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Del Monte Foods International Limited

Report and Financial Statements

28 December 2007

Registered Number 2455416

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INDEX	Page Number
Company information	2
Directors' report	3
Statement of directors' responsibilities	4
Independent auditors' report to the members of Del Monte Foods International Limited	5-6
Profit and Loss account	7
Balance Sheet	8
Notes to the accounts	9-16

Company information

Directors

H El-Naffy

J Inserra (Resigned on 2 May 2008)

L Conway (Appointed on 2 May 2008)

J P Bartoli

Secretary

P Brazlavsky

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

240 London Road

Staines

Middlesex TW18 4JD

Directors' report

The Directors are pleased to submit their report and the audited financial statements for the year ended 28 December 2007

Principal activities

The company acts as a holding company

Carrying value of investments

Investments in subsidiaries are stated at cost less provisions for any impairment

Results and dividends

The Company's retained loss for the year was £4,816,000 (2006 – gain of £3,034,000) No dividend has been declared or paid during the year (2006 – £nil) The retained loss of £4,816,000 (2006 – gain of £3,034,000) has been transferred to reserves

The financial statements have been prepared under the going concern concept because the parent undertaking has confirmed its support to provide adequate funds to meet the company's liabilities as they fall due

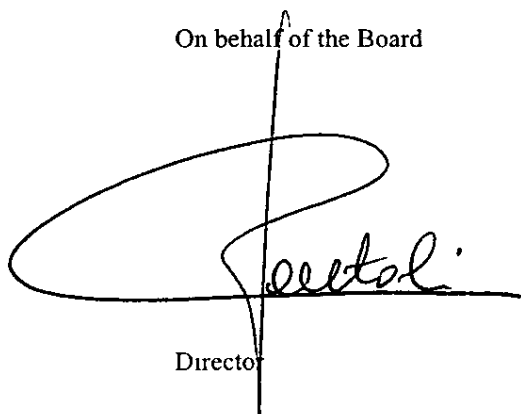
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report of which the auditor is unaware Having made enquiries of fellow directors each director has taken all the steps that he/she is obliged to take as a director in order to have made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Re-appointment of auditors

In accordance with section 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company

On behalf of the Board

A large, stylized handwritten signature in black ink, appearing to read 'A. Cortes', is written over a horizontal line. The signature is written in a cursive, flowing style.

Director

14 Oct 2008

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Del Monte Foods International Limited

We have audited the company's financial statements for the year ended 28 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

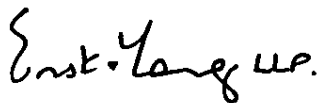
Independent auditors' report

to the members of Del Monte Foods International Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 December 2007 and of the company's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



Ernst & Young LLP
Registered Auditor
London

15 October 2008.

Profit and loss account

for the year ended 28 December 2007

		<i>Year ended 28 December 2007</i>	<i>Year ended 29 December 2006</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Administrative expenses		543	(2)
Other operating (expenses) / income		(5,359)	3,036
Operating (loss)/profit	2	(4,816)	3,034
Retained(loss)/profit for the year transferred to/(from) reserves		(4,816)	3,034

All amounts relate to continuing operations

The Company has no recognised gains or losses other than the result for the year, and therefore no statement of total recognised gains and losses is required

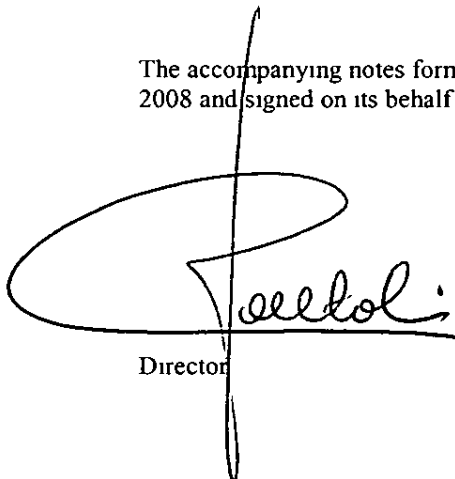
The accompanying notes form an integral part of these financial statements

Balance sheet

as at 28 December 2007

		28 December 2007	29 December 2006
	Notes	£000	£000
Fixed assets			
Investments	4	81,658	81,658
Current assets			
Debtors	5	144,149	143,878
Cash at bank and in hand		-	10
Creditors: amounts falling due within one year	6	(217,534)	(212,457)
Net current liabilities		(73,385)	(68,569)
Total assets less current liabilities		8,273	13,089
Capital and reserves			
Called up share capital	8	67,448	67,448
Share premium account	9	1,304	1,304
Cumulative retranslation reserve	9	(8,754)	(8,754)
Profit and loss account	9	(51,725)	(46,909)
Equity shareholders' funds		8,273	13,089

The accompanying notes form an integral part of these financial statements 2008 and signed on its behalf by Approved by the Board on 14 Oct



Director

Notes to the financial statements

at 28 December 2007

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The Board of Directors have reviewed the accounting policies in light of Financial Reporting Standard 18 "Accounting Policies" and consider them to be the most appropriate for the company. The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Fresh Del Monte Produce Inc, a company registered in the Cayman Islands, and its results and cash flows are included within the consolidated financial statements of that company.

