BROADENING

DEL MONTE PACIFIC LIMITED

Annual Report 2005

MISSION STATEMENT

Our mission is to be a leading fully integrated Asian-based international food and beverage company that develops and markets quality branded products to customers all over the world.

CORPORATE PROFILE

Del Monte Pacific Limited is a group of companies engaged in the production, marketing and distribution of premium-branded food and beverage products. It owns the *Del Monte* brand in the Philippines, where it enjoys leading market shares in pineapple juice, juice drinks, canned pineapple, mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup.

Del Monte Pacific also holds the exclusive rights to produce and distribute food and beverage products under the *Del Monte* brand in the Indian sub-continent. The Group owns Del Monte Foods India Private Limited which is engaged in the production, distribution and sale of processed fruit and vegetable products.

Del Monte Pacific also owns 89% of Abpak Company Ltd which holds 100% of Great Lakes (Tianjin) Fresh Foods and Juice Company Ltd. Great Lakes is a premium fruit juice producer in China, which sells juices under the *Great Lakes, Ming Lang, Little Lakes, Rougemont* and *Welch's* brands.

Operating one of the world's largest fully integrated pineapple operations, the Group is the global low-cost producer of pineapple and has long-term supply agreements with Del Monte trademark owners and licensees around the world.

Del Monte Pacific is 85%-owned by NutriAsia Pacific Ltd, a joint venture between the NutriAsia Group of Companies and San Miguel Corporation, both of the Philippines.

Del Monte Pacific Limited (the "Company") and its subsidiaries (the "Group") are not affiliates of the Del Monte Corporation and its parent, Del Monte Foods Company, or Fresh Del Monte Produce, Inc and its subsidiaries, or the Kikkoman Corporation and its subsidiaries, including Del Monte Asia Pte Ltd, or Del Monte Foods International Limited and its subsidiaries.

PERFORMANCE HIGHLIGHTS

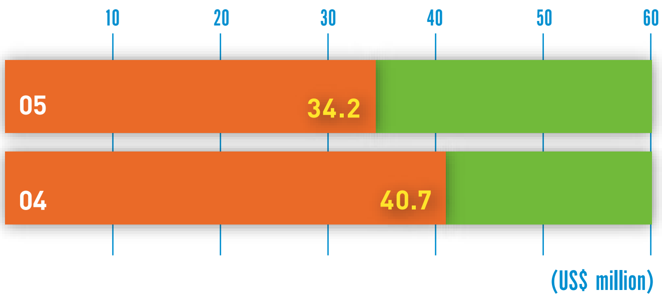
1. Turnover improved by 11% to US$222.4 million, a record high
2. Profit before interest and tax (PBIT) declined by 30% to US$24.5 million due to higher costs and exceptional expenses
3. Net profit dropped by 34% to US$18.6 million due to lower PBIT
4. Operating cash flow fell 62% to US$15.3 million due to lower profits and higher inventory level
5. Net cash position maintained but lower by 34% at US$18.4 million
6. Dividends totaling 1.29 US cents (US$0.0129) per share were declared for 2005, representing a 75% payout of net income

CONTENTS

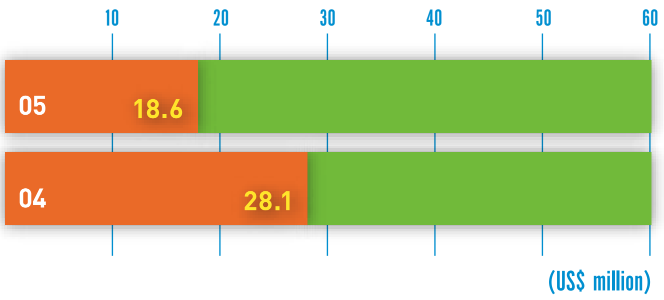
FINANCIAL HIGHLIGHTS

Turnover

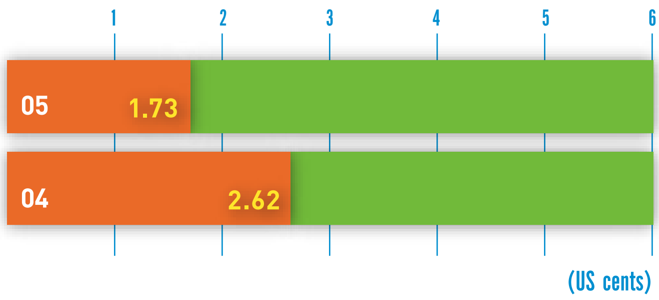
EBITDA



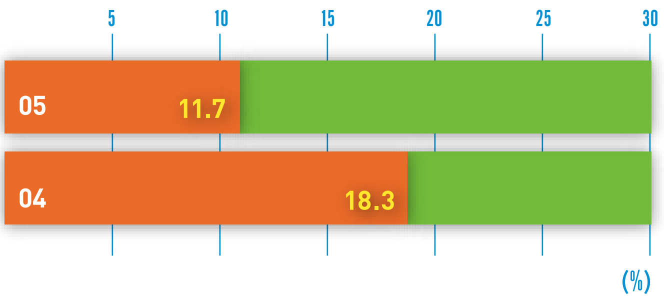
Net Profit



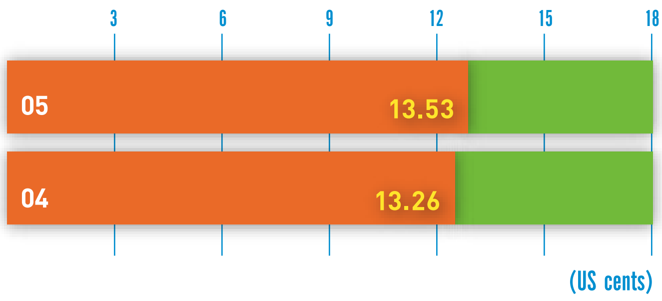
Basic Earnings per Share



Return on Equity



Net Tangible Asset per Share



FIVE-YEAR SUMMARY

Financial Year ended 31 December

(Amounts in US$ million unless otherwise stated)

	2005	2004	2003	2002	2001
Profitabililty					
Turnover	222.4	199.6	199.2	196.4	182.3
EBITDA	34.2	40.7	39.2	43.9	37.1
Margin (%)	15.4	20.4	19.7	22.3	20.4
Profit from Operations	23.9	35.0	33.7	39.1	33.1
Net Profit	18.6	28.1	30.2	35.2	29.5
Margin (%)	8.4	14.1	15.2	17.9	16.2
Return on Equity[(1)] (%)	11.7	18.3	20.6	25.8	22.4
Balance Sheet					
Net Cash	18.4	27.7	19.2	12.6	17.1
Fixed Assets	54.6	48.8	48.7	48.4	43.8
Total Assets	254.3	232.3	221.6	200.3	185.0
Shareholders' Equity	161.1	157.6	149.3	143.4	129.2
Cash Flow					
Cash Flow from Operations	15.3	40.0	36.9	26.5	26.1
Capital Expenditure	7.6	4.9	7.6	10.3	14.9
Share Statistics[(2)]					
Number of Shares (million)	1,082	1,074	1,072	1,072	1,072
Share Price (Singapore cents)	63.5	68.5	58.5	43.0	38.0
Share Price (US cents equivalent)[(3)]	38.3	40.5	33.6	23.9	21.2
Market Capitalisation (S$ million)	687.1	736.0	627.2	461.0	407.4
Market Capitalisation (US$ million)	413.9	435.5	360.4	256.1	227.6
Earnings Per Share (US cents)	1.73	2.62	2.82	3.28	2.73
Price Earnings Multiple (x)	22.1	15.5	11.9	7.3	7.8
Dividend Per Share (US cents)	1.29	2.35	1.69	1.97	1.38
Dividend Per Share (Singapore cents)[(4)]	2.12	3.89	2.87	3.47	2.53
Dividend Yield (%)	3.3	5.7	4.9	8.1	6.6
Dividend Payout (%)	75.0	90.0	60.0	60.0	50.0
Net Tangible Asset Per Share (US cents)	13.53	13.26	13.06	12.49	11.13
P&L rate: US$1 : S$	1.66	1.69	1.74	1.80	1.79

(1) Return on equity is calculated based on average equity except for 1999, as the Company was only listed that year.

