Del Monte Pacific Limited

Management Discussion and Analysis of
Unaudited Financial Condition and Results of Operations for
<u>the First Quarter Ended 31 March 2006</u>

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DEL MONTE PACIFIC REPORTS LOWER FIRST QUARTER 2006 SALES AND NET PROFIT

- **1Q turnover down 3% to US$46.7m mainly due to lower sales to Europe**
- **1Q net profit fell 36% to US$3.4m due to lower sales and higher costs, partly offset by reduced other operating expenses**
- **Net cash position of US$12.9m**

Singapore, 28 April 2006 – Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) announced that first quarter turnover declined by 3% to US$46.7 million from US$48.0 million versus the same quarter last year, and net profit dropped by 36% to US$3.4 million from US$5.4 million.

The Company registered strong sales to North America. New businesses – Great Lakes and Del Monte Foods India - also contributed higher revenue of US$4.2 million from US$2.4 million in the prior year quarter.

However, these were inadequate to offset significantly lower sales to Europe and weak sales of non-processed products. The soft market in Europe led to disappointing sales of concentrate and processed pineapple.

The Group continued to be affected by increased costs of raw materials, tinplate and energy. Gross profit declined by 26% to US$9.5 million from US$12.8 million and gross margin fell to 20.3% from 26.7%.

With the lower turnover, higher costs and the increase in corporate income tax, net profit dropped by 36% to US$3.4 million. Corporate income tax rate in the Philippines was raised to 35% from 32% effective November 2005. Reduced other operating expenses helped cushion the decline in net profit. In the first quarter of last year, the Group booked a US$1 million provision for product disposal.

“While we continued to execute against our strategies leading to increased sales of value-added products, and achieved better results at Great Lakes, the operating environment remained challenging,” said Chairman Tony Chew.

The Group maintained a net cash position. However, this was reduced to US$12.9 million compared to US$18.4 million at the end of 2005 due to higher working capital requirements, higher inventory levels resulting from lower turnover and increased expenditure in growing crops.

New shareholder NutriAsia Pacific Ltd is now working closely with the Group to develop strategies that will enhance the overall profitability of DMPL’s operating markets - Philippines, China and India, as well as its export markets.

“As we move into the transition process, our goals are to enhance market positions in all our product categories, to reinvigorate DMPL’s export business and to identify cost savings,” said Joselito D Campos, Jr, Director of DMPL. The transitional teams, comprise of representatives from San Miguel Corporation, NutriAsia Group of Companies and DMPL, formally began their review of the Group’s operations in April 2006.

Mr Campos believes that new and exciting products can be fast tracked and that product distribution can be increased by tapping on the Group’s shareholders’ vast distribution network not just in the Philippines, but also in other areas in the Asia Pacific. Said Campos, “Moving forward, we want to leverage on strengths that will produce positive results for the entire DMPL organisation. We are committed to providing leadership that creates opportunities for the Company to deliver growth."

While the second quarter will continue to be challenging, barring any unforeseen circumstances, the Group expects results to improve in the second half leading to a better performance in 2006 versus 2005.

FINANCIAL HIGHLIGHTS – FIRST QUARTER 2006

Amounts in US$'000 unless otherwise stated[1]	For the three months ended 31 March		YoY Change (%)
	2006	**2005**	
Turnover	**46,721**	48,022	(2.7)
Gross profit[2]	**9,495**	12,801	(25.8)
Gross profit margin (%)	***20.3***	*26.7*	*(6.4 ppt)*
EBITDA	**5,595**	7,186	(22.1)
EBITDA margin (%)	***12.0***	*15.0*	*(3.0 ppt)*
PBIT	**4,460**	6,122	(27.1)
PBIT margin (%)	***9.5***	*12.7*	*(3.2 ppt)*
Net profit	**3,418**	5,361	(36.2)
Net profit margin (%)	***7.3***	*11.2*	*(3.9 ppt)*
EPS (US cents)	**0.32**	0.50	(36.6)
Net cash	**12,927**	26,121	(50.5)
Cash flow used in operations	**(6,215)**	(2,848)	(118.2)
Capital expenditure	**965**	1,037	(6.9)
Inventory (days)	**125**	103	22 days
Receivables (days)	**36**	36	-
Account Payables (days)	**77**	54	23 days

