Del Monte Pacific Limited

Management Discussion and Analysis of
Unaudited Financial Condition and Results of Operations for
the Third Quarter Ended 30 September 2006

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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 results to be false or misleading.

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

(Signed)
Ramon S Ang
Chairman of the Board

(Signed)
Joselito D Campos, Jr.
Executive Director

9 November 2006

DEL MONTE PACIFIC THIRD QUARTER SALES ROSE 18%, PBIT BEFORE EXCEPTIONALS GREW 13%

- **3Q sales improved 18% to US$59.5m on higher volume and pricing**
- **Gross profit margin improved versus the 2nd quarter on new management's initiatives**
- **PBIT before exceptional items grew 13% to US$6.4m on better sales**

Singapore, 9th November 2006 – Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) announced an improvement in its third quarter results after several quarters of profit declines. New management's resolve to grow the Company is starting to bear fruit. DMPL third quarter turnover grew by 18% to US$59.5 million while PBIT before exceptional items improved by 13% to US$6.4 million from US$5.7 million in the same period last year.

Sales in the third quarter increased due to better performance in all major markets except in Europe. Higher volume, better prices, combined with the favourable impact of the Peso appreciation, led to higher sales in the Philippines. New products such as *Del Monte Fit 'N Right* juices were launched to capitalise on consumers' growing preference for healthier products. New businesses – Great Lakes China and Del Monte Foods India – contributed higher revenues of US$3.2 million, up from US$2.2 million in the same period last year.

Management initiatives put in place helped to cushion the impact of higher costs. Gross margin for the quarter was still lower at 24.9% compared to 26.9% last year. However, against the second quarter of this year, margins for the third quarter improved by three percentage points. Management initiatives spanned a number of areas and resulted in more competitive media rate, lower packaging cost, lower fixed cost, and streamlining of supply chain, among others.

Working capital levels improved significantly mainly due to lower inventories. Inventory days were reduced by 15 days as DMPL improved production schedules and monitored stocks more frequently.

PBIT increased by 90% to US$7.4 million. Before exceptional items, PBIT still grew by 13% to US$6.4 million against the comparable figure last year. Exceptional items for this quarter included the previously announced Early Retirement Program (ERP) one-off expense of US$1.0 million. The ERP is expected to generate annual cost savings of US$1.8 million starting 2007.

Net profit for the quarter rose 73% to US$4.8 million from US$2.8 million in the prior year quarter on the back of higher sales, new management's initiatives, lower exceptional expenses and higher financial income.

Turnover for the nine-month period grew by 5% to US$160.1 million from US$153.2 million in the same period last year on higher sales in the Philippines, in North America and in the new businesses. New businesses accounted for US$9.3 million in sales, however, they have not yet contributed to the Group's bottom line.

Net income for nine months was down 8% to US$11.9 million from US$13.0 million due to the steep decline in the earlier quarters. From a decline of 31% in the first half versus prior year period, the decline for the nine-month period has now been narrowed to 8%.

"We are excited to see positive results emerging from the restructuring efforts of the new management. After several quarters of decline, we are pleased to see the Company return to growth." said Joselito Campos, Jr., CEO of DMPL. "We are making progress but this is only the beginning. We will continue our hard work and we are confident that the Company's profitability will be strengthened in the coming periods."

Barring any unforeseen circumstances, the Group expects full year net profit to be at least comparable to that of 2005, reversing the decline seen in the first nine months of the year. The full impact of substantial cost savings will be reflected starting 2007.

FINANCIAL HIGHLIGHTS – THIRD QUARTER AND NINE MONTHS 2006

Amounts in US$'000 unless otherwise stated[1]	For the three months ended 30 Sept		YoY Change	For the nine months ended 30 Sept		YoY Change
	2006	**2005**	**(%)**	**2006**	**2005**	**(%)**
Turnover	**59,509**	50,601	17.6	**160,145**	153,171	4.6
Gross profit[2]	**14,833**	13,636	8.8	**36,177**	42,001	(13.9)
Gross profit margin (%)	***24.9***	*26.9*	*(2.0 ppt)*	***22.6***	*27.4*	*(4.8 ppt)*
EBITDA	**8,707**	5,524	57.6	**20,644**	21,118	(2.2)
EBITDA margin (%)	***14.6***	*10.9*	*3.7 ppt*	***12.9***	*13.8*	*(0.9 ppt)*
PBIT	**7,393**	3,892	90.0	**15,847**	16,830	(5.8)
PBIT margin (%)	***12.4***	*7.7*	*4.7 ppt*	***9.9***	*11.0*	*(1.1 ppt)*
Net profit	**4,798**	2,775	72.9	**11,877**	12,971	(8.4)
Net profit margin (%)	***8.1***	*5.5*	*2.6 ppt*	***7.4***	*8.5*	*(1.1 ppt)*
Net cash/(debt)	**(96)**	(2,400)	(96.0)	**(96)**	(2,400)	(96.0)
Cash flow from/(used in) operations	**4,233**	(4,254)	199.5	**(1,128)**	(5,484)	(79.4)
Capital expenditure	**2,548**	1,642	55.2	**4,371**	4,143	5.5
(in US cents)						
EPS	**0.44**	0.26	72.3	**1.10**	1.20	(8.7)
NAV per share	**14.97**	13.87	7.9	**14.97**	13.87	7.9
Operating cash flow per share	**0.39**	(0.39)	199.5	**(0.10)**	(0.51)	79.4
Dividend per share	**-**	-	-	**-**	0.31	-
			days			**days**
Inventory (days)	**102**	117	(15)	**111**	118	(7)
Receivables (days)	**31**	33	(2)	**35**	33	2
Account Payables (days)	**61**	49	12	**67**	50	17

[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.

