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Name of Announcer *	DEL MONTE PACIFIC LIMITED
Company Registration No.	N.A.
Announcement submitted on behalf of	DEL MONTE PACIFIC LIMITED
Announcement is submitted with respect to *	DEL MONTE PACIFIC LIMITED
Announcement is submitted by *	Yvonne Choo
Designation *	Company Secretary
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[>> ANNOUNCEMENT DETAILS](#)*The details of the announcement start here ...*

For the Financial Period Ended *	31-03-2010
Description	

Attachments

 [DMPL_1Q10_Presentation_28Apr10_FINAL.pdf](#)
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Del Monte Pacific Limited

First Quarter 2010 Results

28 April 2010



Cautionary Note on Forward-looking Statements

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

Such forward looking statements are typically 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 risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to various factors.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, interest rate charges, commodity price fluctuations and regulatory developments. Such factors that may affect the Group’s future financial results are detailed in our listing prospectus, listed in this presentation, or in the management discussion and analysis section of the company’s reported result and filing with the SGX. The reader and/or audio listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.



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Executive Summary

- **Sales grew 9% due to fresh and processed pineapple exports and S&W sales**
- **Net loss position due to higher costs for raw materials, advertising & promotion and selling expenses**
- **Implementing new measures to lower product costs and operating expenses**
- **Second half expected to return to profitability**

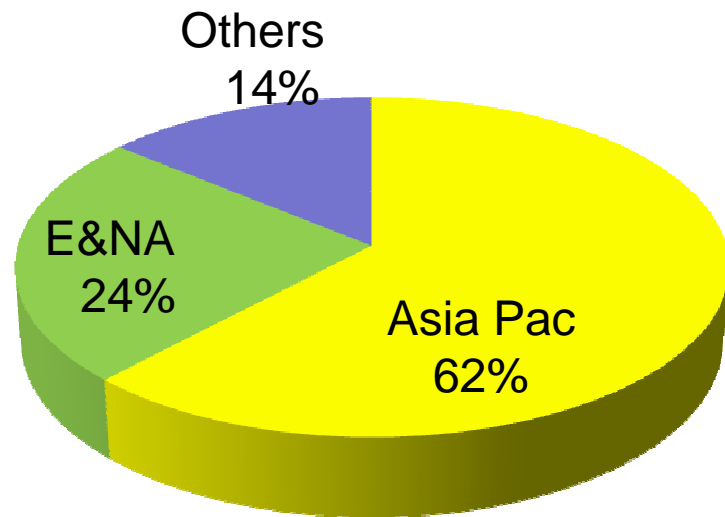


First Quarter 2010

In US\$m	1Q 2010	1Q 2009	Chg (%)	Comments
Turnover	65.9	60.4	+9.2	Higher fresh and processed pineapple exports and higher S&W sales
Gross profit	10.8	15.5	-30.3	Higher raw materials costs, primarily pineapple and sugar, as well as fixed costs
Gross margin (%)	16.4	25.8	-9.4ppt	Same
Operating profit	0.8	7.1	-89.0	Deliberate higher A&P and selling expenses to support new product launch and to increase market coverage
Finance inc/(exp)	(0.9)	(1.7)	-43.3	No more forex hedging loss
Share of loss	(0.9)	(0.8)	+19.9	45% stake in FieldFresh India, business-building expenses
Tax	0.2	(0.6)	-134.6	Losses in certain taxable jurisdiction
Net Profit/(loss)	(0.9)	4.1	-121.6	Higher costs and expenses
Net Debt	77.3	108.1	-28.5	Lower levels of working capital
Gearing (%)	39.3	57.5	-18.2 Ppts	Same

