



**DEL MONTE PACIFIC LIMITED**

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## **Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended 30 June 2011**

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### **AUDIT**

Second quarter 2011 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 the following accounting standards, amendments to standards and interpretation that are effective for annual reporting periods beginning 1 January 2011:

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards – Limited Exemption for Comparative IFRS 7 Disclosure for First-time Adopters
- Improvements to IFRSs 2010
- IAS 24 Related Party Disclosures (revised 2009)

Adoption of the new and revised standards has no significant impact on the Group's net profit attributable to shareholders in the current and prior periods.

### **DISCLAIMER**

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, service providers' performance, production efficiencies, input costs and availability, competition, shifts in customer demands and preferences, market acceptance of new products, industry trends, and changes in government and environmental regulations. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

## **DIRECTORS' ASSURANCE**

Confirmation by Directors Pursuant to Clause 705(5) 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

11 August 2011

## FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF 2011

in US\$'000 unless otherwise stated	For the three months ended 30 June			For the six months ended 30 June		
	2011	2010	%	2011	2010	%
Turnover	<b>96,459</b>	85,104	13.3	<b>165,790</b>	151,034	9.8
Gross profit	<b>22,884</b>	16,546	38.3	<b>38,059</b>	27,387	39.0
Gross margin (%)	<b>23.7</b>	19.4	4.3 ppt	<b>23.0</b>	18.1	4.9 ppt
Operating profit	<b>9,833</b>	2,506	292.4	<b>14,179</b>	3,285	331.6
Operating margin (%)	<b>10.2</b>	2.9	7.3 ppt	<b>8.6</b>	2.2	6.4 ppt
Net profit attributable to owners of the company	<b>5,071</b>	(1,283)	495.2	<b>6,589</b>	(2,164)	404.4
Net margin (%)	<b>5.3</b>	(1.5)	6.8 ppt	<b>4.0</b>	(1.4)	5.4 ppt
EPS (US cents)	<b>0.47</b>	(0.12)	495.2	<b>0.61</b>	(0.20)	404.4
Net debt	<b>95,063</b>	89,645	6.0	<b>95,063</b>	89,645	6.0
Gearing (%)	<b>43.4</b>	46.5	(3.1 ppt)	<b>43.4</b>	46.5	(3.1 ppt)
Cash flow from/(used in) operations	<b>1,466</b>	(8,784)	116.7	<b>9,031</b>	(39,899)	122.6
Capital expenditure	<b>2,377</b>	1,515	56.9	<b>3,653</b>	2,815	29.8
Dividend per share (US\$)	<b>0.0046</b>	-	na	<b>0.0046</b>	-	na
			<b>Days</b>			<b>Days</b>
Inventory (days)	<b>115</b>	92	23	<b>123</b>	101	22
Receivables (days)	<b>33</b>	36	(3)	<b>58</b>	33	25
Account Payables (days)	<b>73</b>	57	16	<b>88</b>	73	15

The Company's reporting currency is US dollars. For conversion to S\$, these exchange rates can be used: 1.24 in 2Q11, 1.26 in 1H11 and 1.39 in 2Q10, 1.40 in 1H10.

## REVIEW OF OPERATING PERFORMANCE FOR 2Q AND FIRST HALF 2011

### Second Quarter

The Group posted a net income of US\$5.1 million in the second quarter, a turnaround from the net loss of US\$1.3 million in the prior year quarter mainly due to higher volume, better pricing and improved sales mix.

Sales grew by 13% to US\$96.5 million from US\$85.1 million mainly due to the strong performance of exports.

Export sales significantly increased by 48% due to improved volume in all major export markets of North America, Europe and Asia Pacific as well as better pricing and mix. Selling prices and margins in Europe also improved as the Group sold directly into Europe following the termination in 2010 of an unprofitable supply contract.

The S&W branded business grew by 10% versus the second quarter of 2010, in both processed and fresh, generating sales of US\$4.8 million. S&W sales of processed products were particularly strong in Korea and China. Entering the China market in the fourth quarter of 2010, the Group saw encouraging sales in the first half of this year.

Second quarter sales in the Philippines were flat versus the same period last year as higher sales of canned fruits and juices were offset by decreased PET beverage sales. However, second quarter sales of PET beverage were higher versus the first quarter due to the price reduction implemented in February and the maximisation of the new 'No Added Sugar, Low Calorie' formulation. Canned 100% pineapple juices delivered strong double-digit growth driven by full range support on the health benefits of the three variants: HeartSmart (for cholesterol reduction), Vitamin ACE and Fiber-enriched 100% pineapple juice.

