

Del Monte Foods International Limited

Report and Financial Statements

30 December 2011

Registered Number 2455416



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Company information

Directors

H El-Naffy
L Conway
J P Bartoli

Secretary

P Brazlavsky

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

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 30 December 2011

Results and dividends

The Company's loss for the year transferred to reserves was £10,687,000 (2010 – £46,020,000 loss) No dividend has been declared or paid during the year (2010 – £nil)

Principal activities and review of the business

The company acts as a holding company. The company is a wholly owned subsidiary of Fresh Del Monte Produce Inc (the 'Group') and is part of the Group's global corporate operations.

The principal activity of the company is to hold investments and it will continue to be so for the foreseeable future.

The group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group's global operations, which includes the company, is discussed in the Group's Annual Report which does not form part of this report.

As a result of the restructuring within the Del Monte Foods International Group, Del Monte Foods Europe Limited and Del Monte Foods Northern Europe Limited have been voluntarily wound up in 2011 leading to their investments in Del Monte International Inc and Del Monte Europe Limited being purchased by Del Monte Foods International Limited for a value of £35,892,000. The investment of £35,892,000 in Del Monte Foods Europe Limited was written off in the year.

There has also been a waiver of an intercompany balance of £9,075,000 payable to Del Monte Foods International Limited from Del Monte Foods Europe Limited and an intercompany balance of £34,280,000 payable to Del Monte Foods Northern Europe Limited from Del Monte Foods International Limited.

On 22nd March 2011, there was a capital contribution from the parent company Del Monte B V of £50,000,000 (Note 9).

Going Concern

The parent undertaking has confirmed its support to provide adequate funds to meet the company's liabilities as they fall due for a period of at least one year following the approval date of these financial statements. The directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

Indemnity Provision

The Company provides qualifying third party indemnity provision to its Directors against liability in respect of proceedings brought by third parties.

Directors

The directors who served the company during the year were as follows:

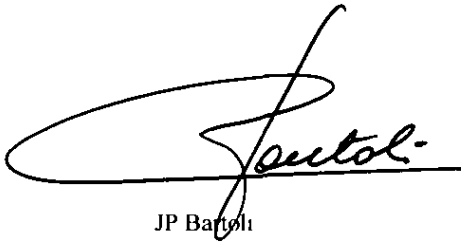
H El-Naffy
L Conway
J P Bartoli

Directors' report

Re-appointment of auditors

In accordance with section 485 of the Companies Act 2006, 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 handwritten signature in black ink, appearing to read 'JP Bartoli', is written over a horizontal line.

JP Bartoli

Director

2012 15/10/12

Statement of Directors' responsibilities

to the members of Del Monte Foods International Limited

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditor's report

to the members of Del Monte Foods International Limited

We have audited the financial statements of Del Monte Foods International Limited for the year ended 30 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 December 2011 and its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

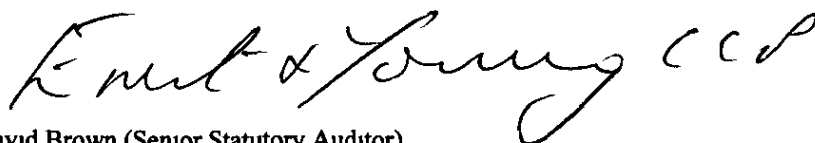
Independent auditor's report

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Brown (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP Statutory Auditor
Reading

16/10/2012

Profit and loss account

for the year ended 30 December 2011

		<i>Year Ended 30 December 2011 £000</i>	<i>Year Ended 31 December 2010 £000</i>
	<i>Notes</i>		
Other operating expenses		-	(254)
Investment impairment			(45,766)
Investment write off		(35,892)	
Waiver of intercompany balances		25,205	-
Loss on ordinary activities before taxation	2	(10,687)	(46,020)
Taxation	7	-	-
Retained loss for the financial year	9	(10,687)	(46,020)