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

[2] General & administration expenses of Del Monte Philippines, Inc., a subsidiary of the Group, was previously reflected as part of Cost of Sales. Starting 2006, this is moved to General and Administration line below Gross Profit to be consistent with the presentation for the rest of the subsidiaries under the Group. Accordingly, prior year figure was restated.

n/m – not meaningful

REVIEW OF OPERATING PERFORMANCE

Group turnover for the first quarter of 2006 declined by 3% to US$46.7 million from US$48.0 million, mainly due to lower sales of processed products and concentrate in Asia Pacific and Europe, and weak sales of non-processed products. This offset the strong performance in North America and higher contribution from new businesses of US$4.2 million, up from US$2.4 million in the same quarter last year.

The Group's gross profit dropped by 26% to US$9.5 million from US$12.8 million as lower turnover was compounded by higher costs of raw material, packaging and energy. Gross margin declined to 20.3% from 26.7%.

PBIT also fell 27% to US$4.5 million from US$6.1 million on the back of lower gross profit. Net profit dropped by 36% with the lower operating results plus higher taxes. The tax rate in the Philippines was raised from 32% to 35% effective November 2005. Reduced other operating expenses helped cushion the decline in net profit. In the first quarter of last year, the Group booked a US$1 million provision for product disposal.

Our core products — processed products and beverages — which accounted for 97% of total turnover slightly increased by 1%. Lower sales of the base business were offset by higher sales of the new businesses, mainly in the beverage segment.

Non-processed products—mainly the non-core cattle and fresh pineapple business sold only in Asia Pacific—which accounted for 3% of Group turnover, decreased by 54% due to lower volume of cattle and fresh pineapples as well as depressed prices of fresh pineapples.

Asia Pacific contributed 62% of Group turnover in the first quarter of 2006. Turnover in this region declined by 4% due to the weak performance of non-core business and lower sales of processed products outside the Philippines. PBIT in Asia Pacific dropped by 21% to US$3.7 million due to the lower turnover and higher costs.

Turnover in Europe/North America, accounting for 38% of Group turnover, slightly declined by 1% to US$17.9 million due to a 16% decline in volume offsetting higher prices. Strong sales to North America were inadequate to offset the weak results in Europe. PBIT in Europe/North America fell 46% to US$0.8 million, again, on lower turnover and higher costs.

The Company's net cash position decreased to US$12.9 million from US$26.1 million in the prior year quarter due to higher working capital requirements. Capital expenditure in the first quarter of 2006 was almost unchanged at US$1.0 million.

VARIANCE FROM PROSPECT STATEMENT

In our Full Year 2005 Results announcement, we stated that "Overall, barring any unforeseen circumstances, we expect that net profit in 2006 should improve versus 2005."

The first quarter 2006 results were significantly lower than prior year quarter's. However, the Company believes that a higher Full Year 2006 net profit over 2005 is still attainable due to an anticipation of better performance in the second half.

BUSINESS OUTLOOK

New shareholder NutriAsia Pacific Ltd is now working closely with the Group to develop strategies that will enhance the overall profitability of DMPL's operating markets - Philippines, China and India, as well as its export markets.

"As we move into the transition process, our goals are to enhance market positions in all our product categories, to reinvigorate DMPL's export business and to identify cost savings," said Joselito D Campos, Jr, Director of DMPL.

The transitional teams, comprise of representatives from San Miguel Corporation, NutriAsia Group of Companies and DMPL, formally began their review of the Group's operations in April 2006.

Mr Campos believes that new and exciting products can be fast tracked and that product distribution can be increased by tapping on the Group's shareholders' vast distribution network not just in the Philippines, but also in other areas in the Asia Pacific. Said Campos, "Moving forward, we want to leverage on strengths that will produce positive results for the entire DMPL organisation. We are committed to providing leadership that creates opportunities for the Company to deliver growth."

While the second quarter will continue to be challenging, barring any unforeseen circumstances, the Group expects results to improve in the second half leading to a better performance in 2006 versus 2005.