In accordance with Section 228 of the Companies Act 1985, the company is exempt from the preparation of group financial statements as it is a wholly owned subsidiary of Fresh Del Monte Produce Inc, a company incorporated in the Cayman Islands. The results and financial position of the company are included in the consolidated financial statements of Fresh Del Monte Produce Inc. Accordingly these financial statements present information about the company as an individual undertaking and not about its group.

The group has adopted FRS 17 on retirement benefits and include in the notes information about the deficit in the scheme. The pension liability and related disclosure are in the balance sheet of Del Monte Europe Limited, but are included in note 11 here for additional information.

Fundamental accounting concept

The financial statements have been prepared under the going concern concept because the parent undertaking has confirmed its support to provide adequate funds to meet the company's liabilities as they fall due.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets, that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 28 December 2007

1. Accounting policies (continued)

Foreign currencies

Assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the period end. Transactions during the period are recorded at rates of exchange in effect at the time of those transactions. Currency gains and losses on trading items are taken to the profit and loss account.

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2007	2006
	£000	£000
Exchange losses / (gains)	5,359	(2,986)
Audit fee	19	19
Other income	(562)	(67)
	<u>5,359</u>	<u>(2,986)</u>

3. Directors emoluments

There were no employees during the year (2006 – nil) other than the directors. All directors are paid by other group companies and their remuneration is shown in the financial statements of those companies.

4. Investments

	<i>Interest in subsidiary undertakings £000</i>
Cost as at 29 December 2006 and cost as at 28 December 2007	168,502
Amounts provided, As at 29 December 2006 and 28 December 2007	86,844
Net book value at 28 December 2007	81,658
Net book value at 29 December 2006	81,658

Notes to the financial statements

at 28 December 2007

4. Investments (continued)

The Company's subsidiary is

	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Principal business country of operation</i>	<i>Proportion of Nominal value of shares held and voting rights</i>
Del Monte Foods Europe Limited	England & Wales	Dormant	United Kingdom	100%

5. Debtors

	<i>2007 £000</i>	<i>2006 £000</i>
Amounts owed by parent and fellow subsidiary undertakings	143,876	143,878
Prepayments	273	-
	<u>144,149</u>	<u>143,878</u>

6. Creditors: amounts falling due within one year

	<i>2007 £000</i>	<i>2006 £000</i>
Amounts owed to subsidiary undertakings	216,888	211,213
Accruals and deferred income	646	1,244
	<u>217,534</u>	<u>212,457</u>

Notes to the financial statements

at 28 December 2007

7. Tax on profit/(loss) on ordinary activities

In accordance with the accounting policy set out in note 1, the company has not provided for deferred taxation assets (2006 – £nil). The full potential asset for deferred taxation, which has not been recognised, was an asset of £14,315,000 (2006 – £13,514,000).

Factors affecting the tax charge for the year

The tax charge assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 – 30%). The differences are explained below

	2007 £000	2006 £000
Profit/(loss) before ordinary activities before tax	(4,816)	3,034
Profit/(loss) on ordinary activities multiplied by the standard rate of tax in the UK (30%)	(1,445)	910
Unutilised tax losses	1,082	–
Group relief surrendered	532	–
Disallowable expenses and non-taxable income	(169)	(18)
Other timing differences	–	(6)
Utilisation of management expenses brought forward	–	(886)
	–	–

Deferred tax

The full potential asset for deferred taxation which has not been recognised is as follows

	2007 £000	2006 £000
Management expenses	(8,353)	(8,004)
Non trade loan relationship deficit	(5,316)	(5,510)
Short Term timing difference	(149)	–
Deferred tax (asset)	(13,818)	(13,514)

Notes to the financial statements

at 28 December 2007

8. Called up share capital

<i>Authorised</i>		<i>No</i>
At 28 December 2007 and 29 December 2006 Ordinary shares of 20p each		500,000,000
		<u> </u>
<i>Allotted, called up and fully paid</i>	<i>£000</i>	<i>No</i>
At 28 December 2007 and 29 December 2006 Ordinary shares of 20p each	67,448	288,761,427
	<u> </u>	<u> </u>

9. Reserves

	<i>Share premium</i>	<i>Cumulative retranslation reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 29 December 2006	1,304	(8,754)	(46,909)	(54,359)
Loss for the year	—	—	(4,816)	(4,816)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 28 December 2007	1,304	(8,754)	(51,725)	(59,175)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the financial statements

at 28 December 2007

10. Pensions

The Del Monte Foods International Limited group operates a defined benefit pension scheme in the UK, which is closed to future benefits. The scheme is a multi employer scheme, and as such the particulars of the actuarial valuation of the pension scheme and the pension deficit are recorded in the accounts of Del Monte Europe Limited at 28 December 2007 under the provision of FRS 17. The pension notes disclosed below are for reference only, and are not recorded in the Profit and Loss account or Balance Sheet of Del Monte Foods International Limited.