REVIEW OF OPERATING PERFORMANCE FOR THE THIRD QUARTER AND NINE MONTHS 2006

Group turnover for the third quarter grew 18% to US$59.5 million from US$50.6 million on the back of strong sales in all the Company's major markets except in Europe. Philippines and North America performed well on higher volume and pricing. New businesses contributed US$3.2 million or 5% to total turnover, higher than the US$2.2 million last year.

Sales in all major categories in the Philippines were up. This led to the strong 26% sales growth in that market. Great Lakes' domestic business in China as well as international sales also expanded.

Group gross profit increased by 9% to US$14.8 million due to higher sales. However, the rate of increase was not as high as the turnover rate due to higher costs. Costs were negatively impacted by the 6% Peso appreciation. This made Peso costs higher when translated to US Dollars. As a result, gross margin declined 2.0 percentage points to 24.9% from 26.9% last year. However, if compared against the second quarter's 22%, third quarter showed an improvement.

PBIT improved significantly by 90% to US$7.4 million from US$3.9 million due to higher gross profit, substantial decline in other operating expenses, and lower G&A expenses. Please refer to the discussion on page 10 for other operating expenses. PBIT margin increased to 12.4% from 7.7%. On the back of higher PBIT and financial income, net income also improved by 73% to US$4.8 million from US$2.8 million.

The core products - processed products and beverages - which accounted for 98% of total turnover in the third quarter, increased by 21% due to improved sales in all the major markets except in Europe. PBIT also improved 86% on the back of higher sales and lower exceptional expenses.

Non-processed products - mainly the non-core fresh pineapples and cattle business sold only in Asia - which accounted for 2% of total turnover in the third quarter – fell 53% due to lower volume and depressed prices of fresh pineapple, as well as weak cattle sales.

Asia Pacific contributed 64% to third quarter Group turnover. Turnover in Asia Pacific grew by 22% to US$38.2 million due to higher sales of processed products in all markets, particularly in the Philippines. This offset weak results in the non-processed product category. The 6% appreciation of the Peso also had a favourable impact on Peso-denominated sales translated to US Dollars. PBIT in Asia Pacific for the third quarter more than tripled to US$5.4 million from US$1.6 million.

Turnover for Europe/North America in the third quarter, which accounted for 36% of total turnover, registered 10% higher sales of US$21.3 million. Strong sales in North America more than offset the 10% sales decline in Europe. PBIT was down 12% to US$2.0 million as higher costs outpaced the increase in sales.

The Group's turnover for the nine-month period grew by 5% to US$160.1 million. Better performance in the Philippines, North America and in the new businesses, more than offset disappointing results in Europe where sales dropped by 25%. Great Lakes contributed US$9.3 million in sales, while Del Monte Foods India contributed US$0.3 million. Both accounted for 6% of turnover. However, the new businesses still posted operating losses.

PBIT decreased by 6% to US$15.8 million while net profit dropped 8% to US$11.9 million compared to the same period last year mainly due to higher costs.

The Group reported a slight net debt position of US$0.1 million as of 30 September 2006 versus a net cash position of US$18.4 million as of year-end 2005 due to dividend payment, higher capital expenditure and acquisition of the remaining 11% stake in Abpak Company Ltd.

However, the Group's slight net debt position of US$0.1 million as of 30 September 2006 was an improvement over the net debt position of US$2.4 million as of 30 September 2005 due to better working capital management. Inventory days were reduced by 15 days as the Company improved production schedules and monitored stocks frequently.

VARIANCE FROM PROSPECT STATEMENT

The third quarter results were in line with the earlier guidance that results for the second half of 2006 would improve over last year.

BUSINESS OUTLOOK

Barring any unforeseen circumstances, the Group expects full year net profit to be at least comparable to that of 2005, reversing the decline seen in the first nine months of the year. The full impact of substantial cost savings will be reflected starting 2007.

REVIEW OF TURNOVER AND PBIT

1. By geographical segments

In US$'000	Turnover			PBIT		
	For the three months ended 30 Sept		YoY Change	For the three months ended 30 Sept		YoY Change
	2006	2005	(%)	2006	2005	(%)
Asia Pacific	**38,216**	31,275	22.2	**5,394**	1,614	234.2
Europe/North America	**21,293**	19,326	10.2	**1,999**	2,278	(12.3)
Total	**59,509**	50,601	17.6	**7,393**	3,892	89.9

In US$'000	Turnover			PBIT		
	For the nine months Ended 30 Sept		YoY Change	For the nine months ended 30 Sept		YoY Change
	2006	2005	(%)	2006	2005	(%)
Asia Pacific	**102,674**	96,218	6.7	**12,018**	9,450	27.2
Europe/North America	**57,471**	56,953	0.9	**3,829**	7,380	(48.1)
Total	**160,145**	153,171	4.6	**15,847**	16,830	(5.8)

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

Asia Pacific
Asia Pacific accounted for 64% of Group turnover in the third quarter. Sales in this region improved by 22% to US$38.2 million from US$31.3 million due to higher sales of processed products in all markets, particularly in the Philippines. This offset weak results in the non-processed product category.

