

# Del Monte Pacific Limited

## Fourth Quarter and Full Year 2007 Results

27 February 2008



# Cautionary note on forward looking statements

This presentation may contain statements regarding the business of Del Monte Pacific Limited and its subsidiaries (“Group”) that are of a forward looking nature and are therefore based on management’s assumption about future developments.

Such forward looking statements are intended to be identified by words such as ‘believe’, ‘estimate’, ‘intend’, ‘may’, ‘expect’, and ‘project’ and similar expressions as they relate to the Group. Forward looking statements involve certain risk and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect the Group’s future financial results are detailed in the management discussion and analysis section of the company’s results report and filing with the SGX.



# Agenda

- o **Executive Summary**
- o **What did we do in 2007?**
- o **Analysis of 4Q 2007 Results**
- o **Analysis of FY 2007 Results**
- o **Growth Initiatives for 2008**
- o **Outlook for 2008**



# Executive Summary

- Strong set of 4Q and FY 2007 results with 155% and 84% profit growth, respectively
- Revenue building and cost saving initiatives produced outstanding results
- Boosted by one time deferred tax benefit
- Declared dividend of US\$0.0195 or 75% of 2nd half net profit



# What did we do in 2007?

## Revenue-Building Initiatives

### Philippines

- Increased distributors and store coverage from 28k to 64k stores
- Launched *Fit 'n Right* juice drink in PET format, a first for the Company!
- Started selling fresh pineapple in Metro Manila
- New food service business

### Exports

- Expanded sales in Asia Pacific
- Hired a Fresh manager for renewed focus on the Fresh business, 4Q sales 1.5x vs last year





# What did we do in 2007?

## Cost Savings Initiatives

- Reduced warehouses from 12 to 3
- Locked in annual requirement of imported sugar, paper labels at low price
- Reduced tin can weight
- Joint insurance procurement
- Full year impact of the Early Retirement Program from 2006



### Total Savings of US\$4.7m in 2007

Early Retirement Program	US\$ 1.9m
Purchasing savings	US\$ 1.3m
Cannery improvements	US\$ 0.8m
Logistics rationalisation	US\$ 0.4m
Others	US\$0.3m



# What did we do in 2007?

## Acquisitions

### FieldFresh in September

- Acquired 40% of FieldFresh for US\$ 20.85m, but with 50% voting rights
- Balance 50% owned by Bharti and 10% by Rothschild
- Additional investment brought total to US\$ 22.5m

### S&W in November

- Acquired S&W brand for US\$10m
- Global rights except for Americas, Australia/NZ

## Others

Granted special economic zone status by the Philippine Economic Zone Authority leading to lower taxes

fieldfresh





# Fourth Quarter 2007 Results





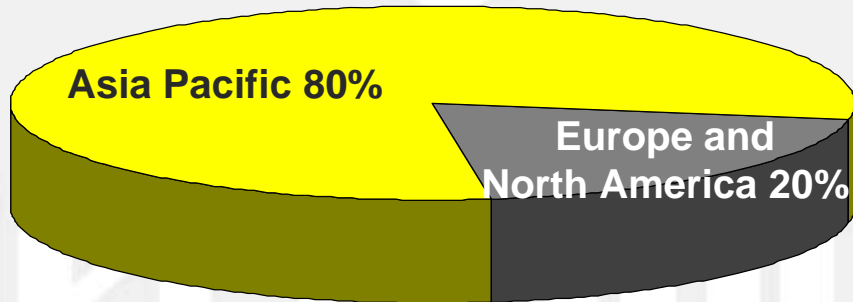
# Fourth Quarter 2007

In US\$m	4Q 2006	4Q 2007	Change
Turnover	83.2	105.9	+27.2%
EBITDA	15.2	20.5	+34.9%
PBIT	12.8	17.0	+33.1%
Financial expense (net)	(0.1)	(0.4)	+204.7%
Tax*	(3.5)	6.7	n/m
Net Profit*	9.2	23.3	+154.7%
EPS (US cents)	0.85	2.16	+154.7%
Dividend/Share (US cents)	0.97	1.95	+101.0%
Operating Cash Flow	11.6	36.6	+217.0%
Net Cash/(Debt)	7.8	(19.2)	n/m

\* 2007 includes US\$9.8m one time deferred tax benefit due to grant of special economic zone status

