Del Monte Pacific Limited

Management Discussion and Analysis of
Unaudited Financial Condition and Results of Operations for
<u>the Second Quarter Ended 30 June 2005</u>

CONTENTS

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DEL MONTE PACIFIC STRONG 2Q SALES GROWTH IMPACTED BY HIGHER EXPENSES

- **2Q sales up 19% to US$55m on strong volume and better pricing**
- **2Q PBIT before exceptional items was flat at US$8 million**
- **Net cash position of US$5.7 million**
- **Interim dividend - 0.31 US cent/share (0.52 SG cent/share) or 33% payout of 1H profit**

Singapore, 22nd July 2005 – Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) announced second quarter turnover increased by 19% to US$54.5 million from US$46.0 million in the same quarter last year, while net profit fell 26% to US$4.8 million from US$6.6 million.

Turnover was driven by good results from the Philippines and North America. The Philippine growth was led by strong beverage and tomato-based product volume plus improved pricing while North American results reflected strong pineapple volume plus higher pricing. China-based Great Lakes, acquired and consolidated in July 2004, contributed US$1.5 million, or 3%, to the total turnover. Second quarter sales in Europe were weak on lower concentrate sales but remained strong on a year-to-date basis.

Gross margin declined to 26.0% from 27.3% in the same quarter last year due to higher raw material, packaging, labour and energy costs.

PBIT decreased by 15% to US$6.8 million from US$8 million mainly due to a US$1.2 million charge for exceptional items. Without these, PBIT would have been unchanged versus the prior year quarter.

Net profit fell 26% to US$4.8 million largely due to these reasons plus higher taxes.

Turnover for the first half was US$102.6 million, up 24% versus the same period last year while net profit fell 12% to US$10.2 million from US$11.6 million. These results reflected US$2.2 million in exceptional items. Without these, PBIT would have increased by 6% versus the prior year.

The Group reported a net cash position of US$5.7 million as of 30 June 2005 versus a net cash position of US$17.1 million in the same period last year, lower primarily due to a higher dividend payout and higher raw material and packaging inventory.

The Board declared an interim dividend of 0.31 US cent (US$0.0031) per share, representing a 33% payout of the Group's net profit in the first half of 2005. The Company has a stated dividend policy of paying a minimum of 33% of full year profit.

In our First Quarter 2005 Results' Outlook Statement, the Group stated that "Barring any unforeseen circumstances, net profit in 2005 should be comparable to that of 2004."

Now, looking at the second half, we expect profit to come under significant pressure from the following adverse factors:

§ Product cost inflation (primarily tinplate, energy and raw materials) in excess of price increases
§ Higher marketing costs for the base business plus the new business in China compared to that in 2004
§ Higher taxes due to better profits in jurisdictions where tax rates are higher

Therefore, the Group now expects net profit in 2005 to be lower than that of 2004. Management is actively working on programs to reduce controllable costs. At the same time, major efforts are being placed on expanding new areas of growth and profit: increased exports of tropical fruit in non-can packaging formats from the Philippines, apple-based exports from China and mango-based exports from India.

FINANCIAL HIGHLIGHTS – SECOND QUARTER 2005

Amounts in US$'000 unless otherwise stated[1]	**For the three months ended 30 June 2005**	**2004**	**YoY Change (%)**	**For the six months ended 30 June 2005**	**2004**	**YoY Change (%)**
Turnover	**54,548**	46,010	18.6	**102,570**	82,500	24.3
Gross profit	**14,171**	12,541	13.0	**25,731**	22,050	16.7
Gross profit margin (%)	***26.0***	*27.3*	*(1.3 ppt)*	***25.1***	*26.7*	*(1.6 ppt)*
EBITDA	**8,408**	9,386	(10.4)	**15,594**	17,055	(8.6)
EBITDA margin (%)	***15.4***	*20.4*	*(5.0 ppt)*	***15.2***	*20.7*	*(5.5 ppt)*
PBIT	**6,815**	8,013	(15.0)	**12,937**	14,279	(9.4)
PBIT margin (%)	***12.5***	*17.4*	*(4.9 ppt)*	***12.6***	*17.3*	*(4.7 ppt)*
Net profit	**4,835**	6,566	(26.4)	**10,196**	11,628	(12.3)
Net profit margin (%)	***8.9***	*14.3*	*(5.4 ppt)*	***9.9***	*14.1*	*(4.2 ppt)*
EPS (US cents)	**0.45**	0.61	(26.4)	**0.95**	1.08	(12.3)
Net cash	**5,746**	17,134	(66.5)	**5,746**	17,134	(66.5)
Cash flow from operations	**1,621**	10,560	(84.6)	**(1,227)**	12,230	n/m
Capital expenditure	**1,464**	240	510.0	**2,501**	1,105	126.3
Dividend per share (US cents)	**0.31**	0.54	(42.6)	**0.31**	0.54	(42.6)

1 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 SECOND QUARTER 2005

Group turnover for the second quarter grew 19% to US$54.5 million from US$46.0 million on higher volume and prices. The main drivers were strong sales of beverages and tomato-based products in the Philippines and processed pineapple in North America.