All amounts relate to continuing operations

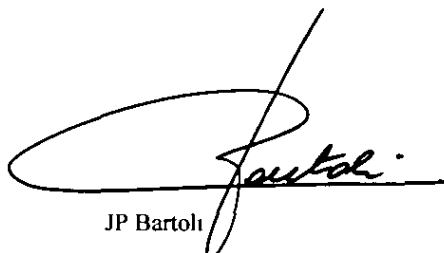
There have been no recognised gains and losses, other than the loss for the financial year and accordingly no separate statement of recognised gains and losses has been presented

Balance sheet

at 30 December 2011

		30 December 2011	31 December 2010
	Notes	£000	£000
Fixed assets			
Investments	4	<u>35,892</u>	<u>35,892</u>
Current assets			
Debtors	5	131,956	143,876
Creditors: amounts falling due within one year	6	(167,715)	(218,948)
Net current liabilities		<u>(35,759)</u>	<u>(75,072)</u>
Total assets less current liabilities		<u>133</u>	<u>(39,180)</u>
Capital and reserves			
Called up share capital	8	67,448	67,448
Share premium account	9	1,304	1,304
Capital contribution	9	50,000	-
Cumulative retranslation reserve	9	-	(8,754)
Profit and loss account	9	(118,619)	(99,178)
Equity shareholders' funds / (deficit)		<u>133</u>	<u>(39,180)</u>

The accompanying notes form an integral part of these financial statements. Approved by the Board on 2012 and signed on its behalf by


 JP Bartoli
 Director
 15/10/12

Notes to the financial statements

at 30 December 2011

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

Fundamental accounting concept

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

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

Statement of Cash Flows

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 which are publicly available

Group financial statements

In accordance with Section 401 of the Companies Act 2006, 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 which are publicly available, refer to Note 13. Accordingly these financial statements present information about the company as an individual undertaking and not about its group

Defined Benefits

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 10 here for additional information

Investments

Investments in subsidiary undertakings are stated at cost, less provision for impairment

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 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 30 December 2011

2. Operating loss

Operating loss is stated after charging/(crediting)

	<i>year ended</i>	<i>year ended</i>
	<i>30 December</i>	<i>31 December</i>
	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Other expense	-	254
Impairment of investment in Del Monte Foods Europe Limited	(35,892)	5,766
Waiver of intercompany balances due from Del Monte Foods Europe Limited	(9,075)	
Waiver of intercompany balance due to Del Monte Foods Northern Europe Limited	34,280	
	<u> </u>	<u> </u>

In 2011 and 2010 audit fees have been borne by Del Monte Europe Limited. No non-audit fees were paid by the Company during the current or preceding financial year

3. Directors emoluments

Directors' remuneration for the years ended 30 December 2011 and 31 December 2010 have been borne by Del Monte Fresh Produce Company. The directors of the company are also directors or officers of other companies within The Del Monte Fresh Produce group. The directors' services to the company do not occupy a significant amount of their time. As such, the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 30 December 2011 and 31 December 2010.

4. Investments

	<i>Interest in subsidiary undertakings £000</i>
Cost	
At 31 December 2010	168,502
Additions	35,892
Disposals	(168,502)
At 30 December 2011	<u>35,892</u>
Amounts provided	
At 31 December 2010	132,610
Disposals	(132,610)
At 30 December 2011	<u>-</u>
 Net book value at 30 December 2011	 <u>35,892</u>
 Net book value at 31 December 2010	 <u>35,892</u>

Notes to the financial statements

at 30 December 2011

4. Investments (continued)

The Company's subsidiaries are

	<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 Europe Limited	England & Wales	Trading	United Kingdom	100%
Del Monte International Inc	Panama	Non trading	United Kingdom	100%

The investment in Del Monte Foods Europe Limited was held at £35,892,000 and was written off during the year. The Company acquired Del Monte Europe Limited and Del Monte International Inc during the year for £35,892,000.

