



Del Monte Pacific Limited

**Management Discussion and Analysis of
Unaudited Financial Condition and Results of Operations for
the First Quarter Ended 31 March 2005**

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DEL MONTE PACIFIC FIRST QUARTER NET PROFIT UP 6%

- **Turnover increased 32% to US\$48m driven by volume growth**
- **Gross profit grew 22% but gross margin declined due to higher costs**
- **Net profit improved 6% to US\$5.4m**
- **Net cash remained strong, up 31% to US\$26.1m**

Singapore, 27 April 2005 – Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) announced that first quarter turnover increased 32% to US\$48 million versus the same quarter last year, and net profit grew 6% to US\$5.4 million from US\$5.1 million.

Turnover of the Del Monte base business grew a strong 25%, driven by volume gains. Sales were up across all markets and product categories. In particular, growth in Europe/North America reflected strong growth in canned pineapple plus the higher contribution of pineapple in plastic cups. The beverage segment rose 52%, with growth realised in all markets. Recently acquired Great Lakes, with sales of US\$2.4 million, represented 5% of Group sales for the quarter.

Gross profit grew 21.6% to US\$11.6 million from US\$9.5 million reflecting higher turnover, partially offset by higher tinplate, raw material and energy costs. This resulted in a margin decline of 2 percentage points to 24.1% from 26.1%.

Profit before interest and tax (PBIT) declined by 2% to US\$6.1 million from US\$6.3 million, after the impact of a US\$1 million provision for product disposal. Without this provision, PBIT would have grown 14%.

Net profit grew 6% to US\$5.4 million reflecting a foreign exchange gain due to a strengthening of the Philippine peso and lower interest expenses.

The Group strengthened its net cash position to US\$26.1 million as of 31 March 2005, up 31% from the US\$19.9 million in the prior year quarter, due to continued tight working capital management and lower capital spending.

Looking ahead, the Company expects challenging operating conditions to persist, with continued pressure on key costs, including tinplate, raw materials and energy. Accordingly, management is actively working on programs to control costs and to generate new areas of growth and profit in existing markets while commencing to build on the Company's new growth platforms in China and India.

Barring any unforeseen circumstances, net profit in 2005 should be comparable to that of 2004.

FINANCIAL HIGHLIGHTS – FIRST QUARTER 2005

Amounts in US\$'000 unless otherwise stated ¹	For the three months ended 31 March		YoY Change (%)
	2005	2004	
Turnover	48,022	36,490	31.6
Gross profit	11,560	9,509	21.6
Gross profit margin (%)	24.1	26.1	(2.0 ppt)
EBITDA	7,656	7,669	(0.2)
EBITDA margin (%)	15.9	21.0	(5.1 ppt)
PBIT	6,122	6,266	(2.3)
PBIT margin (%)	12.7	17.2	(4.5 ppt)
Net profit	5,361	5,062	5.9
Net profit margin (%)	11.2	13.9	(2.7 ppt)
EPS (US cents)	0.50	0.47	6.3
Net cash	26,121	19,901	31.3
Cash flow (used in)/from operations	(2,848)	1,670	n/m
Capital expenditure	1,037	865	19.9

¹The 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

Group turnover for the first quarter of 2005 rose 32% to US\$48 million from US\$36.5 million, mainly led by the 25% volume growth in the Del Monte base business. All markets posted higher sales in the first quarter. Meanwhile, Great Lakes, which was consolidated starting July 2004, contributed US\$2.4 million, or 5% to Group turnover.

The Group's gross profit margin for the quarter declined by 2 percentage points to 24.1% mainly due to higher product costs, namely tinplate, raw materials and energy, and the unfavourable impact of the Peso appreciation.

Net profit improved by 6% to US\$5.4 million from US\$5.1 million due to foreign exchange gains arising from a strengthening of the Philippine peso, and lower interest expenses.

Our core products – processed products and beverages – which accounted for 93% of total turnover in the first quarter, surged 32% driven by volume growth primarily led by pineapple solids in Europe/North America and beverages across all markets.

