DEL MONTE PACIFIC LIMITED

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended 30 June 2008

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DIRECTORS' ASSURANCE

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

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

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

(Signed)
Rolando C Gapud
Chairman of the Board

(Signed)
Joselito D Campos, Jr.
Executive Director

31 July 2008

AUDIT

Second quarter 2008 figures have neither been audited nor reviewed by the Group's auditors.

ACCOUNTING POLICIES

The accounting policies and method of computation adopted are consistent with those used in the most recently audited financial statements, except for "IFRIC 11 IFRS 2 Share-based Payment" which is effective for annual reporting periods beginning 1 January 2008. The Group's adoption of the new and revised standard has no significant impact on the Group's net profit attributable to shareholders in the current and prior periods.

FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF 2008

in US$'000 unless otherwise stated[1]	For the three months ended 30 June			For the six months ended 30 June		
	2008	2007	%	2008	2007	%
Turnover	**88,581**	65,700	34.8	**160,273**	113,550	41.1
Gross profit*	**20,926**	14,895	40.5	**36,647**	26,426	38.7
Gross margin (%)	***23.6***	*22.7*	*0.9 ppt*	***22.9***	*23.3*	*(0.4 ppt)*
Operating profit	**10,332**	8,115	27.3	**17,991**	14,472	24.3
Operating margin (%)	***11.7***	*12.4*	*(0.7 ppt)*	***11.2***	*12.7*	*(1.5 ppt)*
Net profit	**5,580**	5,412	3.1	**11,606**	10,544	10.1
Net margin (%)	***6.3***	*8.2*	*(1.9 ppt)*	***7.2***	*9.3*	*(2.1 ppt)*
EPS (US cents)	**0.52**	0.51	3.1	**1.07**	0.98	10.1
Net debt	**(54,044)**	(10,390)	420.2	**(54,044)**	(10,390)	420.2
Gearing (%)	**27.8**	5.6	396.4	**27.8**	5.6	396.4
Cash flow from (used in) operations	**5,278**	(7,072)	n/m	**(7,556)**	(3,594)	110.2
Capital expenditure	**1,785**	1,731	3.1	**2,879**	2,871	0.3
Dividend per share (US cents)	**0.80**	0.73	10.1	**0.80**	0.73	10.1
			Days			**Days**
Inventory (days)	**84**	98	(14)	**92**	115	(23)
Receivables (days)	**48**	45	3	**53**	52	1
Account Payables (days)	**63**	50	13	**71**	57	14

[1] *The Company's reporting currency is US dollars. For conversion to S$, these exchange rates can be used: 1.37 in 2Q08, 1.39 in 1H08 and 1.52 in 2Q07, 1.53 in 1H07.*

* *Gross profit for 2007 was restated due to the reclassification of certain operating expenses (e.g. inventory obsolescence, China transport expenses, etc.) to cost of goods sold to conform with current year's presentation. These expenses are now identified as part of Costs of products for better monitoring and reporting. Gross profit for the three and six months ended 2007 before reclassification was US$15,518,000 and US$27,728,000, respectively.*

n/m – not meaningful

REVIEW OF OPERATING PERFORMANCE FOR 2Q AND FIRST HALF 2008

Second Quarter

Group turnover for the second quarter rose 35% to US$88.6 million from US$65.7 million driven by the Philippine market whose sales improved by 48%. The Philippine market turned in a sterling performance due to the success of the *Del Monte Fit 'n Right drink*, increased pricing, favourable impact of the 10% year on year Peso appreciation and broader distribution. Store coverage increased to 74,000 stores in June 2008 from 41,000 stores in June 2007. *Del Monte Fit 'n Right,* the lifestyle beverage which aids weight loss, continues to generate overwhelming response.

The other Asia Pacific markets posted better turnover led by increased canned tropical fruit exports. Great Lakes nearly doubled its sales due to higher industrial export business this quarter. S&W, which the Group acquired in November 2007, also had some initial sales contribution of US$1.9 million.

Gross profit increased significantly by 41% to US$20.9 million from US$14.9 million as a result of higher volume, improved pricing and better sales mix. Despite inflationary cost increases, gross margin improved to 23.6% from 22.7%, brought about by productivity enhancement and cost saving programs, and better prices.

Operating profit grew by 27% to US$10.3 million on higher gross profit, partially offset by increased advertising and promotion expenditures for the *Del Monte Fit 'n Right* drink and other core products, plus business building costs.

Due to the equity-accounted loss in affiliate, foreign exchange loss as a result of a depreciating Peso against the US Dollar, and lower interest income, net profit for the quarter grew at a slower 3% to US$5.6 million.

The Group benefited from tax savings which partly offset the abovementioned factors. In November 2007, the Group's Philippine operations were granted a special economic zone status by the Philippine government and this led to a reduced tax rate of 5% of gross profit instead of 35% of profit before tax.