Turnover in the Philippine market grew strongly by 26% on higher volume of 10%, increased pricing of 8%, and the favourable impact of the 6% Peso appreciation on the translation of Peso accounts to US Dollars. All product categories performed well, most notably, the tomato-based product and beverages behind increased marketing support and trade build-up in anticipation of higher consumption in the fourth quarter. Further, distribution pipelining for new products (*Del Monte Chicken Mixes, Del Monte Fit 'N Right*) also boosted volume growth versus year ago.

Great Lakes contributed US$3.1 million, up 45% versus the prior year quarter, on higher volume and pricing. Great Lakes increased sales to Pakistan and Australia, and had better sales in the domestic market.

PBIT in Asia Pacific for the third quarter more than tripled to US$5.4 million from US$1.6 million on the back of higher sales and lower other operating expenses, offsetting higher costs. PBIT margin increased significantly to 14.1% from 5.2% in the same quarter last year.

For the nine-month period, Asia Pacific accounted for 64% of turnover. Turnover grew by 7% to US$102.7 million from US$96.2 million mainly due to higher sales in the Philippines and in China, which offset weak sales of non-processed products. Sales in the Philippines grew by 11% on the back of higher pricing, again aided by the 6% Peso appreciation.

Great Lakes' turnover improved by 53% to US$9.3 million from US$6.1 million in the first nine-months of last year on higher volume and pricing. However, Great Lakes still reported losses due to higher expenses.

PBIT in Asia Pacific for the nine-month period rose 27% to US$12.0 million from US$9.5 million due to higher sales and lower other operating expenses. PBIT margin increased to 11.8% from 9.8% in the same period last year.

Europe/North America

Europe/North America comprised 36% of Group turnover in the third quarter. Sales in this region grew by 10% to US$21.3 million from US$19.3 million due to strong sales in North America, offsetting weak results in Europe, particularly in concentrate.

PBIT for Europe/North America declined by 12% to US$2.0 million from US$2.3 million as higher costs outpaced higher sales. PBIT margin decreased to 9.4% from 11.8% in the same quarter last year.

For the nine-month period, Europe/North America accounted for 36% of turnover. Turnover slightly increased by 1% to US$57.5 million from US$57.0 million as strong sales in North America were offset by reduced sales in Europe of processed pineapple and concentrate.

As a result of higher costs, PBIT fell 48% to US$3.8 million from US$7.4 million. PBIT margin dropped to 6.7% from 13.0% in the nine-month period last year.

2. By business segments

In US$'000	Turnover			PBIT		
	For the three months ended 30 Sept		YoY Change	For the three months ended 30 Sept		YoY Change
	2006	2005	(%)	2006	2005	(%)
Processed Products	**40,026**	32,524	23.1	**4,805**	1,369	250.9
Beverages	**18,415**	15,791	16.6	**1,936**	2,254	(14.1)
Non-processed Products	**1,068**	2,286	(53.3)	**653**	269	142.5
Total	**59,509**	50,601	17.6	**7,393**	3,892	90.0

In US$'000	Turnover			PBIT		
	For the nine months ended 30 Sept		YoY Change	For the nine months ended 30 Sept		YoY Change
	2006	2005	(%)	2006	2005	(%)
Processed Products	**105,272**	99,729	5.6	**11,712**	10,096	16.0
Beverages	**51,369**	45,306	13.4	**4,614**	5,844	(21.0)
Non-processed Products	**3,504**	8,136	(56.9)	**(480)**	890	(153.9)
Total	**160,145**	153,171	4.6	**15,847**	16,830	(5.8)

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

Processed Products

Processed products, our largest product category, contributed 67% to Group turnover in the third 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 now includes sales of Del Monte-branded processed products such as canned vegetable and deciduous fruits sourced from other Del Monte companies.

Turnover of processed products grew by 23% to US$40.0 million from US$32.5 million on higher volume of 10% and increased pricing of 11%. All product segments – processed pineapple, mixed fruits, tomato-based and other products – registered higher sales.

PBIT for processed products more than tripled to US$4.8 million from US$1.4 million due to higher turnover and lower other operating expenses. PBIT margin jumped to 12.0% from 4.2%.

For the nine-month period, processed products accounted for 66% of total turnover. Turnover increased by 6% to US$105.3 million from US$99.7 million due to strong sales of tomato-based and other products as well as mixed fruits. This offset the sharp decline of processed pineapple in Europe.

PBIT rose 16% to US$11.7 million from US$10.1 million on the back of higher turnover and lower other operating expenses. PBIT margin increased to 11.1% from 10.1% in the same period last year.

Beverages

Beverages consist of juices, juice drinks and juice concentrates. This segment accounted for 31% of the Group's turnover in the third quarter.

Turnover for this segment grew 17% to US$18.4 million from US$15.8 million. Sales of juices were higher driven by increased volume and pricing in the Philippines and higher pricing in China. This offset declines in concentrate sales to Europe.

Great Lakes contributed US$3.1 million to beverage sales, up 45% versus prior year quarter, while Del Monte Foods India had a slight contribution.

However, PBIT declined by 14% to US$1.9 million from US$2.3 million as higher costs outpaced increased sales. Great Lakes and Del Monte Foods India still registered losses. Overall PBIT margin dropped to 10.5% from 14.3%.

For the nine-month period, beverage accounted for 32% of total turnover. Turnover for this segment increased by 13% to US$51.4 million from US$45.3 million due to higher volume and pricing of juices in the Philippines and improved pricing in China. Moreover, higher concentrate sales in North America offset disappointing sales in Europe. Great Lakes also contributed higher sales of US$9.2 million, up 51%. Del Monte Foods India had a slight contribution of US$0.3 million.