Turnover of non-processed products – the cattle business and fresh pineapple sold only in Asia, accounting for 7% of Group turnover – increased 24% on favourable pineapple and cattle prices.

Asia contributed 62% of Group turnover. Turnover in this region grew by 28% primarily driven by 15% higher volume of the Del Monte base business and Great Lakes' contribution of US\$2.4 million.

PBIT in Asia decreased slightly by 2% to US\$4.7 million from US\$4.8 million on account of higher costs.

Turnover in Europe/North America, accounting for 38% of Group turnover, surged 39% on the back of a 35% volume increase and 3% higher prices. The pineapple solids and pineapple juice concentrate categories registered strong volume growth of 50% and 20%, respectively.

However, PBIT declined by 4% to US\$1.4 million from US\$1.5 million on higher costs.

Group operating cash flow during the period was negative US\$2.8 million compared to US\$1.7 million in the same quarter last year due to increased working capital requirements on the back of strong first quarter sales.

The Group reported a healthy net cash position of US\$26.1 million compared to US\$19.9 million in the same quarter last year as a result of continued tight working capital management and lower capital spending in the prior quarters.

Capital expenditure in the first quarter of 2005 increased slightly to US\$1 million from US\$0.9 million. This was due to the acquisition of plant and machinery in India following the completion of the deal in January 2005 which offset lower capital spending in the Philippines.

VARIANCE FROM PROSPECT STATEMENT

The first quarter results are in line with the outlook indicated in our last results announcement.

BUSINESS OUTLOOK

Looking ahead, the Company expects challenging operating conditions to persist, with continued pressure on key costs, including tinplate, raw materials and energy. Accordingly, Management is actively working on programs to control costs and to generate new areas of growth and profit in existing markets while commencing to build on the Company's new growth platforms in China and India.

Barring any unforeseen circumstances, net profit in 2005 should be comparable to that of 2004.

REVIEW OF TURNOVER AND PBIT

1. By geographical segments

In US\$'000	Turnover			PBIT		
	For the three months ended 31 March		YoY Change (%)	For the three months ended 31 March		YoY Change (%)
	2005	2004		2005	2004	
Asia	29,973	23,499	27.6	4,692	4,781	(1.9)
Europe/North America	18,049	12,991	38.9	1,430	1,485	(3.7)
Total	48,022	36,490	31.6	6,122	6,266	(2.3)

See Notes to the Financial Statements number 4 for more details

Asia

Turnover in Asia, which accounted for 62% of Group turnover, grew by 28% to US\$30 million from US\$23.5 million. This was driven by the strong performance in the Del Monte base business with volume up 15%, contribution from Great Lakes of US\$2.4 million, and higher fresh pineapple prices.

In the Philippines, turnover rose 11% on the back of 5% growth in both volume and prices, partly aided by the Peso appreciation of 1%. All the major categories registered volume and price increases with beverage and tomato-based products as the main drivers. Turnover for the rest of Asia, excluding Great Lakes, surged 39% due to strong mixed fruits and pineapple juice concentrate volume.

PBIT in Asia decreased slightly by 2% to US\$4.7 million from US\$4.8 million due to higher costs.

Europe/North America

Turnover in Europe/North America, which accounted for 38% of Group turnover, posted significantly higher growth of 39% to US\$18 million from US\$13 million with volume up 35% and price up 3%. Pineapple solids and pineapple juice concentrate registered robust volume growth of 50% and 20%, respectively, while concentrate prices were also strong.

PBIT declined by 4% to US\$1.4 million from US\$1.5 million mainly due to higher costs.

By business segments

In US\$'000	Turnover			PBIT		
	For the three months ended 31 March		YoY Change (%)	For the three months ended 31 March		YoY Change (%)
	2005	2004		2005	2004	
Processed Products	29,924	24,115	24.1	2,697	4,117	(34.5)
Beverages	15,003	9,874	51.9	2,594	1,915	35.4
Non-processed Products	3,095	2,501	23.8	831	234	255.5
Total	48,022	36,490	31.6	6,122	6,266	(2.3)

See Notes to the Financial Statements number 4 for more details

Processed Products

Processed products, our largest product category, contributed 62% to Group turnover in the first quarter of 2005. This segment comprises of processed fruits (pineapple solids and tropical mixed fruits), tomato-based and other processed products such as pasta and condiments.