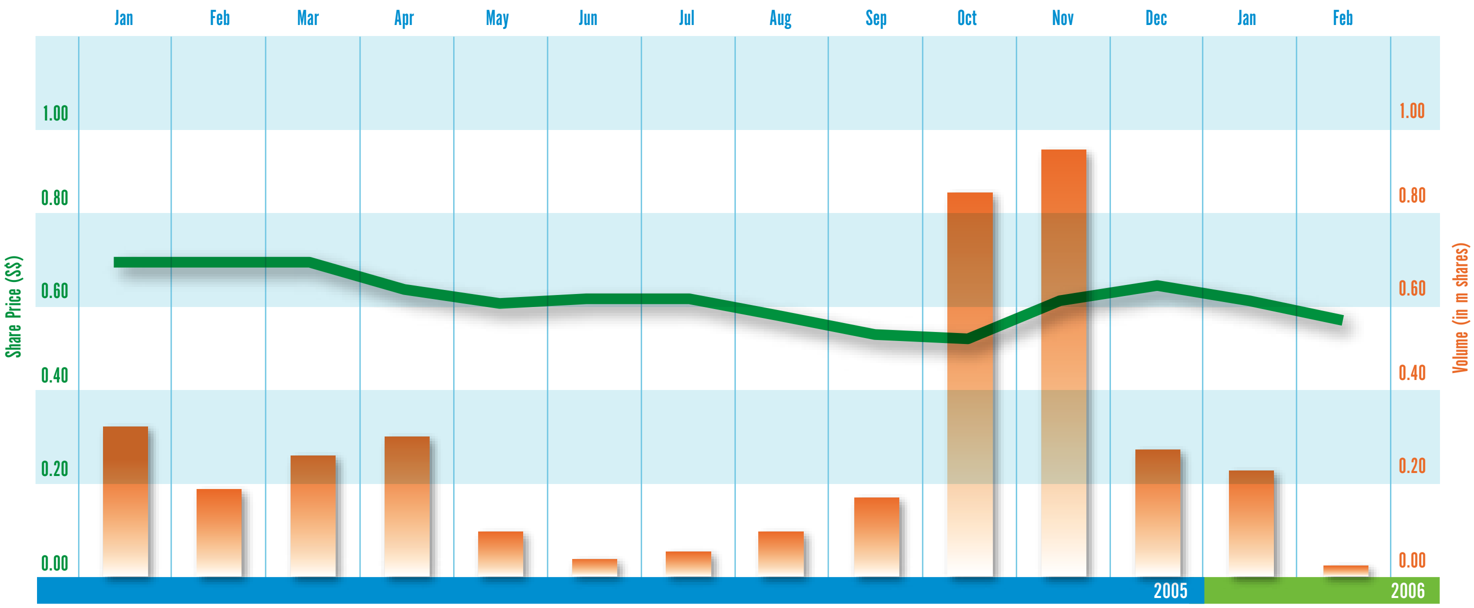
(2) The Company was listed on 2 August 1999 on the Singapore Exchange (SGX). On 20 December 1999, the SGX approved the conversion of the Company's quotation of shares to Singapore dollars from US dollars.

(3) The Company's reporting currency is US dollars. Singapore cent share prices are converted to US cents for the purpose of computing financial ratios.

(4) Dividend per share (Singapore cents) is based on the actual exchange rate at the respective time of dividend payment. 2005 is an estimate based on indicative exchange rate.

SHARE PERFORMANCE

DEL MONTE PACIFIC SHARE PRICE AND VOLUME



	2005	2004	2003	2002	2001
Share Price (S$)					
High	**0.700**	0.710	0.605	0.490	0.540
Low	**0.530**	0.575	0.415	0.370	0.300
End of period	**0.635**	0.685	0.585	0.430	0.380
Average	**0.620**	0.635	0.519	0.430	0.410
Average Daily Turnover					
Value (S$)	**111,310**	129,724	374,984	181,483	273,136
Volume (Shares)	**297,264**	203,304	700,635	424,665	602,429

LETTER TO SHAREHOLDERS

Dear Valued Shareholders,

On behalf of the Board of Directors, we are pleased to present Del Monte Pacific Limited's Annual Report for the financial year ended 31 December 2005.

We had a difficult year in 2005 despite record sales of US$222.4 million, the highest in DMPL's history. Strong sales of processed products in the Philippines and to North America were offset by higher costs, notably tinplate and energy, which reduced gross profit margin to 23.6% from 28.2% in the prior year.

Moreover, we had a number of exceptional expenses amounting to US$5.7 million. These included provisions primarily for off-specification products and doubtful debt. We increased marketing spending in the Philippines to maintain the leading positions of our major product categories.

As a result of higher costs and operating expenses, profit before interest and tax (PBIT) declined by 30% to US$24.5 million and net profit fell 34% to US$18.6 million. While we achieved good growth in sales for the year, the decline in profit was very disappointing.

Your management team remained highly committed to growing the business and launched a number of successful new initiatives.

In the Philippines, effective marketing spending led to increased market shares in the pineapple juice, spaghetti sauce and tomato ketchup product categories. We introduced new products for both the grocery and food service segments and also tapped new distribution channels such as hospitals and bakeries.

We are pleased to have significantly higher sales of value added products to Europe and North America. We started sales of fruit in plastic cups and *Del Monte 202* canned drinks to Europe in 2005, in line with our strategy to offer higher margin value-added products to the international market.

The domestic market in China remained challenging. Our subsidiary, Great Lakes, experienced lower margins and profitability due to high trade fees and intense competition. New initiatives were launched in China including the licensing of *Welch's* grape juice from Welch's USA and the production of *Del Monte* branded products for export to the Indian sub-continent.

Dividends

In view of the Company's year end net cash position, after fully funding capital expenditure, your Board of Directors declared a total dividend per share of 1.29 US cents (about 2.12 Singapore cents). This translates to a payout of 75% of full year 2005 net profit, well above our minimum payout policy of 33%, but lower than the payout of 90% in 2004. Your Board of Directors declared a total dividend per share of 2.35 US cents (3.89 Singapore cents) in 2004.

New Shareholder

NutriAsia Pacific Ltd became Del Monte Pacific Ltd's shareholder on 1 December 2005. It now owns 85% of the Company following the close of the mandatory general offer on 20 January 2006.

NutriAsia Pacific Ltd is an investment holding company jointly owned by the NutriAsia Group of Companies and San Miguel Corporation, both of the Philippines. We are excited to have with us two powerful and dynamic shareholders who have extensive experience in the food, beverage and agribusiness industries.

Both are well-entrenched with leading market shares in their respective product categories – ketchup, soft drinks, beer, processed meat, etc. Moreover, San Miguel Corporation has extensive distribution, packaging and processing facilities in Asia. We look forward to exploring synergies with our new shareholders in achieving higher sales, lower costs and increasing overall value to our shareholders.

2006 Outlook

Looking ahead, the Group will focus on developing new products in the Philippines and expanding exports of value-added products. In China and India, the Group will concentrate on the development of exports while controlling expenses in the difficult domestic China market.

Group operating costs are expected to increase. Further, the Reformed Value Added Tax in the Philippines was raised from 10% to 12% effective 1 February 2006 and is expected to impact operating results. However, Management will pursue cost containment programmes and growth initiatives, supported by the new owners.

Overall, barring any unforeseen circumstances, we expect that net profit in 2006 should improve versus 2005.

Corporate Governance

The Company's directors place a high regard on transparency and good governance. We have a Code of Ethics which sets out the Group's responsibilities to shareholders, customers, suppliers, employees and the wider communities in which the Group operates. We also have a Whistleblower Protection Policy to promote the highest standards of business and personal ethics in the conduct of the business and affairs of the Group.

We are pleased to have been ranked No. 21 out of 644 Singapore-listed companies by *The Business Times* Corporate Transparency Index. We remain committed to constantly elevating our standards of corporate governance in line with best practices.

New Directors and Management

We welcome to the Board Ramon S Ang, Ma Belen C Buensuceso, Joselito D Campos, Jr and Rolando C Gapud who all joined the Board on 20 January 2006. We would like to thank Thomas F Warner, Richard W Blossom, Tomas P Lorenzo and Paolo Fanizza, who resigned as directors, for their valuable contributions to the Group. Richard W Blossom, however, remains as a Senior Executive of the Group.

We welcome to the Management team Joselito D Campos, Jr who joined as President and Chief Executive Officer (CEO) of Del Monte Philippines Inc (DMPI), a key operating subsidiary of the Company, and Luis F Alejandro as General Manager and Chief Operating Officer of DMPI. Both joined on 16 March 2006. Mr Fabio Matarazzo di Licosa will relinquish his position as President and CEO of DMPI and direct his efforts to building up the Group's overseas operations and export markets together with Richard W Blossom.

Conclusion

With a great brand, a strong global network, operations in key emerging markets, a seasoned management team, new dynamic shareholders and exciting synergies, the Company has a solid platform to broaden and generate value for shareholders.

In closing, may we express our gratitude and appreciation to our shareholders, business partners, customers, employees, management, and the Board of Directors, for their confidence and belief in Del Monte Pacific's future. We look forward to your continued support.

Tony Chew Leong-Chee
Chairman

Martin P Lorenzo
Joint Managing Director

Fabio Matarazzo di Licosa
Joint Managing Director

27 March 2006

BROADENING EXPERTISE

BUILDING ON OUR STRENGTHS WITH OUR NEW SHAREHOLDERS

With new powerful and dynamic shareholders who are both market leaders with extensive experience, a wellspring of exciting synergies opens up! We look forward to enriching exchanges that can increase our expertise in various areas – agro, research, technology, manufacturing, supply chain, distribution and marketing. The possibilities are truly broadening.


Del Monte
Premium Pitted
Prunes
100%
Apple
Juice
PIÑA
Colada

BOARD OF DIRECTORS

1. **Mr Tony Chew Leong-Chee**
Chairman & Independent Director
Appointed on 9 July 1999 &
re-elected on 14 May 2003

Mr Tony Chew is Executive Chairman of Asia Resource Corporation which has diversified business interests in the Asian region. He is also chairman of KFC Vietnam, and serves on the boards of Keppel Corporation, IES Holdings, Macondray Corporation, and Orangestar Investment Holdings Pte Ltd. He is Council Member of the Singapore Business Federation and the ASEAN Business Advisory Council, Chairman of the Governing Board of Duke-NUS Graduate Medical School Singapore and Network Indonesia, and adviser to Singapore Institute of International Affairs. He is recipient of Public Service Award.

2. **Mr Mario Resca**
Vice-Chairman & Independent Director
Appointed on 6 February 2004

Mr Mario Resca holds a Masters in Economics from the Bocconi University of Milan. He has over 30 years experience in banking, business administration and international management. He is Chairman of McDonald's Italia, President of the American Chamber of Commerce in Italy and Italia Zuccheri SpA, Director of ENI SpA and Mondadori SpA and Extraordinary Commissioner of the Cirio Del Monte Group. He is also President of the Ronald McDonald's Charity House. In 2002, he was awarded by the President of Italy with "Cavaliere del Lavoro".