1Q Turnover Analysis

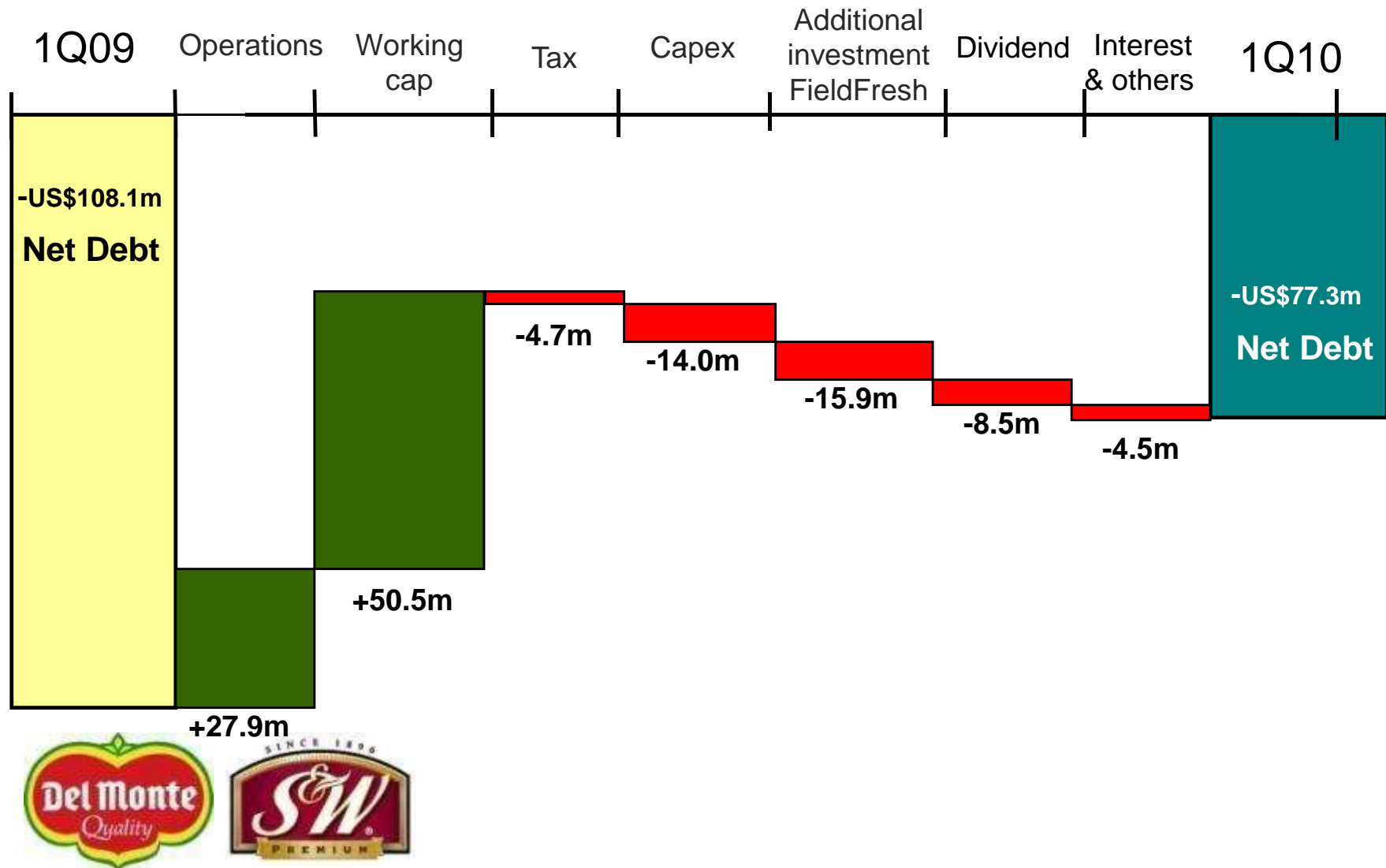
By Market



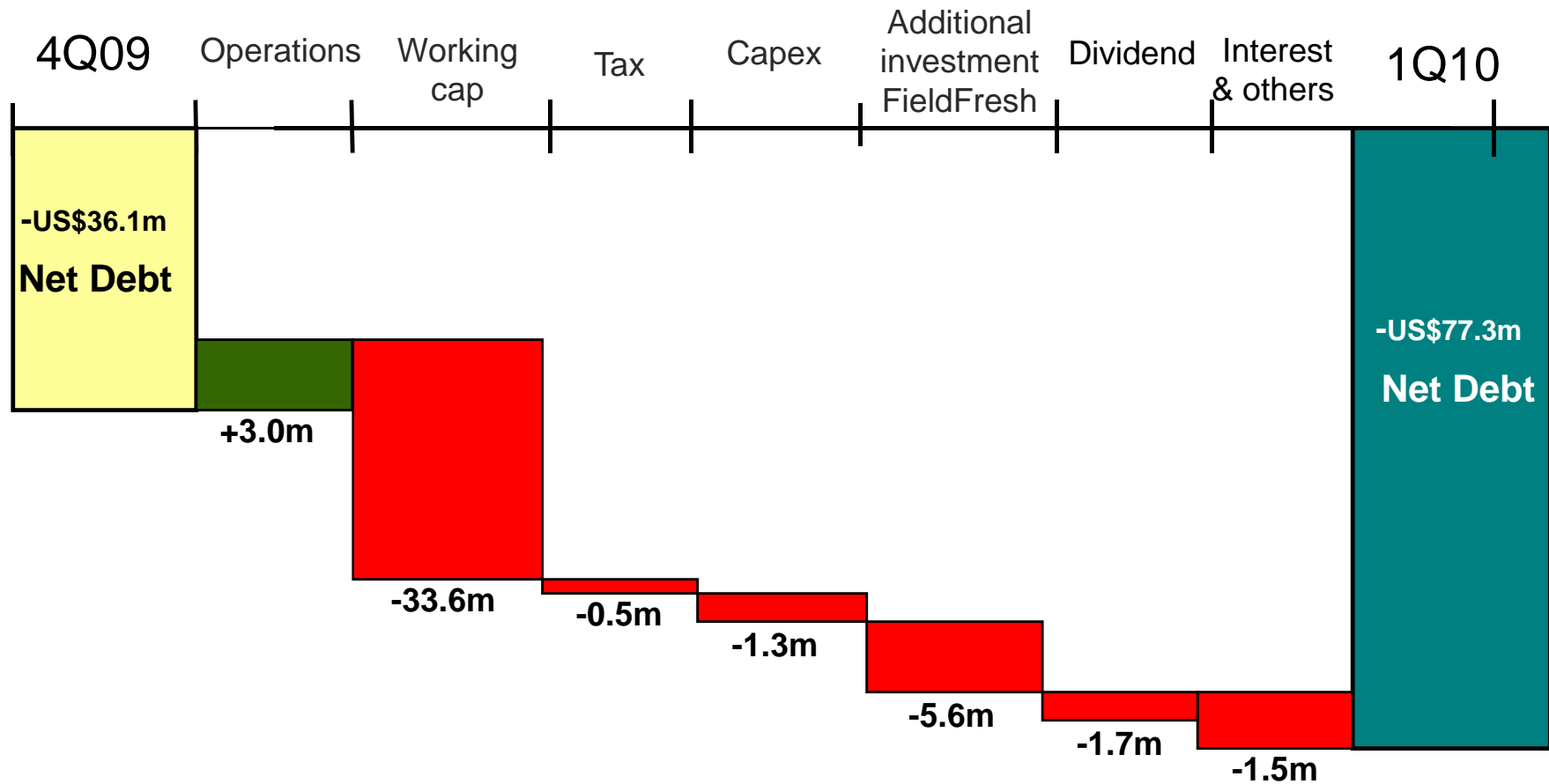
Asia Pac	+1.9%	<ul style="list-style-type: none"> • Strong sales of culinary products in the Philippines led by the new “Sandosenang Sarap” seasoning mix, which offset lower sales of processed fruits in both the Philippines and other Asia Pacific markets. • Higher beverage sales to other Asia Pacific markets helped offset the flat beverage sales in the Philippines.
E&NA	+21.5%	<ul style="list-style-type: none"> • Better prices of processed pineapple and pineapple concentrate
Others	+29.0%	<ul style="list-style-type: none"> • Robust growth of the fresh business and S&W product sales, which helped offset the decline in other export markets and cattle sales