Turnover of processed products rose 24% to US\$29.9 million from US\$24.1 million on volume increase of 27%, partly offset by lower prices of 3%. All categories posted healthy volume growth, in particular, the pineapple solids segment in Europe/North America whose volume was up sharply by 50%.

PBIT declined by 35% to US\$2.7 million from US\$4.1 million due to higher costs.

Beverages

Beverages consist of juices, juice drinks and pineapple juice concentrate. This segment accounted for 31% of Group turnover.

Turnover of this segment improved by 52% to US\$15 million from US\$9.9 million due to Great Lakes' contribution of US\$2.4 million plus the exceptionally strong volume growth of pineapple juice concentrate.

PBIT of the beverage segment increased by 35% to US\$2.6 million from US\$1.9 million on the back of higher turnover partially offset by higher costs.

Non-processed Products

Accounting for 7% of Group turnover, non-processed products consist mainly of the non-core cattle business and fresh pineapple, both sold only in Asia. The cattle operation is used for the disposal of pineapple pulp.

Turnover of this segment grew by 24% to US\$3.1 million from US\$2.5 million due to favourable fresh pineapple and cattle prices.

PBIT rose almost fourfold to US\$0.8 million from US\$0.2 million on higher turnover.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 March	
	2005	2004
Cost of Goods Sold	75.9	73.9
Distribution & Selling Expenses	5.3	5.6
General and Administration Expenses	2.1	1.9
Other Operating Expenses	4.9	1.4

Cost of Goods Sold

Cost of goods sold as a percentage of turnover increased by 2 percentage points to 76% from 74% primarily due to higher product costs - tinplate, raw materials and energy, and the unfavourable impact of the 1% Peso appreciation.

Distribution & Selling Expenses

Distribution and selling expenses as a percentage of turnover decreased slightly to 5.3% from 5.6%. Sales in the first quarter of 2005 posted a stronger growth of 32% as compared to the increase of distribution and selling expenses of 23%.

General and Administration Expenses

General and administration expenses as a percentage of turnover increased to 2.1% from 1.9% due largely to the consolidation of new businesses.

Other Operating Expenses

Other operating expenses as a percentage of turnover increased to 4.9% from 1.4% mainly due to the US\$1 million provision for product disposal. Other operating expenses also included the IAS 41 adjustment which had an unfavourable impact of US\$96,000 in the first quarter, compared to a favourable impact US\$561,000 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 profit and loss accounts.

In US\$'000	For the three months ended 31 March		YoY Change (%)
	2005	2004	
Other operating expenses (before IAS 41)	2,269	1,077	110.7
Net changes in fair value of biological assets that remain unsold as at the end of the period	96	(561)	n/m
Other operating expenses (after IAS 41)	2,365	516	358.3

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances in US\$'000	As at		
	31 March 2005	31 March 2004	31 Dec 2004
Intangible assets	15,050	9,240	15,156
Other assets	7,930	7,435	6,230
Inventories	42,267	44,330	35,679
Biological assets	38,020	36,090	37,248
Trade debtors	22,337	12,913	23,981
Other debtors, deposits and prepayments	10,672	8,725	7,525
Due from affiliated companies (trade)	16	3,451	127
Trade creditors	10,683	6,957	8,997
Other creditors and accruals	16,726	12,956	18,191

Intangible assets

Intangible assets increased compared to the same quarter last year due to the goodwill of US\$5.6 million and other intangibles of US\$0.6 million in relation to the acquisition of Great Lakes in July 2004. However, intangible assets were lower than year-end 2004 reflecting amortisation of trademarks and other intangibles.

Other assets

Other assets increased compared to the same quarter last year and year-end 2004 primarily due to advances to landowners in the first quarter of 2005 for long-term leases of agricultural land.