Cash flow from operations improved significantly to US$5.3 million from a negative US$7.1 million in the prior year quarter mainly due to expanded business operations, timing of purchases and lower taxes. For the quarter, inventory days was reduced by 14 days.

Cash flow from financing activities increased to US$1.7 million from a negative US$9.0 million in the prior year quarter. Dividends were paid out in the second quarter of last year, whereas for this year, they were paid out in the first quarter.

Gearing increased to 28% from 6% in the same period last year due to the acquisitions of a stake in Bharti Del Monte India and the S&W trademark in late 2007.

First Half

Group turnover for the first half of 2008 surged 41% to US$160.3 million from a broad-based growth in all major markets. The Philippine market continued to outperform with its beverage sales doubling on the back of exceptional volume and higher prices. The other Asia Pacific markets and Great Lakes performed well for the same reasons as those in the second quarter. Meanwhile, sales in North America rose 35% as the Group's major customer expanded its market share and widened its distribution network. S&W had an initial contribution of US$2.5 million.

Gross profit rose 39% to US$36.6 million driven by higher sales. Gross margin, unfavourably impacted by a general increase in costs, dipped marginally by 0.4% to 22.9% aided by the cost containment and productivity enhancing measures, and higher prices.

Operating profit increased by 24% to US$18.0 million despite higher expenses, while net profit rose 10% to US$11.6 million from US$10.5 million.

Cash flow from operations was negative US$7.6 million from negative US$3.6 million in the same period last year due largely to more payments made as a result of higher purchases and expenses accrued as at year-end 2007 as compared to 2006, partially offset by lower purchases of inventory with the utilisation of inventory built up at year-end 2007. Inventory days was successfully reduced by 23 days at the end of the first half.

Cash flow from financing activities increased to US$13.4 million from a negative US$3.9 million in the prior year semester due to borrowings in the first half of 2008.

VARIANCE FROM PROSPECT STATEMENT

The second quarter 2008 results were on track with our earlier guidance that "Barring any unforeseen circumstances, Management expects the Group to outperform results achieved in 2007."

BUSINESS OUTLOOK

The business environment remains challenging. Management believes that consumers should continue to support products which offer superior value proposition. As such, the Group's new product development programme is anchored on a strong proposition of health and wellness. Competition remains aggressive with competitors launching new products - Vitamin water and a similar juice drink containing the L-Carnitine ingredient in the Philippines. Management believes that the Group's products are of higher quality compared to the competition, resulting in successful retention of customer loyalty. The Group has many more exciting new products in the pipeline promising innovative healthy value to consumers.

Both the Philippine market and the Export business are expected to expand. Broader initiatives are being scaled up for the S&W processed and fresh fruit and vegetable segments.

In light of increasing input costs, Management continues to manage costs proactively. Gross margin in the second quarter improved slightly, in spite of the difficult environment. Cost cutting measures implemented include product and packaging reformulation, sourcing of alternative lower cost suppliers and materials, energy conservation, and process outsourcing.

Barring any unforeseen circumstances, Management expects that the Group's 2008 net income will outperform those achieved in 2007 with broad-based growth coming from the Philippine market and export markets.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

1. By geographical segments

For the three months ended 30 June

In US$'000	**Asia Pacific**			**Europe and North America**			**Total**		
	2008	**2007**	**%**	**2008**	**2007**	**%**	**2008**	**2007**	**%**
Turnover	**68,246**	44,471	53.5	**20,335**	21,229	(4.2)	**88,581**	65,700	34.8
Gross Profit	**19,704**	13,733	43.5	**1,222**	1,162	5.2	**20,926**	14,895	40.5
Gross Margin (%)	***28.9***	*30.9*	*(2.0 ppt)*	***6.0***	*5.5*	*0.5 ppt*	***23.6***	*22.7*	*0.9 ppt*
Operating Profit	**10,551**	7,690	37.2	**(219)**	425	n/m	**10,332**	8,115	27.3
Op Margin (%)	***15.5***	*17.3*	*(1.8 ppt)*	***(1.1)***	*2.0*	*(3.1 ppt)*	***11.7***	*12.4*	*(0.7 ppt)*

For the six months ended 30 June

In US$'000	**Asia Pacific**			**Europe and North America**			**Total**		
	2008	**2007**	**%**	**2008**	**2007**	**%**	**2008**	**2007**	**%**
Turnover	**119,670**	79,288	50.9	**40,603**	34,262	18.5	**160,273**	113,550	41.1
Gross Profit	**34,397**	23,921	43.8	**2,250**	2,505	(10.2)	**36,647**	26,426	38.7
Gross Margin (%)	***28.7***	*30.2*	*(1.5 ppt)*	***5.5***	*7.3*	*(1.8 ppt)*	***22.9***	*23.3*	*(0.4 ppt)*
Operating Profit	**18,205**	13,370	36.2	**(214)**	1,102	n/m	**17,991**	14,472	24.3
Op Margin (%)	***15.2***	*16.9*	*(1.7 ppt)*	***(0.5)***	*3.2*	*(3.7 ppt)*	***11.2***	*12.7*	*(1.5 ppt)*

ASIA PACIFIC

Second Quarter

Accounting for 77% of the Group's turnover in the second quarter of 2008, the Asia Pacific market turned in an impressive performance with turnover growing by 54% to US$68.2 million from US$44.5 million. Half of the increase was driven by the doubling of beverage sales in the Philippines due to *Del Monte Fit 'n Right*. Mixed fruit and tomato-based product sales also improved in the Philippines, while sales of canned tropical fruit boosted sales in other Asia Pacific markets.