However, PBIT fell 21% to US$4.6 million from US$5.8 million due to higher costs. Overall PBIT margin was lower at 9.0% from 12.9%.

Non-processed Products

Accounting for 2% of Group turnover in the third quarter, non-processed products consist mainly of the non-core cattle business and fresh pineapples, both sold only in Asia. The cattle operation is used for the disposal of pineapple pulp.

Turnover for this segment fell 53% to US$1.1 million from US$2.3 million as a result of sharp volume declines for both cattle and fresh pineapple offsetting improved pricing. Nevertheless, PBIT improved to US$0.7 million from US$0.3 million on the back of higher pricing as well as higher fair market valuation for cattle inventory as required by IAS 41.

For the nine-month period, turnover dropped 57% to US$3.5 million from US$8.1 million due to lower volume and pricing for fresh pineapple and lower volume for cattle. PBIT was a loss of US$0.5 million from a profit of US$0.9 million last year.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 30 Sept		For the nine months ended 30 Sept	
	2006	2005	2006	2005
Cost of Goods Sold	**75.1**	73.1	**77.4**	72.6
Distribution and Selling Expenses	**6.9**	6.3	**6.3**	6.2
General and Administration Expenses	**5.1**	6.3	**5.3**	5.3
Other Operating Expenses	**1.5**	6.6	**1.6**	5.2

Cost of Goods Sold
Cost of goods sold as a percentage of turnover increased to 75.1% from 73.1% as raw material, packaging, labour and energy costs continued to rise. Moreover, the 6% Peso appreciation increased costs in US Dollar terms. For the nine months, cost of goods sold as a percentage of turnover also increased to 77.4% from 72.6% for the same reasons.

Distribution and Selling Expenses
Distribution and selling expenses as a percentage of turnover increased in the third quarter and in the nine-month period for both the Philippine and China markets to support volume expansion. The Philippine market had higher A&P spending on in-store promotions for certain tomato-based products to accelerate consumer off-take.

General and Administration Expenses
General and administration expenses as a percentage of turnover decreased in the third quarter mainly due to lower professional fees. For the nine-month period, it remained flat as a percentage of turnover.

Other Operating Expenses
Other operating expenses as a percentage of turnover declined for both the third quarter and the nine-month period due to a number of large exceptional items last year.

For the third quarter of 2005, these included the US$1.0 million provision for off-specification products and US$0.5m additional tax assessments. For the nine-month period of 2005, these included additional items: US$1.0 million provision for product disposal, US$0.5 million provision for an asset impairment and US$0.6 million in additional tax assessments on top of the US$0.5 million booked in the third quarter. For the third quarter of 2006, US$1.0 million expense for Early (ERP) Retirement Program was recognised. For the nine-month period of 2006, US$0.7 million provision for harvested crops and US$0.8m income from insurance claims were booked on top of the ERP's US$1.0 million.

Moreover, IAS 41 adjustments also had a favourable impact of US$0.6 million on the third quarter's other operating expenses. IAS 41 requires the Company to revalue biological assets at fair value less point-of-sale costs. The relatively large fluctuations in cattle prices can significantly affect the carrying value of this asset and thus impact the income statement.

In US$'000	For the three months ended 30 Sept		YoY Change	For the nine months ended 30 Sept		YoY Change
	2006	2005	(%)	2006	2005	(%)
Other operating expenses (before IAS 41)	**1,633**	3,485	(53.1)	**2,371**	7,610	(68.8)
Net changes in fair value of biological assets that remain unsold as at the end of the period	**(740)**	(121)	511.6	**254**	384	(33.9)
Other operating expenses (after IAS 41)	**893**	3,364	(73.5)	**2,625**	7,994	(67.2)

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances in US$'000	As at 30 Sept 2006	As at 30 Sept 2005	As at 31 Dec 2005
Fixed assets	**54,947**	48,243	54,562
Intangible assets	**16,213**	14,840	14,734
Other assets	**9,866**	8,551	6,398
Inventories	**54,411**	57,826	45,996
Biological assets	**45,773**	38,513	40,067
Trade debtors	**24,910**	20,847	24,070
Other debtors, deposits and prepayments	**7,892**	8,843	8,352
Trade creditors	**13,485**	11,966	12,632
Other creditors and accruals	**25,795**	15,873	27,192
Provision for taxation	**837**	670	1,764
Due to an affiliated company (non-trade)	**-**	7,899	-
Long-term lease payable	**2,555**	607	2,350

Fixed assets

Fixed assets increased compared to the same quarter last year due to higher capital expenditures for the operations in the Philippines and in Lulong China.

Intangible assets

Intangible assets increased compared to the same quarter last year and year-end 2005 due to the goodwill arising from the acquisition of the remaining 11% stake in Abpak Company Ltd on 11 July 2006. The goodwill amounted to US$1.6 million.

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 year-end 2005 due to higher stock of tomato paste and sugar in preparation for heavy sales activity in the last quarter of the year. Inventories decreased compared to the same quarter last year due to lower tinplate importation.

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 increased compared to the same quarter last year due to higher sales.

Other debtors, deposits and prepayments

Other debtors, deposits and prepayments decreased compared to the same quarter last year due to lower Value Added Tax receivable and lower prepaid advertising. It also decreased compared to year-end 2005 due to the amortisation of prepaid rent.

