–
Other income (expenses) – net	(5,923)	(48)	(5,971)	–	–	–
Share of loss in investments in joint ventures and subsidiaries, net of tax	–	–	–	(33,997)	(3,010)	(37,007)
Tax (expense) credit – net	22,339	2,043	24,382	–	–	–
Loss for the period	(46,489)	(3,358)	(49,847)	(41,764)	(3,010)	(44,774)
Non-controlling interests	(4,725)	(348)	(5,073)	–	–	–
Owners of the Company	(41,764)	(3,010)	(44,774)	(41,764)	(3,010)	(44,774)

Earnings per share

	Group		
	As previously reported	**Adjustments**	**As restated**
For the year ended 30 April 2015			
Basic loss per share (US cents)	(2.74)	(0.36)	(3.10)
Diluted loss per share (US cents)	(2.74)	(0.36)	(3.10)
For the four months ended 30 April 2014			
Basic loss per share (US cents)	(3.22)	(0.23)	(3.45)
Diluted loss per share (US cents)	(3.22)	(0.23)	(3.45)

3. BASIS OF PREPARATION (CONT'D)

3.6 Change in accounting policy (cont'd)

The change in accounting policy has no significant impact in the statements of cash flows for the year/period ended 30 April 2015 and 2014.

3.7 Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Group has adopted the following standards, amendments to standards, including any consequential amendments to other standards, and interpretations with a date of initial application of 1 May 2015. The adoption of these new standards, amendments to standards, interpretations has no significant impact to the Group.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs: 2010 – 2012 and 2011 – 2013 Cycles – Amendments were made to a total of nine standards, with changes made to the standards on business combinations and fair value measurement in both cycles. Earlier application is permitted, in which case the related consequential amendments to other IFRSs would also apply. Special transitional requirements have been set for amendments to the following standards: IFRS 2, IAS 16, IAS 38 and IAS 40. The following are the said improvements or amendments to IFRSs, none of which has a significant effect on the financial statements of the Group:

(i) *Meaning of 'vesting condition'* (*Amendment to IFRS 2*). IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition.' The amendment also clarifies both: how to distinguish between a market and a non-market performance condition; and the basis on which a performance condition can be differentiated from a non-vesting condition.

(ii) *Classification and measurement of contingent consideration* (*Amendments to IFRS 3*). The amendments clarify the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to *IAS 32 Financial Instruments: Presentation*, rather than to any other IFRSs. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognised in profit or loss.

Consequential amendments are also made to *IAS 39 Financial Instruments: Recognition and Measurement* and *IFRS 9 Financial Instruments* to prohibit contingent consideration from subsequently being measured at amortised cost. In addition, *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* is amended to exclude provisions related to contingent consideration.

(iii) *Scope exclusion for the formation of joint arrangements (Amendment to IFRS 3*). IFRS 3 has been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in *IFRS 11 Joint Arrangements* – i.e. including joint operations – in the financial statements of the joint arrangements themselves.

(iv) *Disclosures on the aggregation of operating segments* (*Amendment to IFRS 8*). IFRS 8 has been amended to explicitly require the disclosure of judgements made by management in applying the aggregation criteria. The disclosures include: a brief description of the operating segments that have been aggregated; and the economic indicators that have been assessed in determining that the operating segments share similar economic characteristics. In addition, this amendment clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

3. BASIS OF PREPARATION (CONT'D)

3.7 Adoption of New or Revised Standards, Amendments to Standards and Interpretations (cont'd)

(v) *Restatement of accumulated depreciation (amortisation) on revaluation* (*Amendments to IAS 16 and IAS 38*). The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognising that the restatement of accumulated depreciation (amortisation) is not always proportionate to the change in the gross carrying amount of the asset. IAS 16 and IAS 38 have been amended to clarify that, at the date of revaluation: the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset – e.g. restated in proportion to the change in the carrying amount or by reference to observable market data; and the accumulated depreciation (amortisation) is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or the accumulated depreciation (amortisation) is eliminated against the gross carrying amount of the asset.

(vi) *Definition of 'related party' (Amendment to IAS 24).* The definition of a 'related party' is extended to include a management entity that provides key management personnel (KMP) services to the reporting entity, either directly or through a group entity. For related party transactions that arise when KMP services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognised as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the KMP services. The reporting entity will also need to disclose other transactions with the management entity under the existing disclosure requirements of IAS 24 – e.g. loans.

(vii) *Inter-relationship of IFRS 3 and IAS 40 (Amendment to IAS 40)*. IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination. Entities will still need to use judgement to determine whether the acquisition of an investment property is an acquisition of a business under IFRS 3.

(viii) *Scope of portfolio exception (Amendment to IFRS 13).* IFRS 13 has been amended to clarify that the portfolio exception can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39.

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 change in accounting policy.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

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) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee (i.e. existing rights that give the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than majority of the voting rights or similar rights to an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated from the date control is transferred out of the Company. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

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) 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.

(vi) 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.

(vii) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(viii) Investments in subsidiaries and joint ventures in the separate financial statements

Interest in subsidiaries and joint ventures are accounted for using the equity method. The Company early adopted the amendments to *IAS 27 Equity Method in Separate Financial Statements*. 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 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 Company has an obligation to fund the investee's operations or has made payments on behalf of the investee.

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 (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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency (cont'd)

(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.

In 2015, the Group deconsolidated its subsidiary which has operations in Venezuela. Venezuela is a hyperinflationary economy. The Venezuelan exchange control regulations have resulted in other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US Dollars. 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 (Note 7).

4.3 Current versus Noncurrent Classification

The Group presents assets and liabilities in the statements of financial position based on current/noncurrent classification. An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and deferred tax liabilities are classified as noncurrent assets and liabilities, respectively.

4.4 Intangible assets

(i) Indefinite intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Intangible assets (cont'd)

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

4.5 Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss (FVPL), held-to-maturity (HTM) financial assets, loans and receivables and available-for-sale (AFS) financial assets. The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Classification is determined at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date. The Group has no financial assets and liabilities at FVPL, HTM financial assets, and AFS financial assets as at 30 April 2016 and 2015, and 1 May 2014.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

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 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, are 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 an enforceable 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. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

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 loans and borrowings, and trade and other payables.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 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.

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

Buildings, land improvements and leasehold improvements	– 3 to 50 years or lease term, whichever is shorter
Machineries and equipment	– 3 to 30 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 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 Group'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 that are expected to be harvested within 12 months are classified as current assets in the statement of financial position.

Dairy and Breeding Herd

The dairy and breeding 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. Dairy and breeding herd are classified under property, plant and equipment in the statement 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 noncurrent assets in the statement of financial position.

Cattle for Slaughter

Cattle for slaughter are 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 are classified as current assets in the statement of financial position.

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

Agricultural Produce

The Group'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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;

(b) A renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;

(c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or

(d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as Lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

4.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of raw materials, packaging materials, traded goods, cost of production materials and storeroom items is based on the FIFO 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.

4.10 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)

4.10 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 judgement 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Joint ventures (cont'd)

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 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 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.

4.11 Noncurrent assets held for sale

Noncurrent 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 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.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

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. The Group accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as other defined benefit plan. For certain union employee related retirement plans, except when sufficient information is not available to use defined benefit accounting, in such which case the Group accounts for a plan as if it was a defined contribution plan.

(iii) Other plans

The Group 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 Group's qualified retirement plans. These plans are unfunded and comply with Internal Revenue Service (IRS) rules for non-qualified plans.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Employee benefits (cont'd)

(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 demonstrably committed, 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 are recognised as an expense once the Group has announced the plan to affected employees.

(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 Group 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 recognised over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is recognised over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Group 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 as a corresponding adjustment to equity over the remaining vesting period.

4.13 Share Capital and Retained earnings

(i) Share capital

Ordinary shares

Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. 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)

4.13 Share Capital and Retained earnings (cont'd)

(i) Share capital (cont'd)

Share premium

Share premium represents the excess of consideration received over the par value of common stock.

(ii) Retained Earnings

Retained earnings include profit attributable to the equity holders of the Group and reduced by dividends declared on share capital.

(iii) Dividends

Dividends are recognised as a liability and deducted from retained earnings when they are declared.

4.14 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. These 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. 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.

4.15 Revenue recognition

(i) Sale 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Revenue recognition (cont'd)

(ii) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

4.16 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.

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.

4.17 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.

4.18 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Tax (cont'd)

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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 judgements about future events. New information may become available that causes the Group to change its judgement 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.

4.19 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.

4.20 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.

4.21 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 New standards and interpretations issued but not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 May 2016. However, the Group has not applied the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's financial statements.

- *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).* The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interests in the joint operation will not be remeasured.

  The amendments place the focus firmly on the definition of a business, because this is key to determining whether the acquisition is accounted for as a business combination or as the acquisition of a collection of assets. As a result, this places pressure on the judgement applied in making this determination.

  The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group is currently assessing the impact of these amendments to *IAS 16 Property, Plant and Equipment* and *IAS 41 Agriculture* on its financial position and financial performance.

- *Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41).* 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. 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.

  The Group is currently assessing the impact of these amendments to IAS 16 and IAS 41 on its financial position and financial performance.

- *Annual Improvements to IFRSs 2012 – 2014 Cycle.* This cycle of improvements contains amendments to four standards, none of which are expected to have significant impact on the Group's financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

  - *Changes in method for disposal (Amendment to IFRS 5).* IFRS 5 is amended to clarify that:

    - if an entity changes the method of disposal of an asset (or disposal group) – i.e. reclassifies an asset (or disposal group) from held-for-distribution to owners to held-for-sale (or vice versa) without any time lag – then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset (or disposal group) and recognises any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset (or disposal group); and

    - if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

    Any change in method of disposal or distribution does not, in itself, extend the period in which a sale has to be completed.

    The amendment to IFRS 5 is applied prospectively in accordance with IAS 8 to changes in methods of disposal that occur on or after 1 January 2016.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 New standards and interpretations issued but not yet adopted (cont'd)

- *Offsetting disclosures in condensed interim financial statements (Amendment to IFRS 7).* IFRS 7 is also amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of *IAS 34 Interim Financial Reporting* require their inclusion.

  The amendment to IFRS 7 is applied retrospectively, in accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.*

- *Disclosure of information "elsewhere in the interim financial report' (Amendment to IAS 34).* IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report" – i.e. incorporated by cross-reference from the interim financial statements to another part of the interim financial report (e.g. management commentary or risk report). The interim financial report is incomplete if the interim financial statements and any disclosure incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

  The amendment to IAS 34 is applied retrospectively, in accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.*

- *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)* clarifies that:

  - A subsidiary that provides investment–related services should not be consolidated if the subsidiary itself is an investment entity.

  - The exemption from preparing consolidated financial statements for an intermediate held by an investment entity, even though the investment entity does not consolidate the intermediate.

  - When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

  The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

- *Disclosure Initiative (Amendments to IAS 1)* addresses some concerns expressed about existing presentation and disclosure requirements and to ensure that entities are able to use judgement when applying IAS 1. The amendments clarify that:

  - Information should not be obscured by aggregating or by providing immaterial information.

  - Materiality considerations apply to all parts of the financial statements, even when a standard requires a specific disclosure.

  - The list of line items to be presented in the statement of financial position and statement of profit or loss and other comprehensive income can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

  - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

  The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 New standards and interpretations issued but not yet adopted (cont'd)

Effective 1 May 2018

- *IFRS 9 Financial Instruments (2014).* IFRS 9 (2014) 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 on its financial statements resulting from the application of IFRS 9.

- *IFRS 15 Revenue from Contract with Customers.* IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to customers. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

  IFRS 15 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact of the IFRS 15 and plans to adopt this new standard on revenue on the required effective date.

Effective 1 May 2019

- *IFRS 16 Leases* supersedes IAS 17 *Leases* and the related Philippine Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognised on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low-value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgemental thresholds that affect the identification, classification and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgements at each reporting date were introduced.

  IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the potential impact of IFRS 16 and plans to adopt this new standard on leases on the required effective date.

5. ACQUISITION OF BUSINESS

(i) Acquisition of Sager Creek

The Group, through its wholly-owned U.S. subsidiary, Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.), has acquired Sager Creek Vegetable Company's ("Sager Creek") vegetable business effective 10 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 10 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 for the year ended 30 April 2015 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 was US$75.0 million and subject to post closing working capital adjustments.

(b) Acquisition-related costs

The Group incurred acquisition-related costs in respect of the acquisition of Sager Creek amounting to US$0.5 million and US$0.8 million for the years ended 30 April 2016 and 2015, respectively. These costs, which include external legal fees and due diligence costs, are included as part of "General and administrative expenses" account in the consolidated income statement.

(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:

	Note	Fair values recognised on acquisition 10 March 2015 US$'000
Property, plant and equipment	6	39,511
Intangible assets	9	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$13.5 million was assigned to customer relationships and US$11.9 million was assigned to trademarks and trade names.

5. ACQUISITION OF BUSINESS (CONT'D)

(i) Acquisition of Sager Creek (cont'd)

(c) Identifiable assets acquired and liabilities assumed (cont'd)

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 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) 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)

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 gain on bargain purchase is included as part of "Other income (expenses) – net" account in the 2015 consolidated income statement. The Group believes that 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 Consumer Food Business

On 10 October 2013, the Company and the Group's wholly owned subsidiary, DMFI entered into a purchase agreement with Del Monte Corporation, now known as The J.M. Smucker Company or "Smucker's" (also formerly 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 gained access to a well-established, attractive and profitable branded consumer business in the US. The Group generated 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 realised synergies by leveraging its vertical integration, benefiting from economies of scale and value-added expansion and optimising operations over time.

5. ACQUISITION OF BUSINESS (CONT'D)

(ii) Acquisition of Consumer Food Business (cont'd)

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 and DMFI. 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

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. 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.

