Del Monte Pacific Limited

Management Discussion and Analysis of
Unaudited Financial Condition and Results of Operations for
<u>the Third Quarter Ended 30 September 2007</u>

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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)
Rolando C Gapud
Chairman of the Board

(Signed)
Joselito D Campos, Jr.
Executive Director

5 November 2007

DEL MONTE PACIFIC DELIVERS HIGHER COMPARABLE REVENUE AND NET PROFIT IN 3Q 2007

- **3Q revenue rose 21% to US$70m driven by strong sales in Asia Pacific**
- **Increased store coverage and intensified marketing efforts in the Philippines**
- **3Q net income improved by 42% to US$4.7m on a comparable basis**
- **Expects to outperform FY2006**

Singapore, 5 November 2007 – Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) reported a 42% jump in third quarter comparable net profit to US$4.7 million, driven by better sales of 21% and cost savings of US$1.1 million. Net profit for the nine-month period jumped 29% to US$15.3 million.

To show comparable results for the third quarter of 2007, the first half 2006 favourable price adjustments of US$1.5 million booked in the third quarter of 2006 were removed.

Third quarter 2007 sales in all of the Company's major markets, except for Europe, improved. The Philippine market sustained its stellar performance with sales surging by 27%. Sales improved in all its product categories – processed pineapple, topical mixed fruits and tomato-based products. Store coverage increased to 54,000 as of end-September from 28,000 in May, when 18 regional distributors were appointed to replace two national distributors. Marketing efforts for new products were intensified and the lycopene campaign for tomato-based products was revived. Lycopene is an antioxidant found in tomatoes which helps lower the risks of heart disease and certain cancers.

Sales to North America grew on the back of higher volume of processed pineapple and tropical mixed fruit. However, sales to Europe were down due to lower prices.

Great Lakes in China and Del Monte Foods India achieved sales of US$5.6 million in the third quarter, significantly higher than the US$3.4 million generated in the same quarter last year. Great Lakes recorded higher sales for both retail and industrial customers, while Del Monte Foods India maximised production during the mango season, intensified sales efforts and penetrated the lucrative Japanese market.

In the third quarter of 2007, the Peso appreciated by 11% against the US Dollar versus the same period last year, unfavourably affecting the translation to US Dollar of the Company's mainly Peso-based cost structure. Cost efficiencies in the third quarter, amounting to US$1.1 million, were not enough to offset the negative impact of the Peso appreciation on costs. Gross profit increased by 14% as compared to the 21% improvement in revenue. Gross margin slightly dipped to 21.7% from 23.0% in the same quarter last year. If not for the Peso appreciation, gross margin would have risen to 23.7%.

Sales for the nine-month period grew by 15% to US$183.5 million, as a result of the strong performance in the Asia Pacific region, primarily the Philippines.

Great Lakes in China and Del Monte Foods India generated sales of US$13.0 million for the first nine months as compared to US$9.6 million last year. Great Lakes posted a slight loss, much lower than last year, due to high raw material costs. Del Monte Foods India turned around to a slight profit from a loss last year.

Gross profit for the Group in the nine-month period rose 19% to US$42.9 million on the back of lower pineapple, labour and energy costs, as well as containment of fixed manufacturing costs which more than offset higher tinplate cost and the unfavourable impact of the Peso appreciation.

Barring any unforeseen circumstances, the Group expects the strong performance in the first nine-months of the year to be sustained into the fourth quarter, on track to delivering stronger 2007 results as compared to those achieved in 2006.

FINANCIAL HIGHLIGHTS – THIRD QUARTER AND NINE MONTHS 2007

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
	2007	2006 Comparable basis[2]	2006	(%)	(%)	2007	2006	(%)
	(a)	(b)	(c)	(a-b)/b	(a-c)/c			
Turnover	**69,962**	58,042	59,509	20.5	17.6	**183,512**	160,145	14.6
Gross profit	**15,209**	13,366	14,833	13.8	2.5	**42,937**	36,177	18.7
Gross profit margin (%)	***21.7***	*23.0*	*24.9*	*(1.3 ppt)*	*(3.2 ppt)*	***23.4***	*22.6*	*0.8 ppt*
EBITDA	**7,969**	7,240	8,707	10.1	(8.5)	**26,725**	20,644	29.5
EBITDA margin (%)	***11.4***	*12.5*	*14.6*	*(1.1 ppt)*	*(3.2 ppt)*	***14.6***	*12.9*	*1.7 ppt*
PBIT	**5,667**	5,926	7,393	(4.4)	(23.3)	**20,615**	15,847	30.1
PBIT margin (%)	***8.1***	*10.2*	*12.4*	*(2.1 ppt)*	*(4.3 ppt)*	***11.2***	*9.9*	*1.3 ppt*
Net profit	**4,718**	3,331	4,798	41.6	(1.7)	**15,262**	11,877	28.5
Net profit margin (%)	***6.7***	*5.7*	*8.1*	*1.0 ppt*	*(1.4 ppt)*	***8.3***	*7.4*	*0.9 ppt*
Net cash/(debt)	**(20,196)**	(96)	(96)	n/m	n/m	**(20,196)**	(96)	n/m
Cash flow from/(used in) operations	**(3,561)**	4,382	4,382	n/m	n/m	**(12,735)**	103	n/m
Capital expenditure	**876**	2,548	2,548	(65.6)	(65.6)	**3,747**	4,371	(14.3)
(in US cents)								
EPS	**0.44**	0.31	0.44	41.6	(1.7)	**1.41**	1.10	28.5
NAV per share	**17.08**	14.97	14.97	14.1	14.1	**17.08**	14.97	14.1
Operating cash flow per share	**(0.33)**	0.41	0.41	n/m	n/m	**(1.18)**	0.01	n/m
Inventory (days)	**90**	-	102	-	(12)	**105**	111	(6)
Receivables (days)	**44**	-	31	-	13	**50**	35	15
Account Payables (days)	**43**	-	61	-	(18)	**50**	67	(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]Refers to results for the three-month ended 30 September 2006 which removed the impact of the US$1.5 million favourable pricing adjustment pertaining to 1st Half of 2006 that was booked in 3Q 2006. This was removed to show a like-for-like comparison against the current quarter.

