

DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands with limited liability)

**DIFFERENCE BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 APRIL 2018**

The Board of Directors (the "Board") of Del Monte Pacific Limited (the "Company" and, together with its subsidiaries, the "Group") refers to the Company's unaudited full year results announcement for the financial year ended 30 April 2018 ("FY2018") released on 29 June 2018 (the "Unaudited Results").

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Board wishes to highlight the non-cash adjustment between the Unaudited Results and the audited financial statements for FY2018 (the "Audited Results") noted below.

A comparison of the Audited Results and the Unaudited Results with the resulting material variances and relevant explanatory notes are shown below:

CONSOLIDATED INCOME STATEMENT FOR FY2018

	Group (US\$000)			
	Audited Financial Statements	Unaudited Financial Statements	Variance	Note
Profit (loss) before taxation	(36,232)	(36,232)	-	
Tax expense	(14,844)	(6,539)	(8,305)	1
Profit (loss) for the year	(51,076)	(42,771)	(8,305)	
Profit (loss) attributable to:				
Owners of the Company	(36,492)	(28,187)	(8,305)	1
Non-controlling interests	(14,584)	(14,584)	-	
	(51,076)	(42,771)	(8,305)	

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2018

	Group (US\$000)				Company (US\$000)			
	Audited Financial Statements	Unaudited Financial Statements	Variance	Note	Audited Financial Statements	Unaudited Financial Statements	Variance	Note
Noncurrent assets								
Investments in subsidiaries					707,644	714,272	(6,628)	2, 3
Deferred tax assets - net	79,829	88,259	(8,430)	2				
Due from a related company					88,880	91,782	(2,902)	3
Current assets								
Trade and other receivables					180,948	166,392	14,556	3
Equity								
Retained earnings	95,505	103,935	(8,430)	2	95,505	103,941	(8,436)	2
Trade and other current liabilities					87,073	74,493	12,580	3

CONSOLIDATED CASH FLOW FOR FY2018

	Group (US\$000)			
	Audited Financial Statements	Unaudited Financial Statements	Variance	Note
Cash flows from operating activities				
Profit (loss) for the year	(51,076)	(42,771)	(8,305)	1
Adjustments for:				
Depreciation of property, plant and equipment	140,061	140,400	(339)	4
Impairment loss of property, plant and equipment	24,534	22,456	2,078	4
Loss (gain) on disposal of property, plant and equipment	(11,317)	(11,296)	(21)	4
Tax expense – current	11,701	10,971	730	1
Tax credit – deferred	3,143	(4,432)	7,575	1
Changes in:				
Other assets	(5,169)	33,470	(38,639)	4
Inventories	147,643	149,275	(1,632)	4
Trade and other payables	(11,777)	(15,777)	4,000	4
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment and noncurrent assets held for sale	41,241	6,688	34,553	4
Cash flows from financing activities				
Proceeds from borrowings	807,822	798,722	9,100	5
Repayment of borrowings	(1,053,042)	(1,043,943)	(9,099)	5

EXPLANATORY NOTES:

1 – On 27 March 2018, Del Monte Foods Holdings II, Inc (“DMFHII”), a subsidiary of the Company, through a trust, purchased Del Monte Foods, Inc’s (“DMFI”) Second Lien term loans (the “Loans”) with principal amount of US\$125.9 million from seller lenders for US\$88 million. The pre-tax net gain from the purchase of the loans amounting to US\$33.6 million, net of transaction costs amounting to US\$3.2 million, was recognised in the Group’s consolidated financial statements under “Finance income.”

Subsequent to the announcement of the Unaudited Results and in the course of finalising the Audited Results, it was concluded that the gain from the purchase of the Loans had to be recorded in the financial statements of DMFHII, a Delaware entity, that had purchased the Loans and not in the Company’s financial statements. DMFI’s (a subsidiary in the US) accumulated net operating losses (“NOL”) may be used to offset, against tax, the gain from the purchase of the Loans. Due to this change, the Company had to adjust the deferred tax assets accordingly for the NOL used for the offset, thereby increasing the tax cost for FY2018. However, this tax cost is non-cash in nature.

The profit or loss impact of the tax adjustment is US\$8.3 million in additional deferred tax expense which in turn increased the Net Loss attributable to owners of the Company from US\$28.2 million to US\$36.5 million.

2 – The impact of the tax adjustment is US\$8.3 million reduction in consolidated deferred tax assets and retained earnings. The same amount also affected the Company’s share in the net earnings of its subsidiaries.

3 – These tax adjustments are mainly a reclassification of balance sheet accounts. This reclassification has no impact on the profit or loss.

4 & 5 – These are mainly a reclassification of cash flow accounts upon review by the auditors and have no impact on the profit or loss or net cash flow.

By Order of the Board

Antonio E S Ungson
Company Secretary
27 July 2018