3. **Mr Martin P Lorenzo**
Joint Managing Director
Appointed on 9 July 1999

Mr Martin P Lorenzo holds an MBA from the Wharton School, University of Pennsylvania, major in Finance and Corporate Strategy. He is Chairman of the Board of two Philippine-listed companies, Macondray Plastics, Inc and Pancake House, Inc. He is also Chairman of Dencio's Foods Specialists, Inc and Teriyaki Boy Group, Inc, and holds many other directorships. He is Vice-Chairman, President and CEO of Macondray & Co, Inc, a Philippine-based investment holding company. Mr Lorenzo brings a wealth of experience in M&A, agribusiness and food retailing to the Company.

4. **Mr Fabio Matarazzo di Licosa**
Joint Managing Director
Appointed on 21 July 2005

Mr Matarazzo brings with him extensive international management experience having held senior appointments and marketing positions with leading-edge consumer businesses. Mr Matarazzo spent more than 10 years with the Matarazzo group (Sao Paolo, Brazil), a diversified industrial and trading group, and more than 15 years with The Coca-Cola Company in Europe. His most recent appointments were with the Cirio Del Monte group in Italy as Consultant to the Extraordinary Administration Commissioners and later as Managing Director of Del Monte Foods (Italia), a start-up company recently acquired by Del Monte Fresh Produce Inc.

5. **Mr Michael Hwang**
Independent Director
Appointed on 9 July 1999 &
re-elected on 14 May 2003

Mr Michael Hwang earned his law degree at Oxford University. He is a Senior Counsel and former Judicial Commissioner of the Supreme Court of Singapore. He is a leading litigation lawyer and international arbitrator, with accreditation in more than 15 countries. He has served on international bodies such as the International Chamber of Commerce in Paris and the UN Compensation Commission in Geneva. He was a Partner of Allen & Gledhill, Singapore's largest law firm, for over 30 years and is Singapore's Non-Resident Ambassador to Switzerland. He is also Deputy Chief Justice of the Dubai International Finance Centre.

6. **Mr Godfrey E Scotchbrook**
Independent Director
Appointed on 28 December 2000 &
re-elected on 28 April 2004

Mr Godfrey E Scotchbrook is a specialist in corporate communications and crisis management for over 35 years. He founded Scotchbrook Communications, a firm focused on investor relations, and was Regional Director for Asia of Burson-Marsteller, one of the world's leading public relations companies. A proponent of good corporate governance, he is an Independent Director of Hong Kong GEM-listed Convenience Retail Asia and a non-executive Director of Boustead Singapore Ltd. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations.






7. Mr Patrick L Go

Independent Director
Appointed on 19 April 2001 & re-elected on 28 April 2004

Mr Patrick L Go holds a Bachelor's degree in Economics from the Wharton School, University of Pennsylvania, and an MBA from the Darden School, University of Virginia. He is CEO of Paramount Life & General Insurance Corporation, and a senior consultant to the Soros-affiliated Philippine Discovery Investment Company Ltd. Mr Go has over 20 years experience in corporate finance and venture capital having worked for Credit Suisse First Boston, Bank of America Asia Ltd and Bankers Trust Company.

8. Mr Ramon S Ang

Non-Executive Director
Appointed on 20 January 2006

Mr Ramon S Ang holds a Bachelor's degree in Mechanical Engineering from Far Eastern University. He is the Vice Chairman, President and COO of San Miguel Corporation responsible for overseeing the strategic thrusts and operations of the entire San Miguel Group whose core businesses are beverage, food and packaging. As such, he is the Chairman or Board member of the Group's subsidiaries in the Philippines and in Australasia. He is also involved in a number of companies in his personal capacity, many of which he has established, primarily in real estate, construction and engineering-related businesses in the Philippines and other Asian countries.

9. Ms Ma Belen C Buensuceso

Non-Executive Director
Appointed on 20 January 2006

Ms Ma Belen C Buensuceso holds an MBA from the University of the Philippines and is a Certified Public Accountant. She is the Senior Vice President – Corporate Planning and Development of San Miguel Corporation handling corporate/business portfolio strategy, M&A's, external analysis and operations research. She has extensive business strategy experience in fast moving consumer goods as well as in agribusinesses. She is a board member of various subsidiaries of San Miguel Corporation both domestically and internationally.

10. Mr Joselito D Campos, Jr

Executive Director
Appointed on 20 January 2006

Mr Joselito D Campos, Jr holds an MBA from Cornell University. He is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Vice Chairman of Ayala-Greenfield Development Corp, two major Philippine property developers. He was formerly Chairman and CEO of United Laboratories, Inc and its regional subsidiaries and affiliates. UniLab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr Campos is the Honourary Consul in the Philippines for the Republic of Seychelles. He is Chairman of the Metropolitan Museum of Manila and is a Trustee of the Asia Society in the Philippines, the Philippines-China Business Council and the Philippine Business for Social Progress Foundation.

11. Mr Rolando C Gapud

Non-Executive Director
Appointed on 20 January 2006

Mr Rolando C Gapud holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He has over thirty years experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. Mr Gapud is currently adviser to the NutriAsia Group of Companies.

SENIOR MANAGEMENT





1. Mr Martin P Lorenzo

Joint Managing Director, Del Monte Pacific Ltd

Mr Martin P Lorenzo holds an MBA from the Wharton School, University of Pennsylvania, major in Finance and Corporate Strategy. He is Chairman of the Board of two Philippine-listed companies, Macondray Plastics, Inc and Pancake House, Inc. He is also Chairman of Dencio's Foods Specialists, Inc and Teriyaki Boy Group, Inc, and holds many other directorships. He is Vice-Chairman, President and CEO of Macondray & Co, Inc, a Philippine-based investment holding company. Mr Lorenzo brings a wealth of experience in M&A, agribusiness and food retailing to the Company.

2. Mr Fabio Matarazzo di Licosa

Joint Managing Director, Del Monte Pacific Ltd
CEO, Great Lakes (Tianjin) Fresh Foods and Juice Co Ltd and Del Monte Foods India Private Ltd

Mr Matarazzo brings with him extensive international management experience having held senior appointments and marketing positions with leading-edge consumer businesses. Mr Matarazzo spent more than 10 years with the Matarazzo group (Sao Paolo, Brazil), a diversified industrial and trading group, and more than 15 years with The Coca-Cola Company in Europe. His most recent appointments were with the Cirio Del Monte group in Italy as Consultant to the Extraordinary Administration Commissioners and later as Managing Director of Del Monte Foods (Italia), a start-up company recently acquired by Del Monte Fresh Produce Inc.

3. Mr Kenneth C Worsdale

CFO, Del Monte Pacific Ltd and
SVP – CFO, Del Monte Philippines, Inc

Mr Kenneth Worsdale is a US Certified Public Accountant and a South African Chartered Accountant. He has over 20 years experience in finance working in various multinational firms. His career began with KPMG and he has worked in various executive capacities in food and beverage distribution, and the toy and gift industries, with work experience throughout Asia, the USA, Mexico, South Africa, France and England. He has served as CFO for United Agri Products, Dole Foods' Asian operations, and the Camus International Group.

4. Mr Richard W Blossom

President, GTL Ltd and
Managing Director, DMPL Management Services Pte Ltd

Mr Richard W Blossom is President of GTL Limited, DMPL's principal export arm, and is Managing Director of the Company's Singapore-based subsidiary, DMPL Management Services Pte Ltd. He obtained his MBA in Marketing from New York University's Stern School of Business. He has over 25 years experience in general management, marketing, sales, distribution and logistics of fast moving consumer goods, having served as President of Pepsi Cola Asia Pacific, PepsiCo Foods Asia Pacific, Revlon Asia Pacific, and CEO of Dohler Asia and EAC Consumer Products.

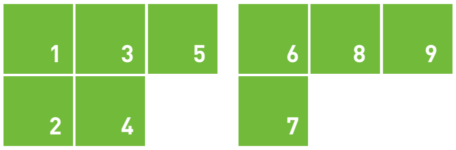
5. Mr Joselito D Campos, Jr

President and CEO, Del Monte Philippines, Inc
Appointed on 16 March 2006

Mr Joselito D Campos, Jr holds an MBA from Cornell University. He is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Vice Chairman of Ayala-Greenfield Development Corp, two major Philippine property developers. He was formerly Chairman and CEO of United Laboratories, Inc and its regional subsidiaries and affiliates. UniLab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr Campos is the Honourary Consul in the Philippines for the Republic of Seychelles. He is Chairman of the Metropolitan Museum of Manila and is a Trustee of the Asia Society in the Philippines, the Philippines-China Business Council and the Philippine Business for Social Progress Foundation.







6. Mr Luis F Alejandro

General Manager and Chief Operating Officer, Del Monte Philippines, Inc
Appointed on 16 March 2006

Mr Luis F Alejandro holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management. He has over two decades of experience in consumer products. He started his career with Procter & Gamble where he spent 15 years in Brand Management before joining Kraft Foods Philippines Inc as President and General Manager. Later, he joined Southeast Asian Food Inc and Heinz UFC Philippines, Inc, two leading consumer packaged condiment companies of the NutriAsia Group, as President and Chief Operating Officer. He was most recently President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines.

