



## **Del Monte Pacific Limited**

**Management Discussion and Analysis of  
Unaudited Financial Condition and Results of Operations for  
the Second Quarter Ended 30 June 2007**

<b>CONTENTS</b>	<b>Page</b>
Directors' Assurance Statement	3
Summary	4
Financial Highlights	5
Review of Operating Performance	5
Variance from Prospect Statement	6
Business Outlook	6
Review of Turnover and PBIT	
By geographical segments	7
By business segments	8
Review of Cost of Goods Sold and Operating Expenses	10
Review of Group Assets and Liabilities	11
Share Capital	12
Cash Flow and Liquidity	12
Capital Expenditure	13
Dividends	13
Financial Statements	
Profit and Loss Accounts	14
Balance Sheets	15
Statements of Changes in Equity	17
Statement of Cash Flows	19
Notes to the Financial Statements	
1. Financial Highlights in Singapore Dollars	20
2. Audit	20
3. Accounting Policies	20
4. Group Segmental Reporting	21
5. Quarterly Turnover and PBIT Breakdown	23
6. Interested Person Transactions	24
7. Contingent Liabilities	25
Risk Management	25
Corporate Profile	27

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## **DIRECTORS' ASSURANCE**

Confirmation by Directors Pursuant to Clause 705(4) of the Listing Manual of SGX-ST.

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

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

(Signed)  
Rolando C Gapud  
Chairman of the Board

(Signed)  
Joselito D Campos, Jr.  
Executive Director

6 August 2007

## **DEL MONTE PACIFIC ACHIEVES ANOTHER STRONG QUARTER – REVENUE AND NET PROFIT IN 2Q 2007 GREW SIGNIFICANTLY**

- **2Q revenue rose 22% to US\$65.7m driven by robust sales in all major markets**
- **2Q PBIT more than doubled with better margins**
- **Consequently, 2Q and 1H net profit improved by almost 50%**
- **Interim dividend - 0.73 US cent/share (1.09 SG cent/share) or 75% payout of 1H profit**
- **Expects to outperform FY2006**

**Singapore, 6 August 2007** – Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) reported a 48% surge in second quarter net profit to US\$5.4 million, driven by better sales of 22% and cost efficiencies.

Sales in all of the Company's major markets were higher for the second quarter. The Philippines was a key driver with increased volume in all its product categories – processed pineapple, topical mixed fruits, tomato-based products and pasta. In the beginning of May of this year, DMPL expanded its distribution reach in the Philippines by shifting from two national distributors to 18 regional distributors. This immediately increased the Company's store coverage from 28,000 to almost 40,000 stores by the end of July 2007. The Company also launched *Fit 'n Right* juices built on health and weight-reducing benefits, which performed above expectations.

Sales to North America in the second quarter also grew as a result of the resumption of delayed shipments experienced in the first quarter.

Great Lakes in China and Del Monte Foods India contributed sales of US\$2.8 million in the second quarter, higher than the US\$2.1 million generated in the same quarter last year. Del Monte Foods India penetrated new markets in Asia and Africa, while Great Lakes produced strong domestic sales in China.

Strong sales for the Group plus cost efficiencies led to the jump in PBIT margins to 12.8% from 7.4% in the prior year quarter. PBIT also more than doubled to US\$8.4 million. The Group's cost efficiency program generated savings of US\$1.6 million in the second quarter bringing first half cost savings to US\$2.6 million, of which almost US\$1 million came from the Early Retirement Program, approximately US\$0.9 million from procurement savings and US\$0.4 million from production efficiencies.

Sales for the first half grew by 13% to US\$113.6 million, as a result of the strong performance in the Philippines, rest of Asia and Europe, which more than offset the decline in North America.

Great Lakes in China and Del Monte Foods India contributed higher turnover of US\$7.4 million for the first half versus US\$6.4 million last year. However, rising costs in China eroded the better sales performance.

PBIT for the Group rose 77% in the first half on the back of better gross margin coupled with lower other operating expenses. Net profit leaped 49% to US\$10.5 million as compared to US\$7.1 million in the prior year.

"We are encouraged by our solid performance in the second quarter. The efforts of our team are continuing to bear fruit. We are confident that we can reap more benefits in the coming quarters as the Company executes its revenue-building activities," said Managing Director and CEO of DMPL, Joselito Campos, Jr.

Barring any unforeseen circumstances, the Group expects sales to increase and cost savings to continue. Management continues to expect that the Group's 2007 results will outperform those achieved in 2006.

The Board has declared an interim dividend of 0.73 US cent (US\$0.0073) per share, representing a 75% payout of the Group's net profit in the first half of 2007.

## FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF 2007

Amounts in <b>US\$'000</b> unless otherwise stated <sup>1</sup>	For the three months ended 30 June		YoY Change (%)	For the six months ended 30 June		YoY Change (%)
	2007	2006		2007	2006	
Turnover	<b>65,700</b>	53,915	21.9	<b>113,550</b>	100,636	12.8
Gross profit	<b>15,518</b>	11,849	31.0	<b>27,728</b>	21,344	29.9
Gross profit margin (%)	<b>23.6</b>	22.0	1.6 ppt	<b>24.4</b>	21.2	3.2 ppt
EBITDA	<b>10,338</b>	6,342	63.0	<b>18,756</b>	11,937	57.1
EBITDA margin (%)	<b>15.7</b>	11.8	3.9 ppt	<b>16.5</b>	11.9	4.6 ppt
PBIT	<b>8,435</b>	3,994	111.2	<b>14,948</b>	8,454	76.8
PBIT margin (%)	<b>12.8</b>	7.4	5.4 ppt	<b>13.2</b>	8.4	4.8 ppt
Net profit	<b>5,412</b>	3,661	47.8	<b>10,544</b>	7,079	49.0
Net profit margin (%)	<b>8.2</b>	6.8	1.4 ppt	<b>9.3</b>	7.0	2.3 ppt
EPS (US cents)	<b>0.51</b>	0.34	50.0	<b>0.98</b>	0.65	50.8
Net debt	<b>(10,390)</b>	(32)	n/m	<b>(10,390)</b>	(32)	n/m
Cash flow from (used in) operations	<b>(11,088)</b>	1,660	n/m	<b>(9,174)</b>	(4,279)	114.4
Capital expenditure	<b>1,731</b>	858	101.8	<b>2,871</b>	1,823	57.5
Dividend per share (US cents)	<b>0.73</b>	0.49	49.0	<b>0.73</b>	0.49	49.0
Inventory (days)	<b>98</b>	107	(9)	<b>115</b>	114	1
Receivables (days)	<b>45</b>	30	15	<b>52</b>	33	19
Account Payables (days)	<b>50</b>	62	(12)	<b>57</b>	67	(10)

<sup>1</sup>The Company's reporting currency is US dollars. See Notes to the Financial Statements number 1 for the Singapore-dollar equivalent table.

n/m – not meaningful

## REVIEW OF OPERATING PERFORMANCE FOR THE SECOND QUARTER AND FIRST HALF 2007

Group turnover for the second quarter grew by 22% to US\$65.7 million on the back of strong sales in all of the Company's major markets.

