

DEL MONTE PACIFIC LIMITED

Proforma Full Year Financial Statement And Dividend Announcement

Full-year financial statement on consolidated results for the year ended 31 December 1999.
These figures have not been audited.

		Group			Company		
		US\$'000		%	US\$'000		%
		Latest year 31/12/1999	Previous year 31/12/1998	Change	Latest year 31/12/1999	Previous year 31/12/1998	Change
1.(a)	Turnover	209,915	185,588	13	0	0	-
1.(b)	Investment income	0	0	-	6,229	0	N/M
1.(c)	Other income including interest income	991	521	90	209	0	N/M
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	52,291	50,768	3	5,854	0	N/M
2.(b)(i)	Interest on borrowings	3,600	7,195	(50)	0	0	-
2.(b)(ii)	Depreciation and amortisation	3,216	3,070	5	0	0	-
2.(b)(iii)	Foreign exchange gain/(loss)	148	(287)	N/M	0	0	-
2.(c)	Exceptional items	0	0	-	0	0	-
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	45,623	40,216	13	5,854	0	N/M

		Group			Company		
		US\$'000		%	US\$'000		%
		Latest year 31/12/1999	Previous year 31/12/1998	Change	Latest year 31/12/1999	Previous year 31/12/1998	Change
2.(e)	Income derived from associated companies	0	0	-	0	0	-
2.(f)	Less income tax	2,868	4,962	(42)	0	0	-
2.(g)(i)	Operating profit after tax before deducting minority interests	42,755	35,254	21	5,854	0	N/M
2.(g)(ii)	Less minority interests	0	0	-	0	0	-
2.(h)	Operating profit after tax attributable to members of the company	42,755	35,254	21	5,854	0	N/M
2.(i)(i)	Extraordinary items	0	0	-	0	0	-
2.(i)(ii)	Less minority interests	0	0	-	0	0	-
2.(i)(iii)	Extraordinary items attributable to members of the company	0	0	-	0	0	-
2.(i)(iv)	Transfer to/from exchange reserve	0	0	-	0	0	-
2.(i)(v)	Transfer to capital reserve	0	0	-	0	0	-
2.(i)(vi)	Transfer to reserve fund	0	0	-	0	0	-
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	42,755	35,254	21	5,854	0	N/M

N/M - Not Meaningful

Group Figures

		Latest year	Previous year
3.(a)	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	20.37%	19.00%
3.(b)	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of year	36.00%	56.00%
3.(c)	Earnings per ordinary share for the year based on 2(h) above after deducting any provision for preference dividends:-		
3.(c)(i)	Based on existing issued share capital	4.04 US cents	3.53 US cents
3.(c)(ii)	On a fully diluted basis	4.04 US cents	3.53 US cents
3.(d)	Net tangible asset backing per ordinary share	9.36 US cents	5.14 US cents

3(c)(i) and (ii) Earnings per share for the year ended 31 December, 1999 based on existing issued share capital and a fully diluted basis are calculated on the basis of the weighted average issued share capital of 1,059,523,809 arrived from the Pre-Invitation number of shares of 1,000,000,000 for 7 months ended 31 July, 1999 and Post-Invitation number of shares of 1,142,857,143 for 5 months ended 31 December, 1999. Earnings per share for the year ended 31 December, 1998 is based on Pre-Invitation number of shares of 1,000,000,000.

3(d) Net tangible asset backing per ordinary share is calculated based on 1,142,857,143 number of shares at 31 December, 1999 and Pre-Invitation number of shares of 1,000,000,000 as at 31 December, 1998.

		Group			Company		
		US\$'000		%	US\$'000		%
		Latest year 31/12/1999	Previous year 31/12/1998	Change	Latest year 31/12/1999	Previous year 31/12/1998	Change
4.(a)	Sales reported for first half year	99,325	83,546	19	0	0	0
4.(b)	Operating profit [2(g)(i) above] reported for first half year	21,294	15,410	38	0	0	0
4.(c)	Sales reported for second half year	110,590	102,042	8	0	0	0
4.(d)	Operating profit [2(g)(i) above] reported for second half year	21,461	19,844	8	5,854	0	N/M

5.(a) Amount of any adjustment for under or overprovision of tax in respect of prior years

There is no amount of any adjustment for under or overprovision of tax in respect of prior years.

5.(b) Amount of any pre-acquisition profits

There is no amount of any pre-acquisition profits.