In March 2015, the parties submitted this dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement. On 25 April 2016, the parties entered into a settlement agreement, under which the Seller paid/refunded to DMFI US$38.0 million in full satisfaction of the post-closing working capital amount adjustment under the Purchase Agreement. The resulting settlement gain is included as part of "Other income (expenses) – net" account in the consolidated income statement for the financial year ended 30 April 2016.

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 were transferred to DMFI. The loss of US$1.2 million on settlement of the pre-existing relationship is included as part of "Other income (expenses) – net" account in the consolidated 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.

5. ACQUISITION OF BUSINESS (CONT'D)

(ii) Acquisition of Consumer Food Business (cont'd)

(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$33.4 million) of acquisition-related costs in respect of the Acquisition. These costs, which include external legal fees and due diligence costs, are included as part of "General and administrative expenses" account in the consolidated income statements.

(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) 18 February 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		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 Consumer Food Business, 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 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.

5. ACQUISITION OF BUSINESS (CONT'D)

(ii) *Acquisition of Consumer Food Business (cont'd)*

(c) Identifiable assets acquired and liabilities assumed (cont'd)

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

During the fiscal year 2015, 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. In the same year, 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.

(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 – NET

Group	At cost: Buildings, land improvements and leasehold improvements US$'000	At cost: Machineries and equipment US$'000	At cost: Dairy and breeding herd US$'000	At cost: Construction -in-progress US$'000	Valuation: Freehold land US$'000	Total US$'000
Cost/Valuation						
At 1 May 2015	203,068	465,657	228	29,781	72,068	770,802
Additions	2,895	8,255	–	50,860	–	62,010
Disposals	(727)	(4,180)	–	–	–	(4,907)
Reclassifications	9,173	38,489	–	(41,877)	(5,785)	–
Currency realignment	(2,098)	(9,008)	(11)	(473)	(521)	(12,111)
At 30 April 2016	212,311	499,213	217	38,291	65,762	815,794
At 1 May 2014	181,123	369,478	229	33,100	57,608	641,538
Additions through business combinations	14,603	10,462	–	–	14,446	39,511
Additions	3,998	14,367	–	77,075	9	95,449
Disposals	(140)	(5,615)	–	–	–	(5,755)
Reclassifications	3,481	76,921	–	(80,402)	–	–
Currency realignment	3	44	(1)	8	5	59
At 30 April 2015	203,068	465,657	228	29,781	72,068	770,802
Cost/Valuation						
At 1 January 2014	34,234	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	25	368	–	19,380	–	19,773
Disposals	–	(373)	–	–	–	(373)
Reclassifications	2,058	12,014	–	(14,072)	–	–
Currency realignment	(111)	375	(1)	(51)	(21)	191
At 30 April 2014	181,123	369,478	229	33,100	57,608	641,538
Accumulated depreciation and impairment losses						
At 1 May 2015	25,940	166,275	228	–	–	192,443
Charge for the year	11,692	53,131	–	–	–	64,823
Impairment loss	2,159	2,379	–	–	390	4,928
Disposals	(334)	(2,310)	–	–	–	(2,644)
Currency realignment	(819)	(6,540)	(11)	–	–	(7,370)
At 30 April 2016	38,638	212,935	217	–	390	252,180

6. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

	At cost				Valuation	
Group	**Buildings, land improvements and leasehold improvements US$'000**	**Machineries and equipment US$'000**	**Dairy and breeding herd US$'000**	**Construction -in-progress US$'000**	**Freehold land US$'000**	**Total US$'000**
Accumulated depreciation and impairment losses						
At 1 May 2014	15,914	120,442	229	–	–	136,585
Charge for the year	10,316	50,355	–	–	–	60,671
Reversal of impairment loss	(205)	(303)	–	–	–	(508)
Disposals	(6)	(4,145)	–	–	–	(4,151)
Currency realignment	(79)	(74)	(1)	–	–	(154)
At 30 April 2015	25,940	166,275	228	–	–	192,443
At 1 January 2014	13,740	109,698	230	–	–	123,668
Charge for the period	2,285	11,518	–	–	–	13,803
Reversal of impairment loss	(67)	(105)	–	–	–	(172)
Disposals	–	(371)	–	–	–	(371)
Currency realignment	(44)	(298)	(1)	–	–	(343)
At 30 April 2014	15,914	120,442	229	–	–	136,585
Carrying amounts						
At 30 April 2016	173,673	286,278	–	38,291	65,372	563,614
At 30 April 2015	177,128	299,382	–	29,781	72,068	578,359
At 1 May 2014	165,209	249,036	–	33,100	57,608	504,953

As at 30 April 2016 and 2015 and 1 May 2014, 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 land held by the Group as at 30 April 2016 in various locations:

Located in	**Valuation US$'000**	**Date of valuation**
The Philippines	6,853	31 December 2013
United States of America (Consumer Foods Business)	42,264	17 February 2014
United States of America (Sager Creek)	14,446	30 April 2015
Singapore	8,505	31 December 2013
	72,068	

The Group engaged independent appraisers to determine the fair values of its freehold land. Revaluations are performed at regular intervals to ensure that the fair value of the freehold land does not differ materially from its carrying amount. Management evaluated that the fair values of freehold land at the respective valuation dates approximate their fair values as of the reporting date. The assumptions used in determining the fair value are disclosed in Note 35.

6. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

The carrying amount of the freehold land of the Group as at 30 April 2016 would be US$58.7 million (30 April 2015: US$59.1 million, 30 April 2014: US$44.7 million) had the freehold land been carried at cost less impairment losses.

Plant closure

In April 2016, the Group announced its intention to close Sager Creek's plant in Turkey, North Carolina and has started implementation of its termination plan following the approval by the Board of Directors after the plant continued to experience sub-optimal production activities despite efforts to improve operations. The Group closed the plant's canning facilities and the remainder of the production lines are in the process of being redeployed to other production locations as at period end.

In connection with the plant closure, the Group recognised impairment loss on related property, plant and equipment amounting to US$4.9 million (Note 26) (presented under "general and administrative expenses"). Further, the plant closure resulted in the recognition of inventory writedown amounting to US$5.5 million and additional environmental remediation liabilities amounting to US$1.8 million (Note 23).

Under the termination plan, approximately 300 employees are expected to be terminated in fiscal year 2017. The Group recognised provisions for employee severance benefits amounting to US$1.4 million, with US$1.2 million outstanding as at 30 April 2016 (presented under "Employee benefits"). Related equipment removal costs amounting to US$2.3 million, together with other related costs, were recognised and included under "Trade and other payables". These expenditures are expected to be incurred in 2017.

Source of estimation uncertainty

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, 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. INVESTMENTS IN SUBSIDIARIES

	30 April 2016 US$'000	30 April 2015 US$'000 (As restated*)	1 May 2014 US$'000 (As restated*)
Unquoted equity shares, at cost	640,699	640,699	640,699
Amounts due from subsidiaries (non-trade)	75,243	75,243	75,243
	715,942	715,942	715,942
Accumulated share of profit of subsidiaries, net of dividend declaration and tax	113,337	115,638	126,536
Accumulated share of other comprehensive loss of subsidiaries, net of tax	(80,146)	(65,782)	(42,153)
Interests in subsidiaries	749,133	765,798	800,325

* 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 investments in the subsidiaries.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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 2016 %	30 April 2015 %	1 May 2014 %
Held by the Company					
Del Monte Pacific Resources Limited ("DMPRL") [5]	Investment holding	British Virgin Islands	100.00	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [2]	Investment holding	Singapore	100.00	100.00	100.00
DMPL Management Services Pte Ltd ("DMPL Mgt Svcs") [2]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00
GTL Limited ("GTL Ltd") [6]	Trading food products mainly under the brand names, "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	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") [7]	Investment holding	British Virgin Islands	89.43	89.43	89.43
Held by DMPRL					
Central American Resources, Inc ("CARI")[6]	Investment holding	Panama	100.00	100.00	100.00
Held by CARI					
Del Monte Philippines, Inc ("DMPI") [1]	Growing, processing and distribution of food products mainly under the brand name "Del Monte".	Philippines	100.00	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00	100.00
Pacific Brands Philippines, Inc [7]	Inactive	State of Delaware, U.S.A.	100.00	100.00	100.00
South Bukidnon Fresh Trading Inc ("SBFTI") [c] [1]	Production, packing, sale and export of food products	Philippines	100.00	100.00	–

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
Held by DMPLI					
Del Monte Foods India Private Limited ("DMFIPL") [a] [4]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100.00	100.00	100.00
DMPL India Limited [4]	Investment holding	Mauritius	94.45	94.20	93.90
Held by DMPI					
Philippines Packing Management Services Corporation ("PPMSC") [1]	Management, logistics and support services	Philippines	100.00	100.00	100.00
Del Monte Txanton Distribution Inc ("DMTDI") [b] [1]	Trading, selling and distributing food, beverages and other related products	Philippines	40.00	40.00	–
Held by Dewey					
Dewey Sdn. Bhd. [3]	Owner of various trademarks	Malaysia	100.00	100.00	100.00
Held by DMPLFL					
Del Monte Foods Holdings Limited ("DMFHL") [1]	Investment holding	British Virgin Islands	89.43	89.43	89.43
Held by DMFHL					
Del Monte Foods Holdings Inc. ("DMFHI") [5]	Investment holding	State of Delaware, U.S.A.	89.43	89.43	–
Held by DMFHI					
Del Monte Foods Inc. ("DMFI") [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A	89.43	89.43	89.43
Held by DMFI					
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	89.43	89.43	–
Del Monte Andina C.A. [5]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–	89.43
Del Monte Colombiana S.A. [3]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	81.97	81.97	89.40
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA) [3]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	89.43	89.43	89.43
Del Monte Peru S.A.C. [4]	Distribution food, beverages and other related products	Peru	89.43	89.43	89.43

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
Held by DMFI (cont'd)					
Del Monte Ecuador DME C.A. [4]	Distribution food, beverages and other related products	Ecuador	89.43	89.43	89.43
Hi-Continental Corp. [4]	Lessee of real property	State of California, U.S.A.	89.43	89.43	89.43
College Inn Foods [4]	Inactive	State of California, U.S.A.	89.43	89.43	89.43
Contadina Foods, Inc.[4]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43
S&W Fine Foods, Inc. [4]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43
Held by Del Monte Andina C.A.					
Del Monte Argentina S.A. [3]	Inactive	Argentina	–	–	89.43

[a] 0.1% held by DMPRL.
[b] DMTDI is consolidated as the Group has de facto control over the entity.
Management believes that the Group has control over DTMTDI since it is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over DMTDI.
[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. Effective 1 May 2015, SBFTI is held by CARI.
[1] Audited by SyCip Gorres Velayo & Co. ("SGV").
[2] Audited by Ernst and Young LLP ("EY") Singapore.
[3] Audited by Ernst & Young member firms in the respective countries.
[4] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[5] Not required to be audited in the country of incorporation. Audited by SGV for the purpose of group reporting.
[6] Not required to be audited in the country of incorporation. Audited by Ernst and Young LLP, Singapore for the purpose of group reporting.
[7] Not required to be audited in the country of incorporation.

The Company regularly reassesses whether it controls an investee of facts and circumstances indicate that there are changes to one or more of the three elements of control listed on Note 4. The Company determined that it exercised control on all its subsidiaries as it has all elements of control.

In fiscal year 2015, the Group deconsolidated its subsidiary, Del Monte Andina C.A., an entity which has operations in Venezuela. Venezuela has a hyperinflationary economy. The Venezuelan exchange control regulations have resulted in other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US Dollars. 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. The investment is 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 part of "Other income (expenses) – net" in the 2015 income statement (Note 26).

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Prior to deconsolidation, the Group treated Venezuela as a highly inflationary economy based upon the three-year cumulative inflation rate, effective as of 18 February 2014, the date of the completion of the acquisition of the Consumer Food Business. The functional currency for the Group's Venezuelan subsidiary is the Venezuelan Bolivar. Management has restated the subsidiary's financial statements, whereby financial information recorded in the hyperinflationary currency is adjusted using the current cost approach by applying the Venezuelan National Consumer Price Index to calculate the inflation adjustment factor of 1.10 and expressed this in the measuring unit (the hyperinflationary currency) current at the end of the reporting period. The Group used the official SICAD I rate to translate these financial statements for purposes of consolidation. The financial statements for the South American entity are based on a historical cost basis.

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. INVESTMENTS IN JOINT VENTURES

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
FieldFresh Foods Private Limited ("FFPL") *	Production and sale of fresh and processed fruits and vegetable food products	India	47.23	47.08	46.95
Nice Fruit Hong Kong Limited (NFHKL) #	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00	–

* Audited by Deloitte Haskins & Sells, Gurgaon, India.
# Audited by Ernst and Young Hong Kong. Not material to the Group as at 30 April 2016.

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

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 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Revenue	65,838	62,285	18,966
Loss from continuing operations [a]	(3,398)	(4,564)	(2,307)
Other comprehensive income	(3)	(369)	(794)
Total comprehensive income	(3,401)	(4,933)	(3,101)
[a] Includes:			
– depreciation	168	264	28
– interest expense	2,605	2,876	275
Non-current assets	17,110	18,365	20,319
Current assets [b]	23,842	19,292	19,906
Non-current liabilities [c]	(25,271)	(25,821)	(29,277)
Current liabilities [d]	(14,283)	(10,807)	(8,720)
Net assets	1,398	1,029	2,228
Includes			
[b] Cash and cash equivalents	96	70	40
[c] Non-current financial liabilities (excluding trade and other payables)	13,548	25,821	29,277
[d] Current financial liabilities (excluding trade and other payables)	11,727	–	5,151
Group's interest in net assets of FFPL at beginning of the year/period	20,419	21,008	20,193
Capital injection during the year	1,950	1,694	2,271
Group's share of:			
– loss from continuing operations	(1,705)	(2,149)	(1,083)
– other comprehensive income	(3)	(134)	(373)
– total comprehensive income	(1,708)	(2,283)	(1,456)
Carrying amount of interest at end of the year/period	20,661	20,419	21,008

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

The summarised financial information of an immaterial joint venture, NFHKL, not adjusted for the percentage ownership held by the Group, is as follows:

	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Group's interest in net assets of NFHKL at beginning of the year/period	2,171	–
Capital injection during the year	–	2,552
Group's share of:		
– loss from continuing operations	(12)	(171)
– other comprehensive income	–	(210)
– total comprehensive income	(12)	(381)
Carrying amount of interest at end of the year/period	2,159	2,171

Determination of the type of joint arrangement

The Group determines the classification of a joint venture depending upon the parties' rights and obligations arising from the arrangement in the normal course of business. When making an assessment, the Group considers the following:

(a) the structure of the joint arrangement.
(b) when the joint arrangement is structured through a separate vehicle:

i. the legal form of the separate vehicle;
ii. the terms of the contractual arrangement; and
iii. when relevant, other facts and circumstances.