Asia Pacific contributed 68% of Group turnover in the second quarter of 2007. Turnover in this region improved 25% to US\$44.5 million due to better pricing and volume. Turnover in the Philippine market surged 31% driven by a 17% improvement in pricing, partly aided by the 8% Peso appreciation, and 12% improvement in volume, partly due to pipelining to new distributors.

Turnover in Europe and North America, which accounted for 32% of Group turnover in the second quarter, jumped 16.2% to US\$21.2 million from US\$18.3 million led by higher processed pineapple and concentrate sales in this region. The North America market performed well as delayed shipments in the first quarter were resumed. Europe also generated higher sales.

Great Lakes in China and Del Monte Foods India contributed US\$2.8 million or 4% of total turnover, higher than US\$2.1 million in the same quarter last year.

Gross profit improved 31% as a result of favourable prices, lower pineapple, labour, energy and fixed manufacturing costs, despite the increase in tinplate costs and adverse impact of the Peso appreciation on costs.

PBIT more than doubled from US\$4.0 million to US\$8.4 million due to higher gross margin and lower operating expenses. Net income achieved a 48% increase to US\$5.4 million from US\$3.7 million backed by the higher PBIT and lower interest expense.

The Group's first half turnover posted a 13% increase to US\$113.6 million from US\$100.6 million. Strong performance in the Philippines and Europe more than offset weak results in North America and the non-processed business.

Great Lakes and Del Monte Foods India contributed US\$7.4 million or 7% of total turnover in the first half.

Gross margin strengthened to 24.4% from 21.2% last year on account of higher turnover and cost efficiency. PBIT and net profit grew significantly by 35% and 31%, respectively, as a result of improved margins and reduced operating expenses.

Net debt increased from US\$0.03 million to US\$10.4 million primarily due to higher working capital requirements on the back of higher inventories, particularly finished goods, and capital expenditures. The temporary increase in inventories was due to shipment delays to the export markets. Operating cash used in operation also more than doubled to US\$9.2 million.

## **VARIANCE FROM PROSPECT STATEMENT**

The second quarter 2007 results were on track with our earlier guidance that "Barring any unforeseen circumstances, Management expects the Group to outperform results achieved in 2006."

## **BUSINESS OUTLOOK**

Barring any unforeseen circumstances, Management continues to expect that the Group's 2007 results will outperform those achieved in 2006.

On top of the expected cost savings, the Company has also lined up revenue generating activities for the balance of the year.

For the Philippines, these include:

1. Continued expansion of store coverage following the distribution reorganization from 2 national distributors to 18 regional distributors
2. New packaging formats for beverages to increase consumption
3. Re-launch of beverages, fruits and sauces
4. Addition of major customers in the food service segment

For the export market, these include:

1. Expansion of fruit cup sales
2. Addition of new juice customers including National Foods in Australia
3. Development of the private label business in Asia

## REVIEW OF TURNOVER AND PBIT

### 1. By geographical segments

In US\$'000	Turnover			PBIT		
	For the three months ended 30 June		YoY Change (%)	For the three months ended 30 June		YoY Change (%)
	2007	2006		2007	2006	
Asia Pacific	44,471	35,641	24.8	8,012	3,080	160.1
Europe/North America	21,229	18,274	16.2	423	914	(53.7)
Total	65,700	53,915	21.9	8,435	3,994	111.2
PBIT margin				12.8%	7.4%	5.4 ppt

In US\$'000	Turnover			PBIT		
	For the six months ended 30 June		YoY Change (%)	For the six months ended 30 June		YoY Change (%)
	2007	2006		2007	2006	
Asia Pacific	79,288	64,458	23.0	13,832	6,768	104.4
Europe/North America	34,262	36,178	(5.3)	1,116	1,686	(33.8)
Total	113,550	100,636	12.8	14,948	8,454	76.8
PBIT margin				13.2%	8.4%	4.8 ppt

See Notes to the Financial Statements number 4 for more details.

#### Asia Pacific

Asia Pacific accounted for 68% of Group turnover in the second quarter. Sales in this region recorded a growth of 25% to US\$44.5 million from US\$35.6 million in the previous quarter primarily driven by higher sales in the Philippines.

Turnover in the Philippine market rose 31% on the back of a 12% volume growth and a 17% price improvement, aided by the 8% Peso appreciation.

Great Lakes contributed US\$2.6 million, up 22% versus the prior year quarter, on higher domestic sales. Similarly, turnover of Del Monte Foods India, although not material, demonstrated promising performance with a three-fold growth to US\$0.2 million versus the same quarter last year, as its operations continues to build scale. It fully sold/committed its 2006 mango puree inventory and was able to penetrate new markets in Asia and Africa.

PBIT in Asia Pacific for the second quarter improved significantly to US\$8.0 million from US\$3.1 million on the back of higher turnover, cost efficiencies and lower other operating expenses. PBIT margin more than doubled to 18.0% from 8.6% in the same quarter last year.

For the first half, Asia Pacific accounted for 70% of turnover. Turnover grew 23% to US\$79.3 million from US\$64.5 million due to significantly higher sales in the Philippines, more than offsetting the weak non-processed sales. Sales in the Philippines grew by 34% on the back of higher volume and more favourable pricing, again aided by the 8% Peso appreciation.

Great Lakes' turnover improved by 2% to US\$6.3 million from US\$6.2 million in the first half of last year while Del Monte Foods India's sales were three times higher to US\$1.1million versus the same period last year.

PBIT in Asia Pacific more than doubled to US\$13.8 million from US\$6.8 million as the increase in turnover, cost efficiencies and lower other operating expenses more than offset the Peso appreciation. PBIT margin leaped to 17.4% from 10.5% in the same period last year.