Trade creditors

Trade creditors increased compared to the same quarter last year and year-end 2005 primarily due to timing of payments 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, increase in guarantee fund pension contribution, reclassification of Ciro Del Monte NV account to 'Other creditors and accruals' from 'Due to an affiliated company (non-trade)', and accrual of a one time expense relating to the ERP. The ERP is however expected to result in cost savings of approximately US$1.8 million per annum starting 2007.

It decreased compared to year-end 2005 due to lower accruals and reversal of unspent expenditures.

Provision for taxation

Provision for taxation is significantly lower compared to year-end 2005 as profits in the taxable jurisdiction are generally lower during the third quarter as compared to the seasonally stronger fourth quarter.

Due to an affiliated company (non-trade)

Due to an affiliated company (non-trade) was non-existent in the third quarter of 2006 because of 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.

SHARE CAPITAL

Ordinary shares issued and fully paid-up share capital	As at 30 Sept		As at 31 Dec
	2006	**2005**	**2005**
Number of shares	**1,081,781,194**	1,081,581,194	1,081,781,194
Share capital (US$'000)	**10,818**	10,816	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. A total of 877,604 options lapsed in the second quarter of 2006; hence, there were no more outstanding options as at 30 September 2006 (7,968,484 options as at 31 December 2005).

CASH FLOW AND LIQUIDITY

Cash flow in US$'000	
Net debt as at 30 June 2006	(32)
Net cash from operating activities	4,233
Capital expenditure	(2,548)
Proceeds from disposal of fixed assets	1,096
Purchase of 11% stake in Abpak Company Ltd	(1,274)
Dividend payment	(5,301)
Effect of exchange rate changes	3,730
Net debt as at 30 Sept 2006	(96)

Liquidity in US$'000	**As at 30 Sept**		**As at 31 Dec**
	2006	**2005**	**2005**
Gross borrowings	**51,127**	57,614	41,747
Current	**51,127**	57,614	41,747
Secured	-	-	-
Unsecured	**51,127**	57,614	41,747
Non-current	-	-	-
Secured	-	-	-
Unsecured	-	-	-
Less: Cash and bank balances	**51,031**	55,214	60,113
Net (debt)/cash	**(96)**	(2,400)	18,366

The Group reported a slight net debt position of US$0.1 million as of 30 September 2006 versus a net cash position of US$18.4 million as of year-end 2005 due to dividend payment, higher capital expenditure and acquisition of the remaining 11% stake in Abpak Company Ltd.

However, the Group's slight net debt position of US$0.1 million as of 30 September 2006 was an improvement over the net debt position of US$2.4 million as of 30 September 2005 due to better working capital management. Inventory days were reduced by 15 days as the Company improved production schedules and monitored stocks frequently.

CAPITAL EXPENDITURE

In the third quarter of 2006, capital expenditure rose 55% to US$2.5 million compared to US$1.6 million in the same quarter last year. Of the US$2.5 million capital expenditure, Great Lakes accounted for US$1.5 million for upgrades at the Lulong factory in China.

In the Philippines, there were no major expenditures in the third quarter. The expenditures included ongoing reconditioning and replacement of various machineries and automotive equipment units in the Plantation, as well as various improvements in the Cannery to comply with Good Manufacturing Practices and to meet market demand for products in new packaging formats.

In US$'000	**For the three months ended 30 Sept**			**For the nine months ended 30 Sept**		
	2006	**2005**	**YoY Change (%)**	**2006**	**2005**	**YoY Change (%)**
Capex	**2,548**	1,642	55.2	**4,371**	4,143	5.5
Depreciation	**1,876**	1,499	25.2	**5,557**	4,417	25.8

DIVIDENDS

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

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Amounts in US$'000	**For the three months ended 30 Sept**			**For the nine months ended 30 Sept**		
	2006	**2005**	**%**	**2006**	**2005**	**%**
Turnover	**59,509**	50,601	17.6	**160,145**	153,171	4.6
Cost of sales	**(44,676)**	(36,965)	20.9	**(123,968)**	(111,170)	11.5
Gross profit	**14,833**	13,636	8.8	**36,177**	42,001	(13.9)
Distribution and selling expenses *	**(4,131)**	(3,189)	29.5	**(10,088)**	(9,474)	6.5
General and administration expenses	**(3,008)**	(3,163)	(4.9)	**(8,466)**	(8,149)	3.9
Other operating expenses	**(893)**	(3,364)	(73.5)	**(2,625)**	(7,994)	(67.2)
Profit from operations	**6,801**	3,920	73.5	**14,998**	16,384	(8.5)
Financial income	**1,322**	520	154.2	**2,938**	1,807	62.6
Financial expense	**(1,085)**	(1,044)	3.9	**(2,973)**	(2,532)	17.4
Profit before taxation	**7,038**	3,396	107.2	**14,963**	15,659	(4.4)
Taxation	**(2,240)**	(654)	242.5	**(3,086)**	(2,826)	9.2
Profit after taxation	**4,798**	2,742	75.0	**11,877**	12,833	(7.4)
Minority interest	**-**	33	n/a	**-**	138	n/a
Net profit attributable to shareholders	**4,798**	2,775	72.9	**11,877**	12,971	(8.4)
Notes:						
Depreciation and amortisation	**(1,906)**	(1,604)	18.8	**(5,646)**	(4,734)	19.3
Financial income comprise:						
Interest income	**730**	520	40.4	**2,089**	1,361	53.5
Foreign exchange gain	**592**	-	n/a	**849**	446	90.4
	1,322	520	154.2	**2,938**	1,807	62.6
Financial expense comprise:						
Interest expense	**(1,085)**	(1,016)	6.8	**(2,973)**	(2,532)	17.4
Foreign exchange loss	**-**	(28)	n/a	**-**	-	-
	(1,085)	(1,044)	3.9	**(2,973)**	(2,532)	17.4