Gross profit increased by 13% to US$14.2 million from US$12.5 million on the back of improved sales partly offset by higher product costs. The Group's gross profit margin declined by 1.3 percentage points to 26.0% from 27.3%, due to higher raw material, packaging, labour and energy costs.

PBIT dropped 15% to US$6.8 million from US$8.0 million due to higher other operating expenses reflecting exceptional items of US$0.5 million for an asset impairment provision and US$0.6 million for an additional tax assessment; higher advertising and selling expenses in both base business and China to defend and grow market shares; and higher general and administration expenses mainly due to the consolidation of new businesses. Without the exceptional items, PBIT in the second quarter would have been flat.

Net profit was down by 26% to US$4.8 million from US$6.6 million due to lower PBIT coupled with higher tax.

The core products - processed products and beverages - which accounted for 95% of total turnover in the second quarter, increased by 18% due to higher volume and prices. However, PBIT declined by 14% due to higher product costs, higher advertising and selling, general & administration, and other operating expenses.

Non-processed products - mainly the non-core cattle business and fresh pineapples sold only in Asia - which accounted for 5% of total turnover in the second quarter - grew 19% due to better fresh pineapple prices partly offset by lower volume in fresh pineapple and cattle. PBIT stood at a loss of US$210,000 compared to a loss of US$134,000 the previous year due to weak cattle performance.

Asia contributed 64% to Group turnover. Turnover in Asia increased by 17% on the back of better prices for both processed and non-processed products and higher volume for processed products. However, PBIT was down 37% on the back of higher product costs, higher advertising and selling, general & administration, and other operating expenses.

Turnover for Europe/North America, which accounted for 36% of total turnover, increased by 22% as volume grew 6% and prices improved in both North America and Europe. PBIT grew 21% to US$3.7 million from last year's US$3.0 million.

The Group's first half turnover increased by 24% to US$102.6 million. However, gross profit margin was down 1.6 percentage points on higher product costs. PBIT declined by 9% to US$12.9 million compared to the same period last year mainly due to US$2.2 million in exceptional items which included the US$1 million in product disposal provision booked in the first quarter.

The operating cash flow for the second quarter decreased to US$1.6 million from US$10.6 million in the same quarter last year largely due to higher packaging and raw material inventory. For the first half, operating cash flow was negative US$1.2 million versus US$12.2 million last year also due to higher packaging and raw material inventory.

The Group reported a net cash position of US$5.7 million as of 30 June 2005 versus a net cash position of US$17.1 million for the same period last year, lower primarily due to a higher dividend payout and higher packaging and raw material inventory.

Capital expenditures in the second quarter of 2005 increased to US$1.5 million from US$0.2 million, as capital projects for operations in the Philippines, China and India were implemented.

VARIANCE FROM PROSPECT STATEMENT

The second quarter PBIT before exceptional items is in line with what was indicated in our outlook statement in our last results announcement.

BUSINESS OUTLOOK

In our First Quarter 2005 Results' Outlook Statement, the Group stated that "Barring any unforeseen circumstances, net profit in 2005 should be comparable to that of 2004."

Now, looking at the second half, we expect profit to come under significant pressure from the following adverse factors:

- § Product cost inflation (primarily tinplate, energy and raw materials) in excess of price increases
- § Higher marketing costs for the base business plus the new business in China compared to that in 2004
- § Higher taxes due to better profits in jurisdictions where tax rates are higher

Therefore, the Group now expects net profit in 2005 to be lower than that of 2004.

Management is actively working on programs to reduce controllable costs. At the same time, major efforts are being placed on expanding new areas of growth and profit: increased exports of tropical fruit in non-can packaging formats from the Philippines, apple-based exports from China and mango-based exports from India.

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
	2005	2004	(%)	2005	2004	(%)
Asia	**34,970**	30,000	16.6	**3,143**	4,979	(36.9)
Europe/North America	**19,578**	16,010	22.3	**3,672**	3,034	21.0
Total	**54,548**	46,010	18.6	**6,815**	8,013	(15.0)

In US$'000	Turnover			PBIT		
	For the six months ended 30 June		YoY Change	For the six months ended 30 June		YoY Change
	2005	2004	(%)	2005	2004	(%)
Asia	**64,943**	53,499	21.4	**7,835**	9,760	(19.7)
Europe/North America	**37,627**	29,001	29.7	**5,102**	4,519	12.9
Total	**102,570**	82,500	24.3	**12,937**	14,279	(9.4)

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

Asia

Asia, which accounted for 64% of Group turnover in the second quarter, registered strong turnover growth of 17% to US$35.0 million from US$30 million. This was driven by strong performance in our Philippine market, the sales of Great Lakes which was not in the same period of last year, and better prices for fresh pineapple.