The Group determined that its interests in FFPL and NFHKL are joint ventures as the arrangements are structured in a separate vehicle and that it has rights to the net assets of the arrangements. The terms of the contractual arrangements do not specify that the parties have rights to the assets and obligations for the liabilities relating to the arrangements.

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.

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

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 2016 %	30 April 2015 %	1 May 2014 %
Discount rate	22.5	17.1	14.3
Revenue growth rate	19.0 – 21.0	16.0 – 21.0	22.0 – 40.0
Terminal growth rate	5.0	5.0	5.0

The fiscal year 2016 discount rate is a pre-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 32.6% (2015: 57%) at a market interest rate of 10.0% (2015: 12.2%).

Revenue growth rate is expressed as 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 19% (2015:16%) 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 the Indian Economy which management believed was consistent with the assumption that a market participant would make.

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 2016 %	30 April 2015 %	1 May 2014 %
Group			
Discount rate	0.1	0.7	2.1
Revenue growth rate	(0.2)	(0.3)	(1.6)

9. INTANGIBLE ASSETS AND GOODWILL

	Goodwill US$'000	Indefinite life trademarks US$'000	Amortisable trademarks US$'000	Customer relationships US$'000	Total US$'000
Cost					
At 1 May 2015	203,432	394,000	58,210	120,500	776,142
Adjustment	–	14,043	(22,130)	–	(8,087)
At 30 April 2016	203,432	408,043	36,080	120,500	768,055
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
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
Accumulated amortisation					
At 1 May 2015	–	–	9,907	6,535	16,442
Amortisation	–	–	2,276	7,051	9,327
Adjustment	–	–	(8,087)	–	(8,087)
At 30 April 2016	–	–	4,096	13,586	17,682
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
At 1 January 2014	–	–	7,448	–	7,448
Amortisation	–	–	430	1,004	1,434
At 30 April 2014	–	–	7,878	1,004	8,882
Carrying amounts					
At 30 April 2016	203,432	408,043	31,984	106,914	750,373
At 30 April 2015	203,432	394,000	48,303	113,965	759,700
At 1 May 2014	204,335	394,000	38,432	105,996	742,763

9. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Goodwill

Goodwill arising from the acquisition of Consumer Food Business (Note 5) was allocated to DMFI and its subsidiaries, which is considered as one CGU.

Indefinite life trademarks

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks on a royalty free basis.

America trademarks

The indefinite life trademarks arising from the acquisition of Consumer Food Business (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.

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").

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.

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.

Impairment Test

Management has performed impairment testing for all indefinite life trademarks and concluded that no impairment exist at the reporting date. The "Del Monte" and "College Inn" trademarks in the United States are included in the DMFI CGU containing goodwill for the impairment assessment as described above. The Indian sub-continent trademark and the investment in FFPL were allocated to Indian sub-continent CGU (Note 8).

During the period ended 27 April 2014, no impairment test was performed on goodwill and America trademarks with indefinite useful life given the recent acquisition of Consumer Food Business (Note 5). In 2016 and 2015, the recoverable amount of the CGU was based on fair value less costs of disposal, being greater than the Value-in-use (VIU):

	30 April 2016 US$'000	**30 April 2015 US$'000**
Value-in-use	1,950,000	1,840,000
Fair value less costs of disposal	2,110,000	2,060,000
Recoverable amount	2,110,000	2,060,000

9. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

As of valuation date in January 2016 and 2015, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$275.8 million and US$313.2 million, respectively.

Value-in-use

The VIU 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.

	2016 %	**2015** %
Discount rate	8.0	8.0
Terminal value growth rate	2.0	2.0
Budgeted EBITDA growth rate (average of next five years)	7.9	21.6

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 35% (30 April 2015: 41%) at a risk free interest rate of 4% (30 April 2015: 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.

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.

Fair value less costs of disposal

Fair value less costs of disposal is determined using the market approach, which makes use of prices and other relevant information generated by market transactions involving similar companies.

The Market Comparable Method was used in applying the Market Approach, making use of market price data of companies engaged in the same or similar line of business as that of the Company. Stocks of these companies are traded in a free and open market or in private transactions. The process involves the identification of comparable companies, calculation and application of market multiples representing ratios of invested capital or equity to financial measures of the Company, application of an appropriate control premium to the companies being compared, and adjustment for any non-operating assets or liabilities or working capital excess/deficit to arrive at an indication of Business Enterprise Value.

The approach involves the use of both observable inputs and unobservable inputs (e.g. projected revenue and EBITDA, and adjusted market multiples). Accordingly, the fair value measurement is categorised under level 3 of the fair value hierarchy.

Comparable companies were selected from comprehensive lists and directories of public companies in the packaged foods industry. Potential comparable companies were analysed based on various factors, including, but not limited to, industry similarity, financial risk, company size, geographic diversification, profitability, growth characteristics, financial data availability, and active trading volume. The following comparable companies were selected:

- B&G Foods Inc.
- Campbell Soup Company
- ConAgra Foods, Inc.
- General Mills, Inc.
- Hormel Foods Corporation
- Seneca Foods Corp.
- Treehouse Foods, Inc.

9. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Calculation of the market multiples considered Market Value of Invested Capital (MVIC), the sum of the market values of a comparable company's common stock, interest-bearing debt and preferred stock, assuming that the book value of the comparable companies' debt approximated the market value of the debt. Adjustments to the market multiples were made to reflect the difference between the estimated size of the Company and each comparable company, improving comparability based on relative size difference prospects. Relative size adjustment factors were calculated based on a regression of a Price / Earnings ratio using size as an independent variable. The market multiples selected and applied to the Company's financial results in the analysis were as follows:

	2016		2015	
	Selected multiple	**Assigned weight**	**Selected multiple**	**Assigned weight**
MVIC/Revenue – Last twelve months	1.1x	25%	1.0x	33%
MVIC/Revenue – Projected	0.9x	25%	0.9x	33%
MVIC/EBITDA – Last twelve months	15.7x	25%	15.2x	0%
MVIC/EBITDA – Projected	11.9x	25%	12.3x	33%

Sensitivity analysis

Management has identified that a reasonably possible change in the market multiples could cause the carrying amount to exceed the recoverable amount. The following table shows the amount to which the market multiples would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	Breakeven Multiple
MVIC/Revenue – Last twelve months	0.9x
MVIC/Revenue – Projected	0.8x
MVIC/EBITDA – Last twelve months	15.7x
MVIC/EBITDA – Projected	8.5x

Source of estimation uncertainty

Goodwill and the indefinite life trademarks are assessed for impairment annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

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 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.

9. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Amortisable trademarks

	Net carrying amount			Remaining amortisation period (years)		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	2016	2015	2014
Indian sub-continent trademark	–	4,111	4,301	–	21.7	22.7
The Philippines trademarks	–	1,773	1,887	–	15.7	16.7
Asia S&W trademark	39	8,216	8,484	2.2	32.7	33.7
America S&W trademark	1,563	1,763	1,963	7.8	8.8	9.8
America Contadina trademark	19,597	20,697	21,797	17.8	18.8	19.8
Sager Creek trademarks	10,785	11,743	–	10.9	11.9	–
	31,984	48,303	38,432			

In 2016, "Del Monte" trademark in the Philippines and India and "S&W" trademark in Asia excluding label development were reclassified to indefinite life trademarks. This change in estimated useful life resulted in a decrease in amortisation expense by US$0.6 million in 2016.

Asia S&W trademark

The amortisable trademark pertains to "Label Development" trademark.

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.

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.

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)		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	2016	2015	2014
DMFI customer relationships	95,313	100,663	105,996	17.8	18.8	19.8
Sager Creek customer relationships	11,601	13,302	–	6.9	7.9	–
	106,914	113,965	105,996			

Management has included the DMFI trademarks and customer relationships in the DMFI CGU impairment assessment and concluded that no impairment exists at the reporting date. On the other hand, no impairment loss was recognized on Sager Creek trademark and customer relationships.

Source of estimation uncertainty

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 of the Group are attributable to the following:

	Assets			Liabilities		
	30 April 2016 US$'000	**30 April 2015 US$'000 (As restated*)**	**1 May 2014 US$'000 (As restated*)**	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Group						
Provisions	6,675	4,162	3,784	–	–	–
Employee benefits	43,485	32,013	9,086	–	–	–
Property, plant and equipment – net	–	–	–	(34,667)	(29,025)	(5,596)
Intangible assets and goodwill	–	–	–	(44,794)	(20,394)	(4,393)
Effective portion of changes in fair value of cash flow hedges	13,403	7,324	1,660	–	–	–
Tax loss carry-forwards	103,643	78,618	39,641	–	–	–
Inventories	3,256	5,170	–	–	–	(1,634)
Biological assets	–	–	–	(1)	(314)	(749)
Others	8,807	7,657	4,266	–	–	–
Deferred tax assets/(liabilities)	179,269	134,944	58,437	(79,462)	(49,733)	(12,372)
Set off of tax	(78,370)	(48,641)	(11,280)	78,370	48,641	11,280
Deferred Taxes	100,899	86,303	47,157	(1,092)	(1,092)	(1,092)

* see Note 3.6

Movements in deferred tax assets and deferred tax liabilities of the Group during the period are as follows:

	At 1 May 2015 US$'000 (As restated*)	**Recognised in profit or loss US$'000 (Note 28)**	**Recognised in other comprehensive income US$'000**	**Currency realignment US$'000**	**At 30 April 2016 US$'000**
30 April 2016					
Provisions	4,162	2,681	–	(168)	6,675
Employee benefits	32,013	4,061	7,647	(236)	43,485
Property, plant and equipment – net	(29,025)	(4,256)	(1,504)	118	(34,667)
Intangible assets and goodwill	(20,394)	(24,400)	–	–	(44,794)
Effective portion of changes in fair value of cash flow hedges	7,324	1,989	4,090	–	13,403
Tax loss carry-forwards	78,618	25,030	–	(5)	103,643
Inventories	5,170	(1,914)	–	–	3,256
Biological assets	(314)	230	–	83	(1)
Others	7,657	1,169	–	(19)	8,807
	85,211	4,590	10,233	(227)	99,807

* see Note 3.6

10. DEFERRED TAX (CONT'D)

	At 1 May 2014 US$'000 (As restated*)	Recognised in profit or loss US$'000 (Note 28) (As restated*)	Recognised in other comprehensive income US$'000	Deconsolidation of a subsidiary US$'000	Currency realignment US$'000	At 30 April 2015 US$'000
30 April 2015						
Provisions	3,784	310	–	–	68	4,162
Employee benefits	9,086	14,118	8,806	–	3	32,013
Property, plant and equipment – net	(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	(1,634)	6,800	–	–	4	5,170
Biological assets	(749)	431	–	–	4	(314)
Others	4,266	3,629	–	(194)	(44)	7,657
	46,065	25,106	15,050	(1,024)	14	85,211

* see Note 3.6

	At 1 January 2014 US$'000	Acquisition of the Business US$'000 (Note 5)	Recognised in profit or loss US$'000 (Note 28) (As restated*)	Recognised in other comprehensive income US$'000	Finalisation of Purchase Price Allocation US$'000 (Note 5)	Currency realignment US$'000	At 30 April 2014 US$'000 (As restated*)
30 April 2014							
Deferred tax assets							
Provisions	11,369	–	(7,572)	–	–	(13)	3,784
Employee benefits	562	5,092	2,242	1,192	–	(2)	9,086
Property, plant and equipment – net	(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	1,110	–	(2,744)	–	–	–	(1,634)
Biological assets	(1,006)	–	253	–	–	4	(749)
Others	886	2,658	763	–	–	(41)	4,266
	10,561	8,534	25,202	2,852	(1,048)	(36)	46,065

* see Note 3.6

10. DEFERRED TAX (CONT'D)

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 retained earnings as at 30 April 2016, is approximately US$6.8 million (30 April 2015: US$8.9 million, 30 April 2014: US$6.0 million).

No provision has been made in respect of this potential income tax as it is the Company's intention to reinvest these reserves and not to distribute them as dividends.

Sources of estimation uncertainty

As at 30 April 2016, deferred tax assets amounting to US$103.7 million (30 April 2015: US$78.6 million, 1 May 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 years. Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialise in the future periods, deferred tax assets of US$170.3 million may not be realised. The net operating loss carry forward maybe realised up to a 20-year period from the year the loss was incurred.

11. OTHER NONCURRENT ASSETS

	Group		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Advances to growers	10,342	9,333	7,691
Advance rentals and deposits	6,628	7,424	5,271
Excess insurance	4,500	7,083	5,843
Land expansion (development costs of acquired leased areas)	2,171	2,404	2,229
Prepayments	1,273	2,423	1,621
Others	1,027	318	1,033
	25,941	28,985	23,688

Excess insurance relate mainly to reimbursements from insurers to cover the workers' compensation (Note 21).

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 or lease term, whichever is shorter.

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 or remaining life of leasehold improvements, whichever is shorter.