**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.*

Earnings per ordinary share in US cents	**For the three months ended 30 Sept**		**For the nine months ended 30 Sept**	
	2006	**2005**	**2006**	**2005**
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on existing issued share capital	**0.44**	0.26	**1.10**	1.20
(ii) On a fully diluted basis	**0.44**	0.26	**1.10**	1.20

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS

Amounts in US$'000	Group			Company		
	30 Sept 2006 Unaudited	**30 Sept 2005 Unaudited**	**31 Dec 2005 Audited**	**30 Sept 2006 Unaudited**	**30 Sept 2005 Unaudited**	**31 Dec 2005 Audited**
EQUITY						
Share capital	**10,818**	10,816	10,818	**10,818**	10,816	10,818
Share premium	**68,687**	68,634	68,687	**68,826**	68,773	68,826
Translation reserves	**(58,145)**	(68,278)	(63,031)	**-**	-	-
Revenue reserves	**140,600**	138,980	144,625	**(4,461)**	(23,083)	855
	161,960	150,152	161,099	**75,183**	56,506	80,499
Minority interest	**-**	(148)	(294)	**-**	-	-
	161,960	150,004	160,805	**75,183**	56,506	80,499
ASSETS LESS LIABILITIES						
Fixed assets	**54,947**	48,243	54,562	**-**	-	-
Subsidiaries	-	-	-	**126,858**	16,709	125,585
Intangible assets	**16,213**	14,840	14,734	**-**	-	-
Other assets	**9,866**	8,551	6,398	**-**	-	-
Current assets						
Inventories	**54,411**	57,826	45,996	**-**	-	-
Biological assets *	**45,773**	38,513	40,067	**-**	-	-
Trade debtors	**24,910**	20,847	24,070	**-**	-	-
Other debtors, deposits and prepayments	**7,892**	8,843	8,352	**86**	36	3
Due from subsidiaries (non-trade)	**-**	-	-	**12,878**	83,910	592
Due from affiliated companies (trade)	**-**	79	-	**-**	-	-
Short-term deposits	**49,218**	52,662	53,669	**-**	-	-
Cash and bank balances	**1,813**	2,552	6,444	14	13	14
	184,017	181,322	178,598	**12,978**	83,959	609

* Biological assets consist of deferred growing crops and livestock.

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS (CONTINUED)

Amounts in US$'000	Group			Company		
	30 Sept 2006 Unaudited	30 Sept 2005 Unaudited	31 Dec 2005 Audited	30 Sept 2006 Unaudited	30 Sept 2005 Unaudited	31 Dec 2005 Audited
Current liabilities						
Trade creditors	**13,485**	11,966	12,632	**-**	-	-
Other creditors and accruals	**25,795**	15,873	27,192	**221**	167	486
Due to subsidiaries (non-trade)	**-**	-	-	**64,432**	43,995	45,209
Short-term borrowings (unsecured)	**51,127**	57,614	41,747	**-**	-	-
Provision for taxation	**837**	670	1,764	**-**	-	-
	91,244	86,123	83,335	**64,653**	44,162	45,695
Net current assets (liabilities)	**92,773**	95,199	95,263	**(51,675)**	39,797	(45,086)
Non-current liabilities						
Due to an affiliated company (non-trade)	**-**	(7,899)	-	**-**	-	-
Deferred tax liabilities	**(9,284)**	(8,323)	(7,802)	**-**	-	-
Long-term lease payable	**(2,555)**	(607)	(2,350)	**-**	-	-
	161,960	150,004	160,805	**75,183**	56,506	80,499

	Group			Company		
Net asset value per ordinary share in US cents	**30 Sept 2006 Unaudited**	**30 Sept 2005 Unaudited**	**31 Dec 2005 Audited**	**31 Sept 2006 Unaudited**	**31 Sept 2005 Unaudited**	**31 Dec 2005 Audited**
Net asset value per ordinary share	**14.97**	13.87	14.86	**6.95**	5.22	7.44

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**	**Translation reserves**	**Revenue reserves**	**Total**	**Minority interest**	**Total 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	-	-	339	-	339	-	339
Profit year to date	-	-	-	12,971	12,971	-	12,971
Total recognised income and expense for the period	-	-	339	12,971	13,310	-	13,310
Shares issued under share option	71	2,025	-	-	2,096	-	2,096
Dividends	-	-	-	(22,844)	(22,844)	-	(22,844)
Minority interest of subsidiary	-	-	-	-	-	(139)	(139)
As at 30 Sept 2005	10,816	68,634	(68,278)	138,980	150,152	(148)	150,004
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	-	-	4,886	-	4,886	-	4,886
Profit year to date	-	-	-	11,877	11,877	-	11,877
Total recognised income and expense for the year	-	-	4,886	11,877	16,763	-	16,763
Shares issued under share option	-	-	-	-	-	-	-
Dividends	-	-	-	(15,902)	(15,902)	-	(15,902)
Minority interest of subsidiary	-	-	-	-	-	294	294
As at 30 Sept 2006	10,818	68,687	(58,145)	140,600	161,960	-	161,960