7. Mr Marco P Lorenzo

Senior Vice-President for Operations,
Del Monte Philippines, Inc

Mr Marco P Lorenzo holds university degrees in Inter Disciplinary Studies from the Ateneo de Manila University, and Agricultural Science and Management from the University of California Davis. He is Senior Vice-President of Del Monte Philippines, Inc and manages the entire agricultural, manufacturing, supply chain and tollpacking operations. Mr Lorenzo brings more than 20 years of experience in agro-industrial production having occupied key positions in Del Monte Philippines, Inc and Lapanday Foods Corporation, and trained at Del Monte Kenya and Del Monte USA.

8. Mr Wilfrido A Samson

Senior Vice-President for Marketing and Sales, Del Monte Philippines, Inc

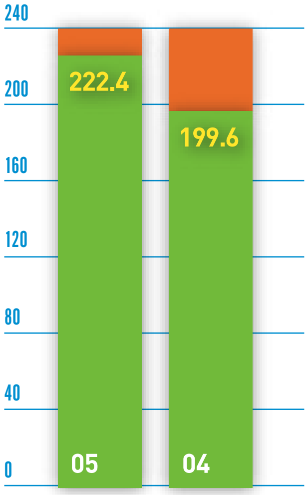
Mr Wilfrido A Samson holds a Bachelor's degree in Mathematics from the Ateneo de Manila University. He also completed the Stanford Executive Program from the Stanford University Graduate School of Business. He began his career with RFM Foods Corporation, Pepsi-Cola Bottling Company and Carnation Philippines. He joined Del Monte Philippines, Inc. in 1983 and has since then served in various key capacities including Marketing Director, New Business Director, and Sales and Operations Director. He brings with him over 30 years experience in marketing and sales.

9. Mr Paul L Rasch

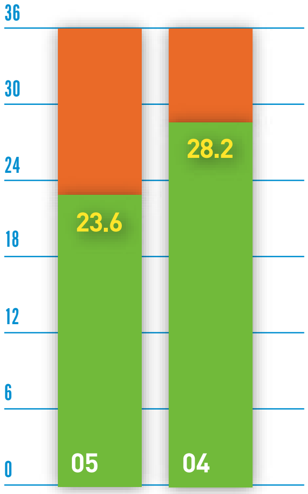
President, Great Lakes (Tianjin) Fresh Foods and Juice Co Ltd

Mr Paul L Rasch is the President of DMPL's subsidiary in China. He started Great Lakes Fresh Foods and Juice Company in China in 1993 as an offshoot of the Rasch family's fruit operations in the USA. He has lived in China and grown the business there for the last 12 years. Mr Rasch holds a Bachelor's degree from the Oberlin College in Ohio USA. He has over 25 years experience in the fruit business which includes his previous employment as an Operations Manager of Hilltop Orchards and General Manager of South Haven Cold Storage.

FINANCIAL REVIEW



Turnover
(US$ million)



Gross Profit Margin
(%)

Turnover

Turnover in 2005 increased by 11% to a record of US$222.4 million on higher sales in Asia and Europe/North America. Furthermore, Great Lakes' results were included in full year 2005 versus only six months in 2004.

In Asia, turnover improved by 12% to US$146.8 million due to higher sales in the Philippines and other Asian markets which offset lower cattle sales. In Europe/North America, turnover also grew by 11% to US$75.6 million due to higher sales to the US market.

Processed products and beverages performed well, growing by 13% and 11%, respectively. However, non-processed products remained weak, declining by 4%, due to lower cattle sales.

Profitability

PBIT decreased by 30% to US$24.5 million due to higher product costs, higher marketing, general & administration expenses resulting from the consolidation of new businesses as well as exceptional expenses. The exceptional expenses included a US$2.8m provision for off-specification products and disposal, a US$0.5 million provision for an asset impairment, a US$1.3 million provision for doubtful debt and a US$1.1 million expense for additional tax assessments. Net profit fell 34% to US$18.6 million for the same reasons.

Return on Equity dropped to 11.7% versus the previous year's 18.3%.

Basic Earnings Per Share

Basic earnings per share (EPS) decreased by 34% to 1.73 US cents from 2.62 US cents as a result of lower net profit.

Margins

Gross profit margin declined to 23.6% from 28.2%, due to higher product costs. PBIT margin dropped to 11.0% from 17.4%, due to the lower gross profit margin, higher marketing expense in the Philippine market, higher general and administration expenses and the incidence of exceptional expenses.

Dividends

The Board declared a final dividend per share of 0.98 US cents (about 1.60 Singapore cents). Coupled with the interim dividend per share of 0.31 US cents (0.52 Singapore cents), this translates to a total dividend for the year of 1.29 US cents (about 2.12 Singapore cents) per share compared to 2.35 US cents (3.89 Singapore cents) in the prior year. This dividend represents a 75% payout of full year 2005 net profit, higher than the Group's minimum payout policy of 33%, but lower than the prior year's payout of 90%.

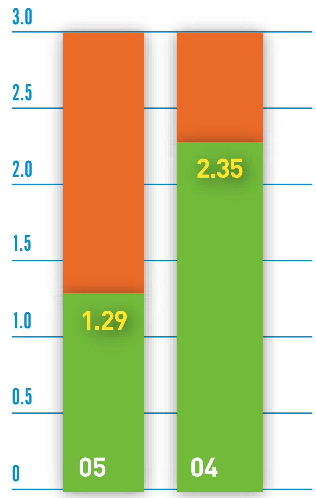
Balance Sheet

In the year in review, Del Monte Pacific maintained a healthy balance sheet, with a net cash position of US$18.4 million. However, this is lower than the US$27.7 million at the end of 2004.

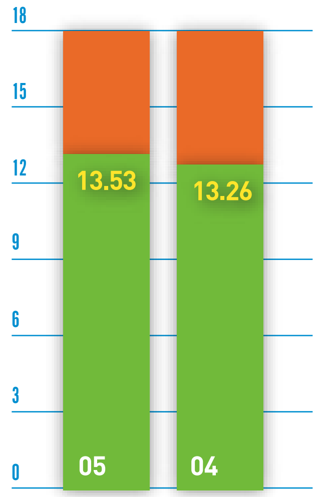
As at 31 December 2005, shareholders' equity increased to US$161.1 compared to prior year's US$157.6 million and net tangible asset (NTA) per share improved to 13.53 US cents from 13.26 US cents.

Currency Translation

Year-on-year, the Philippine peso appreciated by about 2% against the US dollar. The strong peso had a positive impact on the translation of accounts of the Group's Philippine business into US dollars. However, the currency appreciation had a net negative impact on the financial results of the Group as a whole, given its higher proportion of US-dollar denominated revenues versus costs.



Dividend per Share
(US cents)



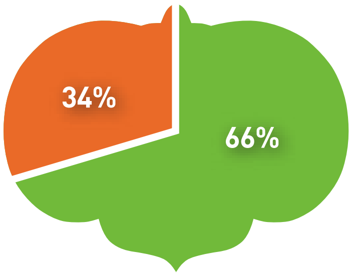
Net Tangible Asset per Share
(US cents)

BROADENING PORTFOLIO

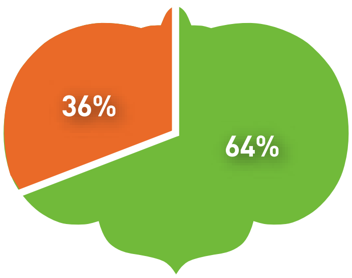
A BIGGER BASKET OF NUTRITIOUS FRUIT PRODUCTS

Do you prefer apple, mango or pineapple? We now offer all and much more! From our beginnings as a purely pineapple processing operator in the Philippines, the Company has grown to include processed products from other fruit –apple from China and mango from India. As consumers opt for healthier living, we are well-positioned to capture this trend with our broader offering.

OPERATIONS REVIEW Markets



Turnover by Market



PBIT by Market

- Asia
- Europe & North America

Asia

Turnover in Asia, accounting for 66% of total turnover, includes the following: sales in the Philippines and the Indian sub-continent, where Del Monte Pacific owns the *Del Monte* trademark; sales of Great Lakes, the premium fruit juice producer in China which was acquired in July 2004; and sales in the rest of Asia, where the Group sells *Del Monte*-branded processed food products and fresh pineapples through its business partners.

Turnover in Asia in 2005 improved by 12% to US$146.8 million from US$131.4 million due to higher sales in the Philippines and other Asian markets which offset lower cattle sales. However, PBIT in Asia dropped by 30% to US$15.7 million from US$22.6 million due to higher product costs, operating losses in our new businesses in China and India as well as exceptional expenses. PBIT margin declined to 10.7% from 17.2% in the prior year.

Philippines

Turnover in the Philippines grew by 11% on higher volume and prices. All major product categories performed well, most notably the beverage and tomato-based product segments.

Del Monte 100% Pineapple Juice, the company's biggest product in the Philippines, posted strong growth of 11%. The brand broke new ground with its Fiber-Enriched variant, launched on a highly credible functional wellness platform. Aside from advertising, it was supported by a unique, non-traditional and well accepted medical detailing and prescription program and new channel distribution program towards hospitals and health clubs. Our market share for pineapple juice increased in 2005.

We launched several new products in the grocery channel which instantly captured the interest of consumers. These include the *Del Monte 202* Piña Colada, pineapple juice blended with coconut flavour, a delicious concoction without alcohol; *Del Monte* Fruit Express Golden Sweet Pineapple Tidbits, targeted at young adults as a healthy alternative to junk food. *Del Monte* Marinades were relaunched in a more convenient stand up pouch.