Gross profit rose 38% to US\$22.9 million as a result of better volume, improved pricing and lower costs. Gross margin increased to 23.7% from 19.4% in the prior year quarter. The Group had lower obsolescence, pineapple and tomato paste costs. Moreover, improved pineapple yields and production efficiencies, including energy efficiency, contributed to lower costs.

Operating income jumped to US\$9.8 million from US\$2.5 million with the higher turnover, lower costs, lower A&P and miscellaneous expense.

In India, the Group recognised a share of loss of US\$2.6 million for its 46% stake in the FieldFresh joint venture, higher than prior year's US\$2.2 million. This was due to necessary initiatives to build the Del Monte-branded business which included higher marketing spend to support new product launches and administrative expenses for organisational build-up.

The Group ended the quarter with a net profit attributable to the owners of the company of US\$5.1 million, from a net loss of US\$1.3 million due to the improvements as stated above.

Operating cash flow was at positive US\$1.5 million, a significant turnaround from the negative US\$8.8 million in the prior year quarter mainly due to higher profit. The Company ended with a net debt position of US\$95.1 million as of 30 June 2011, and a gearing of 43%, lower than prior year quarter's 47%.

The increase in inventory days was due to higher inventory levels to support the expected better demand in the second half of the year, as well as higher output from the plantation with the better yields and supply. Receivable days increased versus last year due to receivable discounting in the prior year.

#### **First Half**

Group turnover for the first half of 2011 grew by 10% to US\$165.8 million from US\$151.0 million for the same reasons as those for the second quarter.

Export sales significantly increased by 37% with higher volume in all major export markets, better pricing and mix.

The S&W branded business grew by 23%, in both processed and fresh, generating sales of US\$9.3 million. This was driven by strong sales of S&W processed products particularly in Korea and China.

Sales in the Philippine market were lower by 4% in US Dollar terms and 9% in Peso terms for the same reasons as those for the second quarter. The average Philippine Peso rate against the US Dollar was slightly lower by 5% versus the prior year period and this had a favourable translation impact of US\$3.8 million on Philippine market sales.

Group gross profit rose 39% to US\$38.1 million, while gross margin increased to 23.0% from 18.1%. Operating income also saw a big improvement to US\$14.2 million from US\$3.3 million with the better margins, lower A&P and miscellaneous expense. This offset higher selling and distribution expenses to support initiatives for new and base products, as well as higher general and administrative expenses for business-building.

In India, the Group recognised a share of loss of US\$4.9 million for its 46% stake in the FieldFresh joint venture, higher than prior year's US\$3.1 million. This was due to necessary initiatives to build the Del Monte-branded business which included higher marketing spend to support new product launches and administrative expenses for organisational build-up.

The Group ended the first half with a net profit attributable to the owners of the company of US\$6.6 million, a turnaround from a net loss of US\$2.2 million in the same period last year.

Operating cash flow was at positive US\$9.0 million compared to negative US\$39.9 million in the prior year period mainly due to higher profit and changes in working capital.

## VARIANCE FROM PROSPECT STATEMENT

The second quarter 2011 results were in line with earlier guidance that the Group's 2011 profits are expected to be better compared to that of the same period last year.

## BUSINESS OUTLOOK

The overall international business now contributes significantly to Group profitability and the Group is working towards making all of its international markets to be meaningful profit drivers in the future.

The branded business in the Philippines saw some good results and the Group expects the business to perform better in the second half on the back of revenue-building and cost management initiatives.

Barring unforeseen circumstances, the Group expects to deliver improved earnings in 2011, particularly in the second half. The Group expects stronger performance with higher sales and improved margins on the back of higher pineapple production, better productivity and efficiencies, and active cost management.

## REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

### ASIA PACIFIC

#### For the three months ended 30 June

In US\$'000	Processed			Beverage			Total		
	2011	2010	% Chg	2011	2010	% Chg	2011	2010	% Chg
Turnover	<b>34,285</b>	31,295	9.6	<b>23,740</b>	25,643	(7.4)	<b>58,025</b>	56,938	1.9
Gross Profit	<b>9,177</b>	8,722	5.2	<b>5,585</b>	4,320	29.3	<b>14,762</b>	13,042	13.2
Gross Margin (%)	<b>26.8</b>	27.9	(1.1 ppt)	<b>23.5</b>	16.8	6.7 ppt	<b>25.4</b>	22.9	2.5 ppt
Operating Profit	<b>3,704</b>	2,450	51.1	<b>1,347</b>	165	716.4	<b>5,051</b>	2,615	93.2
Op Margin (%)	<b>10.8</b>	7.8	3.0 ppt	<b>5.7</b>	0.6	5.1 ppt	<b>8.7</b>	4.6	4.1 ppt