## Europe and North America

Turnover in Europe and North America, which accounted for 32% of Group turnover in the second quarter, jumped 16.2% to US\$21.2 million from US\$18.3 million led by higher processed pineapple and concentrate sales in this region. North America registered an 8% improvement in sales led by volume while Europe recorded a growth of 33%.

PBIT declined by 54% to US\$0.4 million from US\$0.9 million despite higher sales as a result of unfavourable Europe prices and Peso appreciation on costs.

For the first half, Europe and North America accounted for 30% of turnover. Turnover decreased by 5% to US\$34.3 million from US\$36.2 million as a result of lower volume in North America which more than offset higher sales in Europe.

PBIT dropped 34% from US\$1.7 million to US\$1.1 million. PBIT margin fell to 3.3% from 4.7% in the first half of 2007 as a result of weak Europe prices and Peso appreciation on costs.

## 2. By business segments

In US\$'000	Turnover			PBIT		
	For the three months ended 30 June		YoY Change (%)	For the three months ended 30 June		YoY Change (%)
	2007	2006		2007	2006	
Processed Products	43,441	36,066	20.4	5,855	4,013	45.9
Beverages	21,253	16,842	26.2	2,547	801	218.0
Non-processed Products	1,006	1,007	(0.1)	33	(820)	n/m
Total	65,700	53,915	21.9	8,435	3,994	111.2
PBIT margin				12.8%	7.4%	5.4 ppt

In US\$'000	Turnover			PBIT		
	For the six months ended 30 June		YoY Change (%)	For the six months ended 30 June		YoY Change (%)
	2007	2006		2007	2006	
Processed Products	72,369	65,246	10.9	10,097	6,907	46.2
Beverages	39,022	32,954	18.4	4,776	2,679	78.3
Non-processed Products	2,159	2,436	(11.4)	75	(1,132)	n/m
Total	113,550	100,636	12.8	14,948	8,454	76.8
PBIT margin				13.2%	8.4%	4.8 ppt

See Notes to the Financial Statements number 4 for more details.

## Processed Products

Processed products, our largest product category, contributed 66% to Group turnover in the second quarter. This segment comprises of processed fruits and vegetables (pineapple, tropical mixed fruit, tomato-based products), other processed products such as pasta and condiments and Del Monte-branded processed products such as canned vegetable and deciduous fruits sourced from other Del Monte companies.

Turnover of processed products achieved a growth of 20% to US\$43.4 million from US\$36.1 million mainly due to strong sales in the Philippine market. Processed pineapple enjoyed 27% growth in turnover on the back of increased volume, while tomatoes and other products grew by 24%.

PBIT for processed products rose 46% to US\$5.9 million from US\$4.0 million driven by higher sales and cost efficiencies. Consequently, PBIT margin improved to 13.5% from 11.1%.



For the first half, processed products accounted for 64% of total turnover. Higher volume and better margin in the Philippines coupled with the favourable prices in North America raised turnover for processed products to US\$72.4 million from US\$65.2 million.

PBIT increased substantially by 46.2% to US\$10.1 million from US\$6.9 million as a result of higher turnover and better margins. PBIT margin increased to 14.0% from 10.6%.

## **Beverages**

Beverages consist of juices, juice drinks, purees and juice concentrates. This segment accounted for 32% of the Group's turnover in the second quarter of 2007.

Turnover for this segment grew 26% to US\$21.3 million from US\$16.8 million driven by volume. Both juices and concentrates improved performance considerably with juices growing by 27%, as a result of better volume and prices, and concentrates growing by 24%, due to better volume offset by lower prices.

Great Lakes contributed US\$2.6 million to beverage sales, up 23% versus the prior year quarter of US\$2.1 million.

PBIT soared 218% to US\$2.5 million from US\$0.8 million due to higher turnover primarily due to significant strong juice sales in the Philippines. Overall PBIT margin jumped to 12.0% from 4.8%.

For the first half, beverage accounted for 34% of total turnover. Turnover for this segment increased by 18% to US\$39.0 million from US\$33.0 million primarily due to higher volume and prices in the Philippines and China, which comprised 65% of the beverages turnover.

Turnover for Great Lakes improved by 2% to US\$6.3 million from US\$6.1 million on the back of better prices. However, the marginal improvement in turnover was eroded by increased costs in China, resulting to first half loss of approximately US\$1.0 million.

Overall PBIT rose 78% to US\$4.8 million from US\$2.7 million as a result of higher prices. Accordingly PBIT margin improved to 12.2% from 8.1%.

## **Non-processed Products**

Accounting for 2% of Group turnover in the second quarter, non-processed products consist mainly of the non-core cattle business and fresh pineapples, both sold only in Asia Pacific. The cattle operation is used for the disposal of pineapple pulp.

Turnover for this segment was flat at US\$1.0 million. Lower volume of cattle and fresh pineapple despite improved prices led to the decline. DMPL is gradually reducing the sale of the Champaka variety of fresh pineapple in favour of the more preferred sweeter and more expensive MD2 variety. PBIT turned around to a profit of US\$0.03 million from a loss of US\$0.8 million in the prior year quarter due to better prices.

For the first half, turnover of non-processed products decreased by 11% to US\$2.2 million from US\$2.4 million due to lower fresh pineapple and cattle volume. However, due to favourable prices, PBIT turned around to a profit of US\$0.07 million as compared to a loss of US\$1.1 million last year.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 30 June		For the six months ended 30 June	
	2007	2006	2007	2006
Cost of Goods Sold	76.4	78.0	75.6	78.8
Distribution and Selling Expenses	4.7	6.5	5.5	5.9
General and Administration Expenses	5.2	5.5	5.5	5.4
Other Operating Expenses	1.4	1.7	0.7	1.7

### Cost of Goods Sold

Cost of goods sold as a percentage of turnover decreased to 76.4% from 78.0% on the back of lower pineapple, labour and energy costs, and containment of fixed manufacturing costs which more than offset higher tinsplate cost and the unfavourable impact of the 8% Peso appreciation. For the first half, cost of goods sold as a percentage of turnover also decreased to 75.6% from 78.8% for the same reasons.

### Distribution and Selling Expenses

Distribution and selling expenses as a percentage of turnover decreased in the second quarter and in the first half primarily due to timing of media and promotional expenditures in the Philippines.

### General and Administration Expenses

General and administration expenses as a percentage of turnover decreased in the second quarter mainly due to timing of expenditures. In the first half, general and administration expenses increased marginally due to higher professional fees.