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	71	2,025	-	2,096
Net profit attributable to shareholders	-	-	(1,483)	(1,483)
Dividends	-	-	(22,844)	(22,844)
As at 30 Sept 2005	10,816	68,773	(23,083)	56,506
As at 1 January 2006	10,818	68,826	855	80,499
Shares issued under the share option plan	-	-	-	-
Net profit attributable to shareholders	-	-	10,586	10,586
Dividends	-	-	(15,902)	(15,902)
As at 30 Sept 2006	10,818	68,826	(4,461)	75,183

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in US$'000	For the three months ended 30 Sept		For the nine months ended 30 Sept	
	2006	**2005**	**2006**	**2005**
Cash flows from operating activities				
Net Profit attributable to shareholders	**4,798**	2,775	**11,877**	12,971
Adjustments for:				
Depreciation and amortisation	**1,906**	1,604	**5,646**	4,734
Provision for (write-back) asset impairment	**(19)**	(18)	**(58)**	502
Provision for inventory obsolescence	**206**	830	**864**	1,377
Provision for doubtful debts	**306**	380	**341**	456
Provision for product disposal and off specs	**-**	1,000	**-**	2,000
Provision for (write-back) deferred income tax	**1,439**	(104)	**1,005**	(192)
(Gain)/Loss on disposal of fixed assets	**1**	(9)	**(63)**	(52)
Minority Interest	**-**	(33)	**-**	(138)
Operating profit before working capital changes	**8,637**	6,425	**19,612**	21,658
Decrease (increase) in:				
Other assets	**(1,028)**	(355)	**(3,468)**	(2,321)
Inventories	**(1,784)**	(5,734)	**(9,518)**	(23,527)
Biological assets	**(3,444)**	145	**(5,706)**	(1,265)
Trade debtors	**(4,796)**	(4,565)	**(928)**	2,926
Other debtors, deposits and prepayments	**2,139**	(458)	**146**	(1,571)
Increase (decrease) in:				
Trade creditors, other creditors and accruals	**4,205**	521	**(339)**	(1,109)
Due from (to) affiliated companies (trade and non-trade)	**-**	266	**-**	232
Provision for taxation	**304**	(499)	**(927)**	(506)
Net cash from (used in) operating activities	**4,233**	(4,254)	**(1,128)**	(5,483)
Cash flows from investing activities				
Proceeds from disposal of fixed assets	**1,096**	104	**1,202**	162
Purchase of fixed assets	**(2,548)**	(1,642)	**(4,371)**	(4,143)
Purchase of remaining 11% stake in Abpak Co Ltd	**(1,274)**	-	**(1,274)**	-
Net cash used in investing activities	**(2,726)**	(1,538)	**(4,443)**	(3,981)
Cash flows from financing activities				
Short-term borrowings	**447**	4,408	**9,380**	27,804
Proceeds from exercise of stock options	**-**	801	**-**	2,096
Dividends paid	**(5,301)**	(3,350)	**(15,902)**	(22,844)
Net cash used in financing activities	**(4,854)**	1,859	**(6,522)**	7,056
Effect of exchange rate changes on cash and cash equivalents	**3,730**	195	**3,011**	105
Net increase/(decrease) in cash and cash equivalents	**383**	(3,738)	**(9,082)**	(2,303)
Cash and cash equivalents, beginning of period	**50,648**	58,952	**60,113**	57,517
Cash and cash equivalents, end of period	**51,031**	55,214	**51,031**	55,214

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

Supplemental Disclosures of Cash Flow Information

Amounts in US$'000		**For the three months ended 30 Sept**		**For the nine months ended 30 Sept**	
		2006	**2005**	**2006**	**2005**
(a)	Cash paid (received) during the year, included in operating activities				
	Interest expenses	**954**	796	**2,833**	2,023
	Interest income	**(739)**	(508)	**(2,087)**	(1,294)
	Income taxes	**628**	1,268	**3,108**	3,504
(b)	Analysis of the balances of cash and cash equivalents				
	Cash and bank balances	**1,813**	2,552	**1,813**	2,552
	Short-term deposits	**49,218**	52,662	**49,218**	52,662
		51,031	55,214	**51,031**	55,214

NOTES TO THE FINANCIAL STATEMENTS

1. FINANCIAL HIGHLIGHTS IN SINGAPORE DOLLARS

Amounts in S$'000 unless otherwise stated	For the three months ended 30 Sept		YoY Change	For the nine months ended 30 Sept		YoY Change
	2006	**2005**	**(%)**	**2006**	**2005**	**(%)**
Turnover	**94,024**	85,010	10.6	**256,232**	252,732	1.4
Gross profit*	**23,436**	22,908	2.3	**57,883**	69,302	(16.5)
Gross profit margin (%)	***24.9***	*26.9*	*(2.0 ppt)*	***22.6***	*27.4*	*(4.8 ppt)*
EBITDA	**13,757**	9,280	48.2	**33,030**	34,845	(5.2)
EBITDA margin (%)	***14.6***	*10.9*	*3.7 ppt*	***12.9***	*13.8*	*(0.9 ppt)*
PBIT	**11,681**	6,539	78.6	**25,355**	27,770	(8.7)
PBIT margin (%)	***12.4***	*7.7*	*4.7 ppt*	***9.9***	*11.0*	*(1.1 ppt)*
Net profit	**7,581**	4,662	62.6	**19,003**	21,402	(11.2)
Net profit margin (%)	***8.1***	*5.5*	*2.6 ppt*	***7.4***	*8.5*	*(1.1 ppt)*
Net cash/(debt)	**(152)**	(4,032)	(96.2)	**(154)**	(3,960)	(96.1)
Cash flow from/(used in) operations	**6,688**	(7,147)	193.6	**(1,805)**	(9,047)	80.0
Capital expenditure	**4,026**	2,759	45.9	**6,994**	6,836	2.3
(in SG cents)						
EPS	**0.70**	0.44	59.1	**1.76**	1.98	(11.1)
NAV per share	**23.65**	23.30	1.5	**23.95**	22.89	4.6
Operating cash flow per share	**0.62**	(0.66)	193.9	**(0.16)**	(0.84)	(81.0)
Dividend per share (SG cents)	**-**	-	-	**-**	0.51	-