Turnover in the Philippines market grew 15% as a result of increased volume of 6% and higher prices of 8%, partly aided by the 3% Peso appreciation. All the major categories saw improvements in both volume and prices, with stronger performance in the beverages and tomato-based product categories.

Great Lakes contributed US$1.5 million, or 4%, to the Group's turnover in Asia.

However, PBIT for the region declined by 37% to US$3.1 million from US$5.0 million due to higher product costs, higher advertising and selling, general and administration, and other operating expenses.

PBIT margin in Asia declined to 9% from 16.7% in the same quarter last year.

For the first half, turnover grew 21% to US$65.0 million from $53.5 million. However, PBIT dropped 20% to US$7.8 million from US$9.8 million for the same factors affecting the second quarter performance, plus the US$1 million provision for product disposal booked in the first quarter.

Europe/North America

Europe/North America, which comprised 36% of Group turnover in the second quarter, posted strong turnover growth of 22% to US$19.6 million from US$16 million. This was driven by higher volume and prices of processed pineapple in North America, partly offset by lower sales in Europe due to weak volume and prices of pineapple concentrate.

As a result of higher turnover slightly offset by higher costs, PBIT for Europe/North America grew 21% to US$3.7 million from US$3.0 million. PBIT margin for the second quarter was 18.8% from 19.0% in the same period last year.

For the first half, turnover improved 30% to US$37.6 million from US$29.0 million while PBIT grew 13% to US$5.1 million from US$4.5 million.

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
	2005	2004	(%)	2005	2004	(%)
Processed Products	**37,281**	31,255	19.3	**6,029**	4,889	23.3
Beverages	**14,512**	12,442	16.6	**996**	3,258	(69.4)
Non-processed Products	**2,755**	2,313	19.1	**(210)**	(134)	56.7
Total	**54,548**	46,010	18.6	**6,815**	8,013	(15.0)

In US$'000	Turnover			PBIT		
	For the six months Ended 30 June		YoY Change	For the six months ended 30 June		YoY Change
	2005	2004	(%)	2005	2004	(%)
Processed Products	**67,205**	55,370	21.4	**8,726**	9,006	(3.1)
Beverages	**29,515**	22,316	32.3	**3,590**	5,173	(30.6)
Non-processed Products	**5,850**	4,814	21.5	**621**	100	521.0
Total	**102,570**	82,500	24.3	**12,937**	14,279	(9.4)

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

Processed Products

Processed products, our largest product category, contributed 68% to Group turnover in the second quarter. 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 increased by 19% to US$37.3 million from US$31.3 million due to higher volume of 8% and better prices of 10%. The major drivers were processed pineapple in North America and tomato-based products in the Philippines. Prices of processed products were up in almost all markets, most notably in North America.

PBIT for processed products improved 23% to US$6.0 million from US$4.9 million largely due to higher turnover. PBIT margin for the quarter was 16.2%, higher than the prior year's 15.6% as a result of better prices partly offset by higher product costs.

For the first half, turnover grew 21% to US$67.2 million from US$55.4 million due to higher volume and prices. PBIT was slightly down by 3% to US$8.7 million from US$9.0 million largely due to the US$1 million provision for product disposal booked in the first quarter.

Beverages

Beverages consist of juices, juice drinks and pineapple juice concentrate. This segment accounted for 27% of Group turnover in the second quarter.

Turnover for this segment grew 17% to US$14.5 million from US$12.4 million. This was driven by the US$1.5 million contribution of Great Lakes which was not in the same period of last year, and strong juice sales in the Philippines on higher volume and prices, partly offset by weak concentrate sales in Europe. The new fiber-enriched 202 pineapple juice was well-received in the Philippines.

However, PBIT for the quarter declined by 69% to US$1.0 million from $3.3 million due to higher product costs, higher advertising and selling expenses in the Philippines and China, and losses in the new businesses. PBIT margin dropped to 6.9% from 26.2%.

For the first half, turnover increased by 32% to US$29.5 million from US$22.3 million. However, PBIT fell 31% to US$3.6 million from US$5.2 million for the same factors affecting the second quarter performance.

Non-processed Products

Accounting for 5% of Group turnover, non-processed products consist mainly of the non-core cattle business and fresh pineapples, both sold only in Asia. The cattle operation is used for the disposal of pineapple pulp.

Turnover for this segment increased by 19% to US$2.8 million from US$2.3 million as a result of higher fresh pineapple prices, offsetting weak fresh pineapple and cattle volume.

However, PBIT for this segment posted a loss of US$210,000 from a loss of US$134,000 in the same period last year due to weak cattle performance.