For the food service segment, we tapped new channels including pubs, clubs, hotels, air and shipping transport and bakeries.

We received a number of important awards again in recognition of exemplary performance in supply chain, account management and customer service. We were recognised by the leading supermarket chain in the Philippines, SM Supermarkets, the leading convenience store operator, 7-11, and a strong regional supermarket operator.

China

Great Lakes' total volume grew in 2005 driven largely by exports and new product launches. It generated sales of US$7.1m, but margins were heavily affected by intense competition and high trade fees in the domestic market.

Great Lakes launched a range of *Welch's* grape juices under license from Welch's USA. *Welch's* is the world's largest grape juice brand and is closely associated with health and nutrition, an excellent complement to Great Lakes' own 100% juice brand.

Great Lakes has begun production of juice nectars and 100% juices under the *Del Monte* brand for sale in the Indian sub-continent and elsewhere. It has also begun production of private label fruit sauces in pouch for export to Australia and New Zealand.

Indian Sub-continent

In January 2005, we acquired an integrated mango and food processing factory located near Bangalore for US$1.1 million capable of producing processed fruit products, juices, jams and sauces, among many things. As we shared with you in last year's Annual Report, our initial focus in India was to build a mango-based export business.

We started production in May 2005 but as expected, sales were not meaningful.

In addition to local production, we have started importation into India of *Del Monte* products. These include *Del Monte 202* juices from the Philippines, *Del Monte* juices from Great Lakes in China, as well as *Del Monte* prunes and canned corn from other suppliers in Asia. We have also increased importation into Sri Lanka and Pakistan.

Europe/North America

Turnover in this region comprises sales of processed fruit products and beverages through our business partners.

In 2005, turnover in Europe/North America, which contributed 34% of the Group's turnover, grew by 11% to US$75.6 million from US$68.2 million. Both volume and pricing grew by 3% and 8%, respectively.

Strong sales of processed pineapple to the US offset lower concentrate sales to Europe. Sales of fruit in cups to the US also improved. For the first time, we sold fruit in cups and *202* canned drinks to Europe in 2005.

However, PBIT declined by 28% to US$8.8 million from US$12.2 million due to higher product costs and exceptional expenses. PBIT margin decreased to 11.6% from 17.9% in the prior year.

OPERATIONS REVIEW Products

Processed Products

Processed products are the largest product category, accounting for 68% of total turnover in 2005. Processed products include processed fruits and vegetables (pineapple, tropical mixed fruit, tomato based products), and other processed products such as pasta and condiments.

Turnover of processed products grew by 13% to US$151.4 million from US$134.5 million on the back of a 6% improvement in both volume and pricing, respectively. The processed pineapple and tomato-based product categories posted the highest growth.

However, PBIT of processed products dropped by 20% to to US$18.0 million from US$22.5 million as higher sales were offset by higher product costs, marketing and exceptional expenses. PBIT margin declined to 11.9% from 16.7% in the prior year.

Beverages

Beverages consist of juices, juice drinks, purees and juice concentrates. Turnover of beverages, which accounted for 27% of the Group's total turnover in 2005, grew by 11% to US$60.8 million compared to US$54.6 million in the prior year. The increase was driven by strong sales of juices in the Philippines and other Asian markets offsetting lower concentrate sales to Europe.

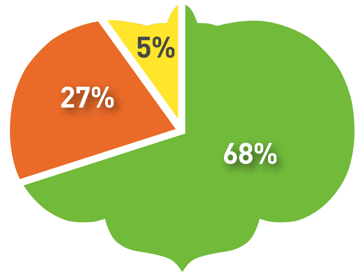
Great Lakes contributed US$7.1 million to beverage sales compared to US$3.4 million in 2004, as Great Lakes was only consolidated starting July 2004.

However, PBIT declined by 51% to US$6.0 million from US$12.1 million due to higher product costs and losses of the new businesses. PBIT margin dipped to 9.8% from 22.1% in the prior year.

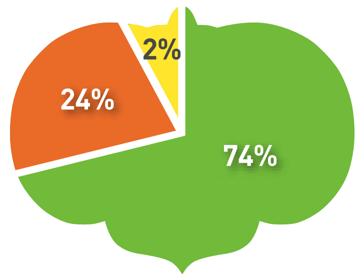
Non-Processed Products

Non-processed products comprise fresh pineapples and the non-core cattle business – both sold only in Asia. The cattle operation is used for the disposal of pineapple pulp.

Turnover of non-processed products, accounting for 5% of the Group's turnover in 2005, declined by 4% to US$10.1 million from US$10.5 million. Higher fresh pineapple sales were not enough to offset lower cattle sales from significantly lower volume.



Turnover by Product



PBIT by Product

- Processed Products
- Beverages
- Non-Processed Products

However, PBIT more than doubled to US$0.5 million from US$0.2 million due to significant improvement in fresh pineapple pricing which offset lower volume and higher costs. PBIT margin improved to 5.2% from 1.7% in the prior year.

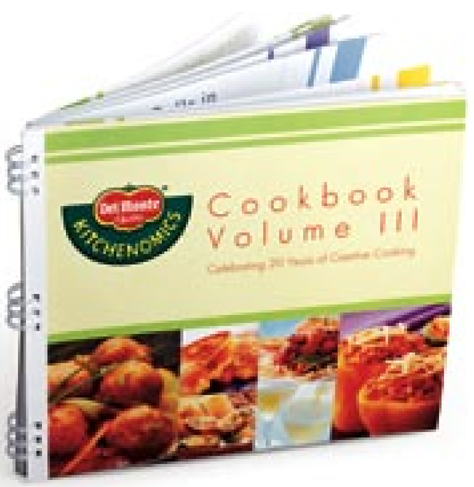
Kitchenomics

Kitchenomics, the highly successful 22-year old customer loyalty and recipe dissemination programme of Del Monte Pacific's subsidiary, Del Monte Philippines, Inc, reaches new heights!

Introduced in 1984, Kitchenomics was designed to generate loyal consumption of Del Monte products by providing cooking enthusiasts with cooking and meal planning tips using budget-saving, nutritious and easy-to-prepare recipes. Kitchenomics has since then expanded to include a TV cooking demo, a recipe email club, a call center/help desk, an award-winning consumer website www.kitchenomics.com and regular mailings of mini-magazines and personalised greeting cards.

2005 was another landmark year for Kitchenomics. Being constantly ahead of competition not just in terms of membership but also in using the best direct marketing practices in the industry, the programme made its leap to Customer Relationship Management. CRM is the scientific way of gathering, segmenting and using consumer data.

To jumpstart the transition, a survey questionnaire was sent to all the members to update their information in the database. This permitted the classification of club members based on their purchase patterns and loyalty levels. As a result, the new and segmented database allows for better development of various business-building and usage-generating projects within the Kitchenomics wing in the future. For the first time in its 22-year history, the business value contribution of the Kitchenomics members can now be measured and tracked for improvements and/or declines on a regular basis.



The Kitchenomics Cookbook Volume III 20th Anniversary Edition, launched in October 2005, also became a best-seller in the non-fiction category in the Philippines' leading bookstore only one month from the launch date. It remains in demand in the country's leading bookstores today.

OPERATIONS REVIEW Production

Del Monte Pacific operates one of the world's largest pineapple plantations of 18,983 hectares located in the southern Philippines. Our fully integrated operations, which include an on-site can-making facility and a seaport, ensure the delivery of premium quality products and an efficient supply chain from production to market.

In 2005, we harvested 638,288 metric tonnes of pineapples, 3.5% higher than the previous year despite the drought experienced early in the year. We harvested 21,794 metric tonnes of papaya, 8.6% higher than the prior year.

The Group reported capital expenditures of US$7.6 million in 2005, higher compared to the US$4.9 million in 2004. Capital expenditures spent in 2005 included:

- Cannery & Plantation projects for environmental compliance and chemical and waste handling
- Cannery improvements in compliance with Good Manufacturing Practices and HACCP requirement
- Acquisition of equipment for new products: gel line, particulate filling for juice, developmental equipment for packaging fruits in bag
- Reconditioning and replacement of various farm machineries and automotive equipment units in the Plantation
- Improvements in the plastic cup line
- Acquisition of a fruit processing plant in Lulong, North China for US$0.9m to augment existing apple processing capacity in Tianjin. The factory was purchased with a full line of high quality imported apple processing machinery and has been in full production since then.

Food Processors Association-Supplier Audits for Food Excellence, the audit body highly recognised by US buyers, confirmed the Philippine Cannery's best quality manufacturing and quality standards after having obtained much improved audit results.

SGF, a highly recognised Fruit Juice Association in Europe, has confirmed through its quality audit, the Cannery's membership to the Voluntary Control System-International Raw Material Assurance.

Lastly, SGS Philippines confirmed the Cannery's HACCP certification for the third straight year.

BUSINESS OUTLOOK

Looking forward, the Group will focus on developing new products in the Philippines and expanding exports of value-added products. In China and India, the Group will concentrate on the development of exports while controlling expenses in the difficult domestic China market.

Group operating costs are expected to increase. Further, the Reformed Value Added Tax in the Philippines was raised from 10% to 12% effective 1 February 2006 and is expected to impact operating results. However, Management will pursue cost containment programmes and growth initiatives, supported by new owners NutriAsia Group of Companies and San Miguel Corporation.

Overall, barring any unforeseen circumstances, we expect that net profit in 2006 should improve versus 2005.