### Other Operating Expenses

Other operating expenses as a percentage of turnover declined in the second quarter to 1.4% from 1.7% primarily due to significantly lower unfavourable IAS 41 adjustments. For the first half, other operating expenses as a percentage of turnover also decreased to 0.7% from 1.7% mainly due to favourable IAS 41 impact of US\$0.2 million compared to an unfavourable impact of US\$1.0 million in the same quarter last year.

IAS 41 requires the Company to revalue biological assets at fair value less point-of-sale costs. The relatively large fluctuations in cattle prices can significantly affect the carrying value of this asset and thus impact the income statement.

In US\$'000	For the three months ended 30 June		YoY Change (%)	For the six months ended 30 June		YoY Change (%)
	2007	2006		2007	2006	
Other operating expenses (before IAS 41)	874	(8)	n/m	929	737	26.1
Net changes in fair value of biological assets that remain unsold as at the end of the period	16	931	(98.3)	(201)	995	n/m
Other operating expenses (after IAS 41)	890	923	(3.6)	728	1,732	(58.0)

## REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances in US\$'000	As at		
	30 June 2007	30 June 2006	31 Dec 2006
Other assets	10,235	8,838	6,865
Inventories	63,138	53,103	45,235
Biological assets	47,257	42,329	44,451
Trade and other receivables	45,502	30,518	46,121
Deferred tax liabilities	9,407	7,349	8,489
Finance liabilities – non-current	1,378	2,392	1,523
Trade and other payables	35,225	34,791	33,716
Finance liabilities – current	52,796	51,127	44,611
Current tax liabilities	2,674	533	4,070

### Other assets

Other assets increased compared to the same quarter last year and year-end 2006 due to higher advances to land owners for long-term leases of agricultural land plus the impact of the Peso appreciation.

### Inventories

Inventories increased compared to the same quarter last year due to higher stock of finished goods on the back of lower turnover for the export market. Inventories increased compared to year-end 2006 due to higher stock of finished goods on the back of lower turnover for the export market, higher tinplate cost and increased imports.

### Biological assets

Biological assets consist of deferred growing crops and livestock. Biological assets increased compared to the same quarter last year primarily due to higher deferred growing crop costs as a result of the Peso appreciation. Biological assets increased compared to year-end 2006 due to higher deferred growing crop costs as a result of an increase in land cultivation and the impact of Peso appreciation.

### Trade debtors & other receivables

Trade debtors increased compared to the same quarter last year due to higher sales. However, trade debtors were lower compared to year-end 2006, due to the seasonally stronger fourth quarter sales.

Other receivables increased compared to the same quarter last year and year-end 2006 due to higher prepaid rent resulting from raised rental rates and additional lands rented.

### Deferred tax liabilities

Deferred tax liabilities increased compared to the same quarter last year and year-end 2006 due to the deferred tax impact on revaluation gain recognised directly to revaluation reserve (share capital) in the initial application of a policy to revalue freehold land in the quarter ended 30 June 2007.

### Finance liabilities (non-current)

Finance liabilities decreased compared to same quarter last year and year-end 2006 due to the transfer of the current portion of unpaid financial leases to current finance lease liabilities.

### Trade and other payable

Trade and other payable increased compared to the same quarter last year and year-end 2006 primarily due to the timing of payments to suppliers, which more than offset the decrease in other payable resulting from the settlement of trademark payable to Cirio.

### Finance liabilities (current)

Finance liabilities increased compared to the same quarter last year due to borrowings undertaken to settle the Cirio trademark.

Finance liabilities increased compared to year-end 2006 due to Philippines and China borrowings.

### Current tax liabilities

Current tax liabilities were significantly higher compared to same quarter last year due to better first half profits in the higher-tax jurisdiction.

Current tax liabilities were significantly lower compared to year-end 2006 as the provision for taxation as at 30 June 2007 was based on first half profit and not full year basis.

## SHARE CAPITAL

Ordinary shares issued and fully paid-up share capital	As at 30 June		As at 31 Dec
	2007	2006	2006
Number of shares	1,081,781,194	1,081,781,194	1,081,781,194
Share capital (US\$'000)	10,818	10,818	10,818

## CASH FLOW AND LIQUIDITY

Cash flow in US\$'000	
Net cash as at 31 March 2007	9,851
Net cash from operating activities	(11,088)
Capital expenditure	(1,731)
Proceeds from disposal of fixed assets	105
Dividend payment	(10,493)
Interest received/(paid)	(110)
Repayment of financial liabilities	(554)
Effect of exchange rate changes	3,630
Net cash as at 30 June 2007	(10,390)

Liquidity in US\$'000	As at 30 June		As at 31 Dec
	2007	2006	2006
Gross borrowings	52,494	50,680	43,714
Current	52,494	50,680	43,714
Secured			
Unsecured	52,494	50,680	43,714
Non-current			
Secured			
Unsecured			
Less: Cash and bank balances	42,104	50,648	51,546
Net cash (debt)	(10,390)	(32)	7,832

The Group's net debt (cash and bank balances less borrowings) amounted to US\$10.4 million as at 30 June 2007 compared to a net debt of only US\$0.03 million at the end of the same quarter last year primarily due to higher working capital requirements on the back of higher inventories and capital expenditures. The Group reported a net debt position as at 30 June 2007 compared to a net cash position of US\$7.8 million as at 31 December 2006 mainly due to the dividend payment in the second quarter of 2007 and higher working capital requirements.

## CAPITAL EXPENDITURE

In the second quarter of 2007, capital expenditure increased to US\$1.7 million compared to US\$0.9 million in the same quarter last year. Key expenditures for the quarter incurred in the Philippines were:

- Leasehold improvements for new offices at Pasig and Taguig
- Replacement and reconditioning of various machineries and automotive equipment units in the Plantations
- Various improvements in the Cannery to comply with Good Manufacturing Practices and environmental regulations
- Ongoing expansion and cost reduction projects

In US\$'000	For the three months ended 30 June			For the six months ended 30 June		
	2007	2006	YoY Change (%)	2007	2006	YoY Change (%)
Capex	1,731	858	101.8	2,871	1,823	57.5
Depreciation	2,118	1,851	14.4	4,074	3,681	10.7

## DIVIDENDS

The Directors have declared an interim dividend of 0.73 US cent (US\$0.0073) representing a 75% payout of first half net profit of US\$10.5 million.