1Q Cash Flow Variance Analysis (YoY)



1Q Cash Flow Variance Analysis (QoQ)



Balance Sheet



Working Capital Management

No. of days	1Q 2009	1Q 2010	Chg	Comment
Inventory	188	112	(76)	<ul style="list-style-type: none"> Actively managed inventory levels for various inputs; stricter implementation of inventory policies
Receivable	83	24	(59)	<ul style="list-style-type: none"> Discounting of receivables and timing of collection
Payable	99	72	(27)	<ul style="list-style-type: none"> Will continue to manage payment terms



Credit Standing

As of 31 March 2010

Credit utilisation: 41% of bank credit lines

Loan Mix: 31% Peso and 69% US\$ to optimise natural hedge

69% Short term and 31% Long term

Gearing and Coverage Ratios

Net debt equity ratio = 39%

Interest cover = 2.6x

Debt cover = 3.4x



Business Updates



Philippines

- 1Q 2010 sales slightly up by 2%
- Beverage sales were flat as declines in Del Monte Fit 'n Right juice drink in PET were offset by gains in the other juices
- Growth in processed pineapple and culinary products
- Strong sales of culinary products led by the new “Sandosenang Sarap” seasoning mix
- Higher raw material and fixed costs impacted profitability



S&W in Asia

Sales in US\$m	1Q 2009	1Q 2010	% Change	Comments
S&W Processed	1.4	2.0	40%	Strong sales in Singapore, Malaysia and HK
S&W Fresh	0.5	1.5	222%	Better supply
S&W Brand	1.9	3.5	84%	

- In Singapore, there were increased listings and better presence in major retailer chain stores
- In Hong Kong, there was more focus on the tropical fruit range with better in-store presence supported by print advertising
- S&W processed incurred operating losses due to business building activities



FieldFresh in India

- Generated sales of US\$6.5m in 1Q 2010, up more than 200%.
- Strong growth in the 3 business segments:

Fresh Export – New Learning and sourcing from Maharashtra vs year ago when sourcing was from Agra. Export of Baby Corn hit 241 MT in 1Q 2010 up from only 54 MT in 1Q 2009

Fresh Domestic - Focus on 5 Key products with Apples sourced from Kashmir orchards & Banana from West

Processed Foods

- Expanded to 25 cities catering to about 15,000 outlets
- Launch of Del Monte in Kolkata, Guwahati & Bhubaneswar during 1Q 2010
- Two new exciting sauces were launched recently – Del Monte Zingo and Twango

- The Group recognised a share of loss of US\$0.9 million for its 45.3% stake in the FieldFresh joint venture, slightly higher than prior year's US\$0.8 million due to higher personnel and marketing costs to support the business development



New Product launch in India

- **Del Monte Zingo and Tango** offer two twists on ketchup suited to favourite Indian and Asian snacks such as samosas, pakoras and kebabs. Zingo combines red chillies, red bell pepper, garlic and ginger, while Twango is a blend of pineapple and tomato
- Complemented by a catchy TV ad



Outlook



Outlook

- Robust measures being taken to deal with the higher costs and, while first half 2010 profits will be lower compared to that of the same period last year, we expect improvement in the second half performance.
- To mitigate high sugar costs, the Company is increasing usage of natural sugar recovered from pineapple and utilising alternative natural sweeteners. At the same time, the sugar content in certain products is being reduced for a healthier offering.
- Cost containment measures, including fixed cost management, and business building initiatives are expected to restore profitability in the second half of the year.
- Putting in place programs to improve productivity – formation of Plantation Oversight Committee to oversee the streamlining of current procedures, introduce up-to-date methods and upgrade the Company's agricultural practices. Due to the long growing cycle of pineapple, the Company expects to reap the full benefits of these measures in 2011.
- Going forward, we remain focused on developing and growing our key branded businesses in the Philippines, India and the rest of Asia.

Thank You