Inventories

Inventories decreased compared to the same quarter last year mainly due to lower stock of finished goods on the back of higher core product sales, offsetting higher stock of tomato paste raw material. Inventories increased compared to year-end 2004 due to higher stock of tomato paste raw material, offsetting lower finished goods inventories which are generally lower at year-end on account of the festive season.

Biological assets

Biological assets consist of deferred growing crops and livestock. Biological assets increased compared to the same quarter last year and year-end 2004 due to higher deferred growing crop costs as a result of an increase in land cultivation.

Trade debtors

Trade debtors increased significantly compared to the same quarter last year largely due to the reclassification of receivables relating to sales to Europe. Prior to the acquisition of Del Monte Foods Europe by Fresh Del Monte Produce Inc from the Cirio Group on 1 October 2004, receivables from Europe were classified as due from affiliated companies (trade). Other factors for the increase in trade debtors in the first quarter of 2005 were the higher sales in all markets and the consolidation of Great Lakes' receivables. Meanwhile, trade debtors at year-end are generally higher as a result of higher sales in the fourth quarter.

Other debtors, deposits and prepayments

Other debtors, deposits and prepayments increased compared to the same quarter last year and year-end 2004 primarily due to the downpayment for farm materials and higher other debtors due to timing.

Due from affiliated companies (trade)

Due from affiliated companies (trade) declined significantly compared to the same quarter last year due to the reclassification of receivables relating to sales to Europe.

Trade creditors

Trade creditors increased compared to the same quarter last year and year-end 2004 primarily due to the timing of payments to suppliers and the consolidation of new businesses' trade payables.

Other creditors and accruals

Other creditors and accruals increased compared to the same quarter last year mainly due to timing of payments to suppliers and the consolidation of new businesses' liabilities. However, this account decreased versus year-end 2004 primarily due to lower accruals and reversal of certain unspent expenditures.

SHARE CAPITAL

Ordinary shares issued and fully paid-up share capital	As at 31 March		As at 31 Dec
	2005	2004	2004
Number of shares	1,077,597,194	1,072,229,194	1,074,483,194
Share capital (US\$'000)	10,776	10,722	10,745

A total of 3,114,000 share options were exercised in the first quarter of 2005 and new shares were issued as a result thereof. As at 31 March 2005, the total number of outstanding share options was 13,024,694 (31 December 2004: 16,158,694). A total of 20,000 options lapsed in the first quarter of 2005.

CASH FLOW AND LIQUIDITY

Cash flow in US\$'000	
Net cash as at 31 December 2004	27,707
Net cash from operating activities	(2,848)
Capital expenditure	(1,037)
Proceeds from disposal of fixed assets	24
Proceeds from exercise of share options	929
Effect of exchange rate changes	1,346
Net cash as at 31 March 2005	26,121

Liquidity in US\$'000	As at 31 March		As at 31 Dec
	2005	2004	2004
Gross borrowings	42,296	39,787	29,810
Current	42,296	39,787	29,810
Secured	-	-	-
Unsecured	42,296	39,787	29,810
Non-current	-	-	-
Secured	-	-	-
Unsecured	-	-	-
Less: Cash and bank balances	68,417	59,688	57,517
Net cash	26,121	19,901	27,707

The Group's net cash (cash and bank balances less borrowings) amounted to US\$26.1 million as at 31 March 2005, compared to US\$19.9 million as at 31 March 2004 due to continued tight working capital management and lower capital spending in the prior quarters. However, the Group's net cash balance as at 31 March 2005 was lower than the US\$27.7 million as at year-end 2004 primarily due to increased working capital requirements resulting from higher sales in the first quarter of 2005.

CAPITAL EXPENDITURE

Capital expenditure in the first quarter of 2005 increased by 20% to US\$1 million from US\$0.9 million in the same quarter last year. The key projects for the quarter were:

- § Low-fibre juice extraction equipment
- § Various improvements in the cannery to comply with Good Manufacturing Practices
- § Reconditioning and replacement of various plantation machinery & equipment
- § Factory machinery & equipment in India

In US\$'000	For the three months ended 31 March	
	2005	2004
Capex	1,037	865
Depreciation	1,428	1,327

DIVIDENDS

No dividends were declared for this quarter and corresponding prior year quarter.