Dividends	For the six months ended 30 June	
	2007	2006
Name of dividend	Interim Ordinary	Interim Ordinary
Type of dividend	Cash	Cash
Rate of dividend	0.73 US cent per ordinary share (tax not applicable)	0.49 US cent per ordinary share (tax not applicable)
Par value of shares	US\$0.01	US\$0.01
Tax rate	Nil	Nil
Book closure date	22 August 2007	20 August 2006
Payable date	5 September 2007	7 September 2006

\* Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 22 August 2007 for the preparation of dividend warrants. Registrable share transfers received by the Company's Share Transfer Agent, Lim Associates (Pte) Ltd, 3 Church Street #08-01, Samsung Hub, Singapore 049483 by 5.00 pm on 21 August 2007 will be registered before the entitlements to the dividends are determined.

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNTS**

Amounts in US\$'000	For the three months ended 30 June			For the six months ended 30 June		
	2007	2006	%	2007	2006	%
	Turnover	<b>65,700</b>	53,915	21.9	<b>113,550</b>	100,636
Cost of sales	<b>(50,182)</b>	(42,066)	19.3	<b>(85,822)</b>	(79,292)	8.2
<b>Gross profit</b>	<b>15,518</b>	11,849	31.0	<b>27,728</b>	21,344	29.9
Distribution and selling expenses	<b>(3,076)</b>	(3,507)	(12.3)	<b>(6,268)</b>	(5,957)	5.2
General and administration expenses	<b>(3,437)</b>	(2,957)	16.2	<b>(6,260)</b>	(5,458)	14.7
Other operating expenses	<b>(890)</b>	(923)	(3.6)	<b>(728)</b>	(1,732)	(58.0)
<b>Profit from operations</b>	<b>8,115</b>	4,462	81.9	<b>14,472</b>	8,197	76.6
Financial income	<b>1,053</b>	713	47.7	<b>1,982</b>	1,616	22.7
Financial expense	<b>(789)</b>	(1,578)	(50.0)	<b>(1,411)</b>	(1,888)	(25.3)
<b>Profit before taxation</b>	<b>8,379</b>	3,597	133.0	<b>15,043</b>	7,925	89.8
Taxation	<b>(2,967)</b>	64	n/m	<b>(4,499)</b>	(846)	n/m
Profit after taxation	<b>5,412</b>	3,661	47.8	<b>10,544</b>	7,079	49.0
Minority interest	-	-	-	-	-	-
<b>Net profit attributable to shareholders</b>	<b>5,412</b>	3,661	47.8	<b>10,544</b>	7,079	49.0
<b>Notes:</b>						
Depreciation and amortisation	<b>(2,223)</b>	(1,880)	18.3	<b>(4,284)</b>	(3,740)	14.6
<b>Financial income comprise:</b>						
Interest income	<b>733</b>	713	2.8	<b>1,506</b>	1,359	10.8
Foreign exchange gain	<b>320</b>	-	100	<b>476</b>	257	85.2
	<b>1,053</b>	713	47.7	<b>1,982</b>	1,616	22.7
<b>Financial expense comprise:</b>						
Interest expense	<b>(789)</b>	(1,110)	(28.9)	<b>(1,411)</b>	(1,888)	(25.3)
Foreign exchange loss	<b>-</b>	(468)	(100)	<b>-</b>	-	-
	<b>(789)</b>	(1,578)	(50.0)	<b>(1,411)</b>	(1,888)	(25.3)

*n/m – not meaningful*

**Earnings per ordinary share in US cents**

	For the three months ended 30 June		For the six months ended 30 June	
	2007	2006	2007	2006
	Earnings per ordinary share based on net profit attributable to shareholders:			
(i) Based on existing issued share capital	<b>0.51</b>	0.34	<b>0.98</b>	0.65
(ii) On a fully diluted basis	<b>0.51</b>	0.34	<b>0.98</b>	0.65

**DEL MONTE PACIFIC LIMITED  
BALANCE SHEETS**

Amounts in US\$'000	Group			Company		
	30 Jun 2007 Unaudited	30 Jun 2006 Unaudited	31 Dec 2006 Audited	30 Jun 2007 Unaudited	30 Jun 2006 Unaudited	31 Dec 2006 Audited
<b>Non-Current Assets</b>						
Property, plant and equipment	63,681	52,614	56,198	-	-	-
Subsidiaries	-	-	-	84,490	125,585	84,490
Intangible assets	15,670	14,675	15,880	-	-	-
Other assets	10,235	8,838	6,865	-	-	-
	<b>89,586</b>	<b>76,127</b>	<b>78,943</b>	<b>84,490</b>	<b>125,585</b>	<b>84,490</b>
<b>Current assets</b>						
Inventories	63,138	53,103	45,235	-	-	-
Biological assets *	47,257	42,329	44,451	-	-	-
Trade and other receivables	45,502	30,518	46,121	22,467	929	11,502
Cash and cash equivalents	42,104	50,648	51,546	14	14	15
	<b>198,001</b>	<b>176,598</b>	<b>187,353</b>	<b>22,481</b>	<b>943</b>	<b>11,517</b>
<b>Total Assets</b>	<b>287,587</b>	<b>252,725</b>	<b>266,296</b>	<b>106,971</b>	<b>126,528</b>	<b>96,007</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	10,818	10,818	10,818	10,818	10,818	10,818
Reserves	173,805	146,009	163,069	79,705	58,077	69,849
	<b>184,623</b>	<b>156,827</b>	<b>173,887</b>	<b>90,523</b>	<b>68,895</b>	<b>80,667</b>
Minority interest	-	(294)	-	-	-	-
<b>Total Equity</b>	<b>184,623</b>	<b>156,533</b>	<b>173,887</b>	<b>90,523</b>	<b>68,895</b>	<b>80,667</b>
<b>Non-Current Liabilities</b>						
Deferred tax liabilities	10,891	7,349	8,489	-	-	-
Financial liabilities	1,378	2,392	1,523	-	-	-
	<b>12,269</b>	<b>9,741</b>	<b>10,012</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>						
Trade and other payables	35,225	34,791	33,716	8,067	57,633	6,959
Financial liabilities	52,796	51,127	44,611	8,381	-	8,381
Current tax liabilities	2,674	533	4,070	-	-	-
	<b>90,695</b>	<b>86,451</b>	<b>82,397</b>	<b>16,448</b>	<b>57,633</b>	<b>15,340</b>
<b>Total Liabilities</b>	<b>102,964</b>	<b>96,192</b>	<b>92,409</b>	<b>16,448</b>	<b>57,633</b>	<b>15,340</b>
<b>Total Equity and Liabilities</b>	<b>287,587</b>	<b>252,725</b>	<b>266,296</b>	<b>106,971</b>	<b>126,528</b>	<b>96,007</b>

\* Biological assets consist of deferred growing crops and livestock.