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
	2006	2005	(%)	2006	2005	(%)
Asia Pacific	**28,817**	29,973	(3.9)	**3,688**	4,692	(21.4)
Europe/North America	**17,904**	18,049	(0.8)	**772**	1,430	(46.0)
Total	**46,721**	48,022	(2.7)	**4,460**	6,122	(27.1)

See Notes to the Financial Statements number 4 for more details

Asia Pacific

Turnover in Asia Pacific, which accounted for 62% of Group turnover in the first quarter of 2006, declined by 4% to US$28.8 million from US$30.0 million. Higher sales in the Philippines and of Great Lakes were not enough to offset the decline of processed products in the rest of Asia Pacific and the weak performance of non-processed products.

In the Philippines, turnover improved slightly by 2% due to higher prices of 7%, largely aided by the 5% Peso appreciation. Volume declined by 5% due to cautious trade orders as the trade managed their inventories to avoid additional taxes as a result of the implementation of the expanded Value Added Tax law in February 2006.

Sales of new businesses - Great Lakes and Del Monte Foods India - grew by 69% to US$4.1 million from US$2.4 million on higher volume and prices, with apple juice concentrate as the key driver of this growth.

However, turnover for processed product for the rest of Asia Pacific declined by 24% due to lower volume.

PBIT in Asia Pacific fell 21% to US$3.7 million from US$4.7 million largely due to higher costs, lower volume in the other Asia Pacific markets and weak sales of non-processed products. PBIT margin decreased to 12.8% from 15.7% in the prior year quarter.

However, Great Lakes reported a slight profit from a loss last year.

Europe/North America

Turnover in Europe/North America, which accounted for 38% of Group turnover, declined slightly by 1% to US$17.9 million from US$18.0 million due to lower volume. Strong performance in North America was offset by the weak results in Europe, primarily in processed pineapple and concentrate.

Sales of fruits in cups and jars to North America improved versus the same quarter last year, while Europe's turnover included sales of *Del Monte 202* juices and fruits in cups and jars which were not in the same quarter last year.

PBIT in Europe/North America declined by 46% to US$0.8 million from US$1.4 million due to higher costs and reduced volume. PBIT margin dropped to 4.3% from 7.9% in the prior year quarter.

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
	2006	2005	(%)	2006	2005	(%)
Processed Products	**29,180**	29,924	(2.5)	**2,895**	2,697	7.3
Beverages	**16,112**	15,003	7.4	**1,877**	2,594	(27.6)
Non-processed Products	**1,429**	3,095	(53.8)	**(312)**	831	n/m
Total	**46,721**	48,022	(2.7)	**4,460**	6,122	(27.1)

See Notes to the Financial Statements number 4 for more details

Processed Products

Processed products, the largest product category, contributed 62% of the Group's first quarter turnover. This segment consists of processed fruits and vegetables (pineapple, tropical mixed fruit, tomato-based products), and other processed products such as pasta and condiments.

Turnover of processed products declined by 3% to US$29.2 million from US$29.9 million due to a 12% drop in volume, offsetting higher prices. The main drivers were the lower sales of processed pineapple in Europe and tomato-based products in the Philippines.

Turnover of this segment included a small contribution from Great Lakes' sale of fruit-based sauces which were not in the same quarter last year.

PBIT for processed products improved by 7% to US$2.9 million from US$2.7 million. PBIT in the prior year quarter included a US$1 million provision for product disposal without which, this quarter's PBIT would have declined due to lower volume and higher costs. PBIT margin was 9.9% versus 9.0% in the same quarter last year.

Beverages

Beverages consist of juices, juice drinks, purees and juice concentrates. This segment accounted for 35% of the Group's turnover in the first quarter of 2006.

Turnover of this segment grew by 7% to US$16.1 million from US$15.0 million mainly driven by higher concentrate sales to North America and increased contribution from new businesses, up 70% to US$4.1 million from US$2.4 million. This offset the weak concentrate sales to Europe and to the rest of Asia Pacific.

However, PBIT of the beverage segment fell 28% to US$1.9 million from US$2.6 million due to lower overall concentrate sales and higher costs.

Non-processed Products

Accounting for 3% of the Group's turnover in the first quarter of 2006, 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 of this segment fell 54% to US$1.4 million from US$3.1 million due to lower volume and prices of fresh pineapples and lower volume of cattle. Fresh pineapple prices dropped by 55% due to cheaper prices of competitors.