Great Lakes almost doubled its sales to US$5.2 million as concentrate volume significantly increased, while S&W contributed US$1.9 million.

Gross profit rose 43.5% to US$19.7 million as a result of robust sales. However, cost inflation led to a 2% decline in gross margin to 28.9%. Operating profit grew by 37% to US$10.6 million on the back of higher gross profit slightly offset by increased operating expenses.

First Half

Accounting for 75% of the Group's turnover in the first half of 2008, Asia Pacific sales grew by 51% to US$119.7 million from US$79.3 million, for the same reasons cited above. Great Lakes recorded sales of US$11.6 million, up from US$6.3 million in the same period last year, while S&W posted sales of US$2.5 million. There were no comparative sales for S&W as the brand was only acquired in November 2007.

The increased turnover led to a 44% growth in gross profit, boosting it to US$34.4 million from US$23.9 million. Higher costs brought about by inflation reduced gross margin to 28.7% from 30.2% in the prior year semester. Operating profit grew by 36% to US$18.2 million for the same reasons as those for the second quarter results.

EUROPE AND NORTH AMERICA

Second Quarter

Turnover in Europe and North America accounted for 23% of Group turnover this quarter. It declined slightly by 4% to US$20.3 million from US$21.2 million, primarily due to reduced sales volume of processed pineapple and concentrate to Europe.

However, improved pricing increased gross profit by 5% to US$1.2 million and gross margin by 0.5% to 6.0%. Had it not been for the unfavourable impact of the 10% Peso appreciation on the translation of Peso costs to US Dollars, gross profit would have been US$2.2 million and gross margin 11.1%, almost double last year's 5.5%.

Operating profit would also have been better at US$0.9 million instead of negative US$0.2 million, achieving an operating margin of 4.4%.

First Year

Accounting for 25% of total turnover for the first half of 2008, turnover for Europe and North America rose 19% to US$40.6 million from US$34.3 million, on the back of gains in market share and distribution coverage by the Group's major customer in the USA.

However, higher costs, mainly due to the unfavourable impact of the 12% Peso appreciation, led to a 10% drop in gross profit. Operating profit turned to a loss of US$0.2 million as compared to a profit of US$1.1 million last semester.

If not for the strong Peso, gross profit would have been US$5.3 million, more than double prior year period's US$2.5 million. Operating profit would have also been better at US$3.1 million with operating margin of 7.6%.

2. By business segments

For the three months ended 30 June

In US$'000	Processed Products			Beverages			Non-processed Products			Total		
	2008	**2007**	**%**	**2008**	**2007**	**%**	**2008**	**2007**	**%**	**2008**	**2007**	**%**
Turnover	**51,608**	43,441	18.8	**35,017**	21,253	64.8	**1,956**	1,006	94.4	**88,581**	65,700	34.8
Gross Profit	**12,108**	10,117	19.7	**8,347**	4,803	73.8	**471**	(25)	n/m	**20,926**	14,895	40.5
Gross Margin (%)	***23.5***	*23.3*	*0.2 ppt*	***23.8***	*22.6*	*1.2 ppt*	***24.1***	*(2.5)*	*26.6 ppt*	***23.6***	*22.7*	*0.9 ppt*
Operating Profit	**5,897**	5,615	5.0	**4,113**	2,467	66.7	**322**	33	n/m	**10,332**	8,115	27.3
Op Margin (%)	***11.4***	*12.9*	*(1.5 ppt)*	***11.7***	*11.6*	*0.1 ppt*	***16.5***	*3.3*	*13.2 ppt*	***11.7***	*12.4*	*(0.7 ppt)*

For the six months ended 30 June

In US$'000	Processed Products			Beverages			Non-processed Products			Total		
	2008	**2007**	**%**	**2008**	**2007**	**%**	**2008**	**2007**	**%**	**2008**	**2007**	**%**
Turnover	**91,476**	72,369	26.4	**65,962**	39,022	69.0	**2,835**	2,159	31.3	**160,273**	113,550	41.1
Gross Profit	**20,346**	17,246	18.0	**15,678**	9,071	72.8	**623**	109	471.6	**36,647**	26,426	38.7
Gross Margin (%)	***22.2***	*23.8*	*(1.6 ppt)*	***23.8***	*23.2*	*0.6 ppt*	***22.0***	*5.0*	*17.0 ppt*	***22.9***	*23.3*	*(0.4 ppt)*
Operating Profit	**10,293**	9,744	5.6	**6,885**	4,655	47.9	**813**	73	n/m	**17,991**	14,472	24.3
Op Margin (%)	***11.3***	*13.5*	*(2.2 ppt)*	***10.4***	*11.9*	*(1.5 ppt)*	***28.7***	*3.4*	*25.3 ppt*	***11.2***	*12.7*	*(1.5 ppt)*