REVIEW OF OPERATING PERFORMANCE FOR THE 3Q AND 9M 2007

Group turnover for the third quarter improved by 18% to US$70.0 million on the back of strong sales in the Philippines and the other Asia Pacific markets. The Philippines took the lead, achieving a 27% increase in turnover. The other Asia Pacific markets outperformed the prior year quarter by 28% as a result of strong processed pineapple sales while the China market improved by 48% on the back of increased beverage sales. Del Monte Foods India also turned in an exceptional performance.

On a comparable basis, group turnover for the third quarter grew by a stronger 21%. In the third quarter of last year, the supply contract with a major customer was amended. One of the amendments called for favourable price adjustments retroactive 1 January 2006. These adjustments were all booked in the third quarter of 2006. To provide a like-for-like comparison, the price adjustments relating to first half of 2006 amounting to US$1.5 million and booked in the third quarter of 2006 were removed.

Gross profit, on a comparable basis, improved by 14% to US$15.2 million. The growth rate was lower than that achieved for turnover due to higher costs as a result of the 11% Peso appreciation in the current quarter. The Peso strengthened to P45.97/US$ versus P51.51/US$ in the same quarter last year. This more than offset the cost savings of US$1.1 million in the third quarter, 80% of which were booked under Cost of Goods Sold and the balance 20% under Operating Expense.

PBIT, on a comparable basis, declined slightly by 4% to US$5.7 million on the back of higher operating expenses. PBIT margin dipped to 8.1% from 10.2% in the same quarter last year mainly due to the impact of the Peso appreciation on operating expenses plus the unfavourable IAS 41 adjustment for the quarter. IAS 41 requires the Company to revalue biological assets (consisting of deferred growing crops and livestock) at fair value less point-of-sale costs.

However, net profit in the third quarter improved significantly by 42%, on a comparable basis, to US$4.7 million.

The Group's turnover for the nine-month period improved by 15% to US$183.5 million. The Philippine market performed robustly, with its beverage and tomato-based products contributing to the major increase in sales. The other Asia Pacific markets also posted increases in turnover on the back of stronger sales of processed pineapple.

Gross profit rose 18.7% to US$42.9 million on the back of lower pineapple, labour and energy costs, as well as containment of fixed manufacturing costs which more than offset higher tinplate cost and the unfavourable impact on costs of the 9% Peso appreciation.

As a result, PBIT surged 30.1% to US$20.6 million on account of better margins driven by increased volumes and cost efficiencies. Correspondingly, net profit reflected a 29% increase to US$15.3 million.

The Group registered a net debt position of US$20.2 million versus a net debt position of US$0.1 million last year due to significantly increased working capital requirement on the back of higher inventory build up in anticipation of higher sales in the fourth quarter, settlement of the Del Monte trademark for the Indian subcontinent and the payment of dividends. Cash flow used in operations was US$12.7 million for the nine-month period as compared to a cash flow generated from operations of US$0.1 million a year ago.

VARIANCE FROM PROSPECT STATEMENT

The third quarter 2007 results, as measured against the comparable set of 2006 results, were on track with our earlier guidance that "Barring any unforeseen circumstances, Management continues to expect that the Group's 2007 results will outperform those achieved in 2006."

BUSINESS OUTLOOK

Barring any unforeseen circumstances, Management maintains its earlier guidance that it expects the Group's 2007 results to outperform those achieved in 2006.

For the Philippines, the target is to hit 60,000 store coverage by year-end from the 54,000 as of end-September. The Del Monte Fit 'n Right drinks were launched in October in the new PET format, a first for the company. These drinks contain the weight-reducing ingredient, L-Carnitine, making it a breakthrough product in the Philippines. More new products have been lined up that will address the health and wellness concerns of modern-day consumers. The fruit snack in cups will be launched in November to provide healthier snacking alternative to junk food. In the food service segment, two of the leading fast food chains have awarded the Group with their pineapple juice business.

In the international markets, a contract was secured to supply fruits in plastic cups to a major customer. The Company continues to expand its customer base for fruit in plastic cups and other high value-added products, while at the same time growing its customer base in Asia for processed exports while laying the foundation to expand its exports of fresh fruit. The Group also has been exploring strategic alliances which can further support its growth plans.

DMPL's recent acquisition of a 40.1% stake in FieldFresh Foods Private Limited (FieldFresh) further demonstrates the Company's confidence in India's strong potential, both as a consumer market and as a source for agri exports.

FieldFresh is currently engaged in growing and selling fresh fruits and vegetables mainly for export to Europe, Middle East and select Asian countries. With the entry of DMPL, the product portfolio and geographical reach of FieldFresh will be expanded to more fresh produce including pineapple. New markets will be accessed through DMPL's international network.

FieldFresh will also be the Group's platform for developing the Del Monte brand in India and penetrating the processed fruit and vegetable segments. As India is the second largest producer of fruits and vegetables in the world, the potential in both fresh and processed segments is tremendous.

Management is also excited to be working with highly respected partners – the Bharti group in India and the Rothschild group – who have done pioneering work in the agri sector in India.

Longer term, the Group aims to at least replicate the Philippine success story in India. This is expected to provide a strong second leg to DMPL's overall business.