**BALANCE SHEETS (CONTINUED)**

Net asset value per ordinary share in US cents	Group			Company		
	30 June 2007	30 June 2006	31 Dec 2006	30 June 2007	30 June 2006	31 Dec 2006
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
Net asset value per ordinary share	<b>17.07</b>	14.50	16.07	<b>8.37</b>	6.37	7.46



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

**THE GROUP**

Amounts in US\$'000	Attributable to equity holders of the parent							Total Equity
	Share Capital	Share premium	Translation Reserves	Asset		Minority interest	Total	
				Revaluation Reserve	Revenue reserves			
<b>As at 1 January 2006</b>	10,818	68,687	(63,031)	-	144,625	161,099	(294)	160,805
Currency translation differences recognised directly in equity	-	-	(750)	-	-	(750)	-	(750)
Profit for the period	-	-	-	-	7,079	7,079	-	7,079
Total recognised income and expense for the year	-	-	(750)	-	7,079	6,329	-	6,329
Dividends	-	-	-	-	(10,601)	(10,601)	-	(10,601)
<b>As at 30 June 2006</b>	<b>10,818</b>	<b>68,687</b>	<b>(63,781)</b>	<b>-</b>	<b>141,103</b>	<b>156,827</b>	<b>(294)</b>	<b>156,533</b>

Amounts in US\$'000	Attributable to equity holders of the parent							Total Equity
	Share Capital	Share premium	Translation Reserves	Asset		Minority interest	Total	
				Revaluation Reserve	Revenue reserves			
<b>As at 1 January 2007</b>	10,818	68,687	(55,030)	-	149,412	173,887	-	173,887
Currency translation differences recognised directly in equity	-	-	6,671	-	-	6,671	-	6,671
Revaluation surplus, arising from the change in accounting policy - property, plant and equipment	-	-	-	4,014	-	4,014	-	4,014
Profit for the period	-	-	-	-	10,544	10,544	-	10,544
Total recognised income and expense for the year	-	-	6,671	4,014	10,544	21,229	-	21,229
Dividends	-	-	-	-	(10,493)	(10,493)	-	(10,493)
<b>As at 30 June 2007</b>	<b>10,818</b>	<b>68,687</b>	<b>(48,359)</b>	<b>4,014</b>	<b>149,463</b>	<b>184,623</b>	<b>-</b>	<b>184,623</b>

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

**THE COMPANY**

Amounts in US\$'000	<u>Share capital</u>	<u>Share premium</u>	<u>Revenue reserves</u>	<u>Total</u>
<b>As at 1 January 2006</b>	10,818	68,826	855	80,499
Shares issued under the share option plan	-	-	-	-
Net profit attributable to shareholders	-	-	(1,003)	(1,003)
Dividends	-	-	(10,601)	(10,601)
<b>As at 30 June 2006</b>	<u>10,818</u>	<u>68,826</u>	<u>(10,749)</u>	<u>68,895</u>
<b>As at 1 January 2007</b>	10,818	68,826	1,023	80,667
Shares issued under the share option Plan	-	-	-	-
Net profit attributable to shareholders	-	-	20,349	20,349
Dividends	-	-	(10,493)	(10,493)
<b>As at 30 June 2007</b>	<u>10,818</u>	<u>68,826</u>	<u>10,879</u>	<u>90,523</u>

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

Amounts in US\$'000

	For the three months ended 30 June		For the six months ended 30 June	
	2007 Unaudited	2006 Audited	2007 Unaudited	2006 Audited
<b>Operating activities</b>				
Net profit attributable to shareholders	5,412	3,661	10,544	7,079
Adjustments for:				
Depreciation and amortisation	2,223	1,880	4,284	3,740
Provision for asset impairment	(253)	(20)	(276)	(39)
Provision for inventory obsolescence	265	87	551	658
Provision for doubtful debts	166	34	335	35
Gain/(Loss) on disposal of fixed assets	(44)	10	(87)	(64)
Income tax expense	2,967	(64)	4,499	846
Operating profit before working capital changes	10,736	5,588	19,850	12,255
Other assets	(1,118)	(383)	(3,370)	(2,440)
Inventories	(6,146)	1,589	(18,620)	(7,734)
Biological assets	(773)	(589)	(2,806)	(2,262)
Trade and other receivables	(13,297)	1,503	(1,289)	527
Trade and other payables	5,076	(3,828)	2,936	(2,145)
Operating cash flow	(5,522)	3,880	(3,299)	(1,799)
Income taxes paid	(5,566)	(2,220)	(5,875)	(2,480)
Cash flows from operating activities	(11,088)	1,660	(9,174)	(4,279)
<b>Investing activities</b>				
Interest received	719	781	1,494	1,348
Proceeds from disposal of property, plant and equipment	105	16	298	106
Purchase of property, plant and equipment	(1,731)	(858)	(2,871)	(1,823)
Cash flows from investing activities	(907)	(61)	(1,079)	(369)
<b>Financing activities</b>				
Interest paid	(829)	(1,142)	(1,427)	(1,879)
Proceeds from (repayment of) financial liabilities	2,291	3,135	8,040	8,413
Dividends paid	(10,493)	(10,601)	(10,493)	(10,601)
Cash flows from financing activities	(9,031)	(8,608)	(3,880)	(4,067)
<b>Net increase in cash and cash equivalents</b>	(21,026)	(7,009)	(14,133)	(8,715)
<b>Cash and cash equivalents at beginning of year</b>	59,500	60,146	51,546	60,113
<b>Effect of exchange rate changes on cash and cash equivalents</b>	3,630	(2,489)	4,691	(750)
<b>Cash and cash equivalents, end of period</b>	<b>42,104</b>	<b>50,648</b>	<b>42,104</b>	<b>50,648</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. FINANCIAL HIGHLIGHTS IN SINGAPORE DOLLARS