5.(c) Amount of profits on any sale of investments and/or properties

Sale of investments/properties

\$Profit/(Loss)

There is no amount of profits on any sale of investments and/or properties.

5.(d) Any other comments relating to Paragraph 5

There are no other comments relating to Paragraph 5.

6. Segmental Results

By Geographical Region

US\$'000

	1999	Turnover 1998	% Change	1999	PBIT 1998	% Chai
Asia	132,649	112,794	18	25,850	24,815	
North America	56,522	46,577	21	18,235	14,544	
Europe	20,744	26,217	(21)	5,138	8,052	
Total	209,915	185,588	13	49,223	47,411	

Asia

Turnover increased by 18% from US\$112.8 million to US\$132.6 million primarily due to three factors: (i) increase in sales volume and prices of pineapple solids and tropical mixed fruits resulting in an increase in turnover by 15%. This is driven by the normalized level of product supply

in 1999, as compared to product shortfall in 1998 brought about by El Nino; (ii) increase in turnover of tomato-based products by 15% due to increase in sales volume and prices. Turnover of tropical mixed fruit increased as the domestically produced mixed fruit products continue to have a price advantage over the imported products. Aggressive marketing of the Today's brand also increased sales; and (iii) increase in turnover of cattle resulting from an increase in sales volume.

PBIT in Asia increased by 4% from US\$24.8 million to US\$25.9 million primarily due to an increase in sales in Asia (outside of the Philippines) and increase in sales prices in the Philippine market coupled with lower than normal increase in production cost due to higher productivity and operational efficiencies and decrease in packaging costs.

Profit before tax in Asia increased 16% from US\$20.4 million to US\$23.6 million primarily due to higher turnover with lower than normal rise in production cost.

North America

Turnover increased by 21% from US\$46.6 million to US\$56.5 million primarily due to an increase in sales of pineapple solids and pineapple concentrate. Turnover of pineapple solids increased by 22% and pineapple concentrate, 34%. Increase in pineapple solid's sales resulted from normalized production level in 1999 compared to a supply shortage in 1998 brought about by El Nino and higher operational productivity augmented by aggressive sales program in the U.S. The increase in pineapple concentrate was primarily driven by aggressively tapping new customers. Improved sales prices of pineapple solids and pineapple concentrate, which increased 1% and 16%, respectively, also contributed to increase in turnover.

PBIT grew by 25% from US\$14.5 million to US\$18.2 million mainly due to increased sales volume of pineapple solids and pineapple concentrate, coupled with a lower than normal rise in production cost due to higher productivity and operational efficiencies and decrease in packaging costs.

Profit before tax grew by 35% from US\$12.8 million to US\$17.2 million mainly due to higher turnover coupled with lower than normal rise in production cost. Profit before tax margin increased from 27% to 30% in 1999.

Europe

Turnover decreased by 21% from US\$26.2 million to US\$20.7 million primarily due to a decrease in turnover of pineapple concentrate by 57% as a result of increased supply levels from other producing locations coupled with a 25% decline in average selling prices. Pineapple solid prices grew by 3%.

PBIT decreased by 36% from US\$8.1 million to US\$5.1 million primarily due to a decrease in pineapple concentrate sales volume and prices.

Profit before tax decreased by 31% to US\$4.8 million.

Overall, the higher sales and profit before tax in Asia and North America offset the drop in turnover and profit before tax in Europe. Sales contribution of the Asia and North America markets were 63% and 27%, respectively, while Europe accounted for 10% of total sales.

By Product

US\$'000

	1999	Turnover 1998	% Change	1999	PBIT 1998	% Chai
Processed Fruits	107,359	93,686	15	32,114	28,015	
Beverages	38,569	42,223	(9)	9,458	11,991	
Others	63,987	49,679	29	7,651	7,405	
Total	209,915	185,588	13	49,223	47,411	

Processed fruits

Turnover of processed fruits, which accounts for 51% of the Group's total turnover during the year 1999, increased 15% from US\$93.7 million to US\$107.4 million largely due to a 13% increase in sales of pineapple solids. The El Nino phenomenon experienced in late 1997 and 1998 resulted in a decline in product supply in 1998. Production level in 1999 has normalized. In addition, average sales prices of pineapple solids grew by 1.7%.

PBIT for processed fruits increased by 15% from US\$28.0 million to US\$32.1 million mainly due to increased sales volume, improved sales prices coupled with lower than normal increase in production cost resulting from higher productivity and operational efficiencies and a decrease in packaging costs.