BROADENING RELATIONSHIPS

TAKING CARE OF OUR BEST ASSET – PEOPLE

Our success lies in the hands of people – our employees, our business partners and our customers. Our family of dedicated and talented employees has grown with the addition of China and India. We also have new business partners in China and the Indian sub-continent. More importantly, our great tasting and nutritious products are being enjoyed by more consumers by penetrating new markets, channels and income segments. Our relationships thus broaden...

PINEAPPLE
JUICE
ORIGINAL BLEND
KETCHUP
KETCHUP
Fiesta

CORPORATE GOVERNANCE

Del Monte Pacific is committed to effective corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance ("Code").

The key aspects of our Group's corporate governance framework and practices in compliance with the provisions of the Code are discussed in the succeeding pages.

Board of Directors

Our Board of Directors is responsible for the overall policies of the Group and for providing direction for corporate actions. Specifically, it approves the Group's strategic plans, appointment of directors and key managerial personnel, annual budgets, major investment proposals, and reviews the financial performance of the Group. Certain material corporate actions also require the Board's approval as follows: approval of quarterly results announcements, approval of annual results and accounts, declaration of dividends, convening of shareholders' meetings, authorisation of merger and acquisition transactions, and authorisation of major transactions. The Board likewise reviews and approves all corporate actions for which shareholder approval is required.

Our Board comprises three executive and eight non-executive directors, five of whom are independent. The office of the Chairman is held by an independent director. (The full list of our Board of Directors which includes their nature of appointment and appointment dates is set forth on pages 10-11 of this Report).

Our directors bring with them invaluable experience, extensive business networks and expertise in specialised fields such as mergers and acquisitions, corporate finance and restructuring, marketing and business development, risk and crisis management, investor relations, commercial and international law. The size, composition and blend of experience of the current Board allow discussions on matters of policy, strategy and performance to be critical, informed and constructive.

Except for the joint managing directors, all directors may hold office for a maximum period of three years whereupon they shall retire, but are eligible for re-election.

New director appointees go through an orientation programme whereby they are briefed by the Company Secretary on their obligations as directors, the Group's governance practices, and relevant statutory and regulatory compliance issues. They are also briefed by Management on the Group's businesses and operations, including a tour of the Plantation and manufacturing facilities, as well as visits to the trade. Timely updates on developments in legislation, jurisprudence, government policies and regulations affecting the Group's business and operations are likewise provided to all directors.

The directors have separate and independent access to the Company's Management, who together with the Company Secretary, are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary administers, attends and prepares minutes of all Board and Board committee meetings. The Company Secretary assists the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's Memorandum and Articles of Association and relevant rules and regulations, including requirements of the BVI International Business Company Act and the Singapore Exchange, are complied with. The Company Secretary is also the primary channel of communication between the Company and the Singapore Exchange.

Aside from access to the advice and services of the Company Secretary and the Company's Management, the directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs.

There is a clear division of executive duties and responsibilities in the Company, providing checks and balances to ensure that no one individual represents a considerable concentration of power. The Company's business is managed and administered by its two joint managing directors, Martin P Lorenzo and Fabio Matarazzo di Licosa, while the Board is headed by Tony Chew Leong-Chee as Chairman. Mr Chew is an independent director who acts as the presiding officer at directors' and shareholder meetings of the Company.

As a Board, the directors meet quarterly, or more often as required, to review and evaluate the Group's operations and performance and address key policy matters. The Board is provided with timely and complete information for each meeting. In these meetings, the Group's actual results are compared with budgets, and the strategy and forecast for the following months are discussed and approved as appropriate.

Board meetings are scheduled to enable the Board to perform its duties. During the year in review, the Board held seven meetings. To ensure meetings are held regularly with maximum director participation, the Company's Articles of Association allow for tele- and video-conference meetings.

Attendance at the Board and Board Committee Meetings in 2005

Directors	Board Meetings		Audit Committee Meetings		Remuneration and Share Option Committee Meetings		Nominating Committee Meetings	
	No of. Meetings Held	Attendance	No of. Meetings Held	Attendance	No of. Meetings Held	Attendance	No of. Meetings Held	Attendance
Tony Chew Leong–Chee	7	7	4	4	7	7	4	4
Mario Resca	7	6	4	4	7	7	4	4
Martin P Lorenzo	7	7	–	–	7	7	4	4
Fabio Matarazzo di Licosa [1]	7	4	–	–	–	–	–	–
Michael Hwang	7	6	4	4	7	7	4	4
Godfrey E Scotchbrook	7	6	4	4	7	7	4	4
Patrick L Go [2]	7	7	–	–	7	4	4	3
Thomas F Warner [3]	7	7	4	4	7	3	4	2
Richard W Blossom [4]	7	6	–	–	–	–	–	–
Tomas P Lorenzo [4]	7	7	4	4	–	–	–	–
Stefanie Yuen Thio [5]	7	3	–	–	–	–	–	–
Paolo Fanizza [6]	7	5	–	–	–	–	–	–

Notes:

[1] Appointed as Director on 21 July 2005

[2] Alternate member to Martin P Lorenzo on the Remuneration and Share Option and Nominating committees

[3] Alternate member to Mario Resca on the Audit, Remuneration and Share Option and Nominating committees; Resigned as Director and Committee member on 20 January 2006

[4] Resigned as Directors on 20 January 2006

[5] Resigned as Director on 21 July 2005

[6] Appointed as Director on 24 February 2005 and resigned on 20 January 2006

Board Committees

The Board of Directors has three principal Board committees, namely: the Nominating Committee, the Audit Committee, and the Remuneration and Share Option Committee.

Nominating Committee

The Nominating Committee was set up on 7 February 2003 and currently comprises the following members, a majority of whom are independent directors, including the Chairman:

Michael Hwang	Chairman & Independent Director
Tony Chew Leong-Chee	Independent Director
Godfrey E Scotchbrook	Independent Director
Mario Resca	Independent Director
Martin P Lorenzo	Executive Director
Patrick L Go	Independent Director, alternate member to Martin P Lorenzo

Under its terms of reference, the Committee is responsible for reviewing the Board's composition and effectiveness and for determining if a director has the requisite qualifications, and whether or not he is independent. All candidates for appointment or election as directors are considered by the Committee and recommended for approval by the Board.

The Committee has also reviewed and determined the independence of each of the Directors.

Retiring under Article 88

Michael Hwang	Independent Director	Appointed on 9 July 1999 and re-elected on 14 May 2003

In reviewing the nomination of the director retiring by rotation under Article 88, the Committee considered the contribution and performance of the director, taking into account his attendance and participation at Board and committee meetings. The Committee has also determined and confirmed Michael Hwang's independence. Michael Hwang duly abstained from making a recommendation on his own nomination.

Retiring under Article 92

Ramon S Ang	Non-Executive Director	Appointed on 20 January 2006
Ma Belen C Buensuceso	Non-Executive Director	Appointed on 20 January 2006
Joselito D Campos, Jr	Executive Director	Appointed on 20 January 2006
Rolando C Gapud	Non-Executive Director	Appointed on 20 January 2006

Directors retiring under Article 92 are required to do so at the AGM following their appointment and are eligible for re-appointment without the need for review by the Nominating Committee.

The Committee has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole. A performance evaluation was carried out during the year and a report on its findings was presented to the Nominating Committee and the Board.

Audit Committee

The Audit Committee was set up on 9 July 1999 and currently comprises the following members, all of whom are independent, including the Chairman.

Michael Hwang	Chairman & Independent Director
Tony Chew Leong-Chee	Independent Director
Godfrey E Scotchbrook	Independent Director
Mario Resca	Independent Director

The Committee meets with the Group's external auditors, with the head of the Corporate Auditing department (the Company's internal auditor) and with Management at least three times a year. It also meets with the Group's external auditors and with the head of the Corporate Auditing department without the presence of Management at least once a year. Under its terms of reference, the Committee is responsible for reviewing the scope and results of procedures conducted by the Group's Corporate Auditing department and its external auditors. It is also tasked to monitor the effectiveness of the Group's internal control system as well as the changes in the Group's accounting policies and practices.

The Committee also ensures the independence and objectivity of the external auditors. It further conducts periodic reviews of all related party transactions and has unrestricted access to Management and the internal auditor. During the year in review, the Committee held four meetings which were all attended by the head of its Corporate Auditing department.

The Committee also reviewed the non-audit services provided by the external auditors and is satisfied with their independence.

Remuneration and Share Option Committee

The Remuneration and Share Option Committee was set up on 7 February 2003 and currently comprises the following members, a majority of whom are independent and non-executive directors, including the Chairman:

Godfrey E Scotchbrook	Chairman & Independent Director
Michael Hwang	Independent Director
Tony Chew Leong-Chee	Independent Director
Mario Resca	Independent Director
Martin P Lorenzo	Executive Director
Patrick L Go	Independent Director, alternate member to Martin P Lorenzo

Under its terms of reference, the Committee is responsible for reviewing and recommending a remuneration framework for the Board and key senior executives, and has assumed the role of the ESOP Committee in administering the Del Monte Pacific Executive Stock Option Plan.

The Committee's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the executive directors as well as key senior executives of the Group, including those employees who are immediate family members of executive directors and controlling shareholders of the Group. The Committee is at liberty to seek independent professional advice, as appropriate.

In reviewing the recommendation for directors' remuneration for 2005, the Committee has adopted a framework, based on guidelines recommended by the Singapore Institute of Directors, which comprises a base fee, fees for membership in Board committees, as well as fees for chairing Board committees, taking into consideration the amount of time and effort that each Board member may be required to devote to the role and the fees paid in comparable companies.