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	
	2007	**2006** Comparable basis	**2006**	**(%)**	**(%)**	**2007**	**2006** Comparable basis	**2006**	**(%)**	**(%)**
	(a)	**(b)**	**(c)**	**(a-b)/b**	**(a-c)/c**	**(a)**	**(b)**	**(c)**	**(a-b)/b**	**(a-c)/c**
Asia Pacific	**48,694**	38,216	38,216	27.4	27.4	**6,280**	5,394	5,394	16.4	16.4
Europe and North America	**21,268**	19,826	21,293	7.3	(0.1)	**(613)**	532	1,999	n/m	n/m
Total	**69,962**	58,042	59,509	20.5	17.6	**5,667**	5,926	7,393	(4.4)	(23.3)
PBIT margin						**8.1%**	10.2%	12.4%	(2.1 ppt)	(4.3 ppt)

In US$'000	Turnover			PBIT		
	For the nine months Ended 30 Sept		YoY Change	For the nine months Ended 30 Sept		YoY Change
	2007	**2006**	**(%)**	**2007**	**2006**	**(%)**
Asia Pacific	**127,982**	102,674	24.6	**20,112**	12,018	67.3
Europe and North America	**55,530**	57,471	(3.4)	**503**	3,829	(86.9)
Total	**183,512**	160,145	14.6	**20,615**	15,847	30.1
PBIT margin				**11.2%**	9.9%	1.3 ppt

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

Asia Pacific

Asia Pacific accounted for 69.6% of Group turnover in the third quarter. Sales in this region improved by 27% to US$48.7 million from US$38.2 million due to the sustained strong performance in the Philippines and higher sales in the other Asia Pacific markets.

Turnover in the Philippines jumped 27% mainly due to a 10% improvement in volume, 4% increase in prices, and 11% favourable impact of the Peso appreciation on the translation of sales from Peso to US Dollar. Beverage sales in the Philippines contributed to half of the jump in turnover as a result of new product launches backed by intense marketing. Store coverage has also increased to 54,000 stores as of 30 September from only 28,000 in May.

Sales volume for the other Asia Pacific markets also strengthened. Great Lakes surged 48%, contributing US$4.6 million in turnover, on the back of accelerated performance in beverage and concentrate sales. Similarly, turnover of Del Monte Foods India, although not yet substantial, jumped to US$0.3 million as its operations continues to build scale.

PBIT in Asia Pacific for the third quarter went up by 16% to US$6.3 million from US$5.4 million. However, PBIT growth was lower than that for revenue due to increased costs brought about by the Peso appreciation and higher other operating expenses as a result of the unfavourable IAS 41 adjustment. PBIT margin decreased to 12.9% from 14.1% in the same quarter last year.

For the nine-month period, Asia Pacific accounted for 70% of Group turnover. Turnover grew by 25% to US$128.0 million from US$102.7 million driven by the robust sales in the Philippines. The Philippine market continues to lead other Asia Pacific markets with a 31% increase in sales, mainly led by the strong performance of beverage and tomato-based products.

Great Lakes contributed US$11.0 million in turnover, attaining 18% improvement from US$9.3 million last year on the back of better pricing and volume. Its beverage products played a major role in the increase. Del Monte Foods India also reported an increased turnover of US$0.6 million, much higher than prior year, driven by ramping up of production and intensified sales efforts plus significantly better pricing by penetrating into the Japanese market.

PBIT surged 67%, mainly as a result of significantly better margins in the Philippines, which more than offset higher costs suffered in most Asia Pacific regions. In particular, Del Monte Foods India turned around with a PBIT of US$0.3 million in the current nine-month period instead of a loss of US$0.2 million in the prior year.

Accordingly, PBIT margin for the Asia Pacific region shot up to 15.7% from 11.7%.

Europe and North America

Europe and North America comprised 30% of Group turnover in the third quarter. On a comparable basis, sales in this region increased by 7% to US$21.3 million as better performance in North America more than offset the lower sales in Europe. Volume of processed pineapple and mixed fruit increased in North America, while the opposite was true for Europe.

PBIT for the third quarter was a loss of US$0.6 million from a comparable profit of US$0.5 million in the same period last year primarily due to rising costs as a result of the Peso appreciation. The unfavourable impact of the Peso appreciation in this region's third quarter PBIT was US$1.3 million. If not for this, PBIT for Europe and North America would have been US$0.7 million, higher versus prior year quarter.

For the nine-month period, Europe and North America accounted for 30% of Group turnover. Turnover for the region declined by 3% or US$1.9 million mainly due to a significant drop in mixed fruit sales on the back of weak volume and prices, which were offset by an increase in concentrate and processed pineapple sales.

PBIT for the nine-month period declined by 87% on the back of lower turnover and the unfavourable impact of the Peso appreciation on costs amounting to US$2.5 million.

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	
	2007	**2006** Comparable basis	**2006**	**(%)**	**(%)**	**2007**	**2006** Comparable basis	**2006**	**(%)**	**(%)**
	(a)	**(b)**	**(c)**	**(a-b)/b**	**(a-c)/c**	**(a)**	**(b)**	**(c)**	**(a-b)/b**	**(a-c)/c**
Processed Products	**44,791**	38,681	40,026	15.8	11.9	**4,257**	3,459	4,804	23.1	(11.4)
Beverages	**24,630**	18,293	18,415	34.6	33.7	**1,593**	1,814	1,936	(12.2)	(17.7)
Non-processed Products	**541**	1,068	1,068	(49.3)	(49.3)	**(183)**	653	653	n/m	n/m
Total	**69,962**	58,042	59,509	20.5	17.6	**5,667**	5,926	7,393	(4.4)	(23.3)
PBIT margin						**8.1%**	10.2%	12.4%	(2.1 ppt)	(4.3 ppt)

In US$'000	Turnover			PBIT		
	For the nine months Ended 30 Sept		YoY Change	For the nine months ended 30 Sept		YoY Change
	2007	2006	(%)	2007	2006	(%)
Processed Products	**117,160**	105,272	11.3	**14,353**	11,712	22.5
Beverages	**63,652**	51,369	23.9	**6,370**	4,614	38.1
Non-processed Products	**2,700**	3,504	(22.9)	**(108)**	(479)	(77.5)
Total	**183,512**	160,145	14.6	**20,615**	15,847	30.1
PBIT margin				**11.2%**	9.9%	1.3 ppt

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

Processed Products

Processed products, our largest product category, contributed 64% 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 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 in the third quarter grew by 16% on a comparable basis to US$44.8 million due to increased sales of processed pineapple and tomato-based products. Sales of processed pineapple improved in all regions, except in Europe. Tomato-based products, driven by better marketing support, performed well in the Philippine market.