5. Debtors

	30 December 2011 £000	31 December 2010 £000
Amounts owed by parent and fellow subsidiary undertakings	131,956	143,876
	<u>131,956</u>	<u>143,876</u>

6. Creditors: amounts falling due within one year

	30 December 2011 £000	31 December 2010 £000
Amounts owed to subsidiary undertakings	167,461	218,694
Accruals	254	254
	<u>167,715</u>	<u>218,948</u>

Amounts owed to group undertakings are payable on demand

Notes to the financial statements

at 30 December 2011

7. Tax on loss on ordinary activities

In accordance with the accounting policy set out in note 1, the company has not provided for deferred taxation assets (2010 – £nil) The full potential asset for deferred taxation, which has not been recognised, was an asset of £12,192,000 (2010 – £13,167,000)

The tax charge assessed for the year is lower than the standard rate of corporation tax in the UK of 26.5% (2010 – 28%). The differences are explained below

	Year ending 30 December	Year ending 31 December
	2011	2010
	£000	£000
Loss before ordinary activities before tax	(10,687)	(46,020)
Loss on ordinary activities multiplied by the standard rate of tax in the UK 26.5% (2010 28%)	(2,832)	(12,886)
Effect of		
Non deductible write off of investments and waiver intercompany balances	2,832	12,815
Group relief surrendered	-	71
	-	-

Unrecognised deferred tax asset

No deferred tax has been provided at 30 December 2011 (2010 Nil) as there is no certainty over recoverability

The potential amount of deferred tax is analysed as follows

	Year ending 30 December	Year ending 31 December
	2011	2010
	£000	£000
Management expenses	7,467	8,064
Non trade loan relationship deficit	4,725	5,103
Deferred tax asset	12,192	13,167

Factors affecting future tax charges:

Finance Act 2011, enacted on 19 July 2011, reduced the main rate of corporation tax to 26% from 1 April 2011 and to 25% from 1 April 2012

The UK government announced on 21 March 2012 further reductions in the standard rate of corporation tax to 24% from 1 April 2012 and by a further 1% per annum to 22% from 1 April 2014. These further reductions had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

Finance Act 2011 also enacted a reduction from 1 April 2012 in the rate of capital allowances applicable to plant and machinery and to integral features from 20% to 18% and from 10% to 8% respectively

Notes to the financial statements

at 30 December 2011

8. Called up share capital

<i>Allotted, called up and fully paid</i>	<i>£000</i>	<i>No</i>
At 30 December 2011 and 31 December 2010	67,448	288,761,427
Ordinary shares of 20p each		

9. Reconciliation of shareholders' funds and movement on reserves

	<i>30 December</i>	<i>31 December</i>
	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Opening shareholders' funds/ (deficit)	(39,180)	6,840
Loss for the financial year	(10,687)	(46,020)
Capital contribution	50,000	-
Closing shareholders' funds/ (deficit)	133	(39,180)

Movement on reserves

	<i>Share premium</i>	<i>Cumulative retranslation reserve</i>	<i>Capital Contribution</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 31 December 2010	1,304	(8,754)	-	(99,178)	(106,628)
Cumulative retranslation reserve transferred to profit and loss	-	8,754	-	(8,754)	-
Capital contribution in year	-	-	50,000	-	50,000
Loss for the year	-	-	-	(10,687)	(10,687)
At 30 December 2011	1,304	-	50,000	(118,619)	(67,315)

On 22nd March 2011 the parent company, Del Monte B V, made a capital contribution of £50,000,000.