12. BIOLOGICAL ASSETS

	Group		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Livestock (at cost)			
At beginning of the year/period	1,446	1,613	1,685
Purchases of livestock	525	568	191
Sales of livestock	(451)	(736)	(257)
Currency realignment	(73)	1	(6)
At end of the year/period	1,447	1,446	1,613
Growing crops (at cost)			
At beginning of the year /period	127,194	118,310	111,489
Additions	86,327	90,891	27,370
Harvested	(83,092)	(82,107)	(20,202)
Currency realignment	(6,414)	100	(347)
At end of the year /period	124,015	127,194	118,310

	Group		
	30 April 2016 US$'000	30 April 2015 US$'000 (As restated)	1 May 2014 US$'000 (As restated)
Current	87,994	87,034	82,461
Noncurrent	37,468	41,606	37,462
Totals	125,462	128,640	119,923

		Group		
	Note	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Fair value of agricultural produce harvested recognised under inventories	35	98,412	94,600	21,800

Growing crops

	Group		
	30 April 2016	30 April 2015	1 May 2014
Hectares planted with growing crops			
– Pineapples	15,822	15,227	14,922
– Papaya	205	194	211
Fruits harvested from the growing crops: (in metric tons)			
– Pineapples	622,842	675,584	170,561
– Papaya	4,903	8,187	1,613

12. BIOLOGICAL ASSETS (CONT'D)

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.

Source of estimation uncertainty

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 and for the financial year 2016, the non-current portion of Expenditure Future Crop was reclassified as non-current asset. The reclassification was applied retrospectively.

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 35.

13. INVENTORIES

	Group		
	30 April 2016 US$'000	30 April 2015 US$'000 (As restated*)	1 May 2014 US$'000 (As restated*)
Finished goods			
– at cost	644,667	534,709	596,298
– at net realisable value	12,843	10,372	20,579
Semi-finished goods			
– at cost	327	759	866
– at net realisable value	11,292	10,682	10,354
Raw materials and packaging supplies			
– at net realisable value	176,104	193,027	180,574
	845,233	749,549	808,671

* see Note 3.6

Inventories recognised as an expense in cost of sales amounted to US$1,316.5 million for the year ended 30 April 2016 (30 April 2015: US$1,267.9 million, four months ended 30 April 2014: US$199.1 million) (Note 26).

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 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
At beginning of the year/period		11,701	7,982	7,868
Allowance for the year/period	26	2,926	5,992	2,650
Write-off against allowance		(1,508)	(2,279)	(2,516)
Currency realignment		(404)	6	(20)
At end of the year/period		12,715	11,701	7,982

The allowance for inventory obsolescence recognised during the period is included in "Cost of sales".

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

	Group			Company		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Trade receivables	152,936	177,677	156,149	–	–	–
Non trade receivables	22,677	9,495	16,371	2	–	–
Amounts due from joint venture (non-trade)	6,013	6,013	–	6,013	6,013	–
Amounts due from subsidiaries (non-trade)	–	–	–	139,225	99,710	104,512
Allowance for doubtful accounts – trade	(1,640)	(2,643)	(7,428)	–	–	–
Allowance for doubtful accounts – nontrade	(4,454)	(6,140)	(6,224)	–	–	–
Trade and other receivables	175,532	184,402	158,868	145,240	105,723	104,512

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.

The ageing of trade and non-trade receivables at the reporting date is:

	Group			
	Gross		Impairment losses	
At 30 April 2016	Trade US$'000	Non trade US$'000	Trade US$'000	Non trade US$'000
Not past due	97,404	13,967	–	–
Past due 0 – 60 days	35,835	846	–	–
Past due 61 – 90 days	3,825	799	–	–
Past due 91 – 120 days	3,688	122	–	–
More than 120 days	12,184	6,943	(1,640)	(4,454)
	152,936	22,677	(1,640)	(4,454)

	Group			
	Gross		Impairment losses	
At 30 April 2015	Trade US$'000	Non trade US$'000	Trade US$'000	Non trade US$'000
Not past due	123,528	2,523	–	–
Past due 0 – 60 days	31,685	169	–	–
Past due 61 – 90 days	4,166	57	(26)	–
Past due 91 – 120 days	7,310	32	–	–
More than 120 days	10,988	6,714	(2,617)	(6,140)
	177,677	9,495	(2,643)	(6,140)

	Group			
	Gross		Impairment losses	
At 1 May 2014	Trade US$'000	Non trade US$'000	Trade US$'000	Non trade US$'000
Not past due	114,736	9,133	–	(459)
Past due 0 – 60 days	27,814	181	(197)	–
Past due 61 – 90 days	1,421	122	–	–
Past due 91 – 120 days	271	55	(3)	–
More than 120 days	11,907	6,880	(7,228)	(5,765)
	156,149	16,371	(7,428)	(6,224)

The recorded impairment loss falls within the Group's historical experience in the collection of accounts receivables.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

Movements in allowance for impairment during the year/period are as follows:

		Group		
	Note	Trade US$'000	Nontrade US$'000	Total US$'000
At 1 May 2015		2,643	6,140	8,783
Allowance reversed	26	(707)	(648)	(1,355)
Write-off against allowance		(263)	(938)	(1,201)
Currency realignment		(33)	(100)	(133)
At 30 April 2016		1,640	4,454	6,094

		Group		
	Note	Trade US$'000	Nontrade US$'000	Total US$'000
At 1 May 2014		7,428	6,224	13,652
Allowance reversed	26	(4,652)	(81)	(4,733)
Write-off against allowance		(144)	(4)	(148)
Currency realignment		11	1	12
At 30 April 2015		2,643	6,140	8,783

		Group		
	Note	Trade US$'000	Nontrade US$'000	Total US$'000
At 1 January 2014		6,511	5,515	12,026
Allowance recognised	26	1,220	714	1,934
Write-off against allowance		(282)	–	(282)
Currency realignment		(21)	(5)	(26)
At 30 April 2014		7,428	6,224	13,652

Allowance for doubtful accounts are based on specific and collective assessment by the Company.

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 judgement 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.

15. PREPAID EXPENSE AND OTHER CURRENT ASSETS

		Group			Company		
	Note	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Prepaid expenses		24,397	23,375	40,046	257	137	43
Downpayment to contractors and suppliers		9,025	15,677	17,342	–	–	–
Derivative asset	34	1,473	818	–	–	–	–
Others		702	–	–	–	–	–
		35,597	39,870	57,388	257	137	43

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

16. CASH AND CASH EQUIVALENTS

	Group			Company		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Cash on hand	50	47	50	–	–	–
Cash in banks	47,153	34,223	28,351	361	6,126	232
Marketable security	–	1,348	–	–	–	–
Cash and cash equivalents	47,203	35,618	28,401	361	6,126	232

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% per annum.

17. NONCURRENT ASSETS HELD FOR SALE

In March 2015, management committed to a plan to sell part of the property, plant and equipment of Sager Creek. Accordingly, these assets are presented as noncurrent assets held for sale. Efforts to sell the assets have started and a sale is expected within twelve months.

The Group recognised impairment loss on assets held for sale amounting to US$1.7 million in 2016 (Note 26). There is no cumulative income or expense included in other comprehensive income relating to the assets held for sale.

18. SHARE CAPITAL

	Company					
	30 April 2016		30 April 2015		1 May 2014	
	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	3,000,000	30,000
Preference shares of US$1.00 each	600,000	600,000	600,000	600,000	600,000	600,000
	3,600,000	630,000	3,600,000	630,000	3,600,000	630,000
Issued and fully paid:						
Ordinary shares of US$0.01 each	1,944,936	19,449	1,944,936	19,449	1,297,500	12,975

18. SHARE CAPITAL (CONT'D)

Reconciliation of number of outstanding ordinary shares in issue:

	Company		
	Year ended 30 April 2016 ('000)	Year ended 30 April 2015 ('000)	Four months ending 1 May 2014 ('000)
At beginning of the year/period	1,944,035	1,296,600	1,296,600
Acquisition of own shares	(821)	–	–
Issued for cash	–	647,435	–
At end of the year/period	1,943,214	1,944,035	1,296,600

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.

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 17.00 Philippine pesos (Php) 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, retained earnings and total reserves as presented in the statements of financial position. 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.

19. RETAINED EARNINGS AND RESERVES

Retained earnings

Appropriated

On 12 December 2013, the BOD of DMPI approved the appropriation of US$6.0 million to fund various long planned capital expenditures, specifically for the construction of facilities, line expansion, acquisition of spare parts and vehicles, and recondition and overhaul of equipment commencing on various dates in 2013.

On 18 March 2016, the BOD of DMPI approved appropriation of retained earnings amounting to US$41.8 million to fund long-range plan capital expenditure requirements, provided, that the specific projects will be subject to prior approval of DMPI's BOD.

As at 30 April 2016, the total appropriation of retained earnings amounted to US$181.3 million (30 April 2015: US$147.1 million). This is intended to fund the Company's various long range plan capital expenditure requirements majority of which can be completed by year 2021, provided that, the specific projects for which the appropriation will be expended is still subject to prior approval of the Board.

Unappropriated

The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries and unrealised asset revaluation reserve. The accumulated equity in net earnings of the subsidiaries is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.

Reserves

	Group			Company		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Share premium	214,843	214,843	69,205	214,982	214,982	69,344
Translation reserve	(59,813)	(46,335)	(44,867)	(59,813)	(46,335)	(44,867)
Revaluation reserve	8,002	9,506	9,506	8,002	9,506	9,506
Remeasurement of retirement plan	(10,833)	(17,231)	(4,370)	(10,833)	(17,231)	(4,370)
Hedging reserve	(17,502)	(11,722)	(2,422)	(17,502)	(11,722)	(2,422)
Share option reserve	1,031	318	174	1,031	318	174
Reserve for own shares	(802)	(629)	(629)	(802)	(629)	(629)
	134,926	148,750	26,597	135,065	148,889	26,736

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.

19. RETAINED EARNINGS AND RESERVES (CONT'D)

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.

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 (Note 21).

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 2016, the Group held 1,721,000 (30 April 2015: 900,000, 1 May 2014: 900,000) of the Company's shares.

20. LOANS AND BORROWINGS

	Group			Company		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Current liabilities						
Unsecured bank loans	501,481	347,180	807,271	348,630	102,630	602,491
Secured bank loans	225,879	98,362	112,308	–	–	–
	727,360	445,542	919,579	348,630	102,630	602,491
Non-current liabilities						
Unsecured bank loans	193,224	348,250	11,225	129,234	348,250	–
Secured bank loans	923,198	924,695	923,160	–	–	–
	1,116,422	1,272,945	934,385	129,234	348,250	–
	1,843,782	1,718,487	1,853,964	477,864	450,880	602,491

20. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2016 Face value US$'000	30 April 2016 Carrying amount US$'000	30 April 2015 Face value US$'000	30 April 2015 Carrying amount US$'000	1 May 2014 Face value US$'000	1 May 2014 Carrying amount US$'000
Group									
Unsecured bank loans	PHP	2.30-4.50	2016-2020	97,697	97,697	110,984	110,984	80,473	80,473
Unsecured bank loans	BSF	9.00	2015	–	–	–	–	1,400	1,709
Unsecured bank loans	USD	1.15-2.50	2016	119,145	119,145	133,566	133,566	122,597	122,597
Unsecured bridging loans	USD	2.13-4.50	2020	130,000	129,234	104,000	102,630	605,000	602,492
Unsecured bank loan	PHP	3-Mos PDSTF +1/95 (GRT)	2015	–	–	–	–	11,225	11,225
Unsecured bank loan	USD	90 days libor +3.25	2017	350,000	348,630	350,000	348,249	–	–
Secured bank loan under ABL Credit Agreement	USD	Libor rate + 2% to 4.25%	2016	225,442	221,971	99,000	94,488	109,000	103,693
Secured First lien term loan	USD	Higher of Libor +3.25% or 4.25%	2016-2021	694,025	677,220	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	249,885	260,000	247,982	260,000	246,173
				1,876,309	1,843,782	1,758,675	1,718,487	1,899,695	1,853,964

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2016 Face value US$'000	30 April 2016 Carrying amount US$'000	30 April 2015 Face value US$'000	30 April 2015 Carrying amount US$'000	1 May 2014 Face value US$'000	1 May 2014 Carrying amount US$'000
Company									
Unsecured bridging loans	USD	1.50-4.00	2017 to 2020	480,000	477,864	454,000	450,880	605,000	602,491

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

The unsecured bridging loans of US$454.0 million as at 30 April 2015 (1 May 2014: US$605.0 million) were obtained by the Company to finance the Acquisition (Note 5) and its related costs.

20. LOANS AND BORROWINGS (CONT'D)

Long Term Borrowings

Long Term Borrowings	Principal Amount (In '000)	Interest Rate % p. a.	Year of Maturity	Payment Terms (e.g. annually, quarterly, etc.)	Interest already paid 1 May 2015 to 30 April 2016 ('000)
Senior secured variable rate first lien term loan	USD 710,000	Higher of Libor +3.25% or 4.25%	2021	0.25% quarterly principal payments from April 30, 2014 to January 31, 2021; Balance due in full at its maturity, February 18, 2021.	USD 30,167
Senior secured second lien variable rate term loan	USD 260,000	Higher of Libor +7.25% or 8.25%	2021	Due in full at its maturity, August 18, 2021.	USD 21,748
BDO bridging facility	USD 350,000	90d Libor +3.5% margin	2017	Quarterly interest payment and principal on maturity date.	USD 13,145
BDO Long-Term Loan	USD 30,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 949
BDO Long-Term Loan	USD 100,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 3,425
BDO Long-Term Loan	PHP 3,000,000	3.5% for the first 60 days; 4.5% for the remaining term +5% GRT	2020	Quarterly interest payment and principal on maturity date.	PHP 91,219

The balance of unamortised debt issuance cost follows:

		Group			Company		
	Note	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Beginning of year/period		40,188	45,731	44,780	3,120	2,509	–
Additions		1,114	4,767	2,897	900	4,387	3,205
Amortisation	27	(8,775)	(10,310)	(1,946)	(1,884)	(3,776)	(696)
End of year/period		32,527	40,188	45,731	2,136	3,120	2,509

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 2016, the interest rate for First Lien Term Loans is 4.25% (30 April 2015: 4.25%) and the interest rate for Second Lien Term Loans is 8.25% (30 April 2015: 8.25%).