PROCESSED PRODUCTS

Second Quarter

Processed products, our largest product category, contributed 58% to Group turnover in the second quarter. This segment comprises of processed fruits and vegetables (pineapple, tropical mixed fruit, tomato-based products), and other processed products such as pasta and condiments. It also includes sales of S&W-branded processed products and Del Monte-branded processed products such as canned vegetable and deciduous fruits sourced from other Del Monte companies.

Turnover increased by 19% to US$51.6 million from US$43.4 million due to higher sales of tomato-based products and mixed fruits in the Philippines, canned tropical fruits and traded Del Monte products in other Asia-Pacific markets, and sales from S&W.

Gross profit likewise grew by 20% to US$12.1 million from US$10.1 million on the back of higher turnover. However, operating profit climbed by a slower 5% to US$5.9 million due to higher costs as a result of the unfavourable impact of the Peso appreciation plus inflationary factors.

First Half

For the first half of 2008, processed products contributed 57% of Group turnover. Turnover rose 26% to US$91.5 million from US$72.4 million due to an overall increase in sales in all product categories plus the contribution of S&W.

Gross profit likewise grew by 18% to US$20.3 million from US$17.2 million on the back of higher turnover and operating profit increased by 6% to US$10.3 million for the same reasons as those for the second quarter.

BEVERAGES

Second Quarter

Beverages consist of juices, juice drinks, purees and juice concentrates. This segment accounted for 40% of the Group's turnover in the second quarter of 2008, up from a 32% share in the prior year quarter.

Turnover of beverages soared 65% to US$35.0 million from US$21.3 million mainly due to the Philippine market, which more than doubled its sales as innovative drink, *Del Monte Fit 'n Right,* continued its success. Moreover, Great Lakes' beverage turnover nearly doubled on improved pricing and better volume.

Gross profit surged 74% to US$8.3 million while operating profit soared 67% to US$4.1 million.

First Half

This segment accounted for 41% of the Group's turnover in the first half of 2008, up from a 34% share in the prior year semester. Turnover of this segment jumped 69% to US$66.0 million from US$39.0 million for the same reasons as those for the second quarter, except that Great Lakes more than doubled its beverage sales for the semester. Gross profit rose 73% to US$15.7 million while operating profit went up by 48% to US$6.9 million.

NON-PROCESSED

Second Quarter

Accounting for 2% of the Group's turnover in the second quarter of 2008, non-processed products consist mainly of fresh pineapples and the non-core cattle business - both sold only in Asia Pacific. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals.

Turnover of this segment doubled to US$2.0 million from US$1.0 million due to better sales performance in both cattle and fresh pineapples. Gross profit and operating profit consequently improved to US$0.5 million and US$0.3 million respectively from a break-even position last year.

First Half

Non processed products accounted for 2% of the Group's turnover in the first half of 2008. Turnover for this segment rose 31% to US$2.8 million from US$2.2 million mainly due to higher fresh pineapple sales.

Gross profit improved to US$0.6 million from US$0.1 million last semester due to a significant improvement in pricing from selling the sweeter MD2 variety of fresh pineapple. Operating profit rose to US$0.8 million from breakeven last period.

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		
	2008	**2007***	**Comments**	**2008**	**2007***	**Comments**
Cost of Goods Sold	**76.4**	77.3	Down due to higher sales, and savings from cost cutting measures such as product and packaging reformulation, sourcing of alternative lower cost suppliers and materials, energy conservation, process outsourcing, etc.	**77.1**	76.7	Up due to adverse impact of the 12% Peso appreciation, change in product mix and inflationary cost increases, slightly cushioned by the cost savings initiatives.
Distribution and Selling Expenses	**5.2**	4.4	Increased advertising campaigns for mixed fruits and tomato-based products in the Philippines, and to support *Del Monte Fit 'n Right.*	**6.0**	5.2	Same as 2Q
G&A Expenses	**6.3**	5.5	Organizational build-up costs	**5.9**	5.8	Same as 2Q

** Restated due to a reclassification of certain operating expenses (e.g. inventory obsolescence, China transport expenses, etc.) to cost of goods sold*