#### For the six months ended 30 June

In US\$'000	Processed			Beverage			Total		
	2011	2010	% Chg	2011	2010	% Chg	2011	2010	% Chg
Turnover	<b>55,460</b>	52,053	6.5	<b>42,707</b>	46,077	(7.3)	<b>98,167</b>	98,130	0.0
Gross Profit	<b>14,484</b>	14,165	2.3	<b>9,135</b>	7,047	29.6	<b>23,619</b>	21,212	11.3
Gross Margin (%)	<b>26.1</b>	27.2	(1.1 ppt)	<b>21.4</b>	15.3	6.1 ppt	<b>24.1</b>	21.6	2.5 ppt
Operating Profit	<b>4,738</b>	3,318	42.8	<b>978</b>	(443)	320.8	<b>5,716</b>	2,875	98.8
Op Margin (%)	<b>8.5</b>	6.4	2.1 ppt	<b>2.3</b>	-1.0	3.3 ppt	<b>5.8</b>	2.9	2.9 ppt

### Second Quarter

Reported under the Asia Pacific segment are sales and profit on sales of Del Monte and Today's branded processed products in the Philippines and sales of Del Monte branded processed products to Del Monte trademark licensees in the Asia Pacific region.

Turnover in Asia Pacific, which accounted for 60% of the Group's turnover in the second quarter of 2011, grew by 2% to US\$58.0 million from US\$56.9 million due to strong export sales to the Asia Pacific markets. This offset the weak sales of PET beverages in the Philippines.

Due to better cost management and improved export sales, gross profit increased by 13% to US\$14.8 million while gross margin improved to 25.4% from 22.9%. Operating profit jumped 93% to US\$5.1 million supported by higher gross margin.

### First Half

Turnover in Asia Pacific, which accounted for 59% of the Group's turnover in the first half of 2011, was flat against 2010. Higher sales in the export markets were not enough to offset the lower sales in the Philippines.

Gross profit increased by 11% to US\$23.6 million due to higher export sales and lower costs. Operating profit doubled to US\$5.7 million from US\$2.9 million on the back of higher margins and lower operating costs.

## EUROPE AND NORTH AMERICA

### For the three months ended 30 June

In US\$'000	Processed			Beverage			Total		
	2011	2010	% Chg	2011	2010	% Chg	2011	2010	% Chg
Turnover	14,371	11,609	23.8	9,341	3,922	138.2	23,712	15,531	52.7
Gross Profit	1,151	324	255.2	3,519	199	1,668.3	4,670	523	792.9
Gross Margin (%)	8.0	2.8	5.2 ppt	37.7	5.1	32.6 ppt	19.7	3.4	16.3 ppt
Operating Profit	121	(1,137)	110.6	3,104	(169)	1,936.7	3,225	(1,306)	346.9
Op Margin (%)	0.8	-9.8	10.6 ppt	33.2	-4.3	37.5 ppt	13.6	-8.4	22.0 ppt

### For the six months ended 30 June

In US\$'000	Processed			Beverage			Total		
	2011	2010	% Chg	2011	2010	% Chg	2011	2010	% Chg
Turnover	24,740	23,150	6.9	17,996	8,017	124.5	42,736	31,167	37.1
Gross Profit	2,246	243	824.3	6,529	427	1,429.0	8,775	670	1,209.7
Gross Margin (%)	9.1%	1.0%	8.0 ppt	36.3%	5.3%	31.0 ppt	20.5%	2.1%	18.4 ppt
Operating Profit	285	(1,916)	114.9	5,653	(138)	4,196.4	5,938	(2,054)	389.1
Op Margin (%)	1.2	-8.3	9.5 ppt	31.4	-1.7	33.1 ppt	13.9	-6.6	20.5 ppt

### Second Quarter

Reported under the Europe and North America segment are sales and profit on sales of Del Monte and buyers' label processed fruits, beverages, pineapple concentrate and other processed products to Del Monte trademark licensee and owner in Europe and North America respectively, as well as non-branded and buyers' label processed fruit and beverage products to new customers in Europe starting 1 June 2010.

Turnover in Europe and North America accounted for 25% of Group turnover this quarter, much higher than the 18% share in the prior year quarter. Turnover rose 53% to US\$23.7 million from US\$15.5 million, as a result of higher volume, better pricing and mix. Selling prices and margins in Europe also improved as the Group sold directly into Europe following the termination in 2010 of an unprofitable supply contract. Sales of processed pineapple and concentrate were also much stronger in North America.

Due to these reasons as well as lower pineapple costs, the Europe and North American markets turned in an operating profit of US\$3.2 million, a significant improvement from the US\$1.3 million net loss in the same period last year.

### First Half

Accounting for 26% of total turnover for the first half of 2011, turnover for Europe and North America was at US\$42.7 million, up 37% over prior year period's US\$31.2 million. Increased turnover from higher volume, pricing and better mix led to significantly better margins. As a result of this plus lower pineapple costs, this region contributed a strong operating profit of US\$5.9 million, from a net loss of US\$2.1 million in the first half of 2010.