Profit before tax increased by 24% from US\$24.3 million to US\$30.1 million. In addition to increased turnover, profit before tax increased as a result of lower interest expenses brought about by favorable borrowing rates, internally generated cash flows during the 12 month period ended December, 1999 and proceeds from IPO. Profit before tax margins increased from 26% to 28%.

Beverages

Turnover of beverages decreased by 9% from US\$42.2 million to US\$38.6 million. Decline in turnover was driven by a 16% decrease in sales on pineapple concentrate mainly to the European market. While pineapple concentrate sales to North America increased by 15%, it was negated by a decrease in sales in Europe by 43%. Improved sales in North America was driven by aggressively tapping new customers, while the decrease in Europe's sales was due to increase in supply from other pineapple concentrate producing locations. The increased supply caused prices to decline. The Group's average selling prices declined 3%. Turnover of pineapple juice and mixed drinks which accounts for 53% of the total beverage turnover, also registered a decline due to a generally wet weather pattern caused by La Nina during the year 1999.

PBIT for beverages decreased by 21% from US\$12.0 million to US\$9.5 million due to a decrease in sales volume and prices of pineapple concentrate coupled with increases in advertising and promotion expenses.

Profit before tax decreased by 14% from US\$10.1 million to US\$8.7 million mainly due to decrease in turnover compounded by increase in advertising and promotion expenses. This was partially mitigated by lower interest expenses, brought about by favorable borrowing rates, internally generated cash flows during the year and proceeds from the IPO.

Others

Turnover for other products increased by 29% from US\$49.7 million to US\$64.0 million primarily due to an increase in turnover of cattle through an increasing market share and wider distribution

coverage. Tomato product turnover also increased by 15% while fresh fruit sales registered an 8% growth in turnover compared to the same period last year.

PBIT for other products increased by 3% from US\$7.4 million to US\$7.7 million primarily due to increased turnover with an offsetting increase in advertising and promotional expenses of non-pineapple products.

Profit before tax increased by 18% from US\$5.8 million to US\$6.8 million.

Overall, the increase in turnover of processed fruits and other products more than offset the decline in beverage category.

7. Review of the performance of the company and its principal subsidiaries

The Group has performed well in 1999 despite the slow economic growth in the Asia Pacific region. Turnover increased by 13% from US\$185.6 million to US\$209.9 million. The increase in turnover is primarily driven by an increase in sales of the Group's pineapple solids and tropical mixed fruit products to international markets and an increase in the Philippine market across all product categories except beverages. Sales of cattle and fresh fruits also registered a growth in turnover.

Like many other pineapple producing locations in the Southeast Asia region, the Group's operations were adversely affected by "El Nino" in 1998. Production returned to normal levels from January 1999. While Thailand and Indonesia continued to be affected by drought in early 1999, the situation caused prices to be firm. International sales prices of the Group's pineapple solids and tropical mixed fruit both grew by an average 1% but pineapple concentrate registered a decline of 3%. The decline in pineapple concentrate prices began in the second half as a result of increased supply from all producing areas. Pineapple solid prices continued to improve since these are sold under the Del Monte brand, which do not directly compete with private label products. Turnover in cattle grew on account of the 64% increase in sales volume. The Group was successful in increasing its market share in the cattle business due to its continuing efforts in achieving wider distribution and in ensuring a consistent supply of quality beef to its customers.

Net profit after tax grew 21% from US\$35.3 million to US\$42.8 million due to the increase in turnover coupled with lower than normal increase in production costs as a result of higher productivity and operational efficiencies and lower packaging costs. In addition, interest expense, net of interest income, decreased by 61% from US\$6.7 million to US\$2.6 million due to the reduced debt level of the Group brought about by internally generated cash flows and proceeds from the IPO coupled with favorable borrowing rates.

The net profit after tax of US\$42.8 million represents a 2% increase over the forecast of US\$42.0 million stated in the Prospectus dated 24 July 1999 ("Prospectus").

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen between 31 December 1999 and the date of the announcement which would substantially affect the results of the operations of the Group for the financial year in respect of which this report is made.

8. Commentary on current year prospects

The Company intends to explore strategic alliances and synergistic acquisitions, if attractive opportunities arise, so as to lever its existing key strengths in marketing, sales and distribution of branded products, and in branded processed food production. These opportunities might include: (a) Further brand rights in Asia, both in and outside the Philippines, which would be complementary to the Group's existing business; (b) Pineapple plantations and /or processing companies in Asia; and (c) Non-pineapple food businesses.