As a result, this segment posted a loss before income and tax of US$0.3 million from a profit of US$0.8m in the same quarter last year.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 March	
	2006	2005
Cost of Goods Sold	**79.7**	73.3
Distribution & Selling Expenses	**5.2**	5.3
General and Administration Expenses	**5.4**	4.7
Other Operating Expenses	**1.7**	4.9

Cost of Goods Sold

Cost of goods sold as a percentage of turnover increased by 6 percentage points to 79.7% from 73.3% as raw materials, packaging and energy costs continued to rise. Moreover, the 5% Peso appreciation had an unfavourable impact to total costs.

Distribution & Selling Expenses

Distribution and selling expenses as a percentage of turnover was almost unchanged at 5.2%.

General and Administration Expenses

General and administration expenses as a percentage of turnover increased to 5.4% from 4.7% primarily due to higher expenses in the new businesses.

Other Operating Expenses

Other operating expenses as a percentage of turnover decreased to 1.7% from 4.9% mainly due to non-recurring expenses last year which included a US$1 million provision for product disposal.

Other operating expenses included the IAS 41 adjustments which had an unfavourable impact of US$0.06 million in the first quarter of 2006, compared to US$0.10 million in the prior year quarter. IAS 41 requires the Company to revalue biological assets at fair value less point-of-sale costs.

In US$'000	For the three months ended 31 March		YoY Change
	2006	2005	(%)
Other operating expenses (before IAS 41)	**745**	2,269	(67.2)
Net changes in fair value of biological assets that remain unsold as at the end of the period	**64**	96	(33.3)
Other operating expenses (after IAS 41)	**809**	2,365	(65.8)

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances in US$'000	As at 31 March 2006	31 March 2005	31 Dec 2005
Other assets	**8,455**	7,930	6,398
Inventories	**54,597**	42,267	45,996
Biological assets	**41,740**	38,020	40,067
Trade debtors	**21,394**	22,337	24,070
Other debtors, deposits and prepayments	**11,396**	10,672	8,352
Trade creditors	**15,415**	10,683	12,632
Other creditors and accruals	**25,047**	16,726	27,192
Due to an affiliated company (non-trade)	**-**	7,790	-
Long-term lease payable	**2,464**	501	2,350

Other assets

Other assets increased compared to the same quarter last year and year-end 2005 due to higher advances to landowners 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, higher tinplate cost and higher stock of tollpack operations' packaging materials in preparation for the peak production from April onwards. Inventories increased compared to year-end 2005 due to higher stock of finished goods on the back of lower turnover and early purchase of tomato paste to avoid shortage towards year-end.

Biological assets

Biological assets consist of deferred growing crops and livestock. Biological assets increased compared to the same quarter last year and year-end 2005 due to higher deferred growing crop costs as a result of an increase in land cultivation and the impact of Peso appreciation.

Trade debtors

Trade debtors decreased compared to the same quarter last year and year-end 2005 due to lower turnover. 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 2005 due to higher Value Added Tax receivable resulting from the implementation of the Reformed Valued Added Tax (VAT) in the Philippines that came into effect on 1 February 2006.

Trade creditors

Trade creditors increased due to timing of payment to suppliers.

Other creditors and accrual

Other creditors and accruals increased compared to the same quarter last year due to the current portion of finance lease liability and increase in guarantee fund pension contribution. It decreased compared to year-end 2005 due to lower accruals and reversal of unspent expenditures.

Due to an affiliated company (non-trade)

Due to an affiliated company (non-trade) was non-existent in the first quarter of 2006 due to the reclassification of Ciro Del Monte NV account to 'Other creditors and accruals'. Cirio Del Monte NV is no longer a shareholder of DMPL effective 1 December 2005.

Long-term lease payable

Long-term lease payable increased compared to the same quarter last year as a result of recording the long-term portion of the unpaid financial leases that were capitalised in compliance with IAS 17. It increased compared to year-end 2005 due to the renewal of expired lease contract.

SHARE CAPITAL

Ordinary shares issued and fully paid-up share capital	As at 31 March		As at 31 Dec
	2006	**2005**	**2005**
Number of shares	**1,081,781,194**	1,077,597,194	1,081,781,194
Share capital (US$'000)	**10,818**	10,776	10,818

A total of 7,090,880 share options were accepted pursuant to the Options Proposal Offer in conjunction with the mandatory general offer in January 2006. No new shares were issued as a result thereof. As at 31 March 2006, the total number of outstanding share options was 877,604 (31 December 2005: 7,968,484). No options lapsed in the first quarter of 2006.