### OTHERS

#### For the three months ended 30 June

In US\$'000			
	2011	2010	% Chg
Turnover	14,722	12,635	16.5
Gross Profit	3,452	2,981	15.8
Gross Margin (%)	23.4	23.6	(0.2 ppt)
Operating Profit	1,557	1,197	30.1
Op Margin (%)	10.6%	9.5%	1.1 ppt

#### For the six months ended 30 June

In US\$'000			
	2011	2010	% Chg
Turnover	24,888	21,737	14.5
Gross Profit	5,665	5,505	2.9
Gross Margin (%)	22.8	25.3	(2.5 ppt)
Operating Profit	2,525	2,464	2.5
Op Margin (%)	10.1%	11.3%	(1.2 ppt)

### Second Quarter

Reported under this category are sales and profit on sales of the following segments:

- Other export sales which include:
  - Sales of buyers' label processed fruits and pine concentrates to various customers around the world.
  - Sales of Del Monte processed products to distributors in the Indian subcontinent.
- Sales of various Del Monte products such as canned vegetables and deciduous fruits sourced from other Del Monte companies.
- Sales of S&W branded processed products such as canned fruits and vegetables, juices and other food products to various customers in Asia Pacific.

- Sales of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia
- Sales of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals.

Turnover from these segments comprised 15% of the Group's total turnover in the second quarter.

Turnover of this segment grew by 17% to US\$14.7 million from US\$12.6 million primarily driven by growth of the S&W branded business and export sales to Asia Pacific markets. Gross profit rose 16% to US\$3.5 million from US\$3.0 million.

Operating profit increased by 30% to US\$1.6 million from US\$1.2 million due to better margins and lower operating expenses.

#### First Half

Turnover from these segments comprised 15% of the Group's total turnover in the first half of 2011.

Turnover improved by 15% to US\$24.9 million from US\$21.7 million for the same reasons as those for the second quarter, while gross profit grew slightly by 3% to US\$5.7 million.

### 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		
	2011	2010	Comments	2011	2010	Comments
Cost of Goods Sold	76.3	80.6	Due to lower pineapple and tomato paste costs	77.0	81.9	Same as 2Q
Distribution and Selling Expenses	6.2	6.7	Due to cost savings and timing of initiatives	6.8	7.7	Same as 2Q
G&A Expenses	7.4	7.4	Flat against year ago	7.8	7.2	Higher due to organisational build-up and higher levels of business activity
Other Operating Expenses	(0.1)	2.4	Primarily due to IAS adjustment and other miscellaneous income	(0.2)	1.0	Same as 2Q

### 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			
	2011	2010	%	Comments	2011	2010	%	Comments
Depreciation and amortisation	(3,243)	(2,433)	33.3	Due to higher capex of Philippine subsidiary	(6,254)	(4,974)	25.7	Same as 2Q
Interest income	136	228	(40.4)	Lower interest income from operating assets	302	461	(34.5)	Same as 2Q
Interest expense	(710)	(1,133)	(37.3)	Lower levels of long-term borrowings	(1,361)	(2,158)	(36.9)	Same as 2Q
Share of loss of JV, net of tax	(2,640)	(2,195)	20.3	Due to organisation and business building expenses in the Indian joint venture	(4,866)	(3,109)	56.5	Same as 2Q
Taxation	(1,515)	(221)	585.5	Higher income from taxable entity	(1,474)	(19)	7,657.9	Same as 2Q



## REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	30 June 2011	30 June 2010	31 Dec 2010	Comments
<i>in US\$'000</i>				
Joint venture	29,326	33,720	33,495	Due to share in FieldFresh losses
Other assets	16,626	15,440	12,069	Higher deferred charges
Biological assets	91,880	75,108	81,860	Due to higher cycled growing crop costs from increased acreage
Inventories	95,321	70,697	77,498	Higher tinplate stock to lock in prices; higher tropical products in anticipation of higher demand in the second half of the year.
Trade and other receivables	55,028	54,997	79,953	Due to timing of collections of receivables
Cash and cash equivalents	14,754	10,273	17,506	Lower versus Dec 2010 due to payment of dividend in 2011 but higher versus June 2010 due to higher profit
Financial liabilities – non-current	17,370	26,068	18,016	Payment of long-term borrowings
Financial liabilities – current	92,447	73,915	85,787	Due to high working capital requirements during 1H 2011
Trade and other payables	69,007	54,653	70,091	Due to timing of payments made to suppliers
Current tax liabilities	665	(13)	3,436	Due to income in certain taxable jurisdiction

## SHARE CAPITAL

Total shares outstanding remain at 1,081,781,194 as of 30 June 2011, same as at 31 December 2010 and 30 June 2010. 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. On 12 May 2009, the Company granted another 3,749,000 share awards to Key Executives.