Notes to the financial statements

at 30 December 2011

10. Pensions

The Del Monte Foods International Limited group participates in a defined benefit pension scheme in the UK, which is closed to new entrants and no future benefits will accrue under the plan. 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 30 December 2011 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 2011 and updated to 30 December 2011 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:

	30 December 2011 £000	31 December 2010 £000
Scheme assets at fair value		
Equities	19,500	21,452
Corporate Bonds	2,178	1,188
Gilts	3,306	2,965
Cash	299	283
Fair value of scheme assets	25,283	25,888
Present value of scheme liabilities	(33,478)	(36,146)
Defined benefit pension scheme deficit	(8,195)	(10,258)
Related deferred tax asset	-	-
Net liability	(8,195)	(10,258)

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

	year ended 30 December 2011 £000	year ended 31 December 2010 £000
Expected return on scheme assets	1,771	1,603
Interest on obligation	(1,921)	(2,028)
Other finance cost	(150)	(425)
Total recognised in the Profit and Loss account of Del Monte Europe Limited	(150)	(425)

Notes to the financial statements

at 30 December 2011

10. Pensions (continued)

	Year ended 30 December 2011 £000	Year ended 31 December 2010 £000
Taken to the Del Monte Europe Limited Statement of Total Recognised Gains and Losses		
Actual return on scheme assets	(1,208)	3,052
Less expected return on scheme assets	(1,771)	(1,603)
	(2,979)	1,449
Actuarial gain on plan liabilities	3,455	1,019
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses in Del Monte Europe Limited	476	2,468

The cumulative actuarial gains and losses recognised in the Statement of Total Recognised Gains and losses at 30 December 2011 are £476,000 (At 31 December 2010 £2,468,000)

	30 December 2011 %	31 December 2010 %
Main assumptions		
Rate of increase in pension in payment	2.1	3.5
Rate of increase in pension in deferment	2.1	3.5
Discount rate	4.7	5.4
Expected rates of return on scheme assets		
Equities	7.8	8.0
Corporate Bonds	4.7	5.4
Gilts	2.8	4.2
Cash	0.5	0.5

The company currently pays monthly contributions of £141,666 into the plan

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

	30 December 2011 £000	31 December 2010 £000
Present value of obligation at beginning of year	36,146	36,067
Current service cost	-	-
Interest cost	1,921	2,028
Benefits paid	(1,134)	(930)
Charges paid	-	-
Actuarial (gain)	(3,455)	(1,019)
Present value of obligation at the end of year	33,478	36,146

Notes to the financial statements

at 30 December 2011

10. Pensions (continued)

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

	30 December	31 December
	2011	2010
	£000	£000
Fair value of plan assets at beginning of year	25,888	22,029
Expected return on plan assets	1,771	1,603
Employer contributions	1,737	1,737
Benefits paid	(1,134)	(930)
Actuarial (gains)/losses	(2,979)	1,449
Fair value of plan assets at the end of year	<u>25,283</u>	<u>25,888</u>

History of scheme deficit and actuarial gains and losses:

	2011	2010	2009	2008	2007
	£000	£000	£000	£000	£000
Fair value of scheme assets	25,283	25,888	22,029	17,783	22,982
Present value of defined benefit obligation	(33,478)	(36,146)	(36,067)	(29,075)	(29,992)
Deficit in the scheme	<u>(8,195)</u>	<u>(10,258)</u>	<u>(14,038)</u>	<u>(11,292)</u>	<u>(7,010)</u>
Actuarial (loss)/gain on plan liabilities	(3,455)	1,019	(6,087)	1,239	6,906
Actuarial (loss)/gain on plan assets	<u>(2,979)</u>	<u>1,449</u>	<u>2,461</u>	<u>(7,047)</u>	<u>963</u>

11. Contingent liabilities

The company is a borrowing guarantor in a credit facility involving several Fresh Del Monte Produce Inc subsidiaries. The credit limit of the facility is \$300,000,000, which is also the extent of the guarantee (2010 - \$500,000,000). At 30 December 2011 \$228,817,502 of the facility was utilised (2010 \$310,493,701).

12. 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 wholly owned group entities.

13. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Fresh Del Monte Produce Inc, a company incorporated in The Cayman Islands. Fresh Del Monte Produce Inc is the parent undertaking of the smallest and largest group for which group financial statements are prepared and of which the Company is a member. 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.