CASH FLOW AND LIQUIDITY

Cash flow in US$'000	
Net cash as at 31 December 2005	18,366
Net cash from operating activities	(6,215)
Capital expenditure	(965)
Proceeds from disposal of fixed assets	90
Proceeds from exercise of share options	-
Effect of exchange rate changes	1,651
Net cash as at 31 March 2006	12,927

Liquidity in US$'000	As at 31 March		As at 31 Dec
	2006	**2005**	**2005**
Gross borrowings	**47,219**	42,296	41,747
Current	**47,219**	42,296	41,747
Secured		-	-
Unsecured	**47,219**	42,296	41,747
Non-current		-	-
Secured		-	-
Unsecured		-	-
Less: Cash and bank balances	**60,146**	68,417	60,113
Net cash	**12,927**	26,121	18,366

The Group's net cash (cash and bank balances less borrowings) amounted to US$12.9 million as at 31 March 2006, compared to US$26.1 million as at 31 March 2005 and US$18.4 million as at 31 December 2005. The Group's net cash level was significantly reduced due to higher working capital requirements for production material purchases in anticipation of the peak season, higher inventory levels resulting from lower turnover and increased expenditure in growing crops due to a larger planting area and unfavourable impact of the Peso appreciation.

CAPITAL EXPENDITURE

Capital expenditure in the first quarter of 2006 was almost unchanged versus prior year quarter at US$1.0 million. The key projects for the quarter were:

- Improvements in Plastic Cup line
- Reconditioning and replacement of various Plantation machineries and automotive equipment units in the Plantation
- Various improvements in the Cannery to comply with Good Manufacturing Practices

In US$'000	**For the three months ended 31 March**	
	2006	**2005**
Capex	**965**	1,037
Depreciation	**1,830**	1,428

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**		
	2006	**2005**	**%**
Turnover	**46,721**	48,022	(2.7)
Cost of sales*	**(37,226)**	(35,221)	5.7
Gross profit	**9,495**	12,801	(25.8)
Distribution and selling expenses	**(2,450)**	(2,530)	(3.2)
General and administration expenses*	**(2,501)**	(2,254)	11.0
Other operating expenses	**(809)**	(2,365)	(65.8)
Profit from operations	**3,735**	5,652	(33.9)
Financial income	**1,371**	855	60.4
Financial expenses	**(778)**	(597)	30.3
Profit before taxation	**4,328**	5,910	(26.8)
Taxation	**(910)**	(594)	(53.2)
Profit after taxation	**3,418**	5,316	(35.7)
Attributable to:			
Equity holders of the parent	3,418	5,361	(36.2)
Minority interest	-	(45)	n/m
	3,418	5,316	(35.7)
Notes:			
Depreciation and amortisation	**(1,860)**	(1,534)	21.3
Financial income comprises:			
Interest income	**646**	385	67.8
Foreign exchange gain	**725**	470	54.3
	1,371	855	60.4
Financial expenses comprise:			
Interest expenses	**(778)**	(597)	30.3

* *General & administration expenses of Del Monte Philippines, Inc., a subsidiary of the Group, was previously reflected as part of Cost of Sale. Starting 2006, this is moved to General and Administration line below Gross Profit to be consistent with the presentation for the rest of the subsidiaries under the Group. Accordingly, prior year figure was restated.*

n/m – not meaningful

Earnings per ordinary share in US cents	**Group** **For the three months ended 31 March**	
	2006	**2005**
Earnings per ordinary share based on net profit attributable to shareholders:		
(i) Based on existing issued share capital	**0.32**	0.50
(ii) On a fully diluted basis	**0.32**	0.50