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US$'000	For the three months ended 30 June				For the six months ended 30 June			
	2008	**2007**	**%**	**Comments**	**2008**	**2007**	**%**	**Comments**
Depreciation and amortisation	**(2,402)**	(2,223)	8.1	Due to higher capex and additional amortisation of the US$10m S&W trademark acquired in Nov 2007	**(4,918)**	(4,284)	14.8	Same as 2Q
Interest income	**313**	733	(57.3)	Due to decline in cash	**802**	1,506	(46.7)	Same as 2Q
Interest expense	**(952)**	(789)	20.7	Higher borrowings undertaken by the Group's Philippine subsidiary to meet its working capital requirements	**(1,760)**	(1,411)	24.7	Same as 2Q
FX (loss) / gain	**(1,814)**	320	n/m	Pls see explanation below	**(917)**	476	n/m	Same as 2Q
Share of loss of JV, net of tax	**(842)**	-	n/m	40.1% stake in Bharti Del Monte India, acquired in Sept. 2007	**(1,674)**	-	n/m	Same as 2Q
Taxation	**(1,457)**	(2,967)	(50.9)	Fiscal incentive of 5% tax on gross profit in lieu of 35% tax on PBT enjoyed by the Philippine operations	**(2,836)**	(4,499)	(37.0)	Same as 2Q

Foreign exchange (loss) / gain
The Group incurred foreign exchange (FX) loss of US$1.8 million this quarter and US$0.9 million in the first half. Of the US$1.8 million FX loss in the second quarter, US$1.0 million was due to forward contracts and US$0.8 million from regular US$-denominated transactions. For the first half, FX loss due to forward contracts amounted to US$1.1 million.

In February 2008, the Company's Philippine subsidiary entered into a non deliverable Peso/US$ forward contract due on different dates up to January 2009 at an average forward settlement rate of P41.323/US$. This exercise was intended to hedge the export market's predominantly Peso costs but whose sales are in US$.

Last February 2008, the trend suggested continuing appreciation of the Peso against the US$. Economists' and banks' forecasts also suggested a similar outlook. However, as of June 2008, the trend reversed and the Peso depreciated against the US$ to an average of 42.788 for the second quarter. As such, the Group recognised FX loss on matured forward contracts.

While the Peso depreciation in the second quarter resulted in a FX loss in the forward contract of the export market, this also led to a corresponding reduction in the Peso cost of sales of the export market in US dollar terms.

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	30 June 2008	30 June 2007	31 Dec 2007	Comments
in US$'000				
Joint venture	**21,893**	-	21,983	Acquisition in September 2007 of a 40.1% interest in Bharti Del Monte India
Intangible assets	**25,103**	15,670	25,438	Acquisition in November 2007 of the S&W trademark
Other assets	**11,140**	10,235	7,913	Higher advances to landowners for long-term leases of agricultural land and the impact of the Peso appreciation vs the US$
Biological assets	**56,396**	47,257	57,361	Higher deferred growing crop costs and livestock and the impact of the Peso appreciation vs the US$
Trade and other receivables	**59,866**	45,502	64,367	Higher sales in the Philippines and export markets
Cash and cash equivalents	**16,566**	42,104	14,958	Acquisition of the S&W trademark and investment in Bharti Del Monte India.
Deferred tax liabilities	**338**	10,891	1,116	Tax liabilities previously deferred at tax rates of 30-35% on PBT, were adjusted to the current rate of 5% of gross profit, resulting in a write-back of US$10.3m of deferred tax liability as at year-end 2007. This was due to the tax incentive granted to the Philippine operations by the Philippine government.
Financial liabilities – non-current	**734**	1,378	789	Transfer of non current portion of unpaid financial leases to current portion
Financial liabilities – current	**70,844**	52,796	34,763	Higher borrowings in the Philippines for working capital requirements
Trade and other payables	**49,202**	35,225	60,792	Higher accruals for A&P expenditures
Current tax liabilities	**775**	2,674	3,408	Reduction in tax rate from 35% of PBT to 5% of gross profit

SHARE CAPITAL

Total shares outstanding remain at 1,081,781,194 as of 30 June 2008, same as at 30 June 2007 and 31 December 2007. Share capital remains at US$10.8 million.

A total of 1,550,000 Market Price Options and 1,725,000 share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan, respectively, on 7 March 2008. In the Annual General Meeting held on 28 April 2008, the shareholders approved the grant of 1,611,000 shares to the Group's Managing Director and CEO, Joselito D. Campos, Jr. They remain outstanding as at 30 June 2008. No new shares had been issued as a result thereof.

The Company did not hold any treasury shares as at 30 June 2008 (30 June 2007: nil) and there was no sale, transfer, disposal, cancellation and/or use of treasury shares during the period and as at 30 June 2008.

BORROWINGS AND NET DEBT

Liquidity in US$'000	**30 June 2008**	**30 June 2007**	**31 Dec 2007**
Gross borrowings	**70,610**	52,494	34,189
Current	**70,610**	52,494	34,189
Secured	-	-	-
Unsecured	**70,610**	52,494	34,189
Non-current	-	-	-
Secured	-	-	-
Unsecured	-	-	-
Less: Cash and bank balances	**16,566**	42,104	14,958
Net debt	**(54,044)**	(10,390)	(19,231)

The Group's net debt (cash and bank balances less borrowings) amounted to US$54.0 million as at 30 June 2008 as compared to a net debt of only US$10.4 million as at 30 June 2007, largely due to the acquisition in the fourth quarter of 2007 of the S&W brand for US$10.0 million and the investment in a 40.1% interest in Bharti Del Monte India for US$24.0 million.

