

Del Monte Foods International Limited

Report and Financial Statements

01 January 2010

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
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 01 January 2010

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 profit for the year was £nil (2008 – loss of £1,433,000) No dividend has been declared or paid during the year (2008 – £nil)

Going Concern

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

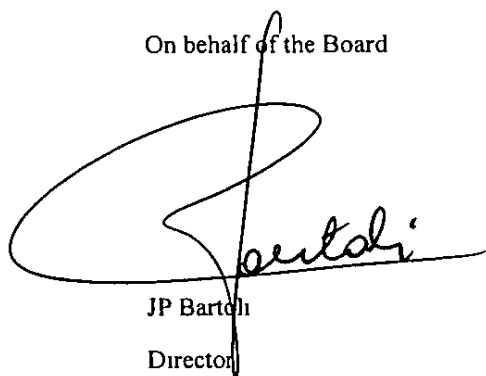
Disclosure of information to the auditors

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 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



JP Bartoli
Director

29/9/ 2010

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). 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 auditors' report

to the members of Del Monte Foods International Limited

We have audited the company's financial statements for the year ended 01 January 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 (APB'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.

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 01 January 2010 and of its results 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.

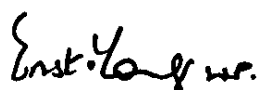
Independent auditors' report

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



Richard Murray (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

29 SEP 2010

Profit and loss account

for the period ended 01 January 2010

		<i>53 week Period Ended 01 January 2010 £000</i>	<i>52 week Period Ended 26 December 2008 £000</i>
	<i>Notes</i>		
Other income		-	90
Other operating expenses		-	(1,523)
Operating loss	2	-	(1,433)
Retained loss for the year transferred from reserves		-	(1,433)

All amounts relate to continuing operations

There have been no recognised gains and losses, and accordingly no separate statement of recognised gains and losses has been presented

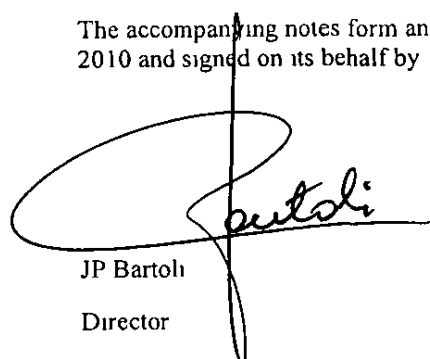
All profits and losses have been accounted for on a historical cost basis

Balance sheet

at 01 January 2010

		01 January 2010	26 December 2008
	Notes	£000	£000
Fixed assets			
Investments	4	81,658	81,658
Current assets			
Debtors	5	143,876	144,149
Creditors amounts falling due within one year	6	(218,694)	(218,967)
Net current liabilities		(74,818)	(74,818)
Total assets less current liabilities		6,840	6,840
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	(53,158)	(53,158)
Equity shareholders' funds		6,840	6,840

The accompanying notes form an integral part of these financial statements. Approved by the Board on 29/9 2010 and signed on its behalf by


JP Bartoli
Director

Notes to the financial statements

at 01 January 2010

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

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 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. 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

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 01 January 2010

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 are recorded at the rate ruling at the date of the transaction. Currency gains and losses on trading items are taken to the profit and loss account.

2. Operating loss

Operating loss is stated after charging / (crediting)

	2009 £000	2008 £000
Exchange losses	-	1,523
Other income	-	(90)
	<u>-</u>	<u>(90)</u>

In 2009 audit fees have been borne by another group company

3. Directors emoluments

There were no employees during the year (2008 – 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 26 December 2008 and 01 January 2010	168,502
Amounts provided, As at 26 December 2008 and 01 January 2010	86,844
Net book value at 01 January 2010	81,658
Net book value at 26 December 2008	81,658

Notes to the financial statements

at 01 January 2010

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>2009 £000</i>	<i>2008 £000</i>
Amounts owed by parent and fellow subsidiary undertakings	143,876	143,876
Prepayments	-	273
	<u>143,876</u>	<u>144,149</u>

6. Creditors: amounts falling due within one year

	<i>2009 £000</i>	<i>2008 £000</i>
Amounts owed to subsidiary undertakings	218,694	218,495
Accruals and deferred income	-	472
	<u>218,694</u>	<u>218,967</u>

Notes to the financial statements

at 01 January 2010

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 (2008 – £nil). The full potential asset for deferred taxation, which has not been recognised, was an asset of £13,661,000 (2008 – £13,816,000)

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 28% (2008 - 28%). The differences are explained below

	2009 £000	2008 £000
Loss before ordinary activities before tax	-	(1,433)
Loss on ordinary activities multiplied by the standard rate of tax in the UK 28% (2008 28%)	-	(401)
Group relief surrendered	-	411
Disallowable expenses and non-taxable income	-	(10)
	-	-

Deferred tax

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

	2009 £000	2008 £000
Management expenses	(8,369)	(8,353)
Non trade loan relationship deficit	(5,292)	(5,333)
Short Term timing difference	-	(130)
Deferred tax asset	(13,661)	(13,816)

Factors affecting future tax charges.