The number of shares outstanding includes 998,400 shares held by the company as treasury shares as at 30 June 2011 (30 June 2010: nil). On 7 March 2011, the Company transferred 1,035,000 treasury shares to the Group's Executives, in connection with the vesting of 1,035,000 shares out of the 1,725,000 shares awarded by the Company on 7 March 2008. On 19 May 2011, another 966,600 shares were transferred. However, there was no sale, disposal and cancellation of treasury shares during the period and as at 30 June 2011.

## BORROWINGS AND NET DEBT

Liquidity in US\$'000	As at 30 June		As at 31 Dec
	2011	2010	2010
Gross borrowings	109,817	99,918	103,803
Current	92,447	73,915	85,787
Secured	-	-	-
Unsecured	92,447	73,915	85,787
Non-current	17,370	26,003	18,016
Secured	-	-	-
Unsecured	17,370	26,003	18,016
Less: Cash and bank balances	14,754	10,273	17,506
Net debt	(95,063)	(89,645)	(86,297)

The Group's net debt (cash and bank balances less borrowings) amounted to US\$95.1 million as at 30 June 2011 as compared to a net debt of US\$89.6 million as at 30 June 2010 and US\$86.3 million as at year-end 2010. The higher net debt was largely due to higher borrowings to support higher levels of business activity and working capital needs. However, the gearing at 30 June 2011 of 43% was lower than the gearing at 30 June 2010 of 47%.

## DIVIDENDS

The Directors have declared today an interim dividend of US\$0.0046, representing a 75% payout of first half 2011 net profit.

	For the six months ended 30 June	
	2011	2010
Name of dividend	Interim Ordinary	Interim Ordinary
Type of dividend	Cash	Cash
Rate of dividend	<b>US\$ 0.0046 per ordinary share (tax not applicable)</b>	Nil
Par value of shares	US\$0.01	US\$0.01
Tax rate	Nil	Nil
Book closure date	29 August 2011	n.a.
Payable date	7 September 2011	n.a.

The Register of Members and Register of Transfers of the Company will be closed on 29 August 2011 for the purpose of determining shareholders' entitlements to dividends. Registrable Transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 by 5.00 pm on 26 August 2011 will be registered before entitlements to the dividend are determined.

## INTERESTED PERSON TRANSACTIONS

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	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)	
	2011	2010	2011	2010
For the three months ended 30 June	NIL	NIL	NIL	NIL

In US\$'000	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)	
	2011	2010	2011	2010
For the six months ended 30 June	NIL	NIL	NIL	NIL