A Full actuarial valuation was carried out at 5 April 2005 and updated to 28 December 2007 by a qualified independent actuary. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The assets and liabilities of the scheme at year end are:

	Year ended 28 December 2007 £000	Year ended 29 December 2006 £000
Scheme assets at fair value		
Equities	18,106	16,349
Bonds	1,343	3,846
Gilts	3,229	-
Cash	304	-
Fair value of scheme assets	22,982	20,195
Present value of scheme liabilities	(29,992)	(35,883)
Defined benefit pension scheme deficit	(7,010)	(15,688)
Related deferred tax asset	-	-
Net liability	(7,010)	(15,688)

The amount recognised in the Profit and Loss account and in the Statement of Total Recognised Gains and Losses for the year are analysed as follows:

	Year ended 28 December 2007 £000	Year ended 29 December 2006 £000
Recognised in the Profit and Loss account		
Current service cost	(146)	-
Past service cost	-	-
Recognised in arriving at Operating Profit/(Loss)	(146)	-
Expected return on scheme assets	1,204	1,166
Interest on obligation	(1,811)	(1,762)
Other finance cost	(607)	(596)
Total recognised in the Profit and Loss account	(753)	(596)

Notes to the financial statements

at 28 December 2007

10. Pensions (continued)

	Year ended 28 December 2007 £000	Year ended 29 December 2006 £000
Taken to the Statement of Total Recognised Gains and Losses		
Actual return on scheme assets	2,167	999
Less expected return on scheme assets	(1,204)	(1,166)
	<u>963</u>	<u>(167)</u>
Actuarial gain on plan liabilities	6,906	2,616
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	<u>7,869</u>	<u>2,449</u>

The cumulative actuarial gains and losses recognised in the Statement of Total Recognised Gains and losses at 28 December 2007 are £11,178,000 (At 29 December 2006, £3,309,000)

	2007 %	2006 %
Main assumptions		
Rate of increase in pension in payment	3.1	2.9
Rate of increase in pension in deferment	3.4	2.9
Discount rate	6.0	5.1
Expected rates of return on scheme assets		
Equities	8.1	6.95
Bonds	5.8	4.5
Gilts	4.8	n/a
Cash	5.75	n/a

The company currently pays monthly contributions of £141,666 into the plan. This will be reviewed following the next actuarial valuation due as at 5th April 2008.

Changes in the present value of the defined benefit obligations are analysed as follows:

	2007 £000	2006 £000
Present value of obligation at beginning of year	35,883	37,454
Current service cost	146	-
Interest cost	1,811	1,762
Benefits paid	(832)	(740)
Charges paid	(110)	23
Actuarial (gains)/losses	(6,906)	(2,616)
Present value of obligation at the end of year	<u>29,992</u>	<u>35,883</u>

Notes to the financial statements

at 28 December 2007

10. Pensions (continued)

Changes in the fair value of plan assets are analysed as follows:

	2007 £000	2006 £000
Fair value of plan assets at beginning of year	20,195	19,042
Expected return on plan assets	1,204	1,166
Employer contributions	1,562	871
Benefits paid	(832)	(740)
Charges paid	(110)	23
Actuarial gains and losses	963	(167)
Fair value of plan assets at the end of year	<u>22,982</u>	<u>20,195</u>

History of scheme deficit and actuarial gains and losses:

	2007 £'000	2006 £000	2005 £000
Fair value of scheme assets	22,982	20,195	19,042
Present value of defined benefit obligation	(29,992)	(35,883)	(37,454)
Deficit in the scheme	<u>(7,010)</u>	<u>(15,688)</u>	<u>(18,412)</u>
Actuarial gain/(loss) on plan liabilities	6,906	2,616	(1,689)
Actuarial gain/(loss) on plan assets	<u>963</u>	<u>(167)</u>	<u>2,549</u>

11. Related parties

As a wholly owned subsidiary, Del Monte Foods International Limited has taken advantage of the exemption, allowed by Financial Reporting Standard 8, from disclosing details of transactions with its ultimate parent undertaking, Fresh Del Monte Produce Inc, or other group entities

12. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Del Monte B V, which is incorporated in The Netherlands. It has included the UK group in its consolidated financial statements, copies of which are publicly available from its registered office at Strawinskylaan 1725, Tower B 17 Floor, 1077 XX Amsterdam

The directors consider that the company's ultimate parent undertaking and controlling party is Fresh Del Monte Produce Inc, a company incorporated in The Cayman Islands. Copies of its financial statements which include the company are available from Fresh Del Monte Produce Company, 241 Sevilla Avenue, Coral Gables, Florida, 33134, USA