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

Amounts in US\$'000	For the Three Months Ended 31 March		
	2005	2004	%
Turnover	48,022	36,490	31.6
Cost of sales	(36,462)	(26,981)	35.1
Gross profit	11,560	9,509	21.6
Distribution and selling expenses	(2,530)	(2,052)	23.3
General and administration expenses	(1,013)	(675)	50.1
Other operating expenses	(2,365)	(516)	358.3
Profit from operations	5,652	6,266	(9.8)
Financial income	855	196	336.2
Financial expenses	(597)	(714)	(16.4)
Profit before taxation	5,910	5,748	2.8
Taxation	(594)	(686)	(13.4)
Profit after taxation	5,316	5,062	5.0
Minority Interest	45	-	n/m
Net profit attributable to shareholders	5,361	5,062	5.9
Notes:			
Depreciation and amortisation	(1,534)	(1,403)	9.3
Financial income comprises:			
Interest income	385	196	96.4
Foreign exchange gain	470	-	n/m
	855	196	336.2
Financial expenses comprise:			
Interest expenses	(597)	(714)	(16.4)

n/m – not meaningful

Earnings per ordinary share in US cents	Group	
	For the three months ended 31 March	
	2005	2004
Earnings per ordinary share based on net profit attributable to shareholders:		
(i) Based on existing issued share capital	0.50	0.47
(ii) On a fully diluted basis	0.50	0.47

**DEL MONTE PACIFIC LIMITED
BALANCE SHEETS**

Amounts in US\$'000

	Group			Company		
	31 Mar 2005 Unaudited	31 Mar 2004 Unaudited	31 Dec 2004 Audited	31 Mar 2005 Unaudited	31 Mar 2004 Unaudited	31 Dec 2004 Audited
EQUITY						
Share capital	10,776	10,722	10,745	10,776	10,722	10,745
Share premium	67,507	65,978	66,609	67,646	66,117	66,748
Translation reserves	(66,276)	(68,334)	(68,617)	-	-	-
Revenue reserves	154,214	145,353	148,853	693	12,860	1,244
	166,221	153,719	157,590	79,115	89,699	78,737
Minority interest	(53)	-	(9)	-	-	-
	166,168	153,719	157,581	79,115	89,699	78,737
ASSETS LESS LIABILITIES						
Fixed assets	49,769	47,724	48,832	-	-	-
Subsidiaries	-	-	-	16,709	10,149	16,709
Intangible assets	15,050	9,240	15,156	-	-	-
Other assets	7,930	7,435	6,230	-	-	-
Current assets						
Inventories	42,267	44,330	35,679	-	-	-
Biological assets *	38,020	36,090	37,248	-	-	-
Trade debtors	22,337	12,913	23,981	-	-	-
Other debtors, deposits and prepayments	10,672	8,725	7,525	57	143	2
Due from subsidiaries (non-trade)	-	-	-	82,066	80,170	81,386
Due from affiliated companies (trade)	16	3,451	127	-	-	-
Short-term deposits	67,201	59,301	50,681	-	-	-
Cash and bank balances	1,216	387	6,836	16	1	12
	181,729	165,197	162,077	82,139	80,314	81,400