20. LOANS AND BORROWINGS (CONT'D)

Secured Term Loan Credit Agreements (cont'd)

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 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$442 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 between 1.75% and 2.25% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

20. LOANS AND BORROWINGS (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 terminate, and the commitments thereunder will mature, on 18 February 2019. As of 30 April 2016, there were US$225.4 million (30 April 2015: 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$11.4 million (30 April 2015: US$14.1 million) and the Group's net availability under the ABL Credit Agreement was US$201.8 million (30 April 2015: US$264.7 million). The interest rate on the ABL Credit Agreement was approximately 3.15% on 30 April 2016 (30 April 2015: 2.79%).

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$442 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 the Company 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$201.8 million at 30 April 2016; US$264.7 million at 30 April 2015) falls below a certain level. As of 30 April 2016, 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.

20. LOANS AND BORROWINGS (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.

The Group is compliant with its loan covenants as at 30 April 2016 and 2015.

21. OTHER NONCURRENT LIABILITIES

	Group		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Workers' compensation	30,969	32,101	30,921
Derivative liabilities	21,527	20,090	4,368
Deferred rental liabilities	5,173	5,823	7,466
Accrued lease liabilities	4,440	2,352	968
Other payables	477	797	3,157
	62,586	61,163	46,880

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.

Derivative liabilities

The Group uses interest rate swaps, commodity swaps and forward foreign currency contracts to hedge market risks relating to possible adverse changes in interest rates, commodity costs, transportation and foreign currency exchange rates. The Group continually monitors its positions and the credit rating of the counterparties involved to mitigate the amount of credit exposure to any one party.

As of 30 April 2016, the Group designated each of its derivative contracts as a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability ("cash flow hedge"). The following cash flow hedges were outstanding for the Group:

		Group		
	Note	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Interest rate swap valuation	33	(35,115)	(20,090)	(4,368)
Peso FX contracts	33	1,473	(1,003)	–
Commodity contracts	33	(1,630)	818	–
Total		(35,272)	(20,275)	(4,368)
Included in :				
Prepaid expense and other current assets	15	1,473	818	–
Trade and other payables	24	(15,218)	(1,003)	–
Other noncurrent liabilities		(21,527)	(20,090)	(4,368)
		(35,272)	(20,275)	(4,368)

22. EMPLOYEE BENEFITS

	Group		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Net defined benefit asset	–	–	10,673
Total employee benefit asset (non-current)	–	–	10,673
Post-retirement benefit obligation	41,908	94,643	88,506
Executive Retirement Plan	9,758	11,147	10,971
Cash incentive award	1,773	–	–
Short-term employee benefits	19,389	35,360	20,582
Other plans	7,732	4,280	3,124
Net defined benefit liability	50,209	26,849	9,498
Total net defined benefit liability	130,769	172,279	132,681
Current	33,651	43,080	33,621
Non-Current	97,118	129,199	99,060
	130,769	172,279	132,681

The Group contributes to the following post-employment defined benefit plans:

The DMPI Plan

DMPI has a funded defined benefit plan wherein starting on the date of membership of an employee in the DMPI Plan, DMPI contribute to the retirement fund 7.00% 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 2017.

22. EMPLOYEE BENEFITS (CONT'D)

The DMFI Plan

The Company sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

The first part is a cash balance plan 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 not made any contributions during the year.

DMFI expects to contribute US$8.0 million in 2017.

Changes in Assumptions and Methods since Last Actuarial Valuation

The mortality assumption was changed from RP-2014 non-annuitant tables projected with MP-2014 generational improvements in mortality, distinguished by sex, to "RP-2015" (2006 rates of the RP-2014 table with generational projection of improvements in mortality from 2006 to 2015 based on MP-2015) non-annuitant tables projected with MP-2015 generation improvements in mortality, distinguished by sex.

The termination and retirement rate assumptions were updated based on an experience study reflecting actual experience from 2010 to 2014 for the Legacy DMRPHE.

The discount rate of 3.50% was developed using Willis Towers Watson's BOND:Link and using the plans projected cash flows.

The compensation increase assumption was reduced from 4.00% to 3.00% based on future expectations.

22. EMPLOYEE BENEFITS (CONT'D)

Movement in net defined benefit liability (asset)

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 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Group									
Balance, Beginning	515,041	482,221	42,275	(393,549)	(394,890)	(40,399)	121,492	87,331	1,876
Included in profit or loss									
Current service cost	10,120	10,444	2,266	–	–	–	10,120	10,444	2,266
Plan administration cost	–	–	–	–	514	–	–	514	–
Interest cost/ (income)	20,876	21,192	4,752	(15,773)	(17,226)	(3,923)	5,103	3,966	829
Past service cost (plan amendments)	(40,470)	–	–	–	–	–	(40,470)	–	–
Curtailment gain	(3,814)	–	–	–	–	–	(3,814)	–	–
Settlement loss	–	–	–	5,669	–	–	5,669	–	–
	501,753	513,857	49,293	(403,653)	(411,602)	(44,322)	98,100	102,255	4,971
Included in OCI									
Remeasurements loss/(gain)									
– Actuarial loss/(gain) arising from:									
– financial assumptions	(2,061)	11,973	4,532	–	–	–	(2,061)	11,973	4,532
– demographic assumptions	(6,183)	33,046	765	–	–	–	(6,183)	33,046	765
– experience adjustment	(4,486)	(7,657)	(2,755)	–	–	–	(4,486)	(7,657)	(2,755)
– Return on plan assets excluding interest income	–	–	–	16,227	(14,026)	2,138	16,227	(14,026)	2,138
– Effect of movements in exchange rates	(2,210)	12	(111)	1,693	(3)	149	(517)	9	38
	(14,940)	37,374	2,431	17,920	(14,029)	2,287	2,980	23,345	4,718
Others									
Additions through business combinations	–	–	435,127	–	–	(356,163)	–	–	78,964
Contributions paid into the plan	–	–	(465)	(5,979)	(4,108)	(1,322)	(5,979)	(4,108)	(1,787)
Benefits paid	(48,116)	(36,189)	(4,165)	45,132	36,189	4,630	(2,984)	–	465
	(48,116)	(36,189)	430,497	39,153	32,081	(352,855)	(8,963)	(4,108)	77,642
Balance at 30 April	438,697	515,042	482,221	(346,580)	(393,550)	(394,890)	92,117	121,492	87,331

22. EMPLOYEE BENEFITS (CONT'D)

Represented by:

	Net defined benefit liability/(asset)		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Net defined benefit asset	–	–	(10,673)
Post-retirement benefit obligation	41,908	94,643	88,506
Net defined benefit liability	50,209	26,849	9,498
	92,117	121,492	87,331

During fiscal year 2016, a change to the post-retirement benefits plan of certain non-union employees were made where current retiree medical and dental benefits were replaced for contributions to a health reimbursement arrangement (HRA) account. As a result of the plan amendment, the Group's defined benefit obligation decreased by US$39.4 million. A corresponding reduction against past service cost was recognised as part of "General and administrative expenses" account in the 2016 consolidated income statement.

During fiscal year 2015, the actuarial assumptions used in the pension valuation of the arrangements for a number of employees in the United States were adjusted to reflect longer lifespans of Americans. As a result of the change in these assumptions, the Group's defined benefit obligation increased by US$24.2 million. A corresponding remeasurement in retirement reserve was recognised in other comprehensive income during 2015.

Plan assets

Plan assets comprise:

	Group		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Interest-bearing cash/bank deposits	3,622	7,495	4,971
Real estate	12,852	12,514	9,659
Common collective trust funds			
Fixed income	85,663	12,286	13,471
Equity fund	115,634	134,951	114,738
Mutual funds			
Equity fund	8,926	250	19,291
Debt instruments			
Corporate	40,238	47,373	50,265
Government	53,649	62,045	61,212
Others	6,388	10,519	9,030
Equity securities			
Quoted	3,237	87,302	54,206
Unquoted	–	426	441
Others	16,372	18,389	17,152
Total investments	346,581	393,550	354,436
Add: Residual fair value of plan assets to be transferred	–	–	40,454
Fair value of plan assets	346,581	393,550	394,890

22. EMPLOYEE BENEFITS (CONT'D)

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 Food 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.

The BOD of DMFI 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. DMFI'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 2016 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2016.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	DMFI			DMPI		
	30 April 2016	**30 April 2015**	**30 April 2014**	**30 April 2016**	**30 April 2015**	**30 April 2014**
Discount rate (per annum)	4.10% – 4.35%	4.50% – 4.75%	4.60% – 4.75%	5.23%	5.18%	5.27%
Future salary increases (per annum)	3.00% – 4.00%	3.00% – 4.00%	3.63% – 4.00%	6.80%	6.00%	6.00%
Current health care cost trend rate	7.60%/7.90%	7.80%/8.30%	7.80%/8.30%	–	–	–
Ultimate health care cost trend rate	4.00%	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.

As at 30 April 2016 and 2015, the weighted average duration of DMPI's defined benefit retirement obligation is 19.30 years and 18.26 years, respectively.

22. EMPLOYEE BENEFITS (CONT'D)

The projected future benefit payments for the DMPI plan are as follows:

	Normal Retirement	Other than Normal Retirement	Total
Less than one year	2,835	1,948	4,783
More than one year to five years	10,471	9,717	20,188
More than five years	89,146	79,345	168,761

The weighted average duration of DMFI's defined benefit retirement obligation for each year are as follows.

	Duration (years)		
	30 April 2016	30 April 2015	1 May 2014
Qualified retirement plan	9.8	9.0	8.3
Post-retirement benefits plan	12.3	14.0	12.6
Executive retirement plans	7.3 – 9.6	7.9 – 9.0	4.9 – 6.7

The projected future benefit payments for the DMFI plan are as follows:

	Normal Retirement	Other than Normal Retirement	Total
Less than one year	28,290	2,449	30,739
More than one year to five years	113,038	10,644	123,682
More than five years	130,627	13,445	144,072

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 is as follows:

	30 April 2016	Target Allocation Range
Equity securities	37%	31-51%
Debt securities	54%	42-64%
Other	9%	2-19%
Total	100%	

	30 April 2015	Target Allocation Range
Equity securities	43%	31-51%
Debt securities	52%	42-64%
Other	5%	2-19%
Total	100%	

	1 May 2014	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.

22. EMPLOYEE BENEFITS (CONT'D)

The BOD of DMFI 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 BOD of DMFI 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.

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**					
	2016		**2015**		**2014**	
	0.5% increase US$'000	**0.5% decrease US$'000**	**0.5% increase US$'000**	**0.5% decrease US$'000**	**0.5% increase US$'000**	**0.5% decrease US$'000**
Discount rate (per annum)	($16,802)	$18,411	($16,070)	$17,498	($13,672)	$14,781
Future salary increases (per annum)	$1,610	($1,569)	$1,426	($1,381)	$1,289	($1,246)

Defined benefit obligation	**DMPI**					
	2016		**2015**		**2014**	
	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)	(2,687)	2,967	(2,478)	2,892	(2,484)	2,871
Future salary increases (per annum)	1,371	(1,340)	2,663	(2,321)	2,579	(2,269)

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 2016 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

	2016		**2015**		**2014**	
	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**
Health care cost trend rates (per annum)	4,278	(3,525)	12,441	(10,128)	$10,359	($8,560)

22. EMPLOYEE BENEFITS (CONT'D)

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.

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.

Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognised under these plans for the year ended 30 April 2016 was US$3.8 million (30 April 2015: US$3.7 million)

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. Remeasurements on retirement reserve related to certain of these plans are recognised as other comprehensive income.

23. ENVIRONMENTAL REMEDIATION LIABILITIES

	Note	Group 30 April 2016 US$'000	Group 30 April 2015 US$'000	Group 1 May 2014 US$'000
At beginning of the year/period		4,580	4,241	–
Assumed through business combination	5	–	–	4,236
Provision made during the period	6	1,815	339	5
Provisions used during the period		(82)	–	–
At end of the year/period		6,313	4,580	4,241

Provision for environmental remediation relates to legal or constructive obligation of a subsidiary to make good and restore plant sites.

24. TRADE AND OTHER PAYABLES

	Note	Group 30 April 2016 US$'000	Group 30 April 2015 US$'000	Group 1 May 2014 US$'000	Company 30 April 2016 US$'000	Company 30 April 2015 US$'000	Company 1 May 2014 US$'000
Trade payables		167,197	191,085	126,948	–	–	–
Accrued operating expenses							
Advertising		23,405	16,566	33,191			
Professional fees		7,620	9,072	6,232	4,587	4,388	4,941
Taxes and insurance		6,146	1,213	505	–	–	–
Miscellaneous		44,438	70,578	53,749	–	–	–
Derivative liabilities	21	15,218	1,003	–	–	–	–
Accrued payroll expenses		6,875	38,122	3,178	3,359	–	–
Advances from customers		2,465	3,189	2,513	–	–	–
Withheld from employees (taxes and social security cost)		1,527	6,214	7,300	–	–	–
Other payables		6,152	2,012	3,551	351	226	–
Amounts due to subsidiaries (non-trade)		–	–	–	108,001	159,171	117,454
		281,043	339,054	237,167	116,298	163,785	122,395

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Accrued miscellaneous include interest, freight and warehousing and customs and other importation incidental costs.

25. 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.

Revenue for fiscal year ended 30 April 2016 is net of discounts of US$85.2 million, returns of US$19.0 million and direct promotions of US$485.2 million. Revenue for fiscal year ended 30 April 2015 is net of discounts of US$83.3 million, returns of US$21.1 million and direct promotions of US$482.6 million.