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS

Amounts in US$'000	Group			Company		
	31 Mar 2006 Unaudited	**31 Mar 2005 Unaudited**	**31 Dec 2005 Audited**	**31 Mar 2006 Unaudited**	**31 Mar 2005 Unaudited**	**31 Dec 2005 Audited**
EQUITY						
Share capital	**10,818**	10,776	10,818	**10,818**	10,776	10,818
Share premium	**68,687**	67,507	68,687	**68,826**	67,646	68,826
Translation reserves	**(59,990)**	(66,276)	(63,031)		-	-
Revenue reserves	**148,043**	154,214	144,625	**425**	693	855
	167,558	166,221	161,099	**80,069**	79,115	80,499
Minority interest	**(294)**	(53)	(294)	**-**	-	-
	167,264	166,168	160,805	**80,069**	79,115	80,499
ASSETS LESS LIABILITIES						
Fixed assets	**55,563**	49,769	54,562	**-**	-	-
Subsidiaries	-	-	-	**125,585**	16,709	125,585
Intangible assets	**14,704**	15,050	14,734	**-**	-	-
Other assets	**8,455**	7,930	6,398	**-**	-	-
Current assets						
Inventories	**54,597**	42,267	45,996	**-**	-	-
Biological assets *	**41,740**	38,020	40,067	**-**	-	-
Trade debtors	**21,394**	22,337	24,070	**-**	-	-
Other debtors, deposits and prepayments	**11,396**	10,672	8,352	**115**	57	3
Due from subsidiaries (non-trade)	-	-	-	**698**	82,066	592
Due from affiliated companies (trade)	**-**	16	-	**-**	-	-
Short-term deposits	**58,578**	67,201	53,669	**-**	-	-
Cash and bank balances	**1,568**	1,216	6,444	**14**	16	14
	189,273	181,729	178,598	**827**	82,139	609

* Biological assets consist of deferred growing crops and livestock

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS (CONTINUED)

Amounts in US$'000	Group			Company		
	31 Mar 2006 Unaudited	**31 Mar 2005 Unaudited**	**31 Dec 2005 Audited**	**31 Mar 2006 Unaudited**	**31 Mar 2005 Unaudited**	**31 Dec 2005 Audited**
Current liabilities						
Trade creditors	**15,415**	10,683	12,632	**-**	-	-
Other creditors and accruals	**25,047**	16,726	27,192	**396**	495	486
Due to subsidiaries (non-trade)	**-**	-	-	**45,947**	19,238	45,209
Short-term borrowings (unsecured)	**47,219**	42,296	41,747	**-**	-	-
Provision for taxation	**2,488**	1,562	1,764	**-**	-	-
	90,169	71,267	83,335	**46,343**	19,733	45,695
Net current assets (liabilities)	**99,104**	110,462	95,263	**(45,516)**	62,406	(45,086)
Non-current liabilities						
Due to an affiliated company (non-trade)	**-**	(7,790)	-	**-**	-	-
Deferred tax liabilities	**(8,098)**	(8,752)	(7,802)	**-**	-	-
Long-term lease payable	**(2,464)**	(501)	(2,350)	**-**	-	-
Net assets	**167,264**	166,168	160,805	**80,069**	79,115	80,499

	Group			Company		
Net asset value per ordinary share in US cents	**31 Mar 2006 Unaudited**	**31 Mar 2005 Unaudited**	**31 Dec 2005 Audited**	**31 Mar 2006 Unaudited**	**31 Mar 2005 Unaudited**	**31 Dec 2005 Audited**
Net asset value per ordinary share	**15.46**	15.43	14.86	**7.40**	7.34	7.44

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

THE GROUP

	Attributable to equity holders of the parent					Minority	Total
Amounts in US$'000	**Share Capital**	**Share premium**	**Translation reserves**	**Revenue reserves**	**Total**	**interest**	**Equity**
As at 1 January 2005	10,745	66,609	(68,617)	148,853	157,590	(9)	157,581
Currency translation differences recognised directly in equity	-	-	2,341	-	2,341	-	2,341
Profit for the quarter	-	-	-	5,361	5,361	-	5,361
Total recognised income and expense for the year	-	-	2,341	5,361	7,702	-	7,702
Shares issued under share option plan	31	898	-	-	929	-	929
Minority interest of subsidiary acquired	-	-	-	-	-	(44)	(44)
As at 31 March 2005	10,776	67,507	(66,276)	154,214	166,221	(53)	166,168
As at 1 January 2006	10,818	68,687	(63,031)	144,625	161,099	(294)	160,805
Currency translation differences recognised directly in equity	-	-	3,041	-	3,041	-	3,041
Profit for the quarter	-	-	-	3,418	3,418	-	3,418
Total recognised income and expense for the year	-	-	3,041	3,418	6,459	-	6,459
Shares issued under share option plan	-	-	-	-	-	-	-
Minority interest of subsidiary acquired	-	-	-	-	-	-	-
As at 31 March 2006	10,818	68,687	(59,990)	148,043	167,558	(294)	167,264