Amounts in <b>S\$'000</b> unless otherwise stated	For the three months ended 30 June		YoY Change (%)	For the six months ended 30 June		YoY Change (%)
	2007	2006		2007	2006	
Turnover	<b>99,864</b>	85,725	16.5	<b>173,732</b>	162,024	7.2
Gross profit	<b>23,587</b>	18,840	25.2	<b>42,424</b>	34,364	23.5
Gross profit margin (%)	<b>23.6</b>	22.0	1.6 ppt	<b>24.4</b>	21.2	3.2 ppt
EBITDA	<b>15,714</b>	10,084	55.8	<b>28,697</b>	19,219	49.3
EBITDA margin (%)	<b>15.7</b>	11.8	3.9 ppt	<b>16.5</b>	11.9	4.6 ppt
PBIT	<b>12,821</b>	6,350	101.9	<b>22,870</b>	13,611	68.0
PBIT margin (%)	<b>12.8</b>	7.4	5.4 ppt	<b>13.2</b>	8.4	4.8
Net profit	<b>8,226</b>	5,821	41.3	<b>16,132</b>	11,397	41.6
Net profit margin (%)	<b>8.2</b>	6.8	1.4 ppt	<b>9.3</b>	7.0	2.3 ppt
EPS (SG cents)	<b>0.77</b>	0.54	42.6	<b>1.50</b>	1.05	42.9
Net cash/(debt)	<b>(15,793)</b>	(51)	n/m	<b>(15,897)</b>	(52)	n/m
Cash flow from (used in) operations	<b>(16,854)</b>	2,639	n/m	<b>(14,036)</b>	(6,889)	103.8
Capital expenditure	<b>2,631</b>	1,364	92.9	<b>4,393</b>	2,935	49.7
Dividend per share (SG cents)	<b>1.11</b>	0.77	44.2	<b>1.11</b>	0.77	44.2

Note:

P&L S\$/US\$ conversion rate: 1.52 in 2Q07, 1.53 in 1H07 and 1.59 in 2Q06, 1.61 in 1H06.  
Dividend S\$/US\$ conversion rate: 1.52 (Indicative rate 2Q07), 1.57 (Actual rate 2Q06).

n/m – not meaningful

### 2. AUDIT

Second quarter 2007 figures have neither been audited nor reviewed by the Group's auditors.

### 3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the following:

- (a) Change arising from the adoption of *IFRS 7 Financial Instruments: Disclosures (Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures)* which became effective on 1 January 2007;

The Group's adoption of the revised standard has no significant impact on current and prior periods.

- (b) Change in accounting policy on revaluation of freehold land

Freehold land which was previously stated at cost is now stated at valuation on an open market basis by an independent valuer. The change in policy has increased total equity of the Group by US\$4.0 million in revaluation surplus but has no impact to the net profit attributable to shareholders in the first half.

## 4. GROUP SEGMENTAL REPORTING

### By business segments

Six months ended 30 June 2007 in US\$'000	Processed Products	Beverages	Non-Processed Products	Consolidated
Turnover	72,369	39,022	2,159	113,550
Profit from operations, representing segment result	9,744	4,655	73	14,472
Net foreign exchange gain	353	121	2	476
Profit before interest and tax	10,097	4,776	75	14,948
Net interest expense	374	(281)	2	95
Profit before taxation	10,471	4,495	77	15,043
Taxation				(4,499)
Minority interest				-
Net profit attributable to shareholders				10,544
Segment assets	150,184	91,469	3,830	245,483
Unallocated assets				42,104
Consolidated total assets				287,587
Segment liabilities	9,559	25,713	578	35,850
Unallocated liabilities				67,114
Consolidated total liabilities				102,964
Capital expenditure	1,762	1,107	2	2,871
Depreciation	2,238	1,779	57	4,074
Amortisation	110	100	-	210
Writeback of asset impairment	(28)	(248)	-	(276)
Non-cash expenses (net) other than depreciation, amortisation and writeback of asset impairment	510	285	4	799

<b>Six months ended 30 June 2006 in US\$'000</b>	<b>Processed Products</b>	<b>Beverages</b>	<b>Non-Processed Products</b>	<b>Consolidated</b>
Turnover	65,246	32,954	2,436	100,636
Profit from operations, representing segment result	6,759	2,563	(1,125)	8,197
Net foreign exchange gain	148	116	(7)	257
Profit before interest and tax	6,907	2,679	(1,132)	8,454
Net interest expense	(176)	(362)	9	(529)
Profit before taxation	6,731	2,317	(1,123)	7,925
Taxation				(846)
Minority interest				-
Net profit attributable to shareholders				7,079
Segment assets	123,359	73,641	5,077	202,077
Unallocated assets				50,648
Consolidated total assets				252,725
Segment liabilities	17,422	13,056	5,029	35,507
Unallocated liabilities				60,685
Consolidated total liabilities				96,192
Capital expenditure	922	866	35	1,823
Depreciation	2,039	1,551	91	3,681
Amortisation	1	58	-	59
Writeback of asset impairment	(23)	(16)	-	(39)
Non-cash expenses (net) other than depreciation, amortisation and writeback of asset impairment	387	242	-	629

### By geographical segments

<b>In US\$'000</b>	<b>Turnover</b>		<b>Capital expenditure</b>		<b>Total assets</b>	
	<b>For the six months ended 30 June</b>					
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Asia Pacific	<b>79,288</b>	64,458	<b>2,871</b>	1,823	<b>287,587</b>	252,725
Europe and North America	<b>34,262</b>	36,178	-	-	-	-
Total	<b>113,550</b>	100,636	<b>2,871</b>	1,823	<b>287,587</b>	252,725

## 5. QUARTERLY TURNOVER AND PBIT BREAKDOWN

	2006	% of Full Year 2006	2005	% of Full Year 2005	YoY Chg (%)
Turnover	In US\$'000		In US\$'000		
1Q	46,721	19	48,022	22	(2.7)
2Q	53,915	22	54,548	24	(1.2)
3Q	59,509	25	50,601	23	17.6
4Q	83,246	34	69,187	31	20.3
Total	243,391	100	222,358	100	9.5
<b>PBIT</b>					
1Q	4,460	16	6,122	25	(27.1)
2Q	3,994	13	6,815	28	(41.4)
3Q	7,393	26	3,892	16	90.0
4Q	12,775	45	7,826	31	63.2
Total	28,622	100	24,655	100	16.1
<b>Net profit</b>					
1Q	3,418	16	5,361	29	(36.2)
2Q	3,661	17	4,835	26	(24.3)
3Q	4,798	23	2,775	15	72.9
4Q	9,160	44	5,783	30	58.4
Total	21,037	100	18,754	100	12.18

	2007	% of Full Year 2007	2006	% of Full Year 2006	YoY Chg (%)
Turnover	In US\$'000		In US\$'000		
1Q	47,850	n.a.	46,721	19	2.4
2Q	65,700	n.a.	53,915	22	21.9
Total	113,550	n.a.	100,636	41	12.8
<b>PBIT</b>					
1Q	6,513	n.a.	4,460	16	46.0
2Q	8,435	n.a.	3,994	13	111.2
Total	14,948	n.a.	8,454	29	76.8
<b>Net profit</b>					
1Q	5,132	n.a.	3,418	16	50.1
2Q	5,412	n.a.	3,661	17	47.8
Total	10,544	n.a.	7,079	33	48.9