For the first half, turnover grew 22% to US$5.9 million from US$4.8 million while PBIT improved to US$0.6 million from US$0.1 million due to the turnaround of the fresh pineapple segment on better prices.

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	
	2005	**2004**	**2005**	**2004**
Cost of Goods Sold	**74.0**	72.7	**74.9**	73.3
Distribution and Selling Expenses	**6.9**	5.9	**6.1**	5.8
General and Administration Expenses	**2.5**	1.5	**2.3**	1.6
Other Operating Expenses	**4.2**	2.5	**4.5**	2.0

Cost of Goods Sold

Cost of goods sold as a percentage of turnover increased to 74.0% from 72.7% due to higher product costs arising from higher tinplate, raw material, labour and energy costs, and the unfavourable impact of the 3% Peso appreciation. For the first half, cost of goods sold as a percentage of turnover also increased to 74.9% from 73.3% for the same reasons.

Distribution and Selling Expenses

Distribution and selling expenses as a percentage of turnover increased to 6.9% from 5.9% primarily due to higher marketing spending in the Philippine and China markets. For the first half, distribution and selling expenses as a percentage of turnover grew slightly to 6.1% from 5.8%.

General and Administration Expenses

General and administration expenses as a percentage of turnover in the second quarter and in the first half increased versus the same periods last year, largely due to the consolidation of new businesses in China and India

Other Operating Expenses

Other operating expenses as a percentage of turnover increased to 4.2% from 2.5% primarily due to the exceptional items of US$0.5 million for an asset impairment provision and US$0.6 million for an additional tax assessment. For the first half, other operating expenses as a percentage of turnover increased to 4.5% from 2.0% for the same reasons as in the second quarter, plus the US$1m provision for product disposal and the IAS 41 adjustment.

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
	2005	**2004**	**(%)**	**2005**	**2004**	**(%)**
Other operating expenses (before IAS 41)	**1,856**	716	159.2	**4,125**	1,793	130.1
Net changes in fair value of biological assets that remain unsold as at the end of the period	**409**	419	2.4	**505**	(142)	n/m
Other operating expenses (after IAS 41)	**2,265**	1,135	99.6	**4,630**	1,651	180.4

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances US$'000	As at 30 June 2005	 30 June 2004	 31 Dec 2004
Intangible assets	**14,945**	9,164	15,156
Other assets	**8,196**	8,016	6,230
Inventories	**52,931**	44,626	35,679
Biological assets	**38,658**	35,405	37,248
Trade debtors	**16,413**	10,266	23,981
Other debtors, deposits and prepayments	**8,638**	7,052	7,525
Due from affiliated companies (trade)	**270**	5,461	127
Trade creditors	**12,603**	8,315	8,997
Other creditors and accruals	**13,776**	12,613	18,191

Intangible assets

Intangible assets increased compared to the same quarter last year mainly 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 slightly versus the same quarter last year. It increased significantly compared to year-end 2004 due to the timing of higher land rental advances and land expansion.

Inventories

Inventories increased compared to the same period last year due to higher levels of tomato paste raw material and tinplate, glass jar and plastic cup packaging materials. Inventories at year-end are generally lower as a result of higher sales in fourth quarter 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 second quarter increase in trade debtors were the higher sales in other 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 period last year and year-end 2004 primarily as a result of 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 due to timing of payments to suppliers and 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 the consolidation of new businesses' liabilities. However, this account decreased versus year-end 2004 primarily due to the timing of payments to suppliers.

SHARE CAPITAL

Ordinary shares issued and fully paid-up share capital	As at 30 June 2005	As at 30 June 2004	As at 31 Dec 2004
Number of shares	**1,078,847,194**	1,074,429,194	1,074,483,194
Share capital (US$'000)	**10,788**	10,744	10,745

A total of 4,364,000 share options were exercised for the six months ended 30 June 2005 (464,000 share options in the second quarter) and new shares were issued as a result thereof. As at 30 June 2005, the total number of outstanding share options was 11,377,964 (31 December 2004: 16,158,694). A total of 416,730 share options lapsed since 31 December 2004.

CASH FLOW AND LIQUIDITY

Cash flow in US$'000	
Net cash for the period ended 31 March 2005	26,121
Net cash from operating activities	1,621
Capital expenditure	(1,464)
Proceeds from disposal of fixed assets	34
Dividend payment	(19,494)
Proceeds from exercise of share options	366
Effect of exchange rate changes	(1,438)
Net cash for the period ended 30 June 2005	5,746

Liquidity in US$'000	As at 30 June 2005	As at 30 June 2004	As at 31 Dec 2004
Gross borrowings	**53,206**	30,077	29,810
Current	**53,206**	30,077	29,810
Secured	-	-	-
Unsecured	**53,206**	30,077	29,810
Non-current	-	-	-
Secured	-	-	-
Unsecured	-	-	-
Less: Cash and bank balances	**58,952**	47,211	57,517
Net cash (debt)	**5,746**	17,134	27,707

The Group's net cash (cash and bank balances less borrowings) amounted to US$5.7 million as at 30 June 2005, compared to US$17.1 million as at 30 June 2004 primarily due to higher dividends paid and higher packaging inventory, particularly tinplates. The Group's net cash as at 30 June 2005 decreased compared to year-end 2004 mainly due to the payment of dividends in the second quarter of 2005.