PBIT improved by 23% on a comparable basis to US$4.3 million. PBIT margin increased to 9.5% from 8.9% in the same quarter last year.

For the nine-month period, processed products accounted for 64% of Group turnover. Turnover of processed products improved by 11% to US$117.2 million driven by the 29% increase in sales for tomato-based products and 10% increase in sales of processed pineapple.

PBIT rose 23% to US$14.4 million from US$11.7 million on the back of higher turnover, with PBIT margin improving to 12.3% from 11.1%.

Beverages

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

Turnover for this segment in the third quarter registered a growth of 35% to US$24.6 million on the back of exceptional increases in juice and concentrate sales. Both Great Lakes and the Philippine market contributed significantly to the increase in turnover for juice.

However, PBIT declined by 12% on a comparable basis due mainly to higher cost brought about by the Peso appreciation.

For the nine-month period, beverage accounted for 35% of total turnover. Turnover for this segment increased by 24% to US$63.7 million from US$51.4 million mainly due to a 31% increase in juice sales led by the Philippine market, and a 11% increase in concentrate sales mainly to Europe.

PBIT rose 38% to US$6.4 million from US$4.6 million driven by higher volume and prices for juices and better volume for concentrates, especially for concentrates sold in Europe and North America.

Non-processed Products

Accounting for 0.8% 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 49% to US$0.5 million from US$1.1 million as a result of a sharp decline in cattle volume. Consequently, PBIT dipped to a negative US$0.2 million from a positive $0.7m due to an unfavourable fair market valuation for cattle inventory under IAS 41.

For the nine-month period, turnover also dropped 23% to US$2.7 million from US$3.5 million due to steep declines in the volume for fresh pineapples and cattle, which was partially offset by better prices. PBIT loss, however, was lower at US$0.1 million compared to US$0.5 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	
	2007	**2006**	**2007**	**2006**
Cost of Goods Sold	**78.3**	75.1	**76.6**	77.4
Distribution and Selling Expenses	**6.1**	6.9	**5.7**	6.3
General and Administration Expenses	**5.2**	5.1	**5.4**	5.3
Other Operating Expenses	**2.3**	1.5	**1.3**	1.6

Cost of Goods Sold

For the third quarter, cost of goods sold as a percentage of turnover increased to 78.3% from 75.1% on the back of the 11% appreciation of the Peso which more than offset cost efficiencies.

For the nine months, cost of goods sold as a percentage of turnover decreased to 76.6% from 77.4% on the back of lower pineapple, labour and energy costs, as well as containment of fixed manufacturing costs which more than offset higher tinplate cost and the unfavourable impact of the 9% Peso appreciation.

Distribution and Selling Expenses

Distribution and selling expenses as a percentage of turnover decreased in the third quarter and in the nine-month period due to timing of advertising and promotional spending.

General and Administration Expenses

General and administration expenses as a percentage of turnover increased marginally in the third quarter and nine-month period mainly due to a general increase in costs, especially professional fees.

Other Operating Expenses

Other operating expenses as a percentage of turnover increased in the third quarter mainly due to an unfavourable IAS 41 impact of US$0.3 million compared to a favourable impact of US$0.7 million in the same quarter last year. 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.

For the nine-month period, other operating expenses as a percentage of turnover decreased mainly due to a reduction in unfavourable IAS 41 impact to US$0.1 million from US$0.3 million.

In US$'000	**For the three months ended 30 Sept**		**YoY Change**	**For the nine months ended 30 Sept**		**YoY Change**
	2007	**2006**	**(%)**	**2007**	**2006**	**(%)**
Other operating expenses (before IAS 41)	**1,338**	1,633	(18.1)	**2,267**	2,371	(4.4)
Net changes in fair value of biological assets that remain unsold as at the end of the period	**258**	(740)	n/m	**57**	254	(77.6)
Other operating expenses (after IAS 41)	**1,596**	893	78.7	**2,324**	2,625	(11.5)

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances in US$'000	**As at**		
	30 Sept 2007	**30 Sept 2006**	**31 Dec 2006**
Fixed assets	**63,563**	54,947	56,198
Other assets	**11,105**	9,866	6,865
Inventories	**63,413**	54,411	45,235
Biological assets	**51,135**	45,773	44,451
Trade and other receivables	**47,884**	32,802	46,121
Financial liabilities – non-current	**1,425**	2,555	1,523
Financial liabilities – current	**54,097**	51,346	44,611
Trade and other payables	**33,012**	39,061	33,716
Current tax liabilities	**2,200**	837	4,070

Fixed assets

Fixed assets increased compared to the same quarter last year and year-end 2006 due to capital expenditures during the period and a revaluation surplus of US$3.7 million arising from revaluing freehold land at market value.

Other assets

Other assets increased compared to the same quarter last year and year-end 2006 due to higher advances made to landowners for long-term leases of agricultural land arising from more land rented and an upward revision in rental rates.

Inventories

Inventories increased compared to the same quarter last year and year-end 2006 due to higher finished goods in anticipation of higher sales in the fourth quarter and tinplate inventory on the back of higher cost. The appreciation of the Peso also translated into higher inventory.