The Company continuously reviews acquisition opportunities and at any time may be engaged with respect to an acquisition that may be material with respect to its operation. At the date of the announcement of full year results, no agreement, arrangement or understanding has been reached with respect to such acquisition.

Barring unforeseen circumstances, the Directors expect the Group to achieve a double-digit growth in net income from its existing operations in the current financial year.

9. Dividend

(a) Present Period

Name of Dividend	First & Final Ordinary
Dividend Type	Cash
Dividend Rate	51 % per ordinary share tax not applicable
Par value of shares	US\$0.01
Tax Rate	

(b) Any dividend declared for the previous corresponding period? **None**

(c) *Total Annual Dividend*

	Latest Year (US\$)	Previous Year (US\$)
Ordinary	5,828,571	0
Preference	0	0
Total:	5,828,571	0

(d) Date payable

To be announced later.

(e) Books closing date

To be announced later.

(f) Any other comments relating to Paragraph 9

(f)(i) The dividend declared of 0.51 US cents per share meets the forecast made in the Prospectus.

(f)(ii) For dividends declared, the Company is not subject to tax under the tax laws and regulations of British Virgin Islands.

However, recipients of the dividends may be subject to tax under the tax laws and regulations of recipients' respective tax residence.

10. Balance sheet

	Company US\$'000	US\$
Share Capital	11,429	1
Share Premium	84,326	8
Cumulative Translation Adjustment	-	(4)
Revenue Reserves	25	6
Shareholders' Equity	95,780	11
Fixed Assets	-	3
Investments in subsidiaries	10,149	
Intangibles	-	1
Other Assets	-	
Current Assets	93,904	15
Current Liabilities	8,273	6
Net Current Assets	85,631	8

Less:

Non-current liabilities

Due to affiliated companies-non trade

Deferred taxation

-
-

Net assets

95,780

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11. Details of any changes in the company's issued share capital

The Company was incorporated on May 27, 1999 with an authorized share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each (subsequently increased to US\$20,000,000 divided into 2,000,000,000 ordinary shares of US\$0.01 each). Pursuant to the Restructuring Exercise as detailed under "Restructuring Exercise" of the Prospectus, which was completed on 9 July, 1999, the Company acquired all the shares of Del Monte Pacific Resources Limited ("DMPRL") from the then existing shareholders of DMPRL for a consideration of US\$10,139,000 based on the net asset value of DMPRL as at 30 April, 1999 after accounting for the effect of US\$45 million cash dividend paid on 25 June, 1999. The consideration was satisfied by the issue of 1,000,000,000 ordinary shares of US\$0.01 each.

On 30 July, 1999, pursuant to the Invitation and completion of the allotment and issue of the New Shares, the issued and paid-up share capital of the Company increased to US\$11,428,571.43 comprising of 1,142,857,143 Shares. The New Shares of 142,857,143 rank pari passu in all respects with the existing ordinary shares of the Company. Changes in the issued and paid-up capital of the Company since 27 May, 1999, being the date of incorporation and the resultant issued and paid-up share capital immediately after the Invitation are summarized as follows:

	Number of Shares	Amount (US\$)
Ordinary Shares		
Issue of 1,000,000,000 Shares pursuant to the share exchange agreement	1,000,000,000	10,00
Pre-Invitation issued and fully paid-up share capital	1,000,000,000	10,00
New Shares issued pursuant to the Invitation	142,857,143	1,42
Post-Invitation issued and fully paid-up share capital	1,142,857,143	11,42

12. Comparative figures of the group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 31/12/1999

As at 30/06/1999

Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
0	21,928	0	76,950

(b) Amount repayable after one year

As at 31/12/1999

As at 30/06/1999

Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
0	0	0	0

(c) Any other comments relating to Paragraph 12

The Group is in a nett cash position of US\$34.6 million as at 31 December 1999.

13. Year 2000 Statement

The Company had a smooth roll-over to the New Millenium. By noon of 1 January, 2000, all Y2K tests were successfully completed and all systems were under normal operation. No Y2K-related problems were encountered since then.

Costs incurred up to 31 December, 1999 in relation to the Group's Y2K efforts were about US\$2.4 million. A significant portion of the costs have been capitalised and depreciated in accordance with the generally accepted accounting practices. Services and other costs have been expensed.

BY ORDER OF THE BOARD

Yvonne Choo
Company Secretary
22/02/2000