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT**

Amounts in US\$'000	For the three months ended 30 June			For the six months ended 30 June		
	2011	2010	%	2011	2010	%
Turnover	<b>96,459</b>	85,104	<b>13.3</b>	<b>165,790</b>	151,034	<b>9.8</b>
Cost of sales	<b>(73,575)</b>	(68,558)	<b>7.3</b>	<b>(127,731)</b>	(123,647)	<b>3.3</b>
<b>Gross profit</b>	<b>22,884</b>	16,546	<b>38.3</b>	<b>38,059</b>	27,387	<b>39.0</b>
Distribution and selling expenses	<b>(6,025)</b>	(5,716)	<b>5.4</b>	<b>(11,223)</b>	(11,627)	<b>(3.5)</b>
General and administration expenses	<b>(7,170)</b>	(6,314)	<b>13.6</b>	<b>(12,910)</b>	(10,904)	<b>18.4</b>
Other operating (expenses)/income	<b>144</b>	(2,010)	<b>107.2</b>	<b>253</b>	(1,571)	<b>116.1</b>
<b>Profit from operations</b>	<b>9,833</b>	2,506	<b>292.4</b>	<b>14,179</b>	3,285	<b>331.6</b>
Financial income**	<b>136</b>	228	<b>(40.4)</b>	<b>302</b>	461	<b>(34.5)</b>
Financial expense**	<b>(743)</b>	(1,601)	<b>(53.6)</b>	<b>(1,552)</b>	(2,782)	<b>(44.2)</b>
<b>Net finance income/(expense)</b>	<b>(607)</b>	(1,373)	<b>(55.8)</b>	<b>(1,250)</b>	(2,321)	<b>(46.1)</b>
Share of loss of joint venture, net of tax	<b>(2,870)</b>	(2,422)	<b>18.5</b>	<b>(5,291)</b>	(3,446)	<b>53.5</b>
<b>Profit before taxation</b>	<b>6,356</b>	(1,289)	<b>593.1</b>	<b>7,638</b>	(2,482)	<b>407.6</b>
Taxation	<b>(1,515)</b>	(221)	<b>585.5</b>	<b>(1,474)</b>	(19)	<b>7,657.9</b>
<b>Profit after taxation</b>	<b>4,841</b>	(1,510)	<b>420.6</b>	<b>6,164</b>	(2,501)	<b>346.5</b>
<b>Profit attributable to:</b>						
Owners of the company	<b>5,071</b>	(1,283)	495.2	<b>6,589</b>	(2,164)	404.5
Non-controlling interest	<b>(230)</b>	(227)	1.3	<b>(425)</b>	(337)	26.1
<b>Profit for the period</b>	<b>4,841</b>	(1,510)	<b>420.6</b>	<b>6,164</b>	(2,501)	<b>346.5</b>
<b>Notes:</b>						
Depreciation and amortisation	<b>(3,243)</b>	(2,433)	<b>33.3</b>	<b>(6,254)</b>	(4,974)	<b>25.7</b>
Provision for asset impairment	<b>69</b>	21	<b>228.6</b>	<b>147</b>	43	<b>241.9</b>
Provision for inventory obsolescence	<b>(696)</b>	(2,918)	<b>(76.1)</b>	<b>(1,861)</b>	(3,588)	<b>(48.1)</b>
Provision for doubtful debts	<b>(137)</b>	(256)	<b>(46.5)</b>	<b>(952)</b>	(183)	<b>420.2</b>
Gain/(Loss) on disposal of fixed assets	<b>11</b>	(86)	<b>112.8</b>	<b>(43)</b>	(69)	<b>(37.7)</b>
<b>**Financial income comprise:</b>						
Interest income	<b>136</b>	228	<b>(40.4)</b>	<b>302</b>	461	<b>(34.5)</b>
Foreign exchange gain	-	-	-	-	-	-
	<b>136</b>	228	<b>(40.4)</b>	<b>302</b>	461	<b>(34.5)</b>
<b>**Financial expense comprise:</b>						
Interest expense	<b>(710)</b>	(1,133)	<b>(37.3)</b>	<b>(1,361)</b>	(2,158)	<b>(36.8)</b>
Foreign exchange loss	<b>(33)</b>	(468)	<b>(92.9)</b>	<b>(191)</b>	(624)	<b>(69.4)</b>
	<b>(743)</b>	(1,601)	<b>(53.6)</b>	<b>(1,552)</b>	(2,782)	<b>(44.2)</b>

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	
	2011	2010	2011	2010
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	0.47	(0.12)	0.61	(0.20)
(ii) On a fully diluted basis	0.47	(0.12)	0.61	(0.20)

**DEL MONTE PACIFIC LIMITED  
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

Amounts in US\$'000	For the six months ended 30 June		
	2011	2010	%
<b>Profit for the period</b>	<b>6,164</b>	(2,501)	346.5
<b>Other comprehensive income (after reclassification adjustment):</b>			
Exchange differences on translating of foreign operations	2,180	(217)	1,104.6
Changes in fair value of forward contracts	-	-	n/m
Value of employee services required for issue of share options	-	-	n/m
Adjustment relating to prior period recorded directly to equity	-	381	n/m
Income tax relating to components of other comprehensive income - <i>Changes in fair value of forward contracts</i>	-	-	n/m
<b>Other comprehensive income for the period, net of tax</b>	<b>2,180</b>	164	1,229.3
<b>Total comprehensive income for the period</b>	<b>8,344</b>	(2,337)	457.0
<b>Attributable to:</b>			
Owners of the company	8,769	(2,000)	538.4
Non-controlling interest	(425)	(337)	26.1
<b>Total comprehensive income for the period</b>	<b>8,344</b>	(2,337)	457.0