CAPITAL EXPENDITURE

In the second quarter of 2005, capital expenditure increased to US$1.5 million compared to US$0.2 million in the same quarter last year. The key projects for the quarter were:

- Replacement and reconditioning of various plantation equipment to extend service lives
- Acquisition and replacement of various cannery equipment to comply with Good Manufacturing Practices
- Replacement of deep wells to ensure adequate water supply
- Factory renovation, new machinery and equipment in India
- New equipment for existing and export products in China

In US$'000	**For the three months ended 30 June**	
	2005	**2004**
Capex	**1,464**	240
Depreciation	**1,491**	1,289

DIVIDENDS

The Directors have declared an interim dividend of 0.31 US cent (US$0.0031) representing a 33% payout of first half net profit of US$10.2 million.

Dividends	**For the six months ended 30 June**	
	2005	**2004**
Name of dividend	**Interim Ordinary**	Interim Ordinary
Type of dividend	**Cash**	Cash
Rate of dividend	**0.31 US cent per ordinary share (tax not applicable)**	0.54 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	**8 August 2005***	24 August 2004
Payable date	**25 August 2005**	7 September 2004

***** Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 8 August 2005 for the preparation of dividend warrants. Registrable share transfers received by the Company's Share Transfer Agent, Lim Associates (Pte) Ltd, 10 Collyer Quay #19-08, Ocean Building, Singapore 049315 by 5.00 pm on 7 August 2005 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**		
	2005	**2004**	**%**	**2005**	**2004**	**%**
Turnover	**54,548**	46,010	18.6	**102,570**	82,500	24.3
Cost of sales	**(40,377)**	(33,469)	20.6	**(76,839)**	(60,450)	27.1
Gross profit	**14,171**	12,541	13.0	**25,731**	22,050	16.7
Distribution and selling expenses	**(3,755)**	(2,700)	39.1	**(6,285)**	(4,752)	32.3
General and administration expenses	**(1,339)**	(685)	95.5	**(2,352)**	(1,360)	72.9
Other operating expenses	**(2,265)**	(1,135)	99.6	**(4,630)**	(1,651)	180.4
Profit from operations	**6,812**	8,021	(15.1)	**12,464**	14,287	(12.8)
Financial income	**460**	212	117.0	**1,315**	408	222.3
Financial expense	**(919)**	(876)	4.9	**(1,516)**	(1,590)	(4.7)
Profit before taxation	**6,353**	7,357	(13.6)	**12,263**	13,105	(6.4)
Taxation	**(1,578)**	(791)	99.5	**(2,172)**	(1,477)	47.1
Profit after taxation	**4,775**	6,566	(27.3)	**10,091**	11,628	(13.2)
Minority interest	**60**	-	n/m	**105**	-	n/m
Net profit attributable to shareholders	**4,835**	6,566	(26.4)	**10,196**	11,628	(12.3)
Notes:						
Depreciation and amortisation	**(1,596)**	(1,365)	16.9	**(3,130)**	(2,768)	13.1
Financial income comprise:						
Interest income	**457**	212	115.6	**842**	408	106.4
Foreign exchange gain	**3**	-	n/m	**473**	-	n/m
	460	212	117.0	**1,315**	408	222.3
Financial expense comprise:						
Interest expense	**(919)**	(868)	5.9	**(1,516)**	(1,582)	(4.2)
Foreign exchange loss	**-**	(8)	n/m	**-**	(8)	n/m
	(919)	(876)	4.9	**(1,516)**	(1,590)	(4.7)

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**	
	2005	**2004**	**2005**	**2004**
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on existing issued share capital	**0.45**	0.61	**0.95**	1.08
(ii) On a fully diluted basis	**0.45**	0.61	**0.95**	1.08