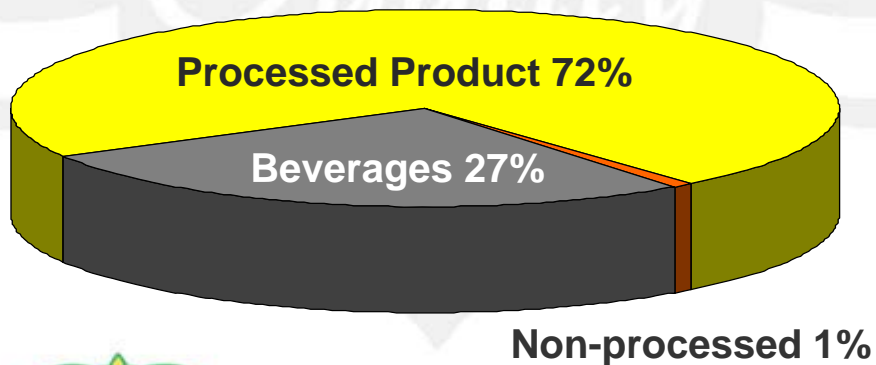
# 4Q Turnover Analysis

## By Market



Asia Pac	+40%	Higher mixed fruit, beverage and tomato-based product sales in Philippines Higher processed pineapple sales in other Asia Pac markets
E&NA	-6%	Decline in Europe could not offset marginal increase in North America

## By Product



Processed	+27%	Higher in all categories, especially tomato-based
Beverages	+36%	Philippines higher juice sales, DMFI higher concentrate sales
Non-processed	-56%	Lower cattle volume



# 4Q Margins

Rising costs as a result of a 12% appreciation in Peso against US\$

Lower operating expenses due to stringent cost controls

Write-back of deferred tax previously provided at 30-35% of PBT to new incentive 5% tax rate of GP

% Margin

30

20

10

0

32.0

30.7

15.3

16.1

11.0

22.0

Gross Profit

PBIT

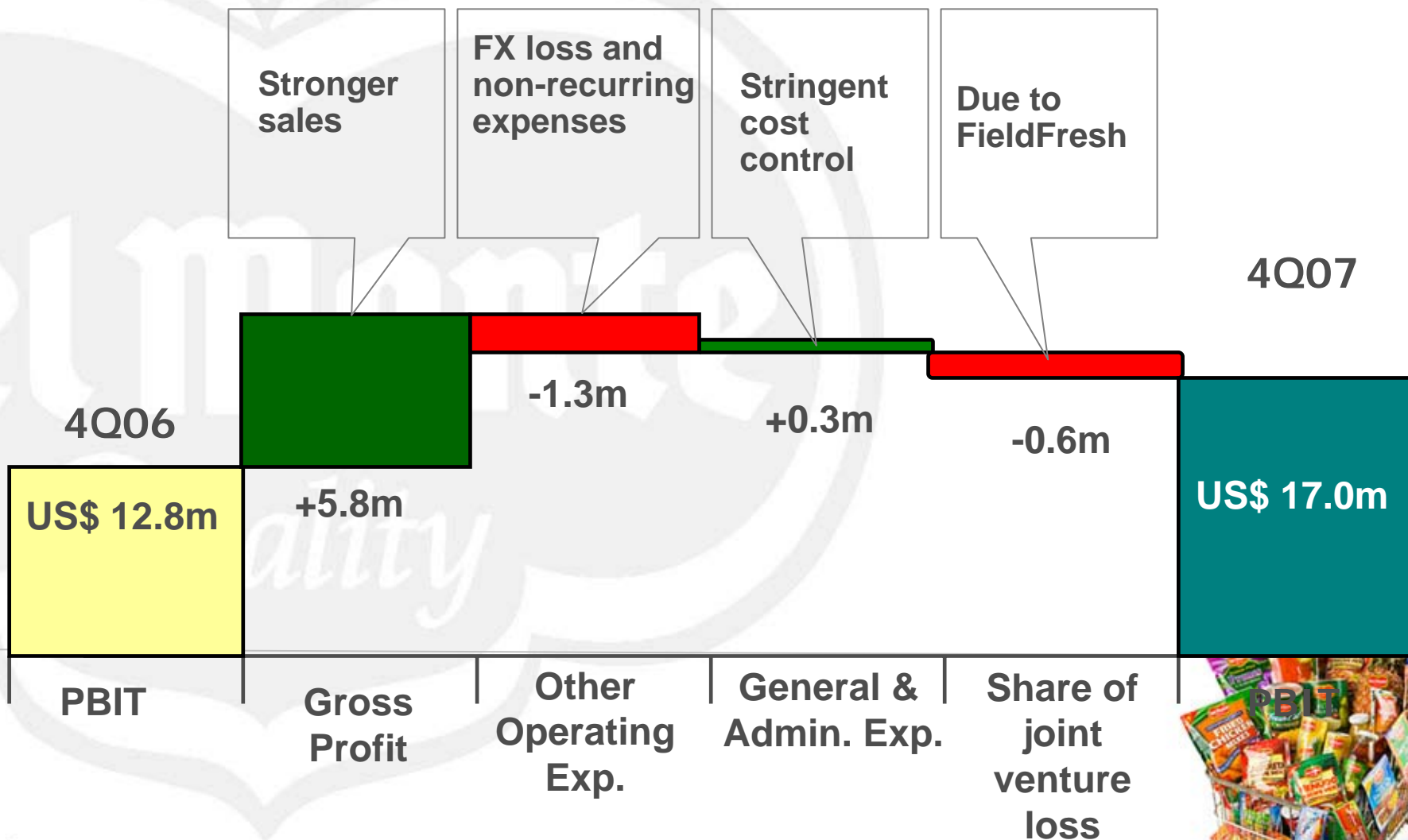
Net Profit

4Q06

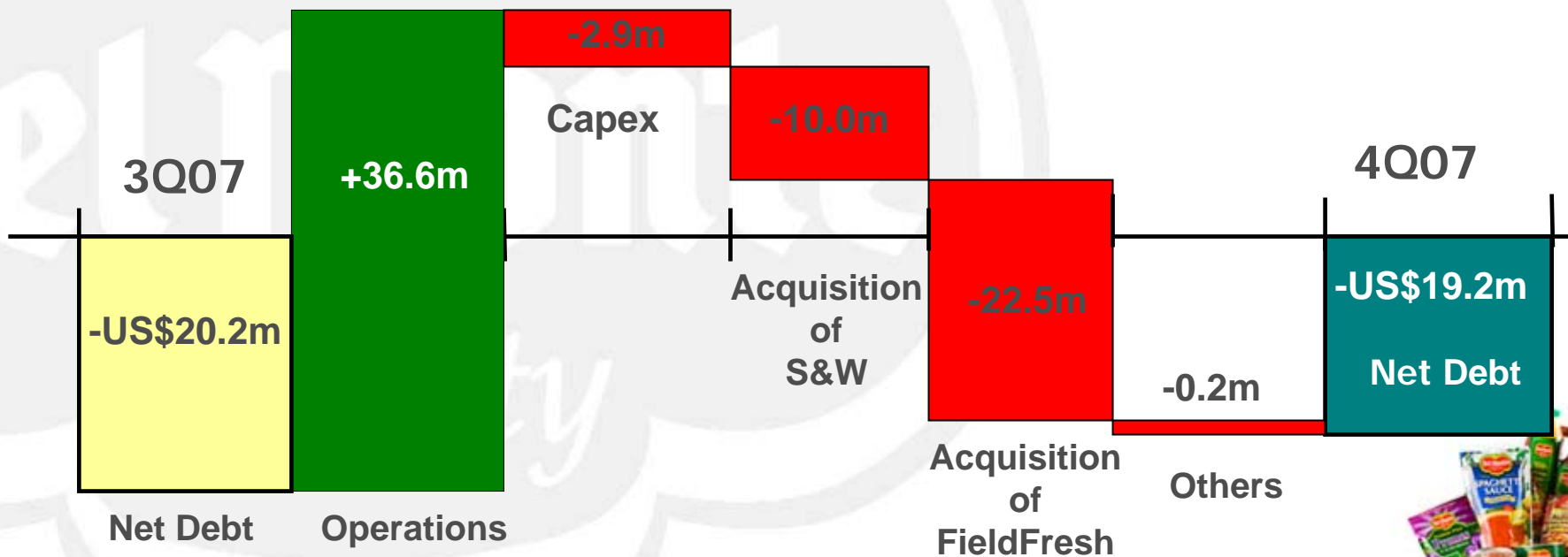
4Q07



# 4Q PBIT Variance Analysis



# 4Q Cash Flow Variance Analysis





# Peso/US\$ impact

	4Q 2006	4Q 2007	% chg	FY 2006	FY 2007	% chg
Peso/US\$	49.701	43.825	12% appreciation	50.87	45.91	10% appreciation

Impact on <b>PBIT</b> in US\$m	4Q 2007	FY 2007
Asia Pacific	2.5	3.2
Europe & North America	(1.5)	(4.2)
Net impact	1.0	(1.0)

Impact on <b>Net Profit</b> in US\$m	4Q 2007	FY 2007
Asia Pacific	2.2	3.1
Europe & North America	(1.6)	(4.2)
Net impact	0.6	(1.1)