The Committee's recommendation has been made in consultation with the Chairman of the Board and has been endorsed by the entire Board, following which the recommendation will be tabled for shareholders' approval at the Company's forthcoming AGM. No member of the Committee or of the Board was involved in deciding his or her own remuneration.

The compensation structure for executives of Group subsidiaries consists of two key components, that is, fixed cash and annual variable incentive. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable upon the achievement of individual and corporate performance targets.

The Group's directors and officers may participate in the Company's Executive Stock Option Plan 1999 ("Scheme"). The Scheme is a share incentive plan which serves to reward and motivate Group directors, executives and managerial personnel to strive for higher performance for the Company's growth and success. The aggregate number of shares which may be offered under the Scheme is 10% of the Company's total issued capital or 108,178,119 shares. The terms of the Scheme are described in the Directors' Report and Notes 3 and 28 to the audited consolidated financial statements for the year ended 31 December 2005.

The Scheme is complemented by two new share plans put in place in 2005 - the Del Monte Pacific Restricted Share Plan and the Del Monte Pacific Performance Share Plan. The purpose of these plans is to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, currently targeted at executives at key positions, to excel in their performance. The Remuneration and Share Option Committee is also responsible for administering these share plans.

The Group's executive officers are elected annually by the Board. The appointment of executive directors and its renewal are subject to the Committee's review.

Disclosure on Remuneration of Directors for 2005

Remuneration Band & Name of Director	Fixed Salary %	Director Fees %	Variable Income/ Performance–Related Income (Cash Bonus) %	Benefits in Kind %	Outstanding Share Options as at 31.12.05[1]
Executive Directors					
S$500,000 and above					
Richard W Blossom[2]	71	–	22	7	377,998
S$250,000 to S$499,999					
Martin P Lorenzo	69	–	31	–	1,269,841
Thomas F Warner[2]	67	2	26	5	–
S$0 to S$249,999					
Fabio Matarazzo di Licosa[2]	77	–	–	23	–
Non–Executive Directors					
S$0 to S$249,999					
Tony Chew Leong–Chee	–	100	–	–	1,078,000
Mario Resca	–	100	–	–	–
Michael Hwang	–	100	–	–	977,998
Godfrey E Scotchbrook	–	100	–	–	600,000
Patrick L Go	–	100	–	–	–
Tomas P Lorenzo[2]	–	100	–	–	–
Stefanie Yuen Thio[2]	–	100	–	–	–
Paolo Fanizza[2]	–	100	–	–	–

(Conversion rate of US$: S$1.66)

Notes:
[1] Details of the share options held by each director are shown in the Directors' Report
[2] Details of appointment and resignation dates are shown on page 27 in the notes to the attendance table

Disclosure on Remuneration of Key Executives and Related Employee for 2005

Remuneration Band and Name of Key Executives & Related Employee	Fixed Salary %	Variable Income/ Performance– Related Income (Cash Bonus) %	Benefits in Kind %	Outstanding Share Options as at 31.12.05
S$500,000 and above				
Alejandro T Castillo [1]	62	31	7	–
Kenneth C Worsdale	58	16	26	–
S$250,000 to S$499,999				
Marco P Lorenzo [2]	75	23	2	175,502
Paul L Rasch	58	10	32	–
S$0 to S$249,999				
Wilfrido A Samson	70	18	12	115,044

(Conversion rate of US$: S$1.66)

Notes:
[1] Resigned effective 1 October 2005
[2] Immediate family member of Martin P Lorenzo, Joint Managing Director

Management Reporting

There are comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company policies and Board decisions, and the day-to-day management of the Group's operating units. For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board and Company's Joint Managing Directors on a regular basis. This information includes disclosure documents, monthly and quarterly results, forecasts for profit and cash flow, working capital and borrowing levels, compared to approved budgets and the prior year's results. The Group's annual budget is reviewed and approved by the Board. A strategic plan, which defines business development goals and overall business objectives, is prepared and updated periodically.

Internal Control

The Group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of its financial statements and to adequately safeguard, verify and maintain accountability for its assets. The effectiveness of these controls and systems is subject to the periodic review of the Group's Corporate Auditing department and is monitored by the Audit Committee. In addition, its external auditor also reviews the effectiveness of the Group's key internal controls as part of its audit plan for the year.

The Group's Corporate Auditing department is staffed by trained personnel with appropriate segregation of duties from the activities it audits. This department is responsible for ensuring that risk management, control and governance processes are effectively implemented and maintained, and that such internal controls and systems are adequate and function effectively. The head of the Corporate Auditing department reports functionally to the Audit Committee. It is the Group's policy to support the Corporate Auditing department to meet and comply with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The directors and the Group's Corporate Auditing department are of the view that the Company has proper and adequate internal control procedures. The directors and the Group's Corporate Auditing department are not aware of any material breakdown in these controls and systems during the year in review.

Code of Ethics and Whistleblower Policy

The Board recognises the need to observe high ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances, is above reproach. The Company has a Code of Ethics that sets out the Group's responsibilities to shareholders, customers, suppliers, employees and the wider communities in which the Group operates. The Group has appointed a Chief Ethics Officer as well as a Corporate Compliance Officer.

The Whistleblower Policy put in place in 2004 aims to promote the highest standards of business and personal ethics in the conduct of the Group's affairs. The Group has appointed a Protection Officer as well as an Investigations Officer to administer the Company's Whistleblower programme.

Securities Transactions

The Company has adopted and implemented the Best Practices Guide issued by the Singapore Exchange on dealing in securities. This has been made known to directors, officers and staff of the Company and the Group. In particular, it has been highlighted that it is an offence to deal in the Company's securities when the officers (directors and employees) are in possession of unpublished material price sensitive information in relation to those securities. The officers are also discouraged from dealing in the Company's securities on short-term considerations. The Company, while having provided the window periods for dealing in the Company's securities, has its own internal compliance code in providing guidance to its officers with regard to dealing in the Company's securities, including reminders that the law on insider trading is applicable at all times.

Shareholder Communication and Investor Relations

The Company places importance on strengthening shareholder relations through regular dialogues with the investing community, based on the principle of effective and fair communication. We are committed to providing easy access to timely and pertinent information about the Company and to continually review ways to enhance our corporate governance processes. Once again, we ranked highly in the *Business Times* Corporate Transparency Index.

To maintain an open channel of communication, we have an email alert system whereby emails on the Company's developments and updates are sent regularly via an investor-friendly *Del Monte* template. To be included in our email alert mailing list, a request may be sent to invest@delmontepacific.com or by simply logging on to our website www.delmontepacific.com.

We announce our financial results on a quarterly basis within the prescribed periods and hold briefings on our half-year and full-year results performance. The report on our financial results are disseminated (together with other materials provided in the briefings held) through the SGXNET, the Company's email alerts and website.

To raise investor awareness and interest in the Company, we participate in investor forums and conferences.

In general meetings, shareholders are given the opportunity to communicate their views and direct questions to directors and Management regarding the Company. Our Chairperson for the Audit Committee and external auditors are present at the AGMs and other general meetings of shareholders, to assist the Board in addressing shareholders' questions. The Chairpersons of our Nominating and Remuneration and Share Option Committees are also present at our AGMs.

Shareholders have the opportunity to participate in the general meetings either in person or by proxy. We have separate resolutions at general meetings on each distinct issue.

SOCIAL RESPONSIBILITY

At Del Monte Pacific, the culture is rooted in values of integrity, respect for dignity and concern for the common good. We care for the well-being, growth and development of our people and host communities. We delight our customers with innovative products of uncompromising quality that have become household names in several countries. We nurture nature which is the source of this business, and where it all began 80 years ago.

Caring for Our Environment

Del Monte Pacific is committed to doing its share in protecting and preserving the environment for future generations.

We support efforts to produce environment-friendly products and packaging, encourage waste reduction, and promote responsible waste management and conservation of energy and water. We work hard to communicate our environmental policy to employees.

We have organised Environment Management System (EMS) teams at the Plantation and Cannery to spearhead the planning, implementation and monitoring of environment-related programmes, and our compliance with environmental laws.

The pineapple pulp waste disposal system is just one example of the Group's innovative conservation programmes. Initiated over 40 years ago, it was designed to take excess pineapple pulp at our Cannery and convert it into cattle feed, thereby reducing waste and costs. Our state-of-the-art wastewater treatment plant, built at our seaside Cannery, helps protect nearby coastal waters from pollution. The high-filtration juice plant at our Cannery also processes excess juice into pineapple concentrate and syrup, significantly reducing the volume of waste water processed at the treatment plant.

With the community and concerned non-government organisations, efforts have also been exerted to enhance solid waste management and other environment conservation programmes. Families of Plantation-based employees segregate domestic solid waste right at their own homes. Proceeds from the sale of recyclable waste materials help fund community projects.

A vigorous campaign to conserve the use of energy, water and other resources among employees whose families live in Company-owned camp houses has helped reduce energy consumption at the Plantation by 15 percent.

Tree planting, educational drives on wildlife protection, socio-economic projects for upland communities and water-protection programmes help promote conservation of natural resources at the Plantation. Cannery teams continue to provide active support to environmental management of coastal waters.

For its efforts, Del Monte Pacific has received recognition from the Philippine government and other organisations for its commitment to environmental preservation.

Caring for Our Community

Del Monte Foundation, Inc, a non-stock, non-profit organisation, was established in 1994 to uphold our corporate tradition of community service started in 1967. It spearheads education and development programmes geared towards the socio-economic and cultural growth of our host communities.

Under its flagship programme, the Foundation has trained nearly 5,000 women, heads of families and out-of-school youth as well as families of employees living in Company housing camps during the last five years.