**DEL MONTE PACIFIC LIMITED  
STATEMENT OF FINANCIAL POSITION**

Amounts in US\$'000	Group			Company		
	30 Jun 2011 Unaudited	30 Jun 2010 Unaudited	31 Dec 2010 Audited	30 Jun 2011 Unaudited	30 Jun 2010 Unaudited	31 Dec 2010 Audited
<b>Non-Current Assets</b>						
Property, plant and equipment	77,887	71,428	79,342	-	-	-
Subsidiaries	-	-	-	85,442	76,707	85,442
Joint venture	29,326	33,720	33,495	-	-	-
Intangible assets	16,290	16,861	16,575	-	-	-
Deferred tax assets	571	-	326	-	-	-
Other assets	16,626	15,440	12,069	-	-	-
	<b>140,700</b>	<b>137,449</b>	<b>141,807</b>	<b>85,442</b>	<b>76,707</b>	<b>85,442</b>
<b>Current assets</b>						
Inventories	95,321	70,697	77,498	-	-	-
Biological assets *	91,880	75,108	81,860	-	-	-
Trade and other receivables	55,028	54,997	79,953	19,936	47,671	19,846
Cash and cash equivalents	14,754	10,273	17,506	211	9	211
	<b>256,983</b>	<b>211,075</b>	<b>256,817</b>	<b>20,147</b>	<b>47,680</b>	<b>20,057</b>
<b>Total Assets</b>	<b>397,683</b>	<b>348,524</b>	<b>398,624</b>	<b>105,589</b>	<b>124,387</b>	<b>105,499</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	10,818	10,818	10,818	10,818	10,818	10,818
Reserves	208,425	181,990	211,100	77,881	74,407	92,077
Equity attributable to owners of the Company	219,243	192,808	221,918	88,699	85,225	102,895
Non-controlling interest	(1,049)	-	(624)	(162)	-	-
<b>Total Equity</b>	<b>218,194</b>	<b>192,808</b>	<b>221,294</b>	<b>88,537</b>	<b>85,225</b>	<b>102,895</b>
<b>Non-Current Liabilities</b>						
Deferred tax liabilities	-	1,093	-	-	-	-
Financial liabilities	17,370	26,068	18,016	-	-	-
	<b>17,370</b>	<b>27,161</b>	<b>18,016</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>						
Trade and other payables	69,007	54,653	70,091	17,052	39,162	2,604
Financial liabilities	92,447	73,915	85,787	-	-	-
Current tax liabilities	665	(13)	3,436	-	-	-
	<b>162,119</b>	<b>128,555</b>	<b>159,314</b>	<b>17,052</b>	<b>39,162</b>	<b>2,604</b>
<b>Total Liabilities</b>	<b>179,489</b>	<b>155,716</b>	<b>177,330</b>	<b>17,052</b>	<b>39,162</b>	<b>2,604</b>
<b>Total Equity and Liabilities</b>	<b>397,683</b>	<b>348,524</b>	<b>398,624</b>	<b>105,589</b>	<b>124,387</b>	<b>105,499</b>
NAV per ordinary share (US cents)	20.21	17.82	20.51	8.20	7.88	9.51

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

	Share Capital US\$'000	Share premium US\$'000	Translation reserve US\$'000	Hedging reserve* US\$'000	Revaluation reserve US\$'000	Option reserve US\$'000	Revenue reserve US\$'000	Reserve for own Shares US\$'000	Total Equity US\$'000
<b>Group</b>									
<b>2010</b>									
As at 1 January 2010	10,818	68,687	(49,527)	-	3,368	1,337	162,408	-	197,091
<b>Total comprehensive income for the period</b>									
Loss for the period	-	-	-	-	-	-	(2,164)	-	(2,164)
<b>Other comprehensive income</b>									
Currency translation differences recognised directly in equity	-	-	(217)	-	-	-	-	-	(217)
Adjustments relating to prior periods recorded directly to equity	-	-	-	-	-	-	381	-	381
Net loss on revaluation of property, plant and equipment, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	(217)	-	-	-	381	-	164
Total comprehensive income/(loss) for the period	-	-	(217)	-	-	-	(1,783)	-	(2,000)
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Dividends	-	-	-	-	-	-	(1,731)	-	(1,731)
Acquisition of Treasury shares	-	-	-	-	-	-	-	(824)	(824)
Value of employee services received for issue of share options	-	-	-	-	-	272	-	-	272
Total contributions by and distributions to owners	-	-	-	-	-	272	(1,731)	(824)	(2,283)
At 30 June 2010	10,818	68,687	(49,744)	-	3,368	1,609	158,894	(824)	192,808

Group	Share Capital US\$'000	Share premium US\$'000	Translation reserve US\$'000	Revaluation reserve US\$'000	Option reserve US\$'000	Revenue reserve US\$'000	Reserve for own Shares US\$'000	Non- Controlling Interest US\$'000	Total Equity US\$'000
<b>2011</b>									
As at 1 January 2011	10,818	68,687	(39,075)	3,368	2,076	176,868	(824)	(624)	221,294
<b>Total comprehensive income for the period</b>									
Profit for the period						6,589		(425)	6,164
<b>Other comprehensive income</b>									
Currency translation differences recognised directly in equity	-	-	2,180	-	-	-	-	-	2,180
Adjustments relating to prior periods recorded directly to equity	-	-	-	-	-	-	-	-	-
Net loss on revaluation of property, plant and equipment, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	2,180	-	-	-	-	-	2,180
Total comprehensive income/(loss) for the period	-	-	2,180	-	-	6,589		(425)	8,344
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Dividends	-	-	-	-	-	(11,878)	-	-	(11,878)
Share options exercised	-	-	-	-	(548)	-	601	-	53
Value of employee services received for issue of share options	-	-	-	-	381	-	-	-	381
Total contributions by and distributions to owners	-	-	-	-	(167)	(11,878)	601	-	(11,444)
At 30 June 2011	10,818	68,687	(36,895)	3,368	1,909	171,579	(223)	(1,049)	218,194