The Group's net debt position increased versus year-end 2007 mainly due to working capital requirements and the additional capital injection into the Bharti Del Monte India joint venture.

DIVIDENDS

	For the six months ended 30 June	
	2008	**2007**
Name of dividend	Interim Ordinary	Interim Ordinary
Type of dividend	Cash	Cash
Rate of dividend	**US$ 0.0080** per ordinary share (tax not applicable)	US$ 0.0073 per ordinary share (tax not applicable)
Par value of shares	US$0.01	US$0.01
Tax rate	Nil	Nil
Book closure date	**15 August 2008**	22 August 2007
Payable date	**28 August 2008**	5 September 2007

The Register of Members and Register of Transfers of the Company will be closed on 15 August 2008 for the purpose of determining shareholders' entitlements to dividends. Registrable Transfers received by the Company's Share Transfer Agent, Lim Associates (Pte) Ltd at 3 Church Street #08-01, Samsung Hub, Singapore 049483 by 5.00 pm on 14 August 2008 will be registered before entitlements to the dividend are determined.

INTERESTED PERSON TRANSACTIONS (IPT)

The aggregate value of IPT 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**	**Aggregate value of all IPTs (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	2008	**2007**	**2008**	**2007**
NutriAsia Inc. and its associates - Sales	**-**	-	**-**	-
NutriAsia Inc. and its associates - Purchases	61	-	61	-
Aggregate value	61	-	61	-
For the six months ended 30 June				
NutriAsia Inc. and its associates - Sales	1	-	1	-
NutriAsia Inc. and its associates - Purchases	106	42	106	42
Aggregate value	107	42	107	42

CONTINGENT LIABILITIES

In April 2008, Fresh Del Monte Produce Inc. (FDM) filed a complaint against DMPL for an alleged breach of contract and claiming damages of US$100 million. FDM alleged that DMPL had sold Del Monte processed products into FDM territory. The Group believes that the claims are without merit. DMPL will contest these claims vigorously without prejudice to actions it may take against FDM. DMPL is also confident that it will prevail in this case.

In July 2008, Sulpicio Lines Inc. filed a case against DMPL's subsidiary, Del Monte Philippines Inc. (DMPI) alleging that DMPI did not disclose the toxic nature of the cargo on board the former's ill-fated vessel that capsized on 21 June 2008. Sulpicio is claiming damages of PhP 5.5 million (US$0.1 million).

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENTS

Amounts in US$'000	**For the three months ended 30 June**			**For the six months ended 30 June**		
	2008	**2007***	**%**	**2008**	**2007***	**%**
Turnover	**88,581**	65,700	34.8	**160,273**	113,550	41.1
Cost of sales	**(67,655)**	(50,805)	33.2	**(123,626)**	(87,124)	41.9
Gross profit	**20,926**	14,895	40.5	**36,647**	26,426	38.7
Distribution and selling expenses	**(4,646)**	(2,910)	59.7	**(9,572)**	(5,863)	63.3
General and administration expenses	**(5,569)**	(3,637)	53.1	**(9,485)**	(6,592)	43.9
Other operating (expenses)/income	**(379)**	(233)	62.7	**401**	501	(20.0)
Profit from operations	**10,332**	8,115	27.3	**17,991**	14,472	24.3
Financial income**	**313**	1,053	(70.3)	**802**	1,982	(59.5)
Financial expense**	**(2,766)**	(789)	250.6	**(2,677)**	(1,411)	89.7
Net finance income/(expense)	**(2,453)**	264	n/m	**(1,875)**	571	n/m
Share of loss of joint venture, net of tax	**(842)**	-	n/m	**(1,674)**	-	n/m
Profit before taxation	**7,037**	8,379	(16.0)	**14,442**	15,043	(4.0)
Taxation	**(1,457)**	(2,967)	(50.9)	**(2,836)**	(4,499)	(37.0)
Profit after taxation	**5,580**	5,412	3.1	**11,606**	10,544	10.1

**Gross profit for 2007 was restated due to the reclassification of certain operating expenses (e.g. inventory obsolescence, China transport expenses, etc.) to cost of goods sold to conform with current year's presentation. These expenses are now identified as part of Costs of products for better monitoring and reporting. Gross profit for the three and six months ended 2007 before reclassification was US$15,518,000 and US$27,728,000, respectively.*