## 6. INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

<b>For the three months ended 30 June</b>				
<b>In US\$'000</b>	<b>Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>		<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenue</b>				
San Miguel Corporation and its associates	-	-	-	-
Sub-total	-	-	-	-
<b>Purchases</b>				
San Miguel Corporation and its associates	-	-	-	720
NutriAsia Inc. and its associates	-	-	-	-
Sub-total	-	-	-	720
<b>Aggregate value</b>	-	-	-	720
<b>For the six months ended 30 June</b>				
<b>In US\$'000</b>	<b>Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>		<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenue</b>				
San Miguel Corporation and its associates	-	-	-	-
Sub-total	-	-	-	-
<b>Purchases</b>				
San Miguel Corporation and its associates	-	-	1,340	916
NutriAsia Inc. and its associates	-	-	-	94
Sub-total	-	-	1,340	1,010
<b>Aggregate value</b>	-	-	1,340	1,010

On 1 December 2005, the San Miguel Group and the NutriAsia Group of Companies became indirect controlling shareholders of DMPL through a joint venture company, NutriAsia Pacific Ltd. ("NPL"), which acquired 85% stake in DMPL. On 13 April 2007, the NutriAsia Group acquired the San Miguel Group's entire 42.2% stake in NPL. Consequently, the San Miguel Group had ceased to be an interested person in DMPL upon such transaction.



## **7. CONTINGENT LIABILITIES**

The Group is contingently liable with respect to lawsuits, tax assessments, and certain matters arising out of the normal course of business. Management believes that the resolution of these contingencies will not have a material effect on the results of operations or the financial condition of the Group.

A corporate guarantee was issued by the Company in favour of a bank to secure the US\$3 million loan granted by the bank to Del Monte Foods India Private Limited, the Company's subsidiary.

## **RISK MANAGEMENT**

### **Group Assets**

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

### **Foreign Currency**

In the normal course of business, the Group enters into transactions denominated in various foreign currencies. In addition, the Company and its subsidiaries maintain their respective books and accounts in their reporting currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations. However, to minimise such foreign currency exposures, the Group uses foreign currency borrowings and natural hedge. It is not the Group's policy to take speculative positions in foreign currencies.

### **Inflation**

The Group's costs are affected by inflation, and its effects may continue to be felt in future periods. However, the Group has lessened the impact of cost increases by actively controlling its overall cost structure and introducing productivity-enhancing measures.

### **Cash and Interest Rate Management**

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages its interest income by placing the cash balances with varying maturities and interest rate terms. This includes investing the Company's temporary excess liquidity in short term government securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Short-term funding is obtained from short-term bank loan facilities. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

### **Credit 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 be posted to secure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The group monitors its outstanding trade receivables on an ongoing basis. There is no significant concentration of credit risk with any distributor or buyer.

### **International Business**

The Group's overall earnings from its trading activities with international customers are primarily affected by movements in the worldwide consumption, demand and prices of its products. However, the demand and supply risk associated with the Group's international business is minimised by the nature of its long-term supply agreements, five of which are with various Del Monte brand owners around the world. These contracts have various mechanisms with regard to pricing and volume off-take that help limit the downside risk of the Group's international business.

In some cases, the Group is protected by the existence of price floors whereby the Group is able to recover its production costs. In other instances, the Group has the right of first refusal to supply additional quantities at prices no worse than those from alternative sources.

### **Operations**

As an integrated producer of processed fruit products for the world market, the Group's earnings are inevitably subject to certain risk factors, which include general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, raw material costs and availability, competition, market acceptance of new products, industry trends, and changes in government regulations, including, without limitation, environmental regulations.

The Group's exposure to these risks is managed through the following processes, among others:

- Development and execution of a realistic long-term strategic plan and annual operating plan
- Securing long-term land leases with staggered terms
- Increasing production and packaging capacity
- Pursuit of productivity-enhancing and efficiency-generating work practices and capital projects
- Focus on consumption-driven marketing strategies
- Continuous introduction of new products and line extensions with emphasis on innovation, quality, competitiveness and consumer appeal
- Increased penetration of high-growth distribution channels
- Building on closer working relationships with business partners
- Close monitoring of changes in legislation and government regulations affecting the Group's business

## **CORPORATE PROFILE**

Listed on the Mainboard of the Singapore Exchange, Del Monte Pacific Limited (Bloomberg: DELM SP/ Reuters: DMPL.SI) is a group of companies engaged in the production, marketing and distribution of premium-branded food and beverage products.

The Group owns the Del Monte brand in the Philippines, where it enjoys leading market shares for pineapple juice, juice drinks, processed pineapple, tropical mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup, and also markets products under its second-tier brand, Today's.

Del Monte Pacific also holds the exclusive rights to produce and distribute food and beverage products under the Del Monte brand in the Indian sub-continent. The Group owns Del Monte Foods India Private Limited which is engaged in the manufacture, distribution and sales of processed fruit and vegetable products.

Del Monte Pacific also owns 100% of Abpak Company Ltd which holds 100% of Great Lakes. Great Lakes is a premium fruit juice producer in China, which sells juices under the Great Lakes, Ming Lang, Huanyan, Rougemont and Welch's brands.

Operating one of the world's largest fully integrated pineapple operations, the Group is the global low-cost producer of pineapple and has long-term supply agreements with Del Monte trademark owners and licensees around the world.

Del Monte Pacific and its subsidiaries are not affiliates of Del Monte Corporation and its parent, Del Monte Foods Company, or Fresh Del Monte Produce, Inc and its subsidiaries, or Kikkoman Corporation and its subsidiaries, including Del Monte Asia Pte Ltd, or Del Monte Foods International Limited and its subsidiaries.

Del Monte Pacific is 80%-owned by NutriAsia Pacific Ltd (NPL). NPL is owned by the NutriAsia Group of Companies which is in turn majority-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. Its flagship brand, UFC, has an 85% market share in the local catsup and hot chili sauce categories.

Further information on the Company is available at [www.delmontepacific.com](http://www.delmontepacific.com)  
To subscribe to our email alerts, please send a request to [jluy@delmontepacific.com](mailto:jluy@delmontepacific.com)