26. PROFIT (LOSS) BEFORE TAXATION

Profit (loss) before taxation is arrived at after charging (crediting):

		Group			Company		
	Note	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Allowance for inventory obsolescence	13	2,926	5,992	2,650	–	–	–
Impairment of (reversal of allowance for) trade and nontrade receivables	14	(1,355)	(4,733)	1,934	–	–	–
Amortisation of intangible assets	9	9,327	7,560	1,434	–	–	–
Audit fees							
– paid to the auditors of the Company*		339	322	246	339	302	246
– paid to other auditors		2,374	2,658	200	354	37	–
Changes in fair value of agricultural produce harvested and sold		22,060	15,456	3,161	–	–	–
Depreciation of property, plant and equipment	6	64,823	60,671	13,803	–	–	–
Loss on deconsolidation of a subsidiary	7	–	5,186	–	–	–	–
Loss on disposal of property, plant and equipment		1,052	1,278	41	–	–	–
Impairment loss (reversal of impairment) on property, plant and equipment	6	4,928	(508)	(172)	–	–	–
Inventories recognised as cost of sales	13	1,316,517	1,267,927	199,089	–	–	–
Professional expenses related to the Acquisition							
– paid to the auditors of the Company		–	–	546		–	–
Non-audit fees							
– paid to the auditors of the Company*		–	222	–	–	218	–
– paid to other auditors		579	590	8	99	–	–
Operating lease rentals	36	52,141	52,444	10,310	–	–	–
Impairment loss on noncurrent assets held for sale	17	1,659	–	–	–	–	–
Research and development expenses		12,615	13,077	2,886	–	–	–
Income from post-closing working capital amount	5	(38,000)	–	–	–	–	–
Bargain purchase on acquisition of Sager Creek	5	–	(26,568)	–	–	–	–
Acquisition-related costs pertaining to Consumer Food Business	5	–	2,200	33,400	–	–	–
Staff costs							
Pension costs – benefit pension plan**		(23,392)	14,924	3,095	–	–	–
Pension costs – provident fund		5,131	5,114	404	–	–	–
Social security costs		20,471	16,853	2,231	–	–	–
Equity-settled share-based payment transactions	32	713	144	48	161	144	48
Wages and salaries		375,982	364,079	45,365	8,768	3,076	815

* excludes professional expenses related to the Acquisition of Consumer Food Business
** includes effect of post-retirement medical plan amendment and enhanced early retirement program

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

27. NET FINANCE EXPENSE

	Note	Group Year ended 30 April 2016 US$'000	Group Year ended 30 April 2015 US$'000	Group Four months ended 30 April 2014 US$'000	Company Year ended 30 April 2016 US$'000	Company Year ended 30 April 2015 US$'000	Company Four months ended 30 April 2014 US$'000
Finance income							
Interest income from bank deposits		365	400	112	2	4	21
Foreign exchange gain		1,866	–	279	–	4	–
		2,231	400	391	2	8	21
Finance expense							
Interest expenses on bank loans		(89,843)	(84,347)	(16,284)	(19,809)	(21,518)	(4,878)
Amortisation of debt issue cost, discount	20	(8,775)	(10,310)	(1,946)	(1,884)	(3,776)	(696)
Foreign exchange loss		(963)	(5,204)	(17)	(10)	–	–
		(99,581)	(99,861)	(18,247)	(21,703)	(25,294)	(5,574)
Net finance expense		(97,350)	(99,461)	(17,856)	(21,701)	(25,286)	(5,553)

28. TAX EXPENSE (CREDIT) – NET

	Note	Group Year ended 30 April 2016 US$'000	Group Year ended 30 April 2015 US$'000 (As restated*)	Group Four months ended 30 April 2014 US$'000 (As restated*)
Current tax expense				
– current year		12,729	7,189	820
Deferred tax credit				
– origination and reversal of temporary differences	10	(4,590)	(25,106)	(25,202)
		8,139	(17,917)	(24,382)
Reconciliation of effective tax rate				
Profit (loss) before taxation		62,671	(66,912)	(74,229)
Taxation on profit at weighted average of the applicable tax rates		18,600	(23,452)	(25,025)
Non-deductible expenses		(10,461)	5,535	643
		8,139	(17,917)	(24,382)

* see Note 3.6

28. TAX EXPENSE (CREDIT) – NET (CONT'D)

	Group		
	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 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%	38%
– Mexico	30%	30%	30%
– Venezuela	#	#	34%

* based on gross profit for the year/period
# not applicable

DMPI's core production operations in Cagayan de Oro City, Philippines is under Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). DMPI enjoys certain fiscal and non-fiscal incentives including a 5% (2015 and 2014: 5%) tax on gross profit in lieu of the statutory 30% (2015 and 2014: 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. This current tax incentive will expire in fiscal year 2017.

DMPI has received the PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This current tax incentive will expire in fiscal year 2018.

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 judgement 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.

29. 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 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Profit (loss) attributable to owners of the Company (US$'000)	51,534	(43,183)	(44,774)
Weighted average number of ordinary shares ('000):			
Issued ordinary shares at 1 May/1 January	1,944,035	1,297,500	1,297,500
Effect of own shares held	(426)	(900)	(900)
Effects of shares issued	–	94,211	–
Weighted average number of ordinary shares during the year/period	1,943,609	1,390,811	1,296,600
Basic earnings (loss) per share (in US cents)	2.65	(3.10)	(3.45)

* see Note 3.6

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 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Profit/(Loss) attributable to owners of the Company (US$'000)	51,534	(43,183)	(44,774)
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year/period (basic)	1,943,609	1,390,811	1,296,600
Potential ordinary shares issuable under share options	736	–	–
Weighted average number of ordinary shares issued (diluted)	1,944,345	1,390,811	1,296,600
Diluted earnings (loss) per share (in US cents)	2.65	(3.10)	(3.45)

* see Note 3.6

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.

30. 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.

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.

30. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Americas			Asia Pacific			Europe			Total		
	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)
Revenue												
Packaged/processed fruit and vegetable	1,446,602	1,326,855	225,135	116,100	109,374	16,610	19,039	23,489	6,944	1,581,741	1,459,718	248,689
Beverage	28,691	27,512	6,423	132,268	124,215	25,614	14,755	10,173	3,176	175,714	161,900	35,213
Culinary	294,486	310,852	53,033	122,063	117,984	16,115	–	–	–	416,549	428,836	69,148
Fresh fruit and others	90	52,266	11,952	93,743	83,969	21,126	–	–	–	93,833	136,235	33,078
Total	**1,769,869**	**1,717,485**	**296,543**	**464,174**	**435,542**	**79,465**	**33,794**	**33,662**	**10,120**	**2,267,837**	**2,186,689**	**386,128**
Gross profit												
Packaged/processed fruit and vegetable	268,307	206,744	13,033	31,444	28,225	1,656	5,510	3,570	651	305,261	238,539	15,340
Beverage	4,033	1,159	8	39,188	35,021	3,887	6,022	870	(76)	49,243	37,050	3,819
Culinary	56,409	51,990	4,189	46,212	45,643	4,780	–	–	–	102,621	97,633	8,969
Fresh fruit and others	12	12,987	3,676	24,715	21,949	6,033	–	–	–	24,727	34,936	9,709
Total	**328,761**	**272,880**	**20,906**	**141,559**	**130,838**	**16,356**	**11,532**	**4,440**	**575**	**481,852**	**408,158**	**37,837**
Share of loss in investments in joint ventures, net of tax												
Packaged/processed fruit and vegetable	–	–	–	(523)	(746)	(150)	–	–	–	(523)	(746)	(150)
Beverage	–	–	–	(123)	(156)	(115)	–	–	–	(123)	(156)	(115)
Culinary	–	–	–	(1,001)	(1,367)	(623)	–	–	–	(1,001)	(1,367)	(623)
Fresh fruit and others	–	–	–	(70)	(184)	(266)	–	–	–	(70)	(184)	(266)
Total	–	–	–	**(1,717)**	**(2,453)**	**(1,154)**	–	–	–	**(1,717)**	**(2,453)**	**(1,154)**
Profit (loss) before taxation												
Packaged/processed fruit and vegetable	9,501	(69,383)	(33,640)	10,828	8,737	(5,095)	3,020	9	(1,259)	23,349	(60,637)	(39,994)
Beverage	(1,795)	(4,757)	(1,935)	11,577	10,103	(5,322)	4,347	(635)	(914)	14,129	4,711	(8,171)
Culinary	2,233	(26,256)	(8,422)	19,171	20,345	(6,192)	–	–	–	21,404	(5,911)	(14,614)
Fresh fruit and others	(5,440)	(8,803)	259	9,229	6,736	481	–	–	–	3,789	(2,067)	740
Total	**4,499**	**(109,199)**	**(43,738)**	**50,805**	**45,921**	**(16,128)**	**7,367**	**(626)**	**(2,173)**	**62,671**	**(63,904)**	**(62,039)**
Other Material Non-Cash Items												
Depreciation and amortisation	56,971	40,588	9,245	17,179	18,395	5,992	–	–	–	74,150	58,983	15,237
Capital expenditure	42,823	57,334	9,640	17,486	17,845	8,340	–	–	–	60,309	75,179	17,980
Segment assets	2,243,508	2,137,740	2,066,014	432,429	452,487	419,015	18,687	31,902	38,464	2,694,624	2,622,129	2,523,493
Segment liabilities	1,556,300	1,520,878	1,392,325	750,369	765,527	868,939	22,743	11,549	14,887	2,329,412	2,297,954	2,276,151

* see Note 3.6

30. OPERATING SEGMENTS (CONT'D)

Reconciliation of reportable segment profit or loss, assets and capital expenditures

	Group		
	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)
Profit (loss) before taxation per operating segment	62,671	(63,904)	(62,039)
Unallocated amounts:			
– acquisition related costs	–	(3,008)	(11,030)
– settlement of pre-existing relationship	–	–	(1,160)
Profit (loss) before taxation as reported	62,671	(66,912)	(74,229)

* see Note 3.6

Major customer

Revenues from a major customer of the Americas segment for the year ended 30 April 2016 amounted to approximately US$585.0 million or 26% (year ended 30 April 2015: US$496.7 million or 23%, four months ended 30 April 2014: US$56.5 million or 15%) of the Group's total revenue. The customer accounted for approximately 16% of trade and other receivables at 30 April 2016 (30 April 2015: 15%, 1 May 2014: 14%).

31. 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 16 production facilities (30 April 2015: 17 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.

32. 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 sought 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.

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.

32. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

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.

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 2016	30 April 2015	30 April 2014
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 – 6 March 2018	0.627	750,000	750,000	750,000
30 April 2013*	Up to 100%: 30 April 2013 – 6 March 2018	0.627	150,000	150,000	150,000
1 July 2015	Up to 100%: 6 March 2018	0.578	75,765	–	–
			975,765	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 975,765 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
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
1 July 2015	Up to 60%: 22 August 2016 – 21 August 2017 40%: 22 August 2017 – 21 August 2018	0.385	57,918	57,918
			745,918	745,918

Since the commencement of the employee share option plans till the end of the financial year, no options have been granted at a discount.

32. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

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.

Fair value of share options/awards and assumptions

Date of grant of options/awards	7 March 2008	30 April 2013	1 July 2015	12 May 2009	29 April 2011	30 April 2013	22 August 2013	1 July 2015
	ESOP			Del Monte Pacific RSP				
Fair value at measurement date	US$0.12	US$0.18	US$0.29	US$0.37	US$0.40	US$0.18	US$0.65	US$0.29
Share price (Singapore Dollars) at grant date	0.615	0.810	0.385	0.540	0.485	0.810	0.840	0.385
Exercise price (Singapore Dollars)	0.627	0.627	0.578	–	–	–	–	–
Expected volatility	5.00%	2.00%	2.00%	–	–	–	3.00%	2.00%
Time to maturity	2 years	2 years	2 years	–	–	–	1 year	2 years
Risk-free interest rate	3.31%	1.51%	2.51%	–	–	–	2.69%	2.51%

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 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 2016, 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:

	11 November 2015	24 September 2014
Expected life (in years)	5.5	3
Expected volatility	38.49%	34.32%
Risk-free interest rate	1.64%	0.97%
Dividend yield	0%	0%

32. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Stock option activity and related information during the periods indicated was as follows:

	2016		2015	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding at beginning of year	6,735,000	5.00	–	–
Cancelled	(6,735,000)	5.00	–	–
Granted	7,405,000	5.39	7,065,000	5.00
Forfeited	(785,000)	5.39	(330,000)	5.00
Exercised	–	–	–	–
Outstanding at end of year	6,620,000	5.39	6,735,000	5.00
Exercisable at end of year	–	–	–	–

The expense recognised in profit or loss for equity-settled share based payments amounted to US$0.7 million in the current year and was included in personnel cost.

33. 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 of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee (ARC) 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 ARC 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 ARC 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 ARC.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

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 BOD of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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 statements 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 ARC 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, excluding cash on hand, by geographic region was:

		Group		
	Note	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Americas		133,729	124,739	121,335
Europe		8,558	10,210	6,469
Asia Pacific		80,398	85,024	59,415
	14,16	222,685	219,973	187,219

At 30 April 2016, the Group's most significant customer accounted for 16% of the trade and other receivables carrying amount (30 April 2015: 15%, 1 May 2014: 14%).

Impairment losses

The ageing of loans and receivables excluding cash on hand that were not impaired at the reporting date was:

Group	**Note**	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Not past due		164,476	167,629	151,761
Past due 0 – 60 days		36,681	31,854	27,798
Past due 61 – 90 days		4,624	4,197	1,543
Past due 91 – 120 days		3,810	7,342	323
More than 120 days		13,094	8,951	5,794
	14,16	222,685	219,973	187,219

As at 30 April 2016 and 2015 and 1 May 2014, the Company's loans and receivables were all not past due.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

	Note	30 April 2016 Grade A US$'000	 Grade B US$'000	 Grade C US$'000	 Total US$'000
Cash in banks	16	47,153	–	–	47,153
Trade and other receivables	14	–	175,532	6,094	181,626
		47,153	175,532	6,094	228,779

	Note	30 April 2015 Grade A US$'000	 Grade B US$'000	 Grade C US$'000	 Total US$'000
Cash in banks and cash equivalents	16	35,571	–	–	35,571
Trade and other receivables	14	–	184,402	8,783	193,185
		35,571	184,402	8,783	228,756

	Note	1 May 2014 Grade A US$'000	 Grade B US$'000	 Grade C US$'000	 Total US$'000
Cash in banks	16	28,351	–	–	28,351
Trade and other receivables	14	–	158,868	13,652	172,520
		28,351	158,868	13,652	200,871

As at 30 April 2016 and 2015 and 1 May 2014, the Company's cash in banks and trade and other receivables were all classified under Grade A and Grade B, respectively.