Notes:						
Depreciation and amortisation	**(2,402)**	(2,223)	8.1	**(4,918)**	(4,284)	14.8
Provision for asset impairment	**26**	253	(89.7)	**53**	276	(80.8)
Provision for inventory obsolescence	**(255)**	(265)	(3.8)	**(722)**	(551)	31.0
Provision for doubtful debts	**(364)**	(166)	119.3	**(571)**	(335)	70.4
Gain/(Loss) on disposal of fixed assets	**42**	44	(4.5)	**45**	87	(48.3)
****Financial income comprise:**						
Interest income	**313**	733	(57.3)	**802**	1,506	(46.7)
Foreign exchange gain	**-**	320	-	**-**	476	-
	313	1,053	(70.3)	**802**	1,982	(59.5)
****Financial expense comprise:**						
Interest expense	**(952)**	(789)	20.7	**(1,760)**	(1,411)	24.7
Foreign exchange loss	**(1,814)**	-	-	**(917)**	-	-
	(2,766)	(789)	250.6	**(2,677)**	(1,411)	89.7

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**	
	2008	**2007**	**2008**	**2007**
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	**0.52**	0.51	**1.07**	0.98
(ii) On a fully diluted basis	**0.52**	0.51	**1.07**	0.98

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS

Amounts in US$'000	Group			Company		
	30 Jun 2008 Unaudited	30 Jun 2007 Unaudited	31 Dec 2007 Audited	30 Jun 2008 Unaudited	30 Jun 2007 Unaudited	31 Dec 2007 Audited
Non-Current Assets						
Property, plant and equipment	**62,334**	63,681	68,396	**-**	-	-
Subsidiaries	**-**	-	-	**84,540**	84,490	84,540
Joint venture	**21,893**	-	21,983	**-**	-	-
Intangible assets	**25,103**	15,670	25,438	**-**	-	-
Other assets	**11,140**	10,235	7,913	**-**	-	-
	120,470	89,586	123,730	**84,540**	84,490	84,540
Current assets						
Inventories	**63,103**	63,138	61,532	**-**	-	-
Biological assets *	**56,396**	47,257	57,361	**-**	-	-
Trade and other receivables	**59,866**	45,502	64,367	**45,969**	22,467	14,284
Cash and cash equivalents	**16,566**	42,104	14,958	**15**	14	14
	195,931	198,001	198,218	**45,984**	22,481	14,298
Total Assets	**316,401**	287,587	321,948	**130,524**	106,971	98,838
Equity attributable to equity holders of the Company						
Share capital	**10,818**	10,818	10,818	**10,818**	10,818	10,818
Reserves	**183,690**	173,805	210,262	**80,817**	79,705	70,406
Total Equity	**194,508**	184,623	221,080	**91,635**	90,523	81,224
Non-Current Liabilities						
Deferred tax liabilities	**338**	10,891	1,116	**-**	-	-
Financial liabilities	**734**	1,378	789	**-**	-	-
	1,072	12,269	1,905	**-**	-	-
Current Liabilities						
Trade and other payables	**49,202**	35,225	60,792	**30,508**	8,067	9,233
Financial liabilities	**70,844**	52,796	34,763	**8,381**	8,381	8,381
Current tax liabilities	**775**	2,674	3,408	**-**	-	-
	120,821	90,695	98,963	**38,889**	16,448	17,614
Total Liabilities	**121,893**	102,964	100,868	**38,889**	16,448	17,614
Total Equity and Liabilities	**316,401**	287,587	321,948	**130,524**	106,971	98,838
NAV per ordinary share (US cents)	**17.98**	17.07	20.44	**8.47**	8.37	7.51

* Biological assets consist of deferred growing crops and livestock.

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

THE GROUP

	Attributable to equity holders of the parent							
Amounts in US$'000	**Share Capital**	**Share premium**	**Share Option reserve**	**Translation reserves**	**Asset revaluation reserves**	**Hedging reserves***	**Revenue reserves**	**Total Equity**
As at 1 January 2007	10,818	68,687	-	(55,030)	-	-	149,412	173,887
Currency translation differences recognised directly in equity	-	-	-	6,671	-	-	-	6,671
Revaluation surplus, arising from the change in accounting policy - property, plant and equipment	-	-	-	-	4,014	-	-	4,014
Net gains recognised directly in equity	-	-	-	6,671	4,014	-	-	10,685
Profit for the quarter	-	-	-	-	-	-	10,544	10,544
Total recognised income and expense for the year	-	-	-	6,671	4,014	-	10,544	21,229
Dividends	-	-	-	-	-	-	(10,493)	(10,493)
As at 30 June 2007	10,818	68,687	-	(48,359)	4,014	-	149,463	184,623
As at 1 January 2008	10,818	68,687	-	(31,591)	3,513	-	169,653	221,080
Currency translation differences recognised directly in equity	-	-	-	(14,656)	-	-	-	(14,656)
Changes in fair value of forward contracts -net of tax	-	-	-	-	-	(2,598)	-	(2,598)
Net gains recognized directly in equity	-	-	-	(14,656)	-	(2,598)	-	(17,254)
Profit for the quarter	-	-	-	-	-	-	11,606	11,606
Total recognised income and expense for the year	-	-	-	(14,656)	-	(2,598)	11,606	(5,648)
Value of employee services required for issue of share options	-	-	171	-	-	-	-	171
Dividends	-	-	-	-	-	-	(21,095)	(21,095)
As at 30 June 2008	10,818	68,687	171	(46,247)	3,513	(2,598)	160,164	194,508