Training priority is given to agro-industrial fields of competency such as plant propagation, basic driving and engine trouble-shooting, construction and carpentry, landscaping, food processing, sewing, weaving, cosmetology, electrical, electronics, welding, refrigeration and automotive technologies. Accredited trainers help students learn new skills and provide continuing organisational support to trade associations organised among graduates who embark on communal livelihood projects. Many graduates have become small business entrepreneurs, augmenting family income and serving the community by sharing technology expertise not readily available in the countryside.

The Foundation has expanded its training services with the establishment of a Computer Centre and Food Processing Laboratory. Equipped with 15 computer units, the Center trains students, professionals and local entrepreneurs in computer literacy skills. The Food Laboratory helps beginners and entrepreneurs master skills in meat and fish processing, baking and beverage mixing.

The Foundation exerts parallel efforts in enhancing family life under a Home Care Education programme that teaches preventive health care and emergency management to rural household members. Among those trained during the year were some 1,600 housewives, out-of-school youth and community workers. Past training beneficiaries have also returned to serve as trainers at the Foundation's community training centres.

The Foundation also offers long-term scholarship grants to poor but deserving children. In the last 10 years, 81 scholars have received financial support from the Foundation. One of them was honoured by the Department of Education and Culture among the country's top secondary school writers. Selected private elementary and secondary schools also enjoy educational subsidy, benefiting 6,000 rural students. Some of the 1,000 Del Monte high school and college scholars over the last 40 years are now key leaders in their respective fields and communities. A former scholar who is now a leading rice geneticist was named one of the Ten Outstanding Young Men of the Philippines for 2004.

For pioneering technical programmes for rural workers and sustaining its development efforts in rural communities, the Foundation was earlier honoured by the Technical Education and Skills Development Authority of the Philippines. A pioneer-graduate was also named by the Department of Agriculture as one of the country's top experts in *carabao* meat processing.

Caring for Our People

Del Monte Pacific is committed to the growth of its people as it grows its business. We have around 6,000 employees at our Plantation, manufacturing facilities, and administrative and marketing offices in the Philippines, China and India.

Labour-Management Cooperation

In the Philippines, through a Labour-Management Cooperation (LMC) programme, Management and employee labour unions work closely together. Councils representing both sectors meet regularly to discuss and decide issues affecting employees, their families, the Company and the community.

LMC teams at the Plantation and Cannery have initiated improvements in working conditions, and benefits are now enjoyed by 2,200 employees and their families. Many of the innovations were recommended by rank-and-file workers.

Employee benefits and services have also been enhanced, including retirement, provident and health care plans, facilities in production, social and recreational areas, work uniforms and tools, livelihood skills training, year-round sports and recreational programmes for their families, and community outreach projects benefiting neighbouring communities and victims of calamities.

Training and Development

Through value formation, skills training, and knowledge-sharing programmes conducted year-round, the Company ensures that its employees continuously improve the quality of their performance. Employee training and development are also linked with a management succession plan that selects potential leaders across the organisation.

Employees are given every opportunity to enhance agricultural methods, technical skills, supervision and management, and teamwork. Over 4,000 employees participated in training programmes in 2005 focusing on Good Manufacturing Practices and safety standards.

A culture of excellence and innovation pervades the Company. We continue to encourage our people to innovate relentlessly in seven key result areas: increased productivity, better cost management, improved product quality, better customer service, higher volume and market share growth, inspiring people and responsible corporate citizenship.

Team Development Education Centers provide continuous customised training to help production workers organise themselves into self-directed teams. Some 160 teams at the Cannery have initiated process and mechanical innovations in their own areas. Higher product quality and manpower productivity have been achieved through team initiatives.

Communication

We keep our employees in the Philippines informed of the Group's performance through our regular internal magazine aptly called *Tidbits*. This features key programmes and accountabilities, new product launches, awards, new recruits and promotions, among others. We also have a newsletter called *Fresh Cut* which informs Plantation and Cannery employees of the team's programmes and direction. Through the monthly *Sales Bulletin*, staff and business partners (distributors, sub-distributors, toll packers, food service partners, etc.) get updates on product promotion and sales activities. In China, our employees are also kept informed through a quarterly publication called *Great Lakes Talk*.

Benefits

Our workforce enjoys one of the most attractive compensation and benefit packages granted to agro-industrial workers in the Philippines. Workers at our Plantation live in housing camps and Company-subsidised housing subdivisions, complete with schools, chapels, social halls, playgrounds, water reservoirs and other facilities.

Complementing government-mandated privileges is a voluntary provident plan with vesting provisions and a group insurance plan. All employees and qualified dependents also enjoy a broad range of free medical and dental services at our 100-bed Company hospital, dispensaries and designated hospitals and clinics in the country.

A comprehensive retirement package, 25 percent higher than previous years, awaits long-serving employees who may opt for early retirement from age 50 to 59 before the mandatory retirement age of 60. In a programme called "Life After Del Monte," we teach retiring employees how to cope with post-employment. Close to 1,500 retiring and retired employees received assistance in filing their Social Security System retirement claims and getting prompt and accurate payment of their monthly pensions. In 2005, the average waiting time from filing of claim to payment of pension was 12 days after retirement date, down from close to three months in 2003.

Industrial Relations and Staff Turnover

We employ one of the largest agro-industrial workforces in southern Philippines. The Group is proud to have enjoyed a sustained period of industrial peace, with no notices of strikes and lock-outs for more than 30 years.

Awards

Recognising the continuing excellence of our human resource programmes, leading government and professional organisations have once again bestowed their highest awards on our Company in 2005.

For the third straight year, the Group was honoured by the Philippine Social Security System as Top Employer of the Year in Mindanao for consistent exemplary compliance with government-mandated welfare programmes for private sector employees.

Our Cannery Labour-Management Cooperation (LMC) team was named Outstanding LMC of the Philippines for 2005 by the Department of Labor and Employment and the Philippine League of LMC Practitioners. The Award recognises the importance of shared responsibility between Philippine labour and management teams in attaining industrial peace.

The Cannery was also honoured by the Department of National Defense for Excellence in Disaster Management and Humanitarian Assistance, citing its effective management of industrial emergencies, natural disasters and humanitarian missions.

Del Monte work teams were among Outstanding Quality Circles honoured by the Productivity Improvement Circles of the Philippines for introducing productivity enhancements in production and non-production areas.

Our continuing support has elevated our employee cooperatives to the ranks of the country's largest and most stable. The Cooperative Development Authority has given the Outstanding Cooperative of the Philippines Award to our agrarian reform cooperative, and to two of our four credit and consumer cooperatives within the last five years. Made up mostly of workers, dependents, retirees and community residents, these cooperatives offer a broad range of services to members.

RISK MANAGEMENT

Group Assets

It is the Group's practice to assess annually with its insurance brokers the risk exposure relating to the assets of, and possible liabilities from, its operations. Assets are insured at current replacement values. Additions during the current year are automatically included with provision for inflation-protection. At the end of the financial year under review, all major risks were adequately covered, except where the premium costs were considered excessive in relation to the probability and extent of a loss.

Foreign Currency

In the normal course of business, the Group enters into transactions denominated in various foreign currencies. In addition, the Company and its subsidiaries maintain their respective books and accounts in their reporting currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations. However, to minimise such foreign currency exposures, the Group uses foreign currency borrowings and natural hedge. The Group has a natural hedge against US dollar fluctuations as our US dollar-denominated revenues generally exceed our US dollar-denominated costs. It is not the Group's policy to take speculative positions in foreign currencies.

Inflation

The Group's costs are affected by inflation, and its effects may continue to be felt in future periods. However, the Group has lessened the impact of cost increases by actively controlling its overall cost structure and introducing productivity-enhancing measures.

Cash and Interest Rate Management

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages its interest rate risk on its interest income by placing the cash balances with varying maturities and interest rate terms. This includes investing the Company's temporary excess liquidity in short term government securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Short-term funding is obtained from short-term bank loan facilities. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Credit Risk

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to be posted to secure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The group monitors its outstanding trade receivables on an ongoing basis. There is no significant concentration of credit risk with any distributor or buyer.

International Business

The Group's overall earnings from its trading activities with international customers are primarily affected by movements in the worldwide consumption, demand and prices of its products. However, the demand and supply risk associated with the Group's international business is minimised by the nature of its long-term supply agreements, five of which are with various Del Monte brand owners around the world. These contracts have various mechanisms with regard to pricing and volume off-take that help limit the downside risk of the Group's international business.

In some cases, the Group is protected by the existence of price floors whereby the Group is able to recover its production costs. In other instances, the Group has the right of first refusal to supply additional quantities at prices no worse than those from alternative sources.

Operations

As an integrated producer of processed fruit products for the world market, the Group's earnings are inevitably subject to certain risk factors, which include general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, raw material costs and availability, competition, market acceptance of new products, industry trends, and changes in government regulations, including, without limitation, environmental regulations.

The Group's exposure to these risks is managed through the following processes, among others:

- Development and execution of a realistic long-term strategic plan and annual operating plan
- Securing long-term land leases with staggered terms
- Increasing production and packaging capacity
- Pursuit of productivity-enhancing and efficiency-generating work practices and capital projects
- Focus on consumption-driven marketing strategies
- Continuous introduction of new products and line extensions with emphasis on innovation, quality, competitiveness and consumer appeal
- Increased penetration of high-growth distribution channels
- Building on closer working relationships with business partners
- Close monitoring of changes in legislation and government regulations affecting the Group's business

FINANCIAL REPORT

DIRECTORS' REPