



Del Monte Pacific Limited

**Management Discussion and Analysis of
Unaudited Financial Condition and Results of Operations for
the Fourth Quarter and Full Year Ended 31 December 2003**

CONTENTS	Page
Summary	3
Financial Highlights	4
Review of Operating Performance	4
Variance from Prospect Statement	5
Business Outlook	5
Review of Turnover and PBIT	
By geographical segments	6
By business segments	7
Review of Cost of Goods Sold and Operating Expenses	8
Review of Group Assets and Liabilities	9
Share Capital	9
Cash Flow and Liquidity	10
Capital Expenditure	10
Dividends	11
Financial Statements	
Profit and Loss Statements	12
Balance Sheets	13
Statements of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	
1. Financial Highlights in Singapore Dollars	18
2. Audit	18
3. Accounting Policies	18
4. Group Segmental Reporting	20
5. Quarterly Turnover and PBIT Breakdown	21
6. Interested Person Transactions	21
Risk Management	22
Corporate Profile	23

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DEL MONTE PACIFIC FOURTH QUARTER SALES GREW BY 17% BUT NET PROFIT DOWN SLIGHTLY ON TIGHTENED INVENTORY MANAGEMENT

- **4Q turnover up 17% to US\$73m; 4Q net profit down 6% to US\$13.4m**
- **Full year turnover up 2% to US\$200m; full year net profit down 14% to US\$30.2m**
- **Full year operating cash flow up 40% to US\$37m**
- **Final dividend of 1.28 US cents/share (2.15 SGD cents/share): 82% payout of 2H net profit**

Singapore, 19 February 2004 – Mainboard-listed Del Monte Pacific Limited (Bloomberg: DELM SP, Reuters: DMPL.SI) announced its turnover for the fourth quarter was US\$72.8 million, up 17% versus the same quarter last year, while net profit fell 6% to US\$13.4 million from US\$14.3 million.

Full-year turnover was US\$200.4 million, up 2% compared to last year, while net profit fell 14% to US\$30.2 million from US\$35.2 million.

Fourth quarter turnover of processed products (71% of Group turnover) grew by 13% while the beverage segment (accounting for 23%) jumped 29%, driven primarily by volume.

Fourth quarter turnover in Asia (66% of Group turnover) rose 7% while turnover in Europe/North America (accounting for 34%) surged 41%, reflecting higher pineapple juice concentrate volume and pricing plus catch-up shipments to Cirio Del Monte under stricter credit controls established in the third quarter of 2003.

The Group's gross profit margin in the fourth quarter declined marginally to 32.8%, down 1.1 percentage points, on the back of some residual impact from the El Niño weather pattern on product costs.

PBIT decreased by 9% to US\$15 million from US\$16.4 million largely due to a \$2.1 million provision relating to tightened inventory management plus higher advertising and promotional expenses.

Without the inventory-related provision, PBIT for the quarter would have been US\$17.1 million, up 4% from the prior year quarter, and net profit would have been US\$14.8 million, up 3%.

Operating cash flow for the quarter was a very strong US\$35.5 million, up 52% from the prior year quarter on the back of tighter working capital management. As a result, the company ended the year with a net cash position of US\$19.2 million, up from US\$12.6 million at the end of 2002.

The Board declared a final dividend of 1.28 US cents (US\$0.0128) per share, representing an 82% payout of the Group's net profit in the second half of 2003. Coupled with the interim dividend of 33% of first half net profit, this translates to a 60% payout of full year profit. The Company has a stated dividend policy of paying a minimum of 33% of full year profit.

Looking ahead, the Company expects some residual effects from El Niño to continue into 2004, although improvements in fruit quality suggest the worst is over. Barring unforeseen circumstances, the Company expects an improved yet still difficult operating environment for 2004, and anticipates that its financial performance will improve over 2003.

FINANCIAL HIGHLIGHTS – FOURTH QUARTER 2003 AND FULL YEAR 2003

Amounts in US\$'000 unless otherwise stated ¹	For the three months ended 31 Dec		YoY Change (%)	For the year ended 31 Dec		YoY Change (%)
	2003	2002 (Restated) ²		2003	2002 (Restated) ²	
Turnover	72,765	62,450	16.5	200,445	196,370	2.1
Gross profit	23,852	21,144	12.8	58,497	58,242	0.4
Gross profit margin (%)	32.8	33.9	(1.1 ppt)	29.2	29.7	(0.5 ppt)
EBITDA ³	16,574	18,015	(8.0)	39,157	43,853	(10.7)
EBITDA margin (%)	22.8	28.8	(6.0 ppt)	19.5	22.3	(2.8 ppt)
PBIT ⁴	14,966	16,367	(8.6)	33,221	39,038	(14.9)
PBIT margin (%)	20.6	26.2	(5.6 ppt)	16.6	19.9	(3.3 ppt)
Net profit	13,392	14,259	(6.1)	30,197	35,168	(14.1)
Net profit margin (%)	18.4	22.8	(4.4 ppt)	15.1	17.9	(2.8 ppt)
EPS (US cents)	1.25	1.33	(6.1)	2.82	3.28	(14.1)
Net cash	19,234	12,605	52.6	19,234	12,605	52.6
Cash flow from operations	35,532	23,422	51.7	36,932	26,468	39.5
Capital expenditure	2,325	2,943	(21.0)	7,559	10,315	(26.7)
Dividend per share (US cents)	1.28	1.56	(18.0)	1.69	1.97	(14.2)

¹ The Company's reporting currency is US dollars. See Notes to the Financial Statements number 1 for the Singapore-dollar equivalent table

² 2002 figures were restated as a result of the adoption of International Accounting Standard (IAS) 41, see page 18

³ Earnings Before Interest, Tax, Depreciation, Amortisation and Foreign Exchange Gains (Losses)

⁴ Profit Before Interest and Tax. Effective second quarter 2003, the Group adopted the generally accepted definition of PBIT, which is Profit before Interest and Tax. Previously, the Group's definition of PBIT was Profit before Interest Expense, Foreign Exchange Loss and Tax

REVIEW OF OPERATING PERFORMANCE

The Group's turnover for the fourth quarter of 2003 increased by 17% to US\$72.8 million, while full year turnover improved slightly by 2% to US\$200.4 million.

Our core products—processed products and beverages—which accounted for 94% of total turnover in the fourth quarter, increased by 16% primarily due to higher volume. Full year turnover of core products improved by 6% to US\$185.8 million.

Turnover of non-processed products—the non-core cattle business plus fresh pineapples sold only in Asia, accounting for 6% of Group turnover—rose 18% compared to the prior year quarter due to better prices.

Asia contributed 66% of Group turnover, versus 71% in the same quarter last year. Turnover in Asia improved by 7% due to better volume and pricing.

Turnover in Europe/North America accounted for 34% of Group turnover, versus 29% in the same quarter last year. Turnover in the region increased by 41% driven by strong pineapple juice concentrate sales.

The Group's gross profit margin for the quarter declined marginally to 32.8% as higher product costs more than offset the benefits of better volume and pricing, and a favourable product mix. For the full year, gross profit margin went down marginally by 0.5 percentage point to 29.2%, due primarily to higher product costs and lower margins in the non-core non-processed business.

PBIT for the quarter decreased by 9% to US\$15 million in spite of higher sales. This was primarily due to a US\$2.1 million provision relating to tightened inventory management plus higher advertising and promotional expenses. Full-year PBIT fell 15% to US\$33.2 million.

Net profit for the fourth quarter declined by 6% to US\$13.4 million due to lower PBIT. Without the inventory-related provision, net profit for the quarter would have been US\$14.8 million, up 3% from the prior year quarter. Full year net profit decreased by 14% to US\$30.2 million as a result of lower PBIT.

Group operating cash flow during the quarter rose 52% to US\$35.5 million, compared to US\$23.4 million in the same quarter last year, reflecting better working capital management. Year to date operating cash flow was US\$36.9 million compared to US\$26.5 million last year.

Capital expenditure in the fourth quarter decreased by 21% to US\$2.3 million from US\$2.9 million reflecting continued reduction as recent major capital projects have now been completed.

Effective 1 January 2003, the Group adopted International Accounting Standards (IAS) 41 as required by the International Accounting Standards Board (IASB). The impact of IAS 41 increased 4Q 2003 PBIT and net profit by US\$197,417 and US\$199,671, respectively.

Without the adoption of this accounting policy, PBIT would have decreased by 10% instead of 9% while net profit would have declined by 7% instead of 6% over the prior year quarter.

VARIANCE FROM PROSPECT STATEMENT

The fourth quarter and full year results are in line with the outlook indicated at our last results announcement.

BUSINESS OUTLOOK

Looking ahead, the Company expects some residual effects from El Niño to continue into 2004, although improvements in fruit quality suggest the worst is over. Barring unforeseen circumstances, the Company expects an improved yet still difficult operating environment for 2004, and anticipates that its financial performance will improve over 2003.

REVIEW OF TURNOVER AND PBIT

1. By geographical segments

In US\$'000	Turnover			PBIT		
	For the three months ended 31 Dec		YoY Change (%)	For the three months ended 31 Dec		YoY Change (%)
	2003	2002		2003	2002 (Restated)	
Asia	47,676	44,607	6.9	8,561	11,178	(23.4)
Europe/North America	25,089	17,843	40.6	6,405	5,189	23.4
Total	72,765	62,450	16.5	14,966	16,367	(8.6)

In US\$'000	Turnover			PBIT		
	For the year ended 31 Dec		YoY Change (%)	For the year ended 31 Dec		YoY Change (%)
	2003	2002		2003	2002 (Restated)	
Asia	128,449	133,536	(3.8)	18,585	25,476	(27.0)
Europe/North America	71,996	62,834	14.6	14,636	13,562	7.9
Total	200,445	196,370	2.1	33,221	39,038	(14.9)

See Notes to the Financial Statements number 4 for more details

Asia

Turnover in Asia, which accounted for 66% of fourth quarter turnover, increased by 7% to US\$47.7 million due to improved volume and prices for both core and non-core products.

In the Philippines, turnover increased by 3% mainly driven by the tomato-based products. Overall volume in the Philippines grew by 4%, but pricing in US dollar terms was affected by the 4% depreciation of the Peso. The rest of Asia registered a 32% increase in turnover as a result of improved volume and prices, primarily driven by the processed fruit segment.

Asia PBIT declined by 23% to US\$8.6 million from US\$11.2 million in spite of increased turnover due to the inventory provision and higher advertising and promotional expenses.

For the full year, turnover in Asia declined by 4% to US\$128.4 million while PBIT fell 27% to US\$18.6 million.

Europe/North America

Turnover in Europe/North America for the fourth quarter, which accounted for 34% of Group turnover, increased by 41% to US\$25.1 million from US\$17.8 million, driven by significant volume improvement and higher prices for pineapple juice concentrate and pineapple solids.

PBIT for Europe/North America improved by 23% to US\$6.4 million from US\$5.2 million as a result of higher volume and pricing partially offset by higher operating expenses relating to the inventory provision.

For the full year, turnover in Europe/North America improved by 15% to US\$72 million while PBIT improved by 8% to US\$14.6 million.

2. By business segments

In US\$'000	Turnover			PBIT		
	For the three months ended 31 Dec		YoY Change (%)	For the three months ended 31 Dec		YoY Change (%)
	2003	2002		2003	2002	
					(Restated)	
Processed Products	51,836	45,900	12.9	10,850	12,982	(16.4)
Beverages	16,873	13,113	28.7	4,020	3,570	12.6
Non-processed Products	4,056	3,437	18.0	96	(185)	n/m
Total	72,765	62,450	16.5	14,966	16,367	(8.6)

In US\$'000	Turnover			PBIT		
	For the year ended 31 Dec		YoY Change (%)	For the year ended 31 Dec		YoY Change (%)
	2003	2002		2003	2002	
					(Restated)	
Processed Products	137,644	134,394	2.4	23,517	29,228	(19.5)
Beverages	48,195	41,380	16.5	9,225	7,687	20.0
Non-processed Products	14,606	20,596	(29.1)	479	2,123	(77.4)
Total	200,445	196,370	2.1	33,221	39,038	(14.9)

See Notes to the Financial Statements number 4 for more details
n/m-not meaningful

Processed Products

Processed products, the largest product category, which contributed 71% of the Group's fourth quarter turnover, consist of processed fruits (pineapple solids and tropical mixed fruits), tomato-based products and other processed products such as pasta and condiments.

Turnover of processed products increased by 13% to US\$51.8 million, on the back of an 11% volume improvement and a slight increase in price of 2%, driven by pineapple solids in Europe/North America and tomato-based products in the Philippines.

PBIT for the fourth quarter declined by 16% to US\$10.9 million from US\$13 million, primarily due to higher operating expenses relating to the inventory provision and higher advertising and promotional expenses.

Beverages

Beverages consist of juices, juice drinks and pineapple juice concentrate. This segment accounted for 23% of the Group's turnover in the fourth quarter of 2003.

Turnover for this segment grew by 29% to US\$16.9 million due to a 32% volume increase partially offset by a 3% reduction in price. The improvement was primarily driven by pineapple juice concentrate in Europe/North America, whose turnover rose 88% on the back of increases in volume and price.

PBIT for the fourth quarter grew by 13% to US\$4 million with the improved gross profit partially offset by higher operating expenses.

Non-processed Products

Accounting for 6% of the Group's turnover in the fourth quarter of 2003, 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 rose 18% to US\$4.1 million from US\$3.4 million, mainly due to better prices on fresh pineapples compared to a year ago. As a result, this segment's PBIT in the fourth quarter turned around from a US\$0.2 million loss to US\$0.1 million profit.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 Dec		For the year ended 31 Dec	
	2003	2002 (Restated)	2003	2002 (Restated)
Cost of Goods Sold	67.2	66.1	70.8	70.3
Distribution & Selling Expenses	4.0	3.5	6.8	5.6
Other Operating Expenses	6.4	2.1	3.9	2.4

Cost of Goods Sold

For the fourth quarter, cost of goods sold as a percentage of turnover increased slightly to 67.2% from 66.1%. For the full year period, cost of goods sold as a percentage of turnover increased marginally to 70.8% from 70.3%. These increases were primarily due to the impact of El Niño which reduced yields and fruit quality, partially offset by the weaker Peso.

Distribution & Selling Expenses

Distribution and selling expenses as a percentage of fourth-quarter turnover increased to 4% from 3.5%. Total spending for the year increased by 35% to US\$2.9 million from US\$2.2 million due to higher marketing support for the base business as well as new product launches. For the full year, distribution and selling expenses rose to 6.8% from 5.6% for the same reasons.

Other Operating Expenses

For the fourth quarter, other operating expenses as a percentage of turnover increased to 6.4% from 2.1%. Other operating expenses rose to US\$4.6 million from US\$1.3 million in the same quarter last year. This was primarily due to a US\$2.1 million provision for inventory obsolescence. For the full year, other operating expenses as a percentage of turnover increased to 3.9% from 2.4%. Operating expenses included the IAS 41 adjustments which had a favourable impact of US\$197,417 in the fourth quarter and US\$512,402 for the full year. (See Accounting Policies on Page 18).

In US\$'000	For the three months ended 31 Dec		YoY Change (%)	For the year ended 31 Dec		YoY Change (%)
	2003	2002		2003	2002	
Other operating expenses (before IAS 41)	4,836	1,334	262.5	8,410	4,755	76.9
Changes in fair value of livestock and harvested pineapples that remain unsold as at the end of the period	(197)	(51)	286.3	(512)	(7)	7,214.3
Other operating expenses (after IAS 41)	4,639	1,283	261.6	7,898	4,748	66.3

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances in US\$'000	As at	
	31 Dec 2003	31 Dec 2002 (Restated)
Others assets	6,033	5,351
Biological assets*	34,234	36,694
Accounts receivables	20,672	19,556
Other debtors, deposits and prepayments	6,806	5,636
Due from affiliated companies (trade)	3,825	5,500

* Biological assets consist of deferred growing crops and livestock

Other assets

Other assets increased compared to last year because of advances to landowners for long-term leases of agricultural land (increase in rental rates and developmental costs of additional land procured during the period).

Biological assets

The decrease was primarily due to reduced livestock inventory.

Accounts receivables

Accounts receivables increased compared to last year due to higher sales in markets with longer credit terms.

Other debtors, deposits and prepayments

The increase was due to advances to landowners under leases of agricultural land and grower contracts and security deposit for warehouses leased.

Due from affiliated companies (trade)

While higher sales were generated this year versus the same period last year, there was a decrease in total receivables due from the Cirio group as a result of the adoption of a "pay before release" arrangement to secure payment.

SHARE CAPITAL

Ordinary shares issued and fully paid-up share capital	31 Dec 2003	31 Dec 2002
Number of shares	1,072,079,194	1,071,629,194
Share capital (US\$'000)	10,721	10,716

A total of 450,000 share options were exercised in 2003 (40,000 in the fourth quarter), and new shares were issued as a result thereof. As at 31 December 2003, the total number of outstanding share options was 19,545,265 (31 December 2002: 22,046,180). A total of 2,050,915 options lapsed since 31 December 2002.

CASH FLOW AND LIQUIDITY

Cash flow in US\$'000	
Net debt for the period ended 30 September 2003	(13,534)
Net cash from operating activities	35,532
Capital expenditure	(2,325)
Proceeds from disposal of fixed assets	7
Proceeds from exercise of share options	11
Effect of exchange rate changes	(457)
Net cash for the period ended 31 December 2003	19,234

Liquidity in US\$'000	31 Dec 2003	31 Dec 2002
Gross borrowings	31,276	15,232
Current	31,276	15,232
Secured	-	-
Unsecured	31,276	15,232
Non-current	-	-
Secured	-	-
Unsecured	-	-
Less: Cash and bank balances	50,510	27,837
Net cash	19,234	12,605

The Group's net cash (cash and bank balances less borrowings) amounted to US\$19.2 million as at 31 December 2003 compared to US\$12.6 million at 31 December 2002 as a result of tighter balance sheet and working capital management.

CAPITAL EXPENDITURE

In the fourth quarter of 2003, capital expenditure decreased by 21% to US\$2.3 million from US\$2.9 million in the same quarter last year. Capital expenditure continued to focus on productivity and quality-enhancing projects. The major projects for the quarter were:

- Acquisition of two chopping machines to provide for a more environmentally-friendly method for land clearing and preparation.
- Replacement of six deep wells in the Plantation to ensure adequate water supply.
- Acquisition of steel storage racks and bins for the Cannery and Plantation
- Warehouse extension for additional storage capacity

In US\$'000	For the three months ended 31 Dec	
	2003	2002
Capex	2,325	2,943
Depreciation	1,460	1,268

DIVIDENDS

The Directors declared a final dividend of 1.28 US cents (US\$0.0128) representing an 82% payout of second-half net profit of US\$16.8 million. Coupled with the interim dividend of 33% of first half net profit, this translates to a 60% payout of full year profit.

Dividends	For the year ended 31 Dec			
	2003		2002	
Name of dividend	Final Ordinary	Interim Ordinary	Final Ordinary	Interim Ordinary
Type of dividend	Cash	Cash	Cash	Cash
Dividend amount per share	1.28 US cents per ordinary share (tax not applicable)	0.41 US cents per ordinary share (tax not applicable)	1.56 US cents per ordinary share (tax not applicable)	0.41 US cents per ordinary share (tax not applicable)
Par value of shares	US\$0.01	US\$0.01	US\$0.01	US\$0.01
Tax rate	Nil	Nil	Nil	Nil
Book closure date	6 May 2004*	4 September 2003	20 March 2003	16 August 2002
Payable date	25 May 2004	25 September 2003	7 April 2003	30 August 2002

* Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2004 for the preparation of dividend warrants. Registrable share transfers received by the Company's Share Transfer Agent, Lim Associates (Pte) Ltd, 10 Collyer Quay #19-08, Ocean Building, Singapore 049315, by 5.00 pm on 5 May 2003 will be registered before the entitlements to the dividends are determined.

DEL MONTE PACIFIC LIMITED
UNAUDITED PROFIT AND LOSS STATEMENTS

Amounts in US\$'000	Group					
	For the three months ended 31 Dec			For the year ended 31 Dec		
	2003	2002 (Restated)	%	2003	2002 (Restated)	%
Turnover	72,765	62,450	16.5	200,445	196,370	2.1
Cost of sales	(48,913)	(41,306)	18.4	(141,948)	(138,128)	2.8
Gross profit	23,852	21,144	12.8	58,497	58,242	0.4
Distribution and selling expenses	(2,946)	(2,186)	34.8	(13,568)	(11,083)	22.4
General and administration expenses	(1,229)	(1,004)	22.4	(3,373)	(3,266)	3.3
Other operating expenses	(4,639)	(1,283)	261.6	(7,898)	(4,748)	66.3
Profit from operations	15,038	16,671	(9.8)	33,658	39,145	(14.0)
Financial income	137	279	(50.9)	832	778	6.9
Financial expense	(853)	(744)	14.7	(2,599)	(1,637)	58.8
Profit before tax	14,322	16,206	(11.6)	31,891	38,286	(16.7)
Tax	(930)	(1,947)	(52.2)	(1,694)	(3,118)	(45.7)
Net profit attributable to shareholders	13,392	14,259	(6.1)	30,197	35,168	(14.1)

Notes:

Depreciation and amortisation	(1,536)	(1,344)	14.3	(5,499)	(4,708)	16.8
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Financial income comprise the following:

Interest income	137	279	(50.9)	832	778	6.9
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Financial expense comprise the following:

Interest expense	(781)	(440)	77.5	(2,162)	(1,530)	41.3
Foreign exchange loss	(72)	(304)	(76.3)	(437)	(107)	308.4
	(853)	(744)	14.7	(2,599)	(1,637)	58.8

Earnings per ordinary share in US cents	Group			
	For the three months ended 31 Dec		For the year ended 31 Dec	
	2003	2002 (Restated)	2003	2002 (Restated)
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on existing issued share capital	1.25	1.33	2.82	3.28
(ii) On a fully diluted basis	1.25	1.33	2.82	3.28

**DEL MONTE PACIFIC LIMITED
UNAUDITED BALANCE SHEETS**

Amounts in US\$'000

	Group		Company	
	31 Dec 2003	31 Dec 2002 (Restated)	31 Dec 2003	31 Dec 2002
EQUITY				
Share capital	10,721	10,716	10,721	10,716
Share premium	65,936	65,815	66,075	65,954
Translation reserves	(67,665)	(64,360)	-	-
Revenue reserves	140,291	131,207	676	524
	149,283	143,378	77,472	77,194
ASSETS LESS LIABILITIES				
Fixed assets	48,719	48,441	-	-
Subsidiaries	-	-	10,149	10,149
Intangible assets	9,316	9,619	-	-
Other assets	6,033	5,351	-	-
Current assets				
Inventories	41,529	41,197	-	-
Biological assets *	34,234	36,694	-	-
Accounts receivable	20,672	19,556	-	-
Other debtors, deposits and prepayments	6,806	5,636	-	57
Due from subsidiaries (non-trade)	-	-	80,139	80,277
Due from affiliated companies (trade)	3,825	5,500	-	-
Due from shareholder companies (non-trade)	-	456	-	456
Short-term deposits	46,030	24,185	-	-
Cash and bank balances	4,480	3,652	6	4
	157,576	136,876	80,145	80,794

* Biological assets consist of deferred growing crops and livestock

DEL MONTE PACIFIC LIMITED
UNAUDITED BALANCE SHEETS (CONTINUED)

Amounts in US\$'000

	Group		Company	
	31 Dec 2003	31 Dec 2002 (Restated)	31 Dec 2003	31 Dec 2002
Current liabilities				
Accounts payable	8,827	8,967	-	-
Other creditors and accruals	16,579	16,040	467	593
Due to subsidiaries (non-trade)	-	-	12,355	13,156
Short-term borrowings (unsecured)	31,276	15,232	-	-
Provision for tax	732	1,139	-	-
	57,414	41,378	12,822	13,749
Net current assets	100,162	95,498	67,323	67,045
Non-current liabilities				
Due to an affiliated company (non-trade)	(7,497)	(7,279)	-	-
Deferred tax liabilities	(7,450)	(8,252)	-	-
	149,283	143,378	77,472	77,194

	Group		Company	
	31 Dec 2003	31 Dec 2002 (Restated)	31 Dec 2003	31 Dec 2002
Net asset value per ordinary share in US cents				
Net asset value per ordinary share	13.93	13.38	7.23	7.20

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

THE GROUP

Amounts in US\$'000	Share capital	Share premium	Translation reserves	Revenue reserves	Total
As at 1 January 2002, as previously stated	10,716	65,815	(61,953)	114,596	129,174
Changes in accounting policies (IAS 41)	-	-	-	625	625
As at 1 January 2002, as restated	10,716	65,815	(61,953)	115,221	129,799
As at 1 October 2002	10,716	65,815	(63,141)	116,948	130,338
Currency translation differences	-	-	(1,219)	-	(1,219)
Net profit attributable to shareholders	-	-	-	14,259	14,259
As at 31 December 2002, as restated	10,716	65,815	(64,360)	131,207	143,378
As at 1 January 2003, as previously stated	10,716	65,815	(64,360)	130,575	142,746
Changes in accounting policies (IAS 41)	-	-	-	632	632
As at 1 January 2003, as restated	10,716	65,815	(64,360)	131,207	143,378
As at 1 October 2003	10,720	65,926	(66,924)	126,899	136,621
Currency translation differences	-	-	(741)	-	(741)
Share issued under share option plan	1	10	-	-	11
Net profit attributable to shareholders	-	-	-	13,392	13,392
Dividends	-	-	-	-	-
As at 31 December 2003	10,721	65,936	(67,665)	140,291	149,283

THE COMPANY

Amounts in US\$'000	Share capital	Share premium	Revenue reserves	Total
As at 1 January 2002	10,716	65,954	493	77,163
As at 1 October 2002	10,716	65,954	1,245	77,915
Net profit attributable to shareholders	-	-	(721)	(721)
Dividends	-	-	-	-
As at 31 December 2002	10,716	65,954	524	77,194
As at 1 January 2003	10,716	65,954	524	77,194
As at 1 October 2003	10,720	66,065	1,767	78,552
Share issued under share option plan	1	10	-	11
Net profit attributable to shareholders	-	-	(1,091)	(1,091)
As at 31 December 2003	10,721	66,075	676	77,472

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in US\$'000	For the three months ended 31 Dec		For the year ended 31 Dec	
	2003	2002 (Restated)	2003	2002 (Restated)
Cash flows from operating activities				
Net profit attributable to shareholders	13,392	14,259	30,197	35,168
Adjustments for:				
Depreciation and amortisation	1,536	1,344	5,499	4,708
Provision for asset impairment	137	-	137	-
Provision for stock obsolescence	1,919	1,130	2,132	1,130
Provision for doubtful debts	25	4	177	63
(Writeback of) provision for deferred income tax	(441)	306	(465)	535
Loss (gain) on disposal of fixed assets	27	(1)	-	48
Operating profit before working capital changes	16,595	17,042	37,677	41,652
Decrease (increase) in:				
Other assets	2,188	(57)	(682)	(1,993)
Inventories	11,910	9,549	(2,443)	(2,785)
Biological assets	3,105	(2,006)	2,460	(1,210)
Accounts receivable	(3,624)	(7,844)	(1,251)	(4,366)
Other debtors, deposits and prepayments	272	3,287	(1,170)	1,912
Due (to) from affiliated companies	(553)	3,797	2,349	945
Increase (decrease) in:				
Accounts payable and accrued liabilities	5,135	(1,448)	399	(8,100)
Provision for taxation	504	1,102	(407)	413
Net cash from operating activities	35,532	23,422	36,932	26,468
Cash flows from investing activities				
Proceeds from disposal of fixed assets	7	14	46	91
Purchase of fixed assets	(2,325)	(2,943)	(7,559)	(10,315)
Net cash used in investing activities	(2,318)	(2,929)	(7,513)	(10,224)
Cash flows from financing activities				
(Repayment) short-term borrowings	(5,253)	(13,594)	16,044	8,160
Proceeds from exercise of stock options	11	-	126	-
Dividends paid	-	-	(21,113)	(19,182)
Net cash used in financing activities	(5,242)	(13,594)	(4,943)	(11,022)
Effect of exchange rate changes on cash and cash equivalents	(457)	(762)	(1,803)	(1,550)
Net decrease in cash and cash equivalents	27,515	6,137	22,673	3,672
Cash and cash equivalents, beginning of period	22,995	21,700	27,837	24,165
Cash and cash equivalents, end of period	50,510	27,837	50,510	27,837

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 31 Dec		For the year ended 31 Dec	
	2003	2002	2003	2002
(a) Cash paid (received) during the year, included in operating activities				
Interest expenses	656	422	1,697	1,231
Interest income	(100)	(154)	(751)	(696)
Income taxes	977	509	2,632	2,131
(b) Analysis of the balances of cash and cash equivalents				
Cash and bank balances	4,480	3,652	4,480	3,652
Short-term deposits	46,030	24,185	46,030	24,185
	50,510	27,837	50,510	27,837

NOTES TO THE FINANCIAL STATEMENTS

Certain comparative figures have been restated due to adjustment resulting from changes in accounting standards.

1. FINANCIAL HIGHLIGHTS IN SINGAPORE DOLLARS

Amounts in S\$'000 unless otherwise stated	For the three months ended 31 Dec		YoY Change (%)	For the year ended 31 Dec		YoY Change (%)
	2003	2002 (Restated)		2003	2002 (Restated)	
Turnover	125,883	110,537	13.9	348,774	353,466	(1.3)
Gross profit	41,264	37,425	10.3	101,785	104,836	(2.9)
Gross profit margin (%)	32.8	33.9	(1.1 ppt)	29.2	29.7	(0.5 ppt)
EBITDA	28,673	31,887	(10.1)	68,133	78,935	(13.7)
EBITDA margin (%)	22.8	28.8	(6.0 ppt)	19.5	22.3	(2.8 ppt)
PBIT	25,891	28,970	(10.6)	57,805	70,268	(17.7)
PBIT margin (%)	20.6	26.2	(5.6 ppt)	16.6	19.9	(3.3 ppt)
Net profit	23,168	25,238	(8.2)	52,543	63,302	(17.0)
Net profit margin (%)	18.4	22.8	(4.4 ppt)	15.1	17.9	(2.8 ppt)
EPS (SG cents)	2.16	2.35	(8.1)	4.90	5.90	(16.9)
Net cash	33,467	22,689	47.5	33,467	22,689	47.5
Cash flow from operations	61,470	41,457	48.3	64,262	47,642	34.9
Capital expenditure	4,022	5,209	(22.8)	13,153	18,567	(29.2)
Dividend per share (SG cents)	2.15	2.76	(22.1)	2.87	3.47	(17.3)

Note:

P&L S\$/US\$ conversion rate: 1.73 (4Q03), 1.74 (FY03), 1.77 (4Q02) and 1.80 (FY02).

Dividend S\$/US\$ conversion rate: 1.68 (Indicative rate 4Q03), 1.70 (Average rate FY03), 1.77 (Actual rate 4Q02) and 1.76 (Average rate FY02).

2. AUDIT

Full year 2003 figures have neither been audited nor reviewed by the Group's auditors.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation for the preparation of the financial statements for the quarter ended 31 December 2003 are consistent with those disclosed in the audited financial statements for the year ended 31 December 2002, with the exception of the adoption of IAS 41 as required by the IASB and described below.

International Accounting Standard (IAS) 41, Agriculture

IAS 41 which took effect for financial years beginning on or after 1 January 2003, establishes accounting treatment, financial statement preparation, and disclosures related to agricultural activity. Agricultural activity is the management by an enterprise of the biological transformation of living animals or plants (biological assets) for sale, into agricultural produce, or into additional biological assets.

The standard requires biological assets and agricultural produce at the point of harvest, to be measured on initial recognition and at each balance sheet date at its fair value less estimated point-of-sales costs. Gain and loss arising from these measurements should be included in the

net profit or loss for the period in which it arises. However, where fair value of the biological assets cannot be measured reliably, the biological assets should be stated at cost less accumulated depreciation and any accumulated impairment losses.

The adoption of IAS 41 has resulted in the Group stating its biological assets (livestock) and its agriculture produce (harvested pineapples) at its fair value less estimated point-of-sale costs, except for some of its biological assets (growing crops) where the fair value cannot be measured reliably. For such biological assets, they are measured at costs less any accumulated depreciation and any accumulated impairment losses.

Previously, all of the Group's biological assets (including livestock) and agricultural produce (harvested pineapples) were stated in the balance sheet of the Group at the lower of cost and net realisable value. The change has been applied retrospectively by adjusting the opening balance of revenue reserves as at 1 January 2002. The comparative figures have been restated accordingly.

The change in accounting policy has resulted in the Group increasing the carrying value of its inventories and biological assets, net of tax, by US\$0.6 million, as at 1 January 2002 with corresponding increase in the revenue reserves as at 1 January 2002.

Changes in fair values less estimated point-of-sale costs of livestock and harvested pineapples included in the profit and loss account are as follows:

In US\$'000	For the three months ended 31 Dec		For the year ended 31 Dec	
	2003	2002	2003	2002
Changes in fair value				
Included in costs of sales, relating to livestock and harvested pineapples sold during the period	3,022	3,698	8,010	9,788
Included in operating expenses, relating to livestock and harvested pineapples remaining unsold as at the end of the period	197	51	512	7
Total change in fair value	3,219	3,749	8,522	9,795

Due to the change in fair values of livestock and agricultural produce that remain unsold at each reporting period, the adoption of IAS 41 had the effect of increasing the Group's PBIT and net profit for 4Q 2003 by US\$197,417 and US\$199,671, respectively.

In US\$'000	For the three months ended 31 Dec		For the year ended 31 Dec	
	2003	2002	2003	2002
IAS 41 Impact on Profitability				
PBIT	197	51	512	7
Net Profit	200	47	485	7

4. GROUP SEGMENTAL REPORTING

By business segments

For the year ended 31 Dec 2003 In US\$'000	Processed Products	Beverages	Non-Processed Products	Consolidated
Turnover	137,644	48,195	14,606	200,445
Profit from operations, representing segment result	23,822	9,351	485	33,658
Net foreign exchange loss	(305)	(126)	(6)	(437)
Profit before interest and tax	23,517	9,225	479	33,221
Net interest expense	(926)	(384)	(20)	(1,330)
Profit before tax	22,591	8,841	459	31,891
Tax				(1,694)
Net profit attributable to shareholders				30,197
Segment assets	116,540	47,057	7,537	171,134
Unallocated assets				50,510
Consolidated total assets				221,644
Segment liabilities	24,673	6,595	1,635	32,903
Unallocated liabilities				39,458
Consolidated total liabilities				72,361
Capital expenditure	4,138	3,289	132	7,559
Depreciation	3,186	1,846	164	5,196
Amortisation	206	70	27	303
Non-cash expenses (net) other than depreciation and amortisation	1,053	830	98	1,981
For the year ended 31 Dec 2002 (Restated) in US\$'000	Processed Products	Beverages	Non-Processed Products	Consolidated
Turnover	134,394	41,380	20,596	196,370
Profit from operations, representing segment result	29,308	7,710	2,127	39,145
Net foreign exchange loss	(79)	(24)	(4)	(107)
Profit before interest and tax	29,229	7,686	2,123	39,038
Net interest expense	(563)	(157)	(32)	(752)
Profit before tax	28,666	7,529	2,091	38,286
Tax				(3,118)
Net profit attributable to shareholders				35,168
Segment assets	111,909	50,172	10,369	172,450
Unallocated assets				27,837
Consolidated total assets				200,287
Segment liabilities	24,235	6,474	1,577	32,286
Unallocated liabilities				24,623
Consolidated total liabilities				56,909
Capital expenditure	6,062	4,086	167	10,315
Depreciation	2,542	1,683	180	4,405
Amortisation	199	67	37	303
Non-cash expenses (net) other than depreciation and amortisation	1,315	521	(60)	1,776

By geographical segments

In US\$'000	Turnover		Capital expenditure		Total assets	
	For the year ended 31 Dec				As at 31 Dec	
	2003	2002	2003	2002	2003	2002 (Restated)
Asia	128,449	133,536	7,559	10,315	221,664	200,287
Europe/North America	71,996	62,834	-	-	-	-
Total	200,445	196,370	7,559	10,315	221,664	200,287

5. QUARTERLY TURNOVER AND PBIT BREAKDOWN

In US\$'000	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03	3Q03	4Q03
Turnover	35,139	49,709	49,072	62,450	35,061	49,541	43,078	72,765
PBIT	4,426	9,118	9,127	16,367	4,987	9,287	3,981	14,966
Net profit attributable to shareholders	4,781	8,418	7,710	14,259	4,870	8,536	3,399	13,392

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 31 Dec		For the year ended 31 Dec	
	2003	2002	2003	2002
	(Restated)		(Restated)	
Income				
Sales to Cirio Del Monte group	9,657	3,878	20,218	19,247
Sales to Macondray group	717	214	2,372	1,571
Financial income from Cirio Del Monte group	46	154	388	224
Financial income from Macondray group*	-	(16)	-	43
Sub-total	10,420	4,230	22,978	21,085
Expenses				
Purchases from Cirio Del Monte group	-	** (4)	154	166
Purchases from Macondray group	1,191	1,814	9,322	7,138
Sub-total	1,191	1,810	9,476	7,304
Aggregate value	11,611	6,040	32,454	28,389

* Adjustment on prior quarter interest accrual

** Prior year discounts from Cirio Del Monte group

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. All insured 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 forward exchange contracts, 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. Existing forward exchange contracts cover present and future trade commitments as well as other liabilities.

Inflation

The Group's costs are affected by inflation, and its effects may continue to be felt in future periods. However, the Group has historically mitigated the impact of cost increases by actively controlling its overall cost structure and introducing productivity-enhancing measures.

Cash Management

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. They are also invested in short-term government securities. The Group manages its interest rate risk on its interest income by placing the cash balances with varying maturities and interest rate terms.

Credit Risk

The Group sells its products through major distributors and buyers in various geographical regions. Management has implemented 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; however, 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 of and demand for pineapple products, and the prices for such 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 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 pineapple and mixed tropical 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, pineapple solids, 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.

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 Limited and its subsidiaries (the "Company" or "Group") 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.

Further information on the Company is available at www.delmontepacific.com

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