Note:
S$/US$ conversion rate: 1.58 in 3Q06 and 1.60 in 9M06 (1.68 in 3Q05 and 1.65 in 9M05)

**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

The figures for the third quarter ended 30 September 2006 have been reviewed in accordance with Singapore Standard on Review Engagements 2410 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

Nine months ended 30 Sept 2006 in US$'000	Processed Products	Beverages	Non-Processed Products	Consolidated
Turnover	105,272	51,369	3,504	160,145
Profit from operations, representing segment result	11,168	4,296	(466)	14,998
Net foreign exchange gain	544	318	(13)	849
Profit before interest and tax	11,712	4,614	(479)	15,847
Net interest expense	(296)	(596)	8	(884)
Profit before taxation	11,416	4,018	(471)	14,963
Taxation				(3,086)
Minority interest				-
Net profit attributable to shareholders				11,877
Segment assets	127,651	80,722	5,639	214,012
Unallocated assets				51,031
Consolidated total assets				265,043
Segment liabilities	24,113	15,223	505	39,841
Unallocated liabilities				63,242
Consolidated total liabilities				103,083
Capital expenditure	1,600	2,705	66	4,371
Depreciation	3,105	2,322	130	5,557
Amortisation	1	88	-	89
Writeback of asset impairment	35	23	-	58
Non-cash expenses (net) other than depreciation, amortisation and writeback of asset impairment	1,330	817	-	2,147

Nine months ended 30 Sept 2005 in US$'000	**Processed Products**	**Beverages**	**Non-Processed Products**	**Consolidated**
Turnover	99,729	45,306	8,136	153,171
Profit from operations, representing segment result	9,806	5,707	871	16,384
Net foreign exchange gain	290	137	19	446
Profit before interest and tax	10,096	5,844	890	16,830
Net interest expense	(672)	(452)	(47)	(1,171)
Profit before taxation	9,424	5,392	843	15,659
Taxation				(2,826)
Minority interest				138
Net profit attributable to shareholders				12,971
Segment assets	121,488	70,024	6,230	197,742
Unallocated assets				55,214
Consolidated total assets				252,956
Segment liabilities	25,576	10,156	613	36,345
Unallocated liabilities				66,607
Consolidated total liabilities				102,952
Capital expenditure	2,144	1,879	120	4,143
Depreciation	2,425	1,860	132	4,417
Amortisation	160	147	10	317
Writeback of asset impairment	300	202	-	502
Non-cash expenses (net) other than depreciation, amortisation and writeback of asset impairment	3,023	427	1	3,451

By geographical segments

In US$'000	**Turnover**		**Capital expenditure**		**Total assets**	
	For the nine months ended 30 Sept				**As at 30 Sept**	
	2006	**2005**	**2006**	**2005**	**2006**	**2005**
Asia Pacific	**102,674**	96,218	**4,371**	4,143	**265,043**	252,956
Europe/North America	**57,471**	56,953	**-**	-		-
Total	**160,145**	153,171	**4,371**	4,143	**265,043**	252,956

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**	**25**	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**	**31**	15,414	44	(50.1)
Total	**24,516**	**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.a.**	48,022	n.a.	(2.7)
2Q	**53,915**	**n.a.**	54,548	n.a.	(1.2)
3Q	**59,509**	**n.a.**	50,601	n.a.	17.6
Total	**160,145**	**n.a.**	153,171	n.a.	4.6
PBIT					
1Q	**4,460**	**n.a.**	6,122	n.a.	(27.1)
2Q	**3,994**	**n.a.**	6,815	n.a.	(41.4)
3Q	**7,393**	**n.a.**	3,892	n.a.	90.0
Total	**15,847**	**n.a.**	16,830	n.a.	(5.8)
Net profit		**n.a.**			
1Q	**3,418**	**n.a.**	5,361	n.a.	(36.2)
2Q	**3,661**	**n.a.**	4,835	n.a.	(24.3)
3Q	**4,798**	**n.a.**	2,775	n.a.	72.9
Total	**11,877**	**n.a.**	12,971	n.a.	(8.4)

6. INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

In US$'000	**For the three months ended 30 Sept**		**For the nine months ended 30 Sept**	
	2006	**2005**	**2006**	**2005**
Income				
Sales to Macondray group	**-**	472	**681**	1,213
Sub-total	**-**	472	**681**	1,213
Expenses				
Purchases from San Miguel Corp and NutriAsia Group*	**682**	-	**1,702**	-
Purchases from Macondray group	**-**	467	**1,032**	2,340
Purchases from Waterloo Land and Livestock Co. Pty. Ltd. (WALLCO)	**-**	-	**-**	1,296
Sub-total	**682**	467	**2,734**	3,636
Aggregate value	**682**	939	**3,415**	4,849

*San Miguel and NutriAsia Group became indirect controlling shareholders 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, processed pineapple, 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 sale of processed fruit and vegetable products.

Del Monte Pacific also owns 100% 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