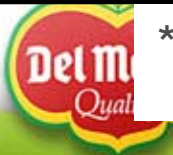


# Full Year 2007 Results



# Full Year 2007

In US\$m	FY 2006	FY 2007	Change
Turnover	243.4	<b>289.4</b>	+18.9%
EBITDA	35.9	<b>47.3</b>	+31.8%
PBIT	28.6	<b>37.6</b>	+31.4%
Financial expense (net)	(1.0)	<b>(0.5)</b>	-50.2%
Tax*	(6.6)	<b>1.5</b>	n/m
Net Profit*	21.0	<b>38.6</b>	+83.5%
EPS (US cents)	1.94	<b>3.57</b>	+83.5%
Dividend per share (US cents)	1.46	<b>2.68</b>	+83.5%
Operating Cash Flow	15.7	<b>31.3</b>	+99.8
Net Cash/(Debt)	7.8	<b>(19.2)</b>	n/m

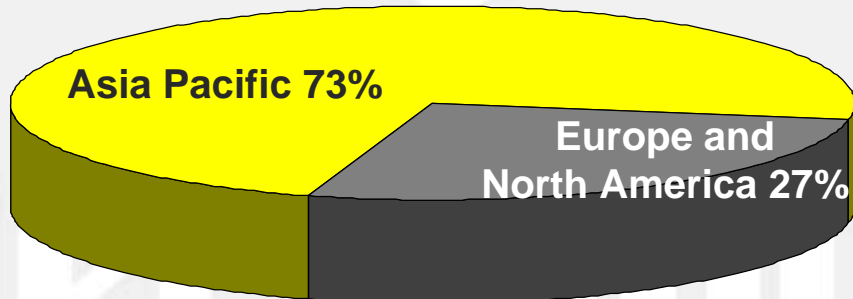


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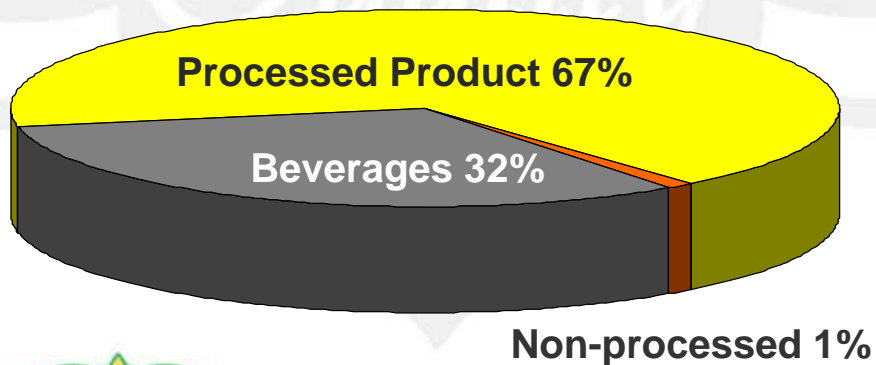
# Full Year Turnover Analysis

## By Market



Asia Pac	+30%	Higher sales in all categories, especially beverage and tomato based products in Philippines  Higher processed pineapple sales in other Asia Pacific markets
E&NA	-4%	Higher sales in Europe not enough to offset lower sales in North America

## By Product



Processed	+17%	Higher tomato-based product sales in Philippines and better sales of processed pineapples in other Asia Pacific markets
Beverages	+27%	Philippines higher juice sales, DMFI higher concentrate sales
Non-processed	-33%	Lower cattle volume



# FY Margins

Higher turnover and cost efficiencies despite Peso appreciation

Better margins driven by higher sales & cost efficiencies

Write-back of deferred tax previously provided at 30-35% of PBT to new incentive 5% tax rate on GP