THE COMPANY

Amounts in US$'000	**Share capital**	**Share premium**	**Revenue reserves**	**Total**
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
As at 1 January 2006	10,818	68,826	855	80,499
Shares issued under the share option plan	-	-	-	-
Net profit attributable to shareholders	-	-	(430)	(430)
As at 31 March 2006	10,818	68,826	425	80,069

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in US$'000	**For the three months ended 31 March**	
	2006	**2005**
Cash flows from operating activities		
Net profit attributable to shareholders	**3,418**	5,361
Adjustments for:		
Writeback of asset impairment	**(19)**	(8)
Depreciation and amortisation	**1,860**	1,534
Provision for inventory obsolescence	**571**	442
Provision for doubtful debts	**2**	44
Provision for product disposal	**-**	1,000
Provision for deferred income tax	**13**	45
Gain on disposal of fixed assets	**(74)**	(22)
Minority interest	**-**	(44)
Operating profit before working capital changes	**5,771**	8,352
Decrease (increase) in:		
Other assets	**(2,057)**	(1,700)
Inventories	**(9,323)**	(7,081)
Biological assets	**(1,673)**	(772)
Trade debtors	**2,635**	1,574
Other debtors, deposits and prepayments	**(3,044)**	(3,147)
Increase (decrease) in:		
Trade creditors, other creditors and accruals	**752**	(646)
Due to affiliated companies (trade and non-trade)	**-**	186
Provision for taxation	**724**	386
Net cash used in operating activities	**(6,215)**	(2,848)
Cash flows from investing activities		
Proceeds from disposal of fixed assets	**90**	24
Purchase of fixed assets	**(965)**	(1,037)
Net cash used in investing activities	**(875)**	(1,013)
Cash flows from financing activities		
Short-term borrowings	**5,472**	12,486
Proceeds from exercise of stock options	**-**	929
Net cash used in financing activities	**5,472**	13,415
Effect of exchange rate changes on cash and cash equivalents	**1,651**	1,346
Net increase in cash and cash equivalents	**33**	10,900
Cash and cash equivalents, beginning of year	**60,113**	57,517
Cash and cash equivalents, end of year	**60,146**	68,417

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**	
		2006	**2005**
(a)	Cash paid (received) during the year, included in operating activities		
	Interest expenses	**737**	416
	Interest income	**(567)**	(370)
	Income taxes	**260**	200
(b)	Analysis of the balances of cash and cash equivalents		
	Cash and bank balances	**1,568**	1,216
	Short-term deposits	**58,578**	67,201
		60,146	68,417

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 (%)**
	2006	**2005**	
Turnover	**76,622**	78,276	(2.1)
Gross profit*	**15,572**	20,866	(25.4)
Gross profit margin (%)	***20.3***	*26.7*	*(6.4 ppt)*
EBITDA	**9,176**	12,479	(26.5)
EBITDA margin (%)	***12.0***	*15.9*	*(3.9 ppt)*
PBIT	**7,314**	9,979	(26.7)
PBIT margin (%)	***9.5***	*12.7*	*(3.2 ppt)*
Net profit	**5,606**	8,738	(35.8)
Net profit margin (%)	***7.3***	*11.2*	*(3.9 ppt)*
EPS (SG cents)	**0.52**	0.81	(35.8)
Net cash	**21,200**	42,577	(50.2)
Cash flow used in operations	**(10,193)**	(4,642)	(119.6)
Capital expenditure	**1,583**	1,690	(6.4)

Note: S$/US$ conversion rate of 1.64 (1Q06) and 1.63 (1Q05)

**General & administration expenses of Del Monte Philippines, Inc., a subsidiary of the Group, was previously reflected as part of Cost of Sales. Starting 2006, this is moved to General and Administration line below Gross Profit to be consistent with the presentation for the rest of the subsidiaries under the Group. Accordingly, prior year figure was restated.*

n/m – not meaningful

2. AUDIT

First quarter 2006 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 relevant standards to the Group's operations which became effective on 1 January 2006. The Group's adoption of the new and revised standards has no significant impact on current and prior periods.