* Biological assets consist of deferred growing crops and livestock

**DEL MONTE PACIFIC LIMITED
BALANCE SHEETS (CONTINUED)**

Amounts in US\$'000

	Group			Company		
	31 Mar 2005 Unaudited	31 Mar 2004 Unaudited	31 Dec 2004 Audited	31 Mar 2005 Unaudited	31 Mar 2004 Unaudited	31 Dec 2004 Audited
Current liabilities						
Trade creditors	10,683	6,957	8,997	-	-	-
Other creditors and accruals	16,726	12,956	18,191	495	333	392
Due to subsidiaries (non-trade)	-	-	-	19,238	431	18,980
Short-term borrowings (unsecured)	42,296	39,787	29,810	-	-	-
Provision for taxation	1,562	1,056	1,176	-	-	-
	71,267	60,756	58,174	19,733	764	19,372
Net current assets	110,462	104,441	103,903	62,406	79,550	62,028
Non-current liabilities						
Due to an affiliated company (non-trade)	(7,790)	(7,571)	(7,715)	-	-	-
Deferred tax liabilities	(8,752)	(7,550)	(8,457)	-	-	-
Long-term lease payable	(501)	-	(368)	-	-	-
Net assets	166,168	153,719	157,581	79,115	89,699	78,737

	Group			Company		
	31 Mar 2005 Unaudited	31 Mar 2004 Unaudited	31 Dec 2004 Audited	31 Mar 2005 Unaudited	31 Mar 2004 Unaudited	31 Dec 2004 Audited
Net asset value per ordinary share in US cents						
Net asset value per ordinary share	15.43	14.34	14.67	7.34	8.37	7.33

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

THE GROUP

Amounts in US\$'000	Share capital	Share premium	Translation reserves	Revenue reserves	Total
As at 1 January 2004	10,721	65,936	(67,665)	140,291	149,283
Currency translation differences	-	-	(669)	-	(669)
Shares issued under the share option plan	1	42	-	-	43
Net profit attributable to shareholders	-	-	-	5,062	5,062
As at 31 March 2004	10,722	65,978	(68,334)	145,353	153,719
Net gains and losses not recognised in income statement	-	-	(669)	-	(669)
As at 1 January 2005	10,745	66,609	(68,617)	148,853	157,590
Currency translation differences	-	-	2,341	-	2,341
Shares issued under the share option plan	31	898	-	-	929
Net profit attributable to shareholders	-	-	-	5,361	5,361
As at 31 March 2005	10,776	67,507	(66,276)	154,214	166,221
Net gains and losses not recognised in income statement	-	-	2,341	-	2,341

THE COMPANY

Amounts in US\$'000	Share capital	Share premium	Revenue reserves	Total
As at 1 January 2004	10,721	66,075	676	77,472
Shares issued under the share option plan	1	42	-	43
Net profit attributable to shareholders	-	-	12,184	12,184
As at 31 March 2004	10,722	66,117	12,860	89,699
As at 1 January 2005	10,745	66,748	1,244	78,737
Shares issued under the share option plan	31	898	-	929
Net profit attributable to shareholders	-	-	(551)	(551)
As at 31 March 2005	10,776	67,646	693	79,115

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in US\$'000

	For the three months ended 31 March	
	2005	2004
Cash flows from operating activities		
Net profit attributable to shareholders	5,361	5,062
Adjustments for:		
Provision for asset impairment	(8)	(4)
Depreciation and amortisation	1,534	1,403
Provision for inventory obsolescence	442	643
Provision for doubtful debts	44	3
Provision for product disposal	1,000	-
Provision for deferred income tax	45	182
Gain on disposal of fixed assets	(22)	(65)
Minority interest	(44)	-
Operating profit before working capital changes	8,352	7,224
Decrease (increase) in:		
Other assets	(1,700)	(1,402)
Inventories	(7,081)	(3,423)
Biological assets	(772)	(1,856)
Trade debtors	1,574	7,767
Other debtors, deposits and prepayments	(3,147)	(1,919)
Increase (decrease) in:		
Trade creditors, other creditors and accruals	(646)	(5,493)
Due to affiliated companies (trade and non-trade)	186	448
Provision for taxation	386	324
Net cash generated (used in)/from operating activities	(2,848)	1,670
Cash flows from investing activities		
Proceeds from disposal of fixed assets	24	68
Purchase of fixed assets	(1,037)	(865)
Net cash used in investing activities	(1,013)	(797)
Cash flows from financing activities		
Short-term borrowings	12,486	8,511
Proceeds from exercise of stock options	929	43
Net cash used in financing activities	13,415	8,554
Effect of exchange rate changes on cash and cash equivalents	1,346	(249)
Net increase/(decrease) in cash and cash equivalents	10,900	9,178
Cash and cash equivalents, beginning of year	57,517	50,510
Cash and cash equivalents, end of year	68,417	59,688