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS

Amounts in US$'000	**Group**			**Company**		
	30 June 2005 Unaudited	**30 June 2004 Unaudited**	**31 Dec 2004 Audited**	**30 June 2005 Unaudited**	**30 June 2004 Unaudited**	**31 Dec 2004 Audited**
EQUITY						
Share capital	**10,788**	10,744	10,745	**10,788**	10,744	10,745
Share premium	**67,861**	66,595	66,609	**68,000**	66,734	66,748
Translation reserves	**(68,531)**	(68,304)	(68,617)	**-**	-	-
Revenue reserves	**139,555**	138,171	148,853	**(19,225)**	(1,446)	1,244
	149,673	147,206	157,590	**59,563**	76,032	78,737
Minority interest	**(112)**	-	(9)	**-**	-	-
	149,561	147,206	157,581	**59,563**	76,032	78,737
ASSETS LESS LIABILITIES						
Fixed assets	**48,081**	46,706	48,832	**-**	-	-
Subsidiaries	-	-	-	**16,709**	10,149	16,709
Intangible assets	**14,945**	9,164	15,156	**-**	-	-
Other assets	**8,196**	8,016	6,230	**-**	-	-
Current assets						
Inventories	**52,931**	44,626	35,679	**-**	-	-
Biological assets *	**38,658**	35,405	37,248	**-**	-	-
Trade debtors	**16,413**	10,266	23,981	**-**	-	-
Other debtors, deposits and prepayments	**8,638**	7,052	7,525	**38**	179	2
Due from subsidiaries (non-trade)	**-**	-	-	**82,229**	80,196	81,386
Due from affiliated companies (trade)	**270**	5,461	127	**-**	-	-
Short-term deposits	**57,725**	46,932	50,681	**-**	-	-
Cash and bank balances	**1,227**	279	6,836	**12**	13	12
	175,862	150,021	162,077	**82,279**	80,388	81,400

* Biological assets consist of deferred growing crops and livestock.

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS (CONTINUED)

Amounts in US$'000	Group			Company		
	30 June 2005 Unaudited	**30 June 2004 Unaudited**	**31 Dec 2004 Audited**	**30 June 2005 Unaudited**	**30 June 2004 Unaudited**	**31 Dec 2004 Audited**
Current liabilities						
Trade creditors	**12,603**	8,315	8,997	**-**	-	-
Other creditors and accruals	**13,776**	12,613	18,191	**112**	171	392
Due to subsidiaries (non-trade)	-	-	-	**39,313**	14,334	18,980
Short-term borrowings (unsecured)	**53,206**	30,077	29,810	**-**	-	-
Provision for taxation	**1,169**	393	1,176	**-**	-	-
	80,754	51,398	58,174	**39,425**	14,505	19,372
Net current assets	**95,108**	98,623	103,903	**42,854**	65,883	62,028
Non-current liabilities						
Due to an affiliated company (non-trade)	**(7,824)**	(7,606)	(7,715)	**-**	-	-
Deferred tax liabilities	**(8,398)**	(7,697)	(8,457)	**-**	-	-
Long-term lease payable	**(547)**	-	(368)	**-**	-	**-**
	149,561	147,206	157,581	**59,563**	76,032	78,737

	Group			Company		
Net asset value per ordinary share in US cents	**30 June 2005 Unaudited**	**30 June 2004 Unaudited**	**31 Dec 2004 Audited**	**30 June 2005 Unaudited**	**30 June 2004 Unaudited**	**31 Dec 2004 Audited**
Net asset value per ordinary share	**13.87**	13.70	14.67	**5.52**	7.08	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
As at 1 April 2004	10,722	65,978	(68,334)	145,353	153,719
Currency translation differences	-	-	30	-	30
Shares issued under share option plan	22	617	-	-	639
Net profit attributable to shareholders	-	-	-	6,566	6,566
Dividends	-	-	-	(13,748)	(13,748)
As at 30 June 2004	10,744	66,595	(68,304)	138,171	147,206
Net gains and losses not recognised in profit and loss account	-	-	30	-	30
As at 1 January 2005	10,745	66,609	(68,617)	148,853	157,590
As at 1 April 2005	10,776	67,507	(66,276)	154,214	166,221
Currency translation differences	-	-	(2,255)	-	(2,255)
Shares issued under share option plan	12	354	-	-	366
Net profit attributable to shareholders	-	-	-	4,835	4,835
Dividends	-	-	-	(19,494)	(19,494)
As at 30 June 2005	10,788	67,861	(68,531)	139,555	149,673
Net gains and losses not recognised in profit and loss account	-	-	(2,255)	-	(2,255)

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
As at 1 April 2004	10,722	66,117	12,860	89,699
Shares issued under share option plan	22	617	-	639
Net profit attributable to shareholders	-	-	(558)	(558)
Dividends	-	-	(13,748)	(13,748)
As at 30 June 2004	10,744	66,734	(1,446)	76,032
As at 1 January 2005	10,745	66,748	1,244	78,737
As at 1 April 2005	10,776	67,646	693	79,115
Shares issued under share option plan	12	354	-	366
Net loss attributable to shareholders	-	-	(424)	(424)
Dividends	-	-	(19,494)	(19,494)
As at 30 June 2005	10,788	68,000	(19,225)	59,563