* In February 2008, the Company's Philippine subsidiary entered into a non deliverable Peso/US$ forward contract due on different dates up to January 2009 at an average forward settlement rate of P41.323/US$. This exercise was intended to hedge the Company's Export Group's predominantly Peso costs but whose sales are in US$. Last February 2008, the trend suggested continuing appreciation of the Peso against the US$. Economists' and banks' forecasts also suggested a similar outlook. However, as of June 2008, the trend reversed and the Peso depreciated against the US$ to an average of 42.788 for the second quarter.

Under the "International Accounting Standard 39 on Financial Instruments: Recognition and Measurement", the Group is required to mark to market its outstanding forward contracts based on the latest forward rates as of balance sheet date. As a result of this, the Group recognised an unrealised loss (net of tax) of US$2.6 million on 30 June 2008. This was charged against the 'Hedging Revaluation Reserves' in the Balance Sheet. In the succeeding quarters, the Group will have to do a mark to market again for the outstanding forward contracts.

THE COMPANY

Amounts in US$'000	**Share capital**	**Share Premium**	**Share Option reserve**	**Revenue reserves**	**Total**
As at 1 January 2007	10,818	68,826	-	1,023	80,667
Net profit attributable to shareholders	-	-	-	20,349	20,349
Dividends				(10,493)	(10,493)
As at 30 June 2007	10,818	68,826	-	10,879	90,523
As at 1 January 2008	10,818	68,826	-	1,580	81,224
Net profit attributable to shareholders	-	-	-	31,335	31,335
Value of employee services required for issue of share options	-	-	171		171
Dividends	-	-	-	(21,095)	(21,095)
As at 30 June 2008	10,818	68,826	171	11,820	91,635

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**	
	2008 Unaudited	**2007 Audited**	**2008 Unaudited**	**2007 Audited**
Operating activities				
Net profit attributable to shareholders	**5,580**	5,412	**11,606**	10,544
Adjustments for:				
Amortisation of intangible assets	**167**	105	**335**	210
Depreciation of property, plant and equipment	**2,235**	2,118	**4,583**	4,074
Provision for asset impairment	**(26)**	(253)	**(53)**	(276)
Provision for inventory obsolescence	**255**	265	**722**	551
Provision for doubtful debts	**364**	166	**571**	335
Gain/(Loss) on disposal of fixed assets	**(42)**	(44)	**(45)**	(87)
Share of profit of joint venture, net of tax	**842**	-	**1,674**	-
Equity-settled share-based payment transactions	**141**	-	**171**	-
Income tax expense	**1,457**	2,967	**2,836**	4,499
Operating profit before working capital changes	**10,973**	10,736	**22,400**	19,850
Other assets	**(1,744)**	(827)	**(4,831)**	(2,964)
Inventories	**(2,236)**	(4,231)	**(8,425)**	(15,947)
Biological assets	**(1,464)**	1,145	**(3,500)**	(125)
Trade and other receivables	**(14,781)**	(12,203)	**(3,566)**	239
Trade and other payables	**18,526**	3,593	**(5,344)**	864
Operating cash flow	**9,274**	(1,787)	**(3,266)**	1,917
Income taxes paid	**(3,996)**	(5,285)	**(4,290)**	(5,511)
Cash flows from / (used in) operating activities	**5,278**	(7,072)	**(7,556)**	(3,594)
Investing activities				
Interest received	**334**	719	**810**	1,494
Proceeds from disposal of property, plant and equipment	**74**	105	**151**	298
Additional investment in joint venture	**(781)**	-	**(1,584)**	-
Purchase of property, plant and equipment	**(1,785)**	(1,731)	**(2,879)**	(2,871)
Cash flows used in investing activities	**(2,158)**	(907)	**(3,502)**	(1,079)
Financing activities				
Interest paid	**(745)**	(829)	**(1,575)**	(1,427)
Proceeds from borrowings	**2,700**	2,845	**36,421**	8,780
Repayment of finance lease liabilities	**(227)**	(554)	**(395)**	(740)
Dividends paid	-	(10,493)	**(21,095)**	(10,493)
Cash flows from / (used in) financing activities	**1,728**	(9,031)	**13,356**	(3,880)
Net increase / (decrease) in cash and cash equivalents	4,848	(17,010)	2,298	(8,553)
Cash and cash equivalents at beginning of year	10,814	59,500	14,958	51,546
Effect of exchange rate changes on cash and cash equivalents	904	(386)	(690)	(889)
Cash and cash equivalents, end of period	**16,566**	42,104	**16,566**	42,104