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Supplemental Disclosures of Cash Flow Information

Amounts in US\$'000

	For the three months ended 31 March	
	2005	2004
(a) Cash paid (received) during the year, included in operating activities		
Interest expenses	416	573
Interest income	(370)	(196)
Income taxes	200	172
	200	172
(b) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	1,216	387
Short-term deposits	67,201	59,301
	68,417	59,688
	68,417	59,688

NOTES TO THE FINANCIAL STATEMENTS

1. FINANCIAL HIGHLIGHTS IN SINGAPORE DOLLARS

Amounts in S\$'000 unless otherwise stated	For the three months ended 31 March		YoY Change (%)
	2005	2004	
Turnover	78,276	62,033	26.2
Gross profit	18,843	16,165	16.6
Gross profit margin (%)	24.1	26.1	(2.0 ppt)
EBITDA	12,479	13,037	(4.3)
EBITDA margin (%)	15.9	21.0	(5.1 ppt)
PBIT	9,979	10,652	(6.3)
PBIT margin (%)	12.7	17.2	(4.5 ppt)
Net profit	8,738	8,605	1.5
Net profit margin (%)	11.2	13.9	(2.7 ppt)
EPS (SG cents)	0.81	0.80	1.2
Net cash	42,577	33,832	25.9
Cash flow (used in)/from operations	(4,642)	2,839	n/m
Capital expenditure	1,690	1,471	14.9

Note: S\$/US\$ conversion rate of 1.63 (1Q05) and 1.70 (1Q04)

n/m – not meaningful

2. AUDIT

First quarter 2005 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 standards which became effective on 1 January 2005. The Group's adoption of the new and revised standards has no significant impact on current and prior periods.

- IFRS 2 Share-Based Payment;
- IAS 1 Presentation of Financial Statements (amended 2004);
- IAS 2 Inventories (revised 2003);
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2003);
- IAS 10 Events after the Balance Sheet Date (amended 2004);
- IAS 16 Property, Plant and Equipment (amended 2004);
- IAS 17 Leases (amended 2004);
- IAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2003);
- IAS 24 Related Party Disclosures (revised 2003);
- IAS 27 Consolidated and Separate Financial Statements (amended 2004);
- IAS 32 Financial Instruments: Disclosure and Presentation (amended 2004);
- IAS 33 Earnings per Share (amended 2004); and
- IAS 39 Financial Instruments: Recognition and Measurement (amended 2004).

4. GROUP SEGMENTAL REPORTING

By business segments

Three months ended 31 March 2005 in US\$'000	Processed Products	Beverages	Non-Processed Products	Consolidated
Turnover	29,924	15,003	3,095	48,022
Profit from operations, representing segment result	2,442	2,422	788	5,652
Net foreign exchange gain	255	172	43	470
Profit before interest and tax	2,697	2,594	831	6,122
Net interest expense	(93)	(103)	(16)	(212)
Profit before taxation	2,604	2,491	815	5,910
Taxation				(594)
Minority interest				45
Net profit attributable to shareholders				5,361
Segment assets	109,437	68,988	7,636	186,061
Unallocated assets				68,417
Consolidated total assets				254,478
Segment liabilities	25,176	9,896	628	35,700
Unallocated liabilities				52,610
Consolidated total liabilities				88,310
Capital expenditure	590	430	17	1,037
Depreciation	789	597	42	1,428
Amortisation	53	49	4	106
Non-cash expenses (net) other than depreciation and amortisation	1,300	158	(1)	1,457