The following changes were announced in the UK Budget on 22 June 2010

(i) the full rate of corporation tax will reduce to 27% with effect from 1 April 2011, and will decrease by a further 1% each 1 April thereafter until reaching 24% with effect from 1 April 2014,

(ii) the rate of annual writing down allowances on qualifying plant and machinery will reduce by 2%, to 18% for the general capital allowance pool and to 8% for the integral features pool, with effect from 1 April 2012

As this legislation was not substantively enacted by the balance sheet date, the figures within these accounts are calculated in accordance with existing rates

Notes to the financial statements

at 01 January 2010

8. Called up share capital

<i>Authorised</i>	<i>No</i>
At 01 January 2010 and 26 December 2008 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 01 January 2010 and 26 December 2008 Ordinary shares of 20p each	67,448 288,761,427
	<u> </u> <u> </u>

9. Reserves

	<i>Share premium</i> <i>£000</i>	<i>Cumulative retranslation reserve</i> <i>£000</i>	<i>Profit and loss account</i> <i>£000</i>	<i>Total</i> <i>£000</i>
At 26 December 2008	1,304	(8,754)	(53,158)	(60,608)
Loss for the year	-	-	-	-
At 01 January 2010	<u>1,304</u>	<u>(8,754)</u>	<u>(53,158)</u>	<u>(60,608)</u>

Notes to the financial statements

at 01 January 2010

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 01 January 2010 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 01 January 2010 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 01 January 2010 £000	Year ended 26 December 2008 £000
Scheme assets at fair value		
Equities	18,018	11,620
Gilts	3,759	5,142
Cash	252	1,021
Fair value of scheme assets	22,029	17,783
Present value of scheme liabilities	(36,067)	(29,075)
Defined benefit pension scheme deficit	(14,038)	(11,292)
Related deferred tax asset	-	-
Net liability	(14,038)	(11,292)

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 01 January 2010 £000	Year ended 26 December 2008 £000
Recognised in the Profit and Loss account		
Current service cost	(88)	(88)
Recognised in arriving at Operating Profit / (Loss)	(88)	(88)
Expected return on scheme assets	1,052	1,635
Interest on obligation	(1,860)	(1,756)
Other finance cost	(808)	(121)
Total recognised in the Profit and Loss account	(896)	(209)

Notes to the financial statements

at 01 January 2010

10 Pensions (continued)

	Year ended 01 January 2010 £000	Year ended 26 December 2008 £000
Taken to the Statement of Total Recognised Gains and Losses		
Actual return on scheme assets	3,513	(5,412)
Less: expected return on scheme assets	(1,052)	(1,635)
	<u>2,461</u>	<u>(7,047)</u>
Actuarial (loss)/gain on plan liabilities	(6,087)	1,239
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	<u>(3,626)</u>	<u>(5,808)</u>

The cumulative actuarial gains and losses recognised in the Statement of Total Recognised Gains and losses at 01 January 2010 are £3,626,000 (At 26 December 2008, £5,808,000)

	2009 %	2008 %
Main assumptions		
Rate of increase in pension in payment	3.6	3.4
Rate of increase in pension in deferment	3.6	3.2
Discount rate	5.7	6.5
Expected rates of return on scheme assets		
Equities	8.6	7.9
Gilts	4.5	3.9
Cash	0.5	2.0

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 2010.

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

	2009 £000	2008 £000
Present value of obligation at beginning of year	29,075	29,992
Current service cost	88	88
Interest cost	1,860	1,756
Benefits paid	(955)	(1,434)
Charges paid	(88)	(88)
Actuarial losses/(gain)	6,087	(1,239)
Present value of obligation at the end of year	<u>36,067</u>	<u>29,075</u>

Notes to the financial statements

at 01 January 2010

10. Pensions (continued)

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

	2009 £000	2008 £000
Fair value of plan assets at beginning of year	17,783	22,982
Expected return on plan assets	1,052	1,635
Employer contributions	1,776	1,735
Benefits paid	(955)	(1,434)
Charges paid	(88)	(88)
Actuarial gains and losses	2,461	(7,047)
Fair value of plan assets at the end of year	<u>22,029</u>	<u>17,783</u>

History of scheme deficit and actuarial gains and losses

	2009 £000	2008 £000	2007 £000	2006 £000
Fair value of scheme assets	22,029	17,783	22,982	20,195
Present value of defined benefit obligation	(36,067)	(29,075)	(29,992)	(35,883)
Deficit in the scheme	<u>(14,038)</u>	<u>(11,292)</u>	<u>(7,010)</u>	<u>(15,688)</u>
Actuarial (loss)/gain on plan liabilities	(6,087)	1,239	6,906	2,616
Actuarial gain / (loss) on plan assets	<u>2,461</u>	<u>(7,047)</u>	<u>963</u>	<u>(167)</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 ultimate parent undertaking is Fresh Del Monte Produce Inc, which is 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