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**	
	2005	**2004**	**2005**	**2004**
Cash flows from operating activities				
Net Profit attributable to shareholders	**4,835**	6,566	**10,196**	11,628
Adjustments for:				
Depreciation and amortisation	**1,596**	1,365	**3,130**	2,768
Provision for (write-back) asset impairment	**528**	(3)	**520**	(7)
Provision for inventory obsolescence	**105**	188	**547**	831
Provision for doubtful debts	**32**	71	**76**	74
Provision for product disposal	**-**	-	**1,000**	-
Provision for (write-back) deferred income tax	**(133)**	143	**(88)**	325
(Gain) on disposal of fixed assets	**(21)**	(14)	**(43)**	(79)
Minority Interest	**(59)**	-	**(103)**	-
Operating profit before working capital changes	**6,883**	8,316	**15,235**	15,540
Decrease (increase) in:				
Other assets	**(266)**	(581)	**(1,966)**	(1,983)
Inventories	**(10,712)**	(485)	**(17,793)**	(3,908)
Biological assets	**(638)**	685	**(1,410)**	(1,171)
Trade debtors	**5,917**	2,575	**7,491**	10,342
Other debtors, deposits and prepayments	**2,034**	1,673	**(1,113)**	(246)
Increase (decrease) in:				
Trade creditors, other creditors and accruals	**(984)**	1,015	**(1,630)**	(4,478)
Due from (to) affiliated companies (trade and non-trade)	**(220)**	(1,975)	**(34)**	(1,527)
Provision for taxation	**(393)**	(663)	**(7)**	(339)
Net cash from operating activities	**1,621**	10,560	**(1,227)**	12,230
Cash flows from investing activities				
Proceeds from disposal of fixed assets	**34**	15	**58**	83
Purchase of fixed assets	**(1,464)**	(240)	**(2,501)**	(1,105)
Net cash used in investing activities	**(1,430)**	(225)	**(2,443)**	(1,022)
Cash flows from financing activities				
Short-term borrowings	**10,910**	(9,710)	**23,396**	(1,199)
Proceeds from exercise of stock options	**366**	639	**1,295**	682
Dividends paid	**(19,494)**	(13,748)	**(19,494)**	(13,748)
Net cash used in financing activities	**(8,218)**	(22,819)	**5,197**	(14,265)
Effect of exchange rate changes on cash and cash equivalents	**(1,438)**	7	**(92)**	(242)
Net decrease in cash and cash equivalents	**(9,465)**	(12,477)	**1,435**	(3,299)
Cash and cash equivalents, beginning of period	**68,417**	59,688	**57,517**	50,510
Cash and cash equivalents, end of period	**58,952**	47,211	**58,952**	47,211

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 30 June**		**For the six months ended 30 June**	
	2005	**2004**	**2005**	**2004**
(a) Cash paid (received) during the year, included in operating activities				
Interest expenses	**811**	919	**1,227**	1,492
Interest income	**(419)**	(172)	**(786)**	(368)
Income taxes	**2,036**	1,309	**2,236**	1,481
(b) Analysis of the balances of cash and cash equivalents				
Cash and bank balances	**1,227**	279	**1,227**	279
Short-term deposits	**57,725**	46,932	**57,725**	46,932
	58,952	47,211	**58,952**	47,211

NOTES TO THE FINANCIAL STATEMENTS

1. FINANCIAL HIGHLIGHTS IN SINGAPORE DOLLARS

Amounts in S$'000 unless otherwise stated	For the three months ended 30 June		YoY Change	For the six months ended 30 June		YoY Change
	2005	2004	(%)	2005	2004	(%)
Turnover	**90,004**	78,217	15.1	**168,215**	140,250	19.9
Gross profit	**23,382**	21,320	9.7	**42,199**	37,485	12.6
Gross profit margin (%)	***26.0***	*27.3*	*(1.3 ppt)*	***25.1***	*26.7*	*(1.6 ppt)*
EBITDA	**13,873**	15,956	(13.1)	**25,574**	28,994	(11.8)
EBITDA margin (%)	***15.4***	*20.4*	*(5.0 ppt)*	***15.2***	*20.7*	*(5.5 ppt)*
PBIT	**11,245**	13,622	(17.4)	**21,217**	24,274	(12.6)
PBIT margin (%)	***12.5***	*17.4*	*(4.9 ppt)*	***12.6***	*17.3*	*(4.7 ppt)*
Net profit	**7,978**	11,162	(28.5)	**16,721**	19,768	(15.4)
Net profit margin (%)	***8.9***	*14.3*	(5.4 ppt)	***9.9***	*14.1*	(4.2 ppt)
EPS (SG cents)	**0.74**	1.04	(28.5)	**1.56**	1.84	(15.4)
Net cash/(debt)	**9,481**	29,128	(67.5)	**9,423**	29,128	(67.6)
Cash flow from operations	**2,675**	17,952	(85.1)	**(2,012)**	20,791	n/m
Capital expenditure	**2,416**	408	492.2	**4,102**	1,879	118.3
Dividend per share (SG cents)	**0.52**	0.92	(43.5)	**0.52**	0.92	(43.5)