Biological assets

Biological assets consist of deferred growing crops and livestock. Biological assets increased compared to the same quarter last year primarily due to higher deferred growing crop costs as a result of the Peso appreciation.

Biological assets increased compared to year-end 2006 due to higher deferred growing crop costs as a result of the Peso appreciation and an increase in land cultivation.

Trade and other receivables

Trade and other receivables increased compared to the same quarter last year due to higher turnover, higher prepaid rent as a result of raised rental rates and additional land rented. Trade and other receivables increased compared to year-end 2006 due to transfer of current portion from deferred charges.

Financial liabilities – non current

Financial liabilities – non-current decreased compared to the same quarter last year and year-end 2006 due to the transfer of the current portion of unpaid financial leases to financial liabilities - current.

Financial liabilities – current

Financial liabilities – current increased compared to the same quarter last year due to borrowings undertaken to settle the Del Monte trademark for the Indian subcontinent. Financial liabilities – current increased compared to year-end 2006 mainly due to higher borrowings undertaken for the working capital requirements in the Philippines.

Trade and other payables

Trade and other payables decreased compared to the same quarter last year mainly due to the settlement of the Del Monte trademark for the Indian subcontinent.

Current tax liabilities

Current tax liabilities were significantly higher compared to the same quarter last year due to higher profits in the higher-tax jurisdiction.

Current tax liabilities were significantly lower compared to year-end 2006 as tax as at year-end is based on seasonally higher fourth quarter profit.

SHARE CAPITAL

Ordinary shares issued and fully paid-up share capital	**As at 30 Sept**		**As at 31 Dec**
	2007	**2006**	**2006**
Number of shares	**1,081,781,194**	1,081,781,194	1,081,781,194
Share capital (US$'000)	**10,818**	10,818	10,818

CASH FLOW AND LIQUIDITY

Cash flow in US$'000	
Net debt as at 30 June 2007	(10,390)
Net cash used in operating activities	(3,561)
Capital expenditure	(876)
Proceeds from disposal of fixed assets	11
Dividend payment	(7,897)
Interest received (paid)	(235)
Repayment of financial liabilities	(98)
Effect of exchange rate changes	2,850
Net debt as at 30 Sept 2007	(20,196)

Liquidity in US$'000	**As at 30 Sept**		**As at 31 Dec**
	2007	**2006**	**2006**
Gross borrowings	**53,940**	51,127	43,714
Current	**53,940**	51,127	43,714
Secured	-	-	-
Unsecured	**53,940**	51,127	43,714
Non-current	-	-	-
Secured	-	-	-
Unsecured	-	-	-
Less: Cash and bank balances	**33,744**	51,031	51,546
Net (debt)/cash	**(20,196)**	(96)	7,832

The Group reported a net debt position of US$20.2 million as of 30 September 2007 versus a net cash position of US$7.8 million as of year-end 2006 mainly due to higher working capital requirements on the back of higher finished goods and tinplate inventory coupled with 2006 final and 2007 interim dividend payments.

The Group's net debt position of US$20.2 million as of 30 September 2007 compared to net debt position of US$0.1 million as of 30 September 2006 due to higher working capital cited above, borrowings undertaken to settle the Del Monte trademark and higher dividend payment.

CAPITAL EXPENDITURE

Capital expenditures for the third quarter and nine-month period were lower compared to the same period last year, mainly due to the completion of the upgrading works at Lulong factory in China in 2006.

In the Philippines, there were no major expenditures in the third quarter. Minor expenditures included leasehold improvements for new offices at Taguig and Pasig, acquisitions of motor vehicles and expenditures on IT-related projects.

In US$'000	**For the three months ended 30 Sept**			**For the nine months ended 30 Sept**		
	2007	**2006**	**YoY Change (%)**	**2007**	**2006**	**YoY Change (%)**
Capex	**876**	2,548	(65.6)	**3,747**	4,371	(14.3)
Depreciation	**2,189**	1,876	16.7	**6,263**	5,557	12.7

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**		
	2007	**2006**	**%**	**2007**	**2006**	**%**
Turnover	**69,962**	59,509	17.6	**183,512**	160,145	14.6
Cost of sales	**(54,753)**	(44,676)	22.6	**(140,575)**	(123,968)	13.4
Gross profit	**15,209**	14,833	2.5	**42,937**	36,177	18.7
Distribution and selling expenses	**(4,271)**	(4,131)	3.4	**(10,539)**	(10,088)	4.5
General and administration expenses	**(3,668)**	(3,008)	21.9	**(9,928)**	(8,466)	17.3
Other operating expenses	**(1,596)**	(893)	78.7	**(2,324)**	(2,625)	(11.5)
Profit from operations	**5,674**	6,801	(16.6)	**20,146**	14,998	34.3
Financial income	**567**	1,322	(57.1)	**2,542**	2,938	(13.5)
Financial expense	**(783)**	(1,085)	(27.8)	**(2,187)**	(2,973)	(26.4)
Profit before taxation	**5,458**	7,038	(22.4)	**20,501**	14,963	37.0
Taxation	**(740)**	(2,240)	(67.0)	**(5,239)**	(3,086)	69.8
Profit after taxation	**4,718**	4,798	(1.7)	**15,262**	11,877	28.5
Minority interest	**-**	-		**-**	-	
Net profit attributable to shareholders	**4,718**	4,798	(1.7)	**15,262**	11,877	28.5
Notes:						
Depreciation and amortization	**(2,295)**	(1,906)	20.4	**(6,579)**	(5,646)	16.5
Financial income comprise:						
Interest income	**567**	730	(22.3)	**2,073**	2,089	(0.8)
Foreign exchange gain	**-**	592	0.0	**469**	849	(44.8)
	567	1,322	(57.1)	**2,542**	2,938	(13.5)
Financial expense comprise:						
Interest expense	**(776)**	(1,085)	(28.5)	**(2,187)**	(2,973)	(26.4)
Foreign exchange loss	**(7)**	-	0.0	**-**	-	-
	(783)	(1,085)	(27.8)	**(2,187)**	(2,973)	(26.4)