Grade A financial assets pertain to those cash that are deposited in reputable banks. Grade B includes receivables that are collected on their due dates even without an effort from the Group to follow them up, while receivables which are collected on their due dates provided that the Group made a persistent effort to collect them are included under Grade C receivables.

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.

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33. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

Cash in banks and cash equivalents

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents balances held in the following regions are:

	30 April 2016 %	30 April 2015 %	1 May 2014 %
Group			
United States of America	63	2	66
Philippines	11	70	21
Hong Kong	25	26	13
Singapore	1	2	–
Company			
United States of America	–	–	4
Philippines	78	20	88
Hong Kong	22	80	8

Apart from the information stated 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.

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 interest-bearing financial instruments as reported to management of the Group is as follows:

	Group			Company		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Fixed rate instruments						
Loans and borrowings	565,960	789,960	910,964	129,234	102,630	602,492
Variable rate instruments						
Loans and borrowings	1,277,822	928,527	943,000	348,630	348,250	–
Interest rate swaps	35,115	20,090	4,368	–	–	–
	1,312,937	948,617	947,368	348,630	348,250	–

33. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (cont'd)

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, profit/loss before tax in the next 12 months and equity would have been affected as follows:

	Profit/loss 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 2016				
Variable rate instruments	(5,681)	5,681	–	–
Interest rate swaps	–	–	(15,806)	6,606
Cash flow sensitivity (net)	(5,681)	5,681	(15,806)	6,606
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

As at 30 April 2016, if interest rates had moved by 100 bp increase and decrease, with all other variables held constant, the Company's profit before tax in the next 12 months and equity would have been affected by US$0.1 million decrease and US$0.1 million increase, respectively.

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$991.0 million (30 April 2015: US$928.0 million, 1 May 2014: US$1,043.0 million) in credit lines, of which 29% (30 April 2015 and 1 May 2014: 22%) remain available. The lines are mostly for short term financing requirements, with US$194.0 million (30 April 2015 and 1 May 2014: US$11.0 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.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Note	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 2016						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	35,115	36,130	15,218	20,912	–
Commodity contracts	21	1,630	1,630	1,630	–	–
		36,745	37,760	16,848	20,912	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Short-term		501,481	517,695	517,695	–	–
– Long-term		193,224	219,402	7,313	212,089	–
Secured bank loans						
– Short-term		225,879	232,542	232,542	–	–
– Long-term		923,198	1,226,975	57,895	1,169,080	–
Trade and other payables*		263,354	263,354	263,354	–	–
		2,107,136	2,459,968	1,078,799	1,381,169	–
30 April 2015						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	20,090	10,523	–	9,654	869
Foreign currency forward contracts used for hedging, net settled	21	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
Other noncurrent liabilities						
– Other payables		797	797	–	797	–
Trade and other payables*		334,862	334,862	334,862	–	–
		2,054,146	2,519,700	862,560	1,388,035	269,105

* excludes derivative liabilities and advances from customers

33. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

Group	Note	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
1 May 2014						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	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
Other noncurrent liabilities						
– Other payables		3,157	3,157	–	3,157	–
Trade and other payables*		234,654	234,654	234,654	–	–
		2,091,775	2,539,686	1,215,541	341,507	982,638

* excludes derivative liabilities and advances from customers

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 2016					
Non-derivative financial liabilities					
Unsecured bank loans					
– Long-term	129,234	155,204	7,313	147,891	–
– Short-term	348,630	364,542	364,542	–	–
Trade and other payables	116,298	116,298	116,298	–	–
	594,162	636,044	488,153	147,891	–
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	–
1 May 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	–	–

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.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

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.

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 Dollars, 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 2016			
Trade and other receivables	25,675	3,813	–
Cash and cash equivalents	4,630	294	–
Other non-current assets	1,454	–	–
Loans and borrowings	(33,704)	–	–
Trade and other payables	(59,062)	(5,334)	–
	(61,007)	(1,227)	–
30 April 2015			
Trade and other receivables	134,664	2,502	–
Cash and cash equivalents	1,184	208	–
Other non-current assets	1,554	–	–
Loans and borrowings	(9,644)	–	–
Trade and other payables	(83,565)	(6,033)	–
	44,193	(3,323)	–
1 May 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)
Loans and borrowings	(72,600)	–	–
Trade and other payables	(3,810)	–	(11,337)
	10	(2,656)	1,400

The Company has no significant exposure to foreign currencies as at 30 April 2016 and 2015 and 1 May 2014.

33. 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 increased (decreased) 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 Dollars		Mexican Peso		Venezuelan Bolivar	
	Profit (loss) before taxation US$'000	Equity US$'000	Profit (loss) before taxation US$'000	Equity US$'000	Profit (loss) before taxation US$'000	Equity US$'000
30 April 2016						
10% strengthening	6,101	–	(123)	2,222	–	–
10% weakening	(6,101)	–	123	(2,222)	–	–
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)	–

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) profit before taxation and increased (decreased) equity by the amounts shown below.

	Loss/profit before taxation US$'000	Equity US$'000
30 April 2016		
10% increase in commodity price	(281)	(494)
10% decrease in commodity price	281	494

At 30 April 2015 and 1 May 2014, there were no outstanding commodity contracts.

34. 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 statements of financial position, are as follows:

Group	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2016						
Cash and cash equivalents	16	47,203	–	–	47,203	47,203
Trade and other receivables	14	175,532	–	–	175,532	175,532
Derivative asset	15	–	1,473	–	1,473	1,473
		222,735	1,473	–	224,208	224,208
Loans and borrowings	20	–	–	1,843,782	1,843,782	1,822,868
Trade and other payables*	24	–	15,218	263,360	278,578	278,578
Derivative liabilities	21	–	21,527	–	21,527	21,527
		–	36,745	2,107,142	2,143,887	2,122,973
30 April 2015						
Cash and cash equivalents	16	35,618	–	–	35,618	35,618
Trade and other receivables	14	184,402	–	–	184,402	184,402
Derivative asset	15	–	818	–	818	818
		220,020	818	–	220,838	220,838
Loans and borrowings	20	–	–	1,718,487	1,718,487	1,712,728
Trade and other payables*	24	–	1,003	334,862	335,865	335,865
Derivative liabilities	21	–	20,090	–	20,090	20,090
		–	21,093	2,053,349	2,074,442	2,068,683
1 May 2014						
Cash and cash equivalents	16	28,401	–	–	28,401	28,401
Trade and other receivables	14	158,868	–	–	158,868	158,868
		187,269	–	–	187,269	187,269
Loans and borrowings	20	–	–	1,853,964	1,853,964	1,853,964
Trade and other payables*	24	–	–	234,654	234,654	234,654
Derivative liabilities	21	–	4,368	–	4,368	4,368
		–	4,368	2,088,618	2,092,986	2,092,986

* excludes advances from customers

34. ACCOUNTING CLASSIFICATION AND FAIR VALUES (CONT'D)

Fair values versus carrying amounts (cont'd)

Company	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2016						
Cash and cash equivalents	16	361	–	–	361	361
Trade and other receivables	14	145,240	–	–	145,240	145,240
		145,601	–	–	145,601	145,601
Loans and borrowings	20	–	–	477,864	477,864	503,958
Trade and other payables	24	–	–	116,298	116,298	116,298
		–	–	594,162	594,162	620,256
30 April 2015						
Cash and cash equivalents	16	6,126	–	–	6,126	6,126
Trade and other receivables	14	105,723	–	–	105,723	105,723
		111,849	–	–	111,849	111,849
Loans and borrowings	20	–	–	450,880	450,880	454,798
Trade and other payables	24	–	–	163,785	163,785	163,785
		–	–	614,665	614,665	618,583
1 May 2014						
Cash and cash equivalents	16	232	–	–	232	232
Trade and other receivables	14	104,512	–	–	104,512	104,512
		104,744	–	–	104,744	104,744
Loans and borrowings	20	–	–	602,491	602,491	605,000
Trade and other payables	24	–	–	122,395	122,395	122,395
		–	–	724,886	724,886	727,395

35. DETERMINATION OF FAIR VALUES

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorisation at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

		30 April 2016			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	15	–	1,473	–	1,473
Non-financial assets					
Fair value of agricultural produce harvested	12	–	–	98,412	98,412
Noncurrent assets held for sale	17	–	–	1,950	1,950
Freehold land	6	–	–	65,372	65,372
Financial liabilities					
Derivative liabilities	21	–	36,745	–	36,745

		30 April 2015			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	15	–	818	–	818
Non-financial assets					
Fair value of agricultural produce harvested	12	–	–	94,600	94,600
Noncurrent assets held for sale	17	–	–	8,113	8,113
Freehold land	6	–	–	72,068	72,068
Financial liabilities					
Derivative liabilities	21	–	21,093	–	21,093

35. DETERMINATION OF FAIR VALUES (CONT'D)

Fair value hierarchy (cont'd)

		1 May 2014			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Non-financial assets					
Fair value of agricultural produce harvested	12	–	–	21,800	21,800
Freehold land	6	–	–	57,608	57,608
Financial liabilities					
Derivative liabilities	21	–	4,368	–	4,368

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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 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.

35. DETERMINATION OF FAIR VALUES (CONT'D)

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 (Level 2). The fair value of the loan is based on the discounted value of expected future cash flows using risk free rates and credit spread ranging from 2.6% to 4.7% (Level 3).
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 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 after deducting 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.

35. 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 (Level 3).	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 (Level 3).	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 (Level 3).	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 (Level 3).	The unobservable inputs are estimated future pineapple gross margin per ton specific for processed products, estimated pineapple yield per hectare, estimated pineapple fruit recovery.

36. 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 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Within one year	51,299	47,790	48,754
Between one to five years	134,973	115,888	129,363
More than five years	55,077	51,341	54,301
	241,349	215,019	232,418

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.

Operating Lease Commitments – Group as Lessee

The Group has entered into various lease agreements as a lessee. The Group had determined that the significant risks and rewards on properties leased from third parties are retained by the lessors.

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 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Within one year	387,548	542,227	387,605
After one year but within five years	284,728	296,530	199,691
After five years	340,724	339,052	77,033
	1,013,000	1,177,809	664,329

36. COMMITMENTS (CONT'D)

Future capital expenditure

	Group		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Capital expenditure not provided for in the financial statements			
– approved by Directors and contracted for	15,266	53,478	7,440
– approved by Directors but not contracted for	65,950	29,249	121,560
	81,216	82,727	129,000

The Group is also committed to incur capital expenditure of US$1.8 million (30 April 2015: US$2.0 million, 1 May 2014: US$0.9 million) in relation to its interest in a joint venture, which is expected to be settled within one year.

37. CONTINGENCIES

As at 30 April 2016, a subsidiary, DMPL India Limited has a contingent liability amounting to US$6.8 million (30 April 2015: US$8.9 million, 1 May 2014: US$9.9 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.

Matters Assumed in Connection with the Consumer Food Business

As described in Note 1 and Note 4, the Group acquired the Consumer Food Business in February 2014. In connection with the acquisition of the Consumer Food Business, the Group assumed the legal matters described below from the Seller.

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 alleges 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 30 July 2015 the Court denied Plaintiff's motion for class certification. Plaintiff has appealed this ruling to the U.S. Ninth Circuit Court of Appeal. The appeal has been fully briefed. Oral arguments are expected to be scheduled for 2017. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Fresh Del Monte Produce, Inc. vs. Seller

On 19 December 2013, Fresh Del Monte Produce, Inc. ("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, 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. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

In a separate matter, DMFI initiated an arbitration action against an affiliate of FDP for breach of another license agreement by using the Del Monte brand on cafes and a delivery service in the Middle East. The arbitration panel issued its ruling in July 2016, finding that the FDP affiliate's activities are permitted under the license agreement but that the affiliate breached the terms of the license agreement in the manner in which it used the Del Monte trademarks. The arbitration panel is expected to rule on the appropriate cure for these breaches in Summer 2016.

37. CONTINGENCIES (CONT'D)

Matters Assumed in Connection with the Consumer Food Business (cont'd)

Resolved Dispute with Smucker's

On 18 February 2014, DMFI consummated the acquisition of the Consumer Food Business of Smucker's. The purchase price to be paid by DMFI at closing was adjusted upward in the amount of US$111.0 million (the "Closing Adjustment Amount") based on the difference between the target working capital agreed by the parties in the Purchase Agreement and Smucker's' good faith estimate of working capital on the day immediately preceding the closing date. Based on Smucker's' calculation of closing working capital, Smucker's 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 Smucker's' statement setting forth its calculation of closing working capital is in breach of several provisions of the Purchase Agreement and that Smucker's 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.

In March 2015, the parties have submitted this dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement. An initial ruling on the closing working capital calculation was issued in July 2015. The parties continued discussions and on 25 April 2016, have entered into a settlement agreement, under which Smucker's paid/refunded to DMFI US$38.0 million in full satisfaction of the post-closing working capital amount adjustment under the Purchase Agreement. The resulting settlement gain was recognised in "Other income (expenses)-net" account in the consolidated income statement for the year ended 30 April 2016 (Note 26).

Other legal cases

FDP vs. DMPL

On September 29, 2015, FDP filed an action against DMPL with the New York Supreme Court. FDP alleged that DMPL failed to comply with its contractual obligation to use commercially reasonable efforts to curb supply of parallel imports of Del Monte branded products into FDP's territories. Among other things, FDP claims that DMPL violated the settlement agreements by refusing to sell adequate products to FDP to curb parallel imports. DMPL believes that it has complied with its contractual obligations. DMPL cannot at this time reasonably estimate a range of exposure, if any, of the potential liability. The case is in discovery stage during which documents are produced and depositions of witnesses are taken.