- IAS 19 Employee Benefits (amended 2004)
- IAS 21 The Effects of Changes in Foreign Exchange Rates (amended 2005)

4. GROUP SEGMENTAL REPORTING

By business segments

Three months ended 31 March 2006 in US$'000	**Processed Products**	**Beverages**	**Non-Processed Products**	**Consolidated**
Turnover	29,180	16,112	1,429	46,721
Profit from operations, representing segment result	2,438	1,589	(292)	3,735
Net foreign exchange gain	457	288	(20)	725
Profit before interest and tax	2,895	1,877	(312)	4,460
Net interest expense	(1)	(131)	-	(132)
Profit before taxation	2,894	1,746	(312)	4,328
Taxation				(910)
Minority interest				-
Net profit attributable to shareholders				3,418
Segment assets	124,089	79,777	3,983	207,849
Unallocated assets				60,146
Consolidated total assets				267,995
Segment liabilities	24,942	14,719	821	40,482
Unallocated liabilities				60,249
Consolidated total liabilities				100,731
Capital expenditure	543	406	16	965
Depreciation	1,013	769	48	1,830
Amortisation	1	29	-	30
Writeback of asset impairment	(10)	(9)	-	(19)
Non-cash expenses (net) other than depreciation, amortisation and writeback of asset impairment	287	225	-	512

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
Writeback of asset impairment	(5)	(3)	-	(8)
Non-cash expenses (net) other than depreciation, amortisation and writeback of asset impairment	1,305	161	(1)	1,465

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**	
	2006	**2005**	**2006**	**2005**	**2006**	**2005**
Asia Pacific	**28,817**	29,973	**267,995**	254,478	**965**	1,037
Europe/North America	**17,904**	18,049	-	-	**-**	-
Total	**46,721**	48,022	**267,995**	254,478	**965**	1,037

5. QUARTERLY TURNOVER AND PBIT BREAKDOWN

	2005	% of Full Year 2005	2004	% of Full Year 2004	YoY Chg (%)
Turnover	**In US$'000**		In US$'000		
1Q	**48,022**	**22**	36,490	18	31.6
2Q	**54,548**	**24**	46,010	23	18.6
3Q	**50,601**	**23**	50,657	26	(0.1)
4Q	**69,187**	**31**	66,422	33	4.2
Total	**222,358**	**100**	199,579	100	11.4
PBIT					
1Q	**6,122**	**24**	6,266	18	(2.3)
2Q	**6,815**	**28**	8,013	23	(15.0)
3Q	**3,892**	**16**	5,074	15	(23.3)
4Q	**7,687**	**32**	15,414	44	(50.1)
Total	**24,517**	**100**	34,767	100	(29.5)
Net profit					
1Q	**5,361**	**29**	5,062	18	5.9
2Q	**4,835**	**26**	6,566	23	(26.4)
3Q	**2,775**	**15**	4,545	16	(38.9)
4Q	**5,645**	**30**	11,939	43	(52.7)
Total	**18,616**	**100**	28,112	100	(33.8)

	2006	% of Full Year 2006	2005	% of Full Year 2005	YoY Chg (%)
Turnover	**In US$'000**		In US$'000		
1Q	**46,721**	**n/m**	48,022	22	(2.7)
PBIT					
1Q	**4,460**	**n/m**	6,122	24	(27.1)
Net profit					
1Q	**3,418**	**n/m**	5,361	29	(36.2)

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**	
	2006	**2005**
Income		
Sales to Macondray group	**236**	117
Sub-total	**236**	117
Expenses		
Purchases from San Miguel Corp and NutriAsia Group	**62**	-
Purchases from Macondray group	**971**	789
Purchases from Waterloo Land and Livestock Co Pty Ltd	**-**	3
Sub-total	**1,033**	792
Aggregate value	**1,269**	909

(i) San Miguel and NutriAsia became an indirect controlling shareholder of DMPL on 1 December 2005.

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 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 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, 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. 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 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, Little Lakes, 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 85%-owned by NutriAsia Pacific Ltd, a joint venture between the NutriAsia Group of Companies and San Miguel Corporation, both of the Philippines.

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