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNTS
(CONTINUED)

Earnings per ordinary share in US cents	**For the three months ended 30 Sept**		**For the nine months ended 30 Sept**	
	2007	**2006**	**2007**	**2006**
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on existing issued share capital	**0.44**	0.44	**1.41**	1.10
(ii) On a fully diluted basis	**0.44**	0.44	**1.41**	1.10

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS

Amounts in US$'000	Group			Company		
	30 Sept 2007 Unaudited	**30 Sept 2006 Unaudited**	**31 Dec 2006 Audited**	**30 Sept 2007 Unaudited**	**30 Sept 2006 Unaudited**	**31 Dec 2006 Audited**
Non-Current Assets						
Property, plant and equipment	**63,563**	54,947	56,198	**-**	-	-
Subsidiaries	**-**	-	-	**84,490**	126,858	84,490
Intangible assets	**15,564**	16,213	15,880	**-**	-	-
Other assets	**11,105**	9,866	6,865	**-**	-	-
	90,232	81,026	78,943	**84,490**	126,858	84,490
Current assets						
Inventories	**63,413**	54,411	45,235	**-**	-	-
Biological assets *	**51,135**	45,773	44,451	**-**	-	-
Trade and other receivables	**47,884**	32,802	46,121	**14,452**	12,964	11,502
Cash and cash equivalents	**33,744**	51,031	51,546	**14**	14	15
	196,176	184,017	187,353	**14,466**	12,978	11,517
Total Assets	**286,408**	265,043	266,296	**98,956**	139,836	96,007
Equity attributable to equity holders of the Company						
Share capital	**10,818**	10,818	10,818	**10,818**	10,818	10,818
Reserves	**173,951**	151,142	163,069	**71,211**	64,365	69,849
	184,769	161,960	173,887	**82,029**	75,183	80,667
Minority interest	**-**	-	-	**-**	-	-
Total Equity	**184,769**	161,960	173,887	**82,029**	75,183	80,667
Non-Current Liabilities						
Deferred tax liabilities	**10,905**	9,284	8,489	**-**	-	-
Financial liabilities	**1,425**	2,555	1,523	**-**	-	-
	12,330	11,839	10,012	**-**	-	-
Current Liabilities						
Trade and other payables	**33,012**	39,061	33,716	**8,546**	64,653	6,959
Financial liabilities	**54,097**	51,346	44,611	**8,381**	-	8,381
Current tax liabilities	**2,200**	837	4,070	**-**	-	-
	89,309	91,244	82,397	**16,927**	64,653	15,340
Total Liabilities	**101,639**	103,083	92,409	**16,927**	64,653	15,340
Total Equity and Liabilities	**286,408**	265,043	266,296	**98,956**	139,836	96,007

* Biological assets consist of deferred growing crops and livestock.

DEL MONTE PACIFIC LIMITED
BALANCE SHEETS (CONTINUED)

	Group			Company		
Net asset value per ordinary share in US cents	**30 Sept 2007**	**30 Sept 2006**	**31 Dec 2006**	**30 Sept 2007**	**30 Sept 2006**	**31 Dec 2006**
	Unaudited	**Unaudited**	**Audited**	**Unaudited**	**Unaudited**	**Audited**
Net asset value per ordinary share	**17.08**	14.97	16.07	**7.58**	6.95	7.46

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

THE GROUP

Amounts in US$'000	Share Capital	Share premium	Translation Reserves	Asset Revaluation Reserve	Revenue reserves	Total	Minority interest	Total Equity
	Attributable to equity holders of the parent							
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 for the period	-	-	-	-	11,877	11,877	-	11,877
Total recognised income and expense for the year	-	-	4,886	-	11,877	16,763	-	16,763
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

Amounts in US$'000	Share Capital	Share premium	Translation Reserves	Asset Revaluation Reserve	Revenue reserves	Total	Minority interest	Total Equity
	Attributable to equity holders of the parent							
As at 1 January 2007	10,818	68,687	(55,030)	-	149,412	173,887	-	173,887
Currency translation differences recognised directly in equity	-	-	10,330	-	-	10,330	-	10,330
Revaluation surplus, arising from the change in accounting policy - property, plant and equipment	-	-	-	3,680	-	3,680	-	3,680
Profit for the period	-	-	-	-	15,262	15,262	-	15,262
Total recognised income and expense for the year	-	-	10,330	3,680	15,262	29,272	-	29,272
Dividends	-	-	-	-	(18,390)	(18,390)	-	(18,390)
As at 30 Sept 2007	10,818	68,687	(44,700)	3,680	146,284	184,769	-	184,769

THE COMPANY

Amounts in US$'000	**Share capital**	**Share premium**	**Revenue Reserves**	**Total**
As at 1 January 2006	10,818	68,826	855	80,499
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
As at 1 January 2007	10,818	68,826	1,023	80,667
Net profit attributable to shareholders	-	-	19,752	19,752
Dividends	-	-	(18,390)	(18,390)
As at 30 Sept 2007	10,818	68,826	2,385	82,029