Three months ended 31 March 2004 in US\$'000	Processed Products	Beverages	Non-Processed Products	Consolidated
Turnover	24,115	9,874	2,501	36,490
Profit from operations, representing segment result	4,117	1,915	234	6,266
Profit before interest and tax	4,117	1,915	234	6,266
Net interest expense	(328)	(171)	(19)	(518)
Profit before tax	3,789	1,744	215	5,748
Taxation				(686)
Net profit attributable to shareholders				5,062
Segment assets	115,448	47,550	6,910	169,908
Unallocated assets				59,688
Consolidated total assets				229,596
Segment liabilities	20,589	6,075	820	27,484
Unallocated liabilities				48,393
Consolidated total liabilities				75,877
Capital expenditure	557	303	5	865
Depreciation	845	448	34	1,327
Amortisation	50	20	6	76
Non-cash expenses (net) other than depreciation and amortisation	523	228	8	759

By geographical segments

In US\$'000	Turnover		Total assets		Capital expenditure	
	For the three months ended 31 March		As at 31 March		As at 31 March	
	2005	2004	2005	2004	2005	2004
Asia	29,973	23,499	254,478	229,596	1,037	865
Europe/North America	18,049	12,991	-	-	-	-
Total	48,022	36,490	254,478	229,596	1,037	865

5. QUARTERLY TURNOVER AND PBIT BREAKDOWN

In US\$'000	1Q04	2Q04	3Q04	4Q04	1Q05
Turnover	36,490	46,010	50,657	66,422	48,022
PBIT	6,266	8,013	5,074	15,414	6,122
Net profit attributable to shareholders	5,062	6,566	4,545	11,939	5,361

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:

In US\$'000	For the three months ended 31 March	
	2005	2004
Income		
Sales to Cirio Del Monte group*	-	4,904
Sales to Macondray group	117	637
Sub-total	117	5,541
Expenses		
Purchases from Cirio Del Monte group*	-	286
Purchases from Macondray group	789	1,389
Purchases from Waterloo Land and Livestock Co Pty Ltd	3	2,283
Financial expense to Cirio Del Monte group*	-	23
Sub-total	792	3,981
Aggregate value	909	9,522

*The Cirio Del Monte group divested its interest in Del Monte Foods Europe to Fresh Del Monte Produce Inc in October 2004. Thereafter, transactions with Del Monte Foods Europe will cease to be Interested Person Transactions within the meaning of Interested Person Transactions in Chapter 9 of the SGX Listing Manual, as Fresh Del Monte Produce Inc is not a shareholder of the Company.

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.

As at 31 March 2005, the group had outstanding letters of credit amounting to approximately US\$0.9 million (31 March 2004: US\$2.2 million).

A subsidiary, Del Monte Philippines Inc, has issued a corporate guarantee in favour of a bank for granting bank facilities totaling approximately US\$6.0 million to another subsidiary. As at 31 March 2005, the said bank facilities have not been utilised.

On 16 August 2004, Del Monte Philippines Inc, has issued a corporate guarantee in favour of a bank for granting bank facilities totaling approximately US\$4.0 million to a newly acquired subsidiary, Great Lakes. As at 31 March 2005, Great Lakes has utilised US\$3.7 million of the bank facilities of which US\$1.5 million was used to refinance existing loan at lower interest rate and the balance to finance capital expenditure and operating expenses.

RISK MANAGEMENT

Group Assets

It is the Group's practice to assess annually with its insurance brokers the risk exposure relating to the assets of, and 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. The Group has a natural hedge against US dollar fluctuations as our US dollar-denominated revenues generally exceed our US dollar-denominated costs. 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 historically mitigated 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. They are also invested in short-term government securities. The Group manages its interest rate risk on its interest income by placing the cash balances with varying maturities and interest rate terms. 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 of and demand for pineapple products, and the prices for such 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 pineapple and mixed tropical 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, pineapple solids, 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.

Del Monte Pacific also owns 89% of Abpak Company Ltd which holds 100% of Great Lakes (Tianjin) Fresh Foods and Juice Company Ltd ("Great Lakes"). Great Lakes is a premium fruit juice producer in China, which sells juices under the Great Lakes, Ming Lang and Rougemont 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.

Further information on the Company is available at www.delmontepacific.com

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