Note:
P&L S$/US$ conversion rate: 1.65 in 2Q05, 1.64 in 1H05 and 1.70 in 2Q04 & 1H04.
Dividend S$/US$ conversion rate: 1.69 (Indicative rate 2Q05), 1.71 (Actual rate 2Q04).

n/m – not meaningful

2. AUDIT

Second 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

For the six months ended 30 June 2005 In US$'000	**Processed Products**	**Beverages**	**Non-Processed Products**	**Consolidated**
Turnover	67,205	29,515	5,850	102,570
Profit from operations, representing segment result	8,442	3,425	597	12,464
Net foreign exchange gain	284	165	24	473
Profit before interest and taxation	8,726	3,590	621	12,937
Net interest expense	(373)	(270)	(31)	(674)
Profit before taxation	8,353	3,320	590	12,263
Taxation				(2,172)
Minority Interest				105
Net profit attributable to shareholders				10,196
Segment assets	118,506	62,297	7,329	188,132
Unallocated assets				58,952
Consolidated total assets				247,084
Segment liabilities	24,608	9,606	536	34,750
Unallocated liabilities				62,773
Consolidated total liabilities				97,523
Capital expenditure	1,339	1,104	58	2,501
Depreciation	1,615	1,232	72	2,919
Amortisation	107	97	7	211
Non-cash expenses (net) other than depreciation and amortisation	1,613	295	1	1,909

For the six months ended 30 June 2004 in US$'000	**Processed Products**	**Beverages**	**Non-Processed Products**	**Consolidated**
Turnover	55,370	22,316	4,814	82,500
Profit from operations, representing segment result	9,011	5,176	100	14,287
Net foreign exchange gain	(5)	(3)	-	(8)
Profit before interest and taxation	9,006	5,173	100	14,279
Net interest expense	(744)	(410)	(20)	(1,174)
Profit before taxation	8,262	4,763	80	13,105
Taxation				(1,477)
Net profit attributable to shareholders				11,628
Segment assets	113,489	47,179	6,028	166,696
Unallocated assets				47,211
Consolidated total assets				213,907
Segment liabilities	21,171	6,592	771	28,534
Unallocated liabilities				38,167
Consolidated total liabilities				66,701
Capital expenditure	706	383	16	1,105
Depreciation	1,656	879	81	2,616
Amortisation	118	22	12	152
Non-cash expenses (net) other than depreciation and amortisation	784	321	39	1,144

By geographical segments

In US$'000	Turnover		Capital expenditure		Total assets	
	For the six months ended 30 June				As at 30 June	
	2005	2004	2005	2004	2005	2004
Asia	**64,943**	53,499	**2,501**	1,105	**247,084**	213,907
Europe/North America	**37,627**	29,001	**-**	-	-	-
Total	**102,570**	82,500	**2,501**	1,105	**247,084**	213,907

5. QUARTERLY TURNOVER AND PBIT BREAKDOWN

In US$'000	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05
Turnover	36,490	46,010	50,657	66,422	48,022	**54,548**
PBIT	6,266	8,013	5,074	15,414	6,122	**6,815**
Net profit attributable to shareholders	5,062	6,566	4,545	11,939	5,361	**4,835**

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 30 June		For the six months ended 30 June	
	2005	2004	2005	2004
Income				
Sales to Cirio Del Monte group*	**-**	6,893	**-**	11,797
Sales to Macondray group	**624**	592	**741**	1,229
Financial income from Cirio Del Monte group*	**-**	40	**-**	40
Sub-total	**624**	7,525	**741**	13,066
Expenses				
Purchases from Cirio Del Monte group*	**-**	-	**-**	286
Purchases from Macondray group	**1,089**	297	**1,873**	1,686
Purchases from Waterloo Land and Livestock Co. Pty. Ltd. (WALLCO)	**1,293**	-	**1,296**	2,283
Financial expenses to Cirio Del Monte Group*	**-**	-	**-**	23
Sub-total	**2,382**	297	**3,169**	4,278
Aggregate value	**3,006**	7,822	**3,910**	17,344

*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 30 June 2005, the group had outstanding letters of credit amounting to approximately US$1.1 million (30 June 2004: US$0.2 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 year-end 2004 and 30 June 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 (Tianjin) Fresh Foods and Juice Company Ltd ("Great Lakes"). As at 30 June 2005, Great Lakes has fully utilised US$4.0 million 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. Great Lakes is a premium fruit juice producer in China, which sells juices under the Great Lakes, Ming Lang, 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.

Further information on the Company is available at www.delmontepacific.com
To subscribe to our email alerts, please send a request to invest@delmontepacific.com