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	
	2007 Unaudited	2006 Audited	2007 Unaudited	2006 Audited
Operating activities				
Net profit attributable to shareholders	**4,718**	4,798	**15,262**	11,877
Adjustments for:				
Depreciation and amortisation	**2,295**	1,906	**6,579**	5,646
Provision for asset impairment	**(24)**	(19)	**(300)**	(58)
Provision for inventory obsolescence	**176**	206	**727**	864
Provision for doubtful debts	**196**	306	**531**	341
(Gain)/Loss on disposal of fixed assets	**(5)**	1	**(92)**	(63)
Income tax expense	**740**	2,240	**5,239**	3,086
Operating profit before working capital changes	**8,096**	9,438	**27,946**	21,693
Other assets	**(870)**	(1,028)	**(4,240)**	(3,468)
Inventories	**(542)**	(1,784)	**(19,162)**	(9,518)
Biological assets	**(3,878)**	(3,444)	**(6,684)**	(5,706)
Trade and other receivables	**(3,205)**	(3,396)	**(4,494)**	(2,869)
Trade and other payables	**(1,391)**	5,224	**1,545**	3,079
Operating cash flow	**(1,790)**	5,010	**(5,089)**	3,211
Income taxes paid	**(1,771)**	(628)	**(7,646)**	(3,108)
Cash flows (used in)/generated from operating activities	**(3,561)**	4,382	**(12,735)**	103
Investing activities				
Interest received	**587**	739	**2,081**	2,087
Proceeds from disposal of property, plant and equipment	**11**	1,096	**309**	1,202
Purchase of property, plant and equipment	**(876)**	(2,548)	**(3,747)**	(4,371)
Acquisition of remaining 11% stake in Abpak Co Ltd	**-**	(1,274)	**-**	(1,274)
Cash flows used in investing activities	**(278)**	(1,987)	**(1,357)**	(2,356)
Financing activities				
Interest paid	**(822)**	(954)	**(2,249)**	(2,833)
Proceeds from/(repayment of) financial liabilities	**1,348**	382	**9,388**	8,795
Dividends paid	**(7,897)**	(5,301)	**(18,390)**	(15,902)
Cash flows used in financing activities	**(7,371)**	(5,873)	**(11,251)**	(9,940)
Net decrease in cash and cash equivalents	(11,210)	(3,478)	(25,343)	(12,193)
Cash and cash equivalents at beginning of period	42,104	50,648	51,546	60,113
Effect of exchange rate changes on cash and cash equivalents	2,850	3,861	7,541	3,111
Cash and cash equivalents at end of period	**33,744**	51,031	**33,744**	51,031

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**
	2007	**2006**	**(%)**	**2007**	**2006**	**(%)**
Turnover	**106,342**	94,024	13.1	**280,773**	256,232	9.6
Gross profit	**23,118**	23,436	(1.4)	**65,694**	57,883	13.5
Gross profit margin (%)	***21.7***	*24.9*	*(3.2 ppt)*	***23.4***	*22.6*	*0.8 ppt*
EBITDA	**12,113**	13,757	(12.0)	**40,889**	33,030	23.8
EBITDA margin (%)	***11.4***	*14.6*	*(3.2 ppt)*	***14.6***	*12.9*	*1.7 ppt*
PBIT	**8,614**	11,681	(26.3)	**31,541**	25,355	24.4
PBIT margin (%)	***8.1***	*12.4*	*(4.3 ppt)*	***11.2***	*9.9*	*1.3 ppt*
Net profit	**7,171**	7,581	(5.4)	**23,351**	19,003	22.9
Net profit margin (%)	***6.7***	*8.1*	*(1.4 ppt)*	***8.3***	*7.4*	*0.9 ppt*
Net cash/(debt)	**(30,698)**	(152)	n/m	**(30,900)**	(154)	n/m
Cash flow from/(used in) operations	**(5,413)**	6,924	n/m	**(19,485)**	165	n/m
Capital expenditure	**1,332**	4,026	(66.9)	**5,733**	6,994	(18.0)
(in SG cents)						
EPS	**0.67**	0.70	(5.4)	**2.16**	1.76	22.9
NAV per share	**25.96**	23.65	9.8	**26.13**	23.95	9.1
Operating cash flow per share	**(0.50)**	0.65	n/m	**(1.81)**	0.02	n/m

Note:
S$/US$ conversion rate: 1.52 in 3Q07 and 1.53 in 9M07 (1.58 in 3Q06 and 1.60 in 9M06)

n/m – not meaningful

2. AUDIT

The figures for the third quarter ended 30 September 2007 have neither been audited nor reviewed by the Group's auditors.

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3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the following:

(a) Change arising from the adoption of *IFRS 7 Financial Instruments: Disclosures (Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures)* which became effective on 1 January 2007;

The Group's adoption of the revised standard has no significant impact on current and prior periods.

(b) Change in accounting policy on revaluation of freehold land

Freehold land which was previously stated at cost is now stated at valuation on an open market basis by an independent valuer. The change in policy has increased total equity of the Group by US$3.7 million in revaluation surplus but has no impact to the net profit attributable to shareholders in the current period.

4. GROUP SEGMENTAL REPORTING

By business segments

Nine months ended 30 Sept 2007 in US$'000	**Processed Products**	**Beverages**	**Non-Processed Products**	**Consolidated**
Turnover	117,160	63,652	2,700	183,512
Profit from operations, representing segment result	14,089	6,167	(110)	20,146
Net foreign exchange gain	264	203	2	469
Profit before interest and tax	14,353	6,370	(108)	20,615
Net interest expense	372	(488)	2	(114)
Profit before taxation	14,725	5,882	(106)	20,501
Taxation				(5,239)
Net profit attributable to shareholders				15,262
Segment assets	152,260	94,338	6,066	252,664
Unallocated assets				33,744
Consolidated total assets				286,408
Segment liabilities	8,546	24,493	622	33,661
Unallocated liabilities				67,978
Consolidated total liabilities				101,639
Capital expenditure	2,240	1,501	6	3,747
Depreciation	3,651	2,525	87	6,263
Amortisation	165	151	-	316
Writeback of asset impairment	(43)	(257)	-	(300)
Non-cash expenses (net) other than depreciation, amortisation and writeback of asset impairment	742	421	3	1,166