Four (4) Labour disputes versus DMPI (Mindanao)

Amount of contention is immaterial. For filing of position papers and appeals to the proper courts.

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.

38. 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.

Category/ Transaction	Year	Amount of the transaction US$'000	Outstanding balance – receivables/ (payables) US$'000	Terms	Conditions
Under Common Control					
• Shared IT services	**2016**	**215**	**79**	Due and demandable;	Unsecured;
	2015	419	–	non-interest bearing	no impairment
	2014	27	45		
• Sale of tomato paste	**2016**	**1,111**	**–**	Due and demandable;	Unsecured;
	2015	1,627	748	non-interest bearing	no impairment
	2014	641	641		
• Inventory count shortage	**2016**	**25**	**–**	Due and demandable;	Unsecured;
	2015	363	57	non-interest bearing	no impairment
	2014	–	–		
• Purchases	**2016**	**826**	**–**	Due and demandable;	Unsecured;
	2015	392	–	non-interest bearing	no impairment
	2014	43	–		
• Tollpack fees	**2016**	**551**	**(63)**	Due and demandable;	Unsecured
	2015	472	–	non-interest bearing	
	2014	169	–		
Other Related Party					
• Management fees	**2016**	**4**	**261**	Due and demandable;	Unsecured;
from DMPI retirement fund	2015	5	272	non-interest bearing	no impairment
	2014	2	277		
• Rental to DMPI	**2016**	**1,365**	**(3)**	Due and demandable;	Unsecured;
Retirement	2015	1,519	5	non-interest bearing	no impairment
	2014	169	(15)		
• Rental to NAI	**2016**	**529**	**(166)**	Due and demandable;	Unsecured
Retirement	2015	582	–	non-interest bearing	
	2014	–	–		
• Rental to DMPI	**2016**	**5**	**–**	Due and demandable;	Unsecured;
provident fund	2015	–	–	non-interest bearing	no impairment
	2014	5	–		
• Purchase of services to	**2016**	**30**	**–**	Due and demandable;	Unsecured;
DMPI retirement	2015	–	–	non-interest bearing	no impairment
	2014	8	–		
	2016	**4,661**	**108**		
	2015	5,379	1,082		
	2014	1,064	948		

38. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

The transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group policy is to solicit competitive quotations. Bids from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price.

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 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Directors:						
Fees and remuneration	2,778	1,870	563	2,345	1,805	543
Key executive officers (excluding Directors):						
Short-term employee benefits	2,580	2,530	4,828	1,359	1,378	274
Post-employment benefits	129	78	460	–	–	–

39. 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 2016 US$'000	30 April 2015 US$'000 (As restated*)	1 May 2014 US$'000 (As restated*)
DMPLFL			
Ownership interests held by non-controlling interests	10.57%	10.57%	10.57%
Revenue	1,778,002	1,708,937	293,439
Profit (loss)	29,374	(53,106)	(46,985)
Other comprehensive income	1,325	(26,519)	1,980
Total comprehensive income			
Attributable to non-controlling interests:			
– Profit (loss)	3,104	(5,612)	(4,966)
– Other comprehensive income	140	(2,803)	119
Total comprehensive income	3,244	(8,415)	(4,847)
Non-current assets	1,307,257	1,314,243	1,189,387
Current assets	901,776	807,622	856,366
Non-current liabilities	(1,155,181)	(1,108,700)	(1,062,906)
Current liabilities	(443,950)	(434,514)	(323,114)
Net assets	609,902	578,651	659,733
Net assets attributable to non-controlling interests	64,451	61,148	69,791
Cash flows provided by (used in) operating activities	(18,005)	192,394	71,821
Cash flows used in investing activities	(39,104)	(132,160)	(1,793,137)
Cash flows provided by (used in) financing activities, before dividends to non-controlling interests	57,646	(77,775)	1,738,601
Currency realignment	84	(521)	1,341
Net increase (decrease) in cash and cash equivalents	621	(18,062)	18,626

* see Note 3.6

40. SUBSEQUENT EVENTS

On 29 June 2016, the Company declared a dividend of 1.33 US cents (US$0.0133) per share, representing a 50% payout of fiscal year 2016 net profit .

At the end of June 2016, the Group announced its intention to implement a cost-reduction program which includes the reduction of the Group's workforce by the end of calendar year 2016 to enable the Group to adapt to current market conditions. However, an estimate of the total cost at the completion of the restructuring cannot be made at this time.

STATISTICS OF SHAREHOLDINGS

As recorded in the Register of Substantial Shareholders as at 8 July 2016

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$18,647,159
Number of Shares Issued (including Treasury Shares)	:	1,944,935,826
Number of Shares Issued (excluding Treasury Shares)	:	1,943,214,106
Class of Shares		Ordinary shares of US$0.01 each, with each ordinary shares entitled to one vote

Percentage of treasury shares held against the total number of issued ordinary shares (excluding ordinary shares held in treasury): 0.09%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Shareholders	%	No. of Shares	%
1 – 99	38	0.46	875	0.00
100 – 1,000	140	1.68	79,968	0.00
1,001 – 10,000	6,237	74.83	17,300,676	0.89
10,001 – 1,000,000	1,872	22.46	116,876,567	6.01
1,000,001 and above	48	0.57	1,808,956,020	93.10
Total	**8,335**	**100.00**	**1,943,214,106**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Nutriasia Pacific Limited	1,155,030,190	59.44
2	HSBC (Singapore) Nominees Pte Ltd	164,711,947	8.48
3	Lee Pineapple Company Pte Ltd	100,422,000	5.17
4	Deutsche Bank Manila-Clients A/C	83,049,455	4.27
5	DBS Nominees (Private) Limited	79,596,242	4.10
6	Raffles Nominees (Pte) Limited	40,207,174	2.07
7	BNP Paribas Nominees Singapore Pte Ltd	18,864,490	0.97
8	Government Service Insurance System	16,722,937	0.86
9	Wee Poh Chan Phyllis	14,351,900	0.74
10	United Overseas Bank Nominees (Private) Limited	11,582,728	0.60
11	Banco De Oro - Trust Banking Group	10,369,376	0.53
12	Citibank Nominees Singapore Pte Ltd	10,272,632	0.53
13	DBS Vickers Securities (Singapore) Pte Ltd	8,627,071	0.44
14	COL Financial Group, Inc.	8,425,346	0.43
15	Joselito Jr Dee Campos	7,621,466	0.39
16	Pineapples Of Malaya Private Limited	6,432,000	0.33
17	Maybank Kim Eng Securities Pte. Ltd.	5,212,764	0.27
18	The Hongkong And Shanghai Banking Corp. Ltd. -Clients' Acct.	4,628,297	0.24
19	IGC Securities Inc.	4,368,849	0.22
20	KGI Fraser Securities Pte. Ltd.	3,809,860	0.20
	Total	**1,754,306,724**	**90.28**

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 8 July 2016

	Direct Interest		Deemed Interest		Total Interest	
Name of Shareholders	**Number of Shares**	**%**	**Number of Shares**	**%**	**Number of Shares**	**%**
Bluebell Group Holdings Limited	148,226,771[(2)]	7.63	Nil	Nil	148,226,771	7.63
Golden Sunflower International Limited	Nil	Nil	148,226,771[(2)]	7.63	148,226,771	7.63
NutriAsia Pacific Limited	1,155,030,190[(3)]	59.44	Nil	Nil	1,155,030,190	59.44
NutriAsia Holdings Limited	Nil	Nil	1,155,030,190[(4)]	59.44	1,155,030,190	59.44
NutriAsia Inc	Nil	Nil	1,155,030,190[(4)]	59.44	1,155,030,190	59.44
Well Grounded Limited	Nil	Nil	1,155,030,190[(5)]	59.44	1,155,030,190	59.44
Golden Chamber Investment Limited	Nil	Nil	1,155,030,190[(5)]	59.44	1,155,030,190	59.44
Star Orchid Limited	Nil	Nil	1,155,030,190[(5)]	59.44	1,155,030,190	59.44
HSBC Trustee (Hong Kong) Limited	Nil	Nil	1,303,256,961[(6)]	67.07	1,303,256,961	67.07
HSBC International Trustee Limited	Nil	Nil	1,303,256,961[(6)]	67.07	1,303,256,961	67.07
HSBC Private Banking Holdings (Suisse) SA	Nil	Nil	1,303,256,961[(6)]	67.07	1,303,256,961	67.07
HSBC Finance (Netherlands)	Nil	Nil	1,303,256,961[(6)]	67.07	1,303,256,961	67.07
HSBC Holdings Plc	Nil	Nil	1,303,256,961[(6)]	67.07	1,303,256,961	67.07
Mr Joselito D Campos, Jr	7,621,466	0.39	1,303,256,961[(2)(3)]	67.07	1,310,878,427	67.46
Lee Foundation	Nil	Nil	106,854,000[(7)(10)]	5.50	106,854,000	5.50
Lee Foundation, States of Malaya	Nil	Nil	106,854,000[(8)(10)]	5.50	106,854,000	5.50
Lee Pineapple Company (Pte) Limited	100,422,000	5.17	6,432,000[(9)(10)]	0.33	106,854,000	5.50

Percentage of Shareholdings in Public's Hand

Based on the information provided, to the best knowledge of the Directors and Substantial Shareholders of the Company, approximately 26.48% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notes:

1 The percentage of issued capital is calculated based on 1,943,214,106 issued Shares (excluding 1,721,720 treasury shares).

2 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. GSIL is wholly owned by HSBC Trustee (Hong Kong) Limited ("HKL"). HKL is the trustee of Twin Palms Pacific Trust, the beneficiaries of which are JDC and his children and JDC is therefore interested in the 148,226,771 shares held by BGHL.

3 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") and his family have beneficial interests in NPL (through Golden Chamber Investment Limited and Star Orchid Ltd which hold trusts in which they are beneficiaries). JDC is therefore deemed to be interested in the shares held by NPL.

4 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.

5 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.

6 GCIL and SOL are wholly owned by two separate trusts (Twin Palms Pacific Trust and the Star Orchid Trust respectively) for which HSBC Trustee (Hong Kong) Limited acts as trustee ("HKL"). HKL is therefore deemed interested in the shares of the listed company held by NPL. The beneficiaries of the Star Orchid Trust are beneficially owned by the Campos family.

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.

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.

7 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.

8 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.

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 Due to the completion of the bonus issue by the Company announced on 18 April 2013, the 83,685,000 shares held by Lee Pineapple Company (Pte) Limited has increased to 100,422,000 shares and similarly, Lee Pineapple Company (Pte) Limited's deemed interest in the 5,360,000 shares held by its wholly-owned subsidiary, Pineapples of Malaya Private Limited has increased to 6,432,000 shares.

INTERESTED PERSON TRANSACTIONS

As at 30 April 2016

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
Nutri-Asia, Inc.	–	2,728
DMPI Retirement Fund	–	1,399
NAI Retirement Fund	–	529
Aggregate Value	**–**	**4,656**

PROFORMA GROUP FINANCIAL INFORMATION*

For the Year Ended 30 April 2016 (Amounts in Singapore Dollars)

	Group		
	Year ended 30 April 2016 S$'000	Year ended 30 April 2015 S$'000	Four months ended 30 April 2014 S$'000
Revenue	3,152,293	2,820,829	490,383
Cost of sales	(2,482,519)	(2,294,305)	(442,330)
Gross Profit	669,774	526,524	48,053
Other income	–	–	–
Distribution and selling expenses	(279,433)	(256,916)	(50,330)
General and administrative expenses	(208,668)	(246,251)	(60,268)
Other expenses (expenses) – net	43,143	21,796	(7,583)
Results from operating activities	224,816	45,153	(70,128)
Finance income	3,101	516	497
Finance expenses	(138,418)	(128,821)	(23,174)
Net finance expense	(135,317)	(128,305)	(22,677)
Share in loss of investments in joint ventures, net of tax	(2,387)	(3,164)	(1,466)
Profit (loss) before taxation	87,112	(86,316)	(94,271)
Tax (expense) credit – net	(11,313)	23,113	30,965
Profit (loss) for the year/period	75,799	(63,203)	(63,306)
Profit (loss) attributable to:			
Non-controlling interests	4,167	(7,497)	(6,443)
Owners of the Company	71,632	(55,706)	(56,863)

* 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 2016, 2015 and 2014 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.39, S$1.29 and S$1.27, 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 Godfrey E Scotchbrook
Independent Director

Dr Emil Q Javier
Independent Director

Mrs Yvonne Goh
Independent Director

AUDIT AND RISK COMMITTEE
Mr Benedict Kwek Gim Song
Chairman and Lead Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Dr Emil Q Javier
Independent Director

Mrs Yvonne Goh
Independent Director

NOMINATING COMMITTEE
Mr Godfrey E Scotchbrook
Chairman and Independent Director

Mr Benedict Kwek Gim Song
Lead Independent Director

Dr Emil Q Javier
Independent Director

Mrs Yvonne Goh
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

Dr Emil Q Javier
Independent Director

Mrs Yvonne Goh
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 Corporate Officer

Mr Parag Sachdeva
Chief Financial Officer

Mr Antonio Eugenio S Ungson
Chief Legal Counsel,
Chief Compliance Officer and
Company Secretary

Ms Ma Bella B Javier
Chief Scientific Officer

COMPANY SECRETARY
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BDO Universal Bank, Inc
Bank of the Philippines Islands
Bank of Tokyo Mitsubishi – UFJ Ltd
BMO Harris Bank, NA
Citibank NA
DBS Bank Ltd
Hongkong and Shanghai Banking Corp Ltd
Metropolitan Bank and Trust Co
Philippine National Bank
Rabobank International
Rizal Commercial Banking Corporation
Wells Fargo Bank, National Association

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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, Fruit Refreshers, 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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