	Share capital US\$'000	Share premium US\$'000	Share option reserve US\$'000	Revenue reserve US\$'000	Reserve for own Shares US\$'000	Total Equity US\$'000
<b>2010</b>						
At 1 January 2010	10,818	68,826	1,337	3,698	-	84,679
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	2,829	-	2,829
Total comprehensive income for the period	-	-	-	2,829	-	2,829
<b>Transactions with owners, recorded directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Value of employee services received for issue of share options	-	-	272	-	-	272
Acquisition of Treasury shares	-	-	-	-	(824)	(824)
Dividends	-	-	-	(1,731)	-	(1,731)
Total contributions by and distributions to owners	-	-	272	(1,731)	(824)	(2,283)
At 30 June 2010	10,818	68,826	1,609	4,796	(824)	85,225

	Share capital US\$'000	Share premium US\$'000	Share option reserve US\$'000	Revenue reserve US\$'000	Reserve for own Shares US\$'000	Total Equity US\$'000
<b>2011</b>						
At 1 January 2011	10,818	68,826	2,076	21,999	(824)	102,895
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	(2,914)	-	(2,914)
Total comprehensive income for the period	-	-	-	(2,914)	-	(2,914)
<b>Transactions with owners, recorded directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Value of employee services received for issue of share options	-	-	381	-	-	381
Share options exercised	-	-	(548)	-	601	53
Dividends	-	-	-	(11,878)	-	(11,878)
Total contributions by and distributions to owners	-	-	(167)	(11,878)	601	(11,444)
At 30 June 2011	10,818	68,826	1,909	7,207	(223)	88,537



**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	
	2011 Unaudited	2010 Unaudited	2011 Unaudited	2010 Unaudited
<b>Operating activities</b>				
Net profit attributable to shareholders	5,071	(1,283)	6,589	(2,164)
Adjustments for:				
Amortisation of intangible assets	144	143	285	284
Depreciation of property, plant and equipment	3,099	2,290	5,969	4,690
Provision for asset impairment	(69)	(21)	(147)	(43)
Provision for inventory obsolescence	696	2,918	1,861	3,588
Provision for doubtful debts	137	256	952	183
Loss/(Gain) on disposal of fixed assets	(11)	86	43	69
Share of profit of joint venture, net of tax	2,640	2,195	4,866	3,109
Equity-settled share-based payment transactions	165	231	381	272
Income tax expense	1,514	221	1,473	19
Prior period profit and loss credited to equity	(381)	381	-	381
Operating profit before working capital changes	13,386	7,417	22,272	10,388
Other assets	(1,075)	(2,162)	(4,438)	(4,968)
Inventories	(3,572)	(6,412)	(18,916)	(6,127)
Biological assets	(6,470)	(2,056)	(9,195)	(4,639)
Trade and other receivables	(4,715)	(13,253)	25,554	(28,313)
Trade and other payables	9,201	10,130	(925)	(3,341)
Operating cash flow	6,753	(6,336)	14,352	(37,000)
Income taxes paid	(4,300)	(2,448)	(4,716)	(2,899)
Cash flows from / (used in) operating activities	2,453	(8,784)	9,636	(39,899)
<b>Investing activities</b>				
Interest received	126	220	288	461
Proceeds from disposal of property, plant and equipment	11	(86)	27	(64)
Additional investment in joint venture	-	(1,075)	(1,121)	(6,625)
Purchase of property, plant and equipment	(2,377)	(1,515)	(3,653)	(2,815)
Sale (Acquisition) of Treasury shares	-	(824)	-	(824)
Cash flows used in investing activities	(2,240)	(3,280)	(4,459)	(9,867)
<b>Financing activities</b>				
Interest paid	(948)	(850)	(1,596)	(1,710)
Proceeds from borrowings	6,592	16,740	4,969	4,641
Repayment of finance lease liabilities	-	-	-	20
Dividends paid	-	-	(11,878)	(1,731)
Cash flows from / (used in) financing activities	5,644	15,890	(8,505)	1,220
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,857</b>	<b>3,826</b>	<b>(3,328)</b>	<b>(48,546)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>8,900</b>	<b>8,244</b>	<b>17,506</b>	<b>59,162</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(3)</b>	<b>(1,797)</b>	<b>576</b>	<b>(343)</b>
<b>Cash and cash equivalents, end of period</b>	<b>14,754</b>	<b>10,273</b>	<b>14,754</b>	<b>10,273</b>