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

By geographical segments

In US$'000	**Turnover**		**Capital expenditure**		**Total assets**	
	For the nine months ended 30 Sept				**As at 30 Sept**	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
Asia Pacific	**127,982**	102,674	**3,747**	4,371	**286,408**	265,043
Europe and North America	**55,530**	57,471	**-**	-	-	-
Total	**183,512**	160,145	**3,747**	4,371	**286,408**	265,043

5. QUARTERLY TURNOVER AND PBIT BREAKDOWN

	2006	% of Full Year 2006	2005	% of Full Year 2005	YoY Chg (%)
Turnover	**In US$'000**		In US$'000		
1Q	**46,721**	**19**	48,022	22	(2.7)
2Q	**53,915**	**22**	54,548	24	(1.2)
3Q	**59,509**	**25**	50,601	23	17.6
4Q	**83,246**	**34**	69,187	31	20.3
Total	**243,391**	**100**	222,358	100	9.5
PBIT					
1Q	**4,460**	**16**	6,122	25	(27.1)
2Q	**3,994**	**13**	6,815	28	(41.4)
3Q	**7,393**	**26**	3,892	16	90.0
4Q	**12,775**	**45**	7,826	31	63.2
Total	**28,622**	**100**	24,655	100	16.1
Net profit					
1Q	**3,418**	**16**	5,361	29	(36.2)
2Q	**3,661**	**17**	4,835	26	(24.3)
3Q	**4,798**	**23**	2,775	15	72.9
4Q	**9,160**	**44**	5,783	30	58.4
Total	**21,037**	**100**	18,754	100	12.2

	2007	% of Full Year 2007	2006	% of Full Year 2006	YoY Chg (%)
Turnover	**In US$'000**		In US$'000		
1Q	**47,850**	**n.a.**	46,721	19	2.4
2Q	**65,700**	**n.a.**	53,915	22	21.9
3Q	**69,962**	**n.a.**	59,509	25	17.6
Total	**183,512**	**n.a.**	160,145	66	14.6
PBIT					
1Q	**6,513**	**n.a.**	4,460	16	46.0
2Q	**8,435**	**n.a.**	3,994	13	111.2
3Q	**5,667**	**n.a.**	7,393	26	(23.3)
Total	**20,615**	**n.a.**	15,847	55	30.1
Net profit		**n.a.**			
1Q	**5,132**	**n.a.**	3,418	16	50.1
2Q	**5,412**	**n.a.**	3,661	17	47.8
3Q	**4,718**	**n.a.**	4,798	23	(1.7)
Total	**15,262**	**n.a.**	11,877	56	28.5

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:

For the three months ended 30 Sept				
In US$'000	**Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	2007	**2006**	**2007**	**2006**
Revenue				
San Miguel Corporation and its associates	**-**	-	**-**	-
Sub-total	**-**	-	**-**	-
Purchases				
San Miguel Corporation and its associates	**-**	-	**-**	616
NutriAsia Inc. and its associates	**-**	-	**-**	-
Sub-total	**-**	-	**-**	616
Aggregate value	**-**	-	**-**	616

For the nine months ended 30 Sept				
In US$'000	**Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	2007	**2006**	**2007**	**2006**
Revenue				
San Miguel Corporation and its associates	**-**	-	**-**	-
Sub-total	**-**	-	**-**	-
Purchases				
San Miguel Corporation and its associates	**-**	-	**1,331**	1,536
NutriAsia Inc. and its associates	**-**	-	**100**	124
Sub-total	**-**	-	**1,431**	1,660
Aggregate value	**-**	-	**1,431**	1,660

On 1 December 2005, the San Miguel Group and the NutriAsia Group of Companies became indirect controlling shareholders of DMPL through a joint venture company, NutriAsia Pacific Ltd. ("NPL"), which acquired 84.5% stake in DMPL. On 13 April 2007, the NutriAsia Group acquired the San Miguel Group's entire 42.2% stake in NPL. Consequently, the San Miguel Group had ceased to be an interested person in DMPL upon such transaction.

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 the 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 2006, 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. 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 that address today's consumer needs for premium quality, healthy fruit and vegetable-based products. It innovates, produces, markets and distributes its products worldwide.

In the Philippines where the Group owns the Del Monte brand, it enjoys leading market shares for canned pineapple juice and juice drinks, canned pineapple and tropical 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 a manufacturing facility near Bangalore that produces and sells processed mango and guava products.

The Group also owns 40.1% of FieldFresh Foods Private Limited in India (www.fieldfresh.in). FieldFresh grows, packs, markets and distributes fresh fruits and vegetables globally. Del Monte Pacific's partners in FieldFresh are the well-respected Bharti and Rothschild groups.

The Group owns Abpak Company Ltd which holds 100% of Great Lakes (www.greatlakesjuice.com). Great Lakes is a premium fruit juice producer in China which sells juices under the Great Lakes, Ming Lang, Huanyan, Rougemont and Welch's brands. Great Lakes also produces apple juice concentrates, apple puree, slices and dices for sale worldwide, and markets other fruit-based concentrates such as strawberry, peach and apricot.

With its 19,000-hectare contiguous pineapple plantation in the Philippines, 700,000-ton processing capacity and a port beside the Cannery, Del Monte Pacific operates the world's largest fully-integrated pineapple operation. It is proud of its long heritage of more than 80 years of pineapple growing and processing. It 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.

Del Monte Pacific is 80%-owned by NutriAsia Pacific Ltd (NPL). NPL is owned by the NutriAsia Group of Companies which is in turn majority-owned by the Campos family of the Philippines. The NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines. Its flagship brand, UFC, has an 85% market share in the local ketchup and hot chili sauce categories.

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