% Margin

30

25.8

26.1

20

10

0

11.8

13.0

8.6

13.3

Gross Profit

PBIT

Net Profit

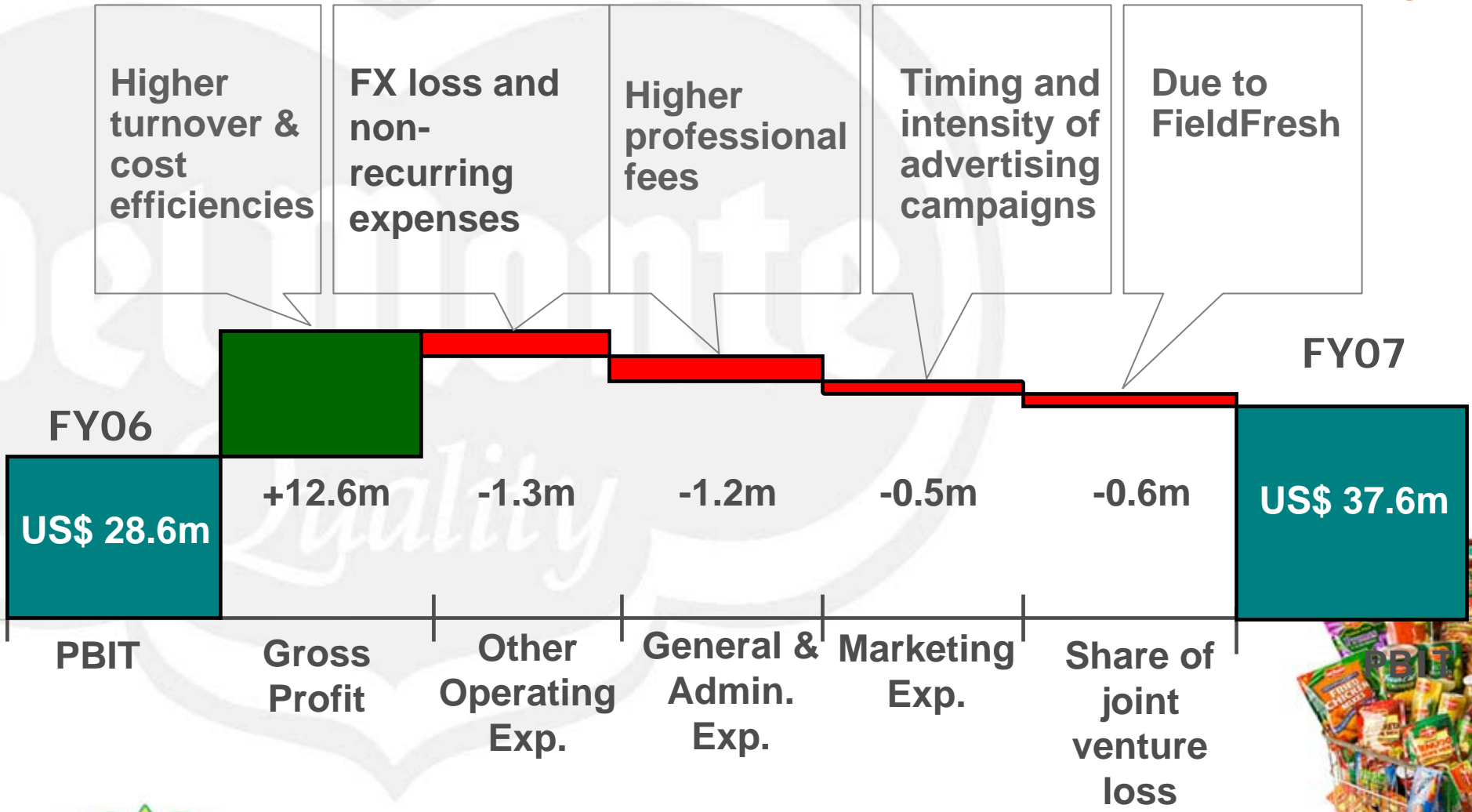
● FY06

● FY07





# FY PBIT Variance Analysis



# Growth Drivers for 2008

## Philippines

Full year impact of PET juices

Full year impact of increased store coverage

Full year impact of Nov 2007 price increase

New food service business

New products addressing health & wellness

Sale of fresh pineapple

Full year impact of PEZA tax savings

## International Markets

Sale of fresh pineapple to Middle East, higher prices

Higher volume of outside Supply contract products such as fruit in cups

S&W business expansion



# Outlook for 2008

- Barring any unforeseen circumstances, Management expects the Group's 2008 results to outperform those achieved in 2007



# Dividend

Dividend	Book Closure Date	Payment Date	Dividend/ Share (US cent)	Dividend/ Share (SG cent)	Payout Ratio
Interim	22 Aug 2007	5 Sept 2007	0.0073	0.0110	75% of 1H07 profit
Final	14 Mar 2008	27 Mar 2008	0.0195	0.0275*	75% of 2H07 profit
Total			0.0268	0.0385	75% of FY07 profit

\*Based on an indicative exchange rate of S\$1.41/US\$

6.2% yield on share price of S\$0.625

## Vs last year

Interim	18 Aug 2006	7 Sept 2006	0.0049	0.0077	75% of 1H06 profit
Final	21 Mar 2007	11 Apr 2007	0.0097	0.0148	75% of 2H06 profit
Total			0.0146	0.0225	75% of FY06 profit

3.6% yield on share price of S\$0.625



Del Monte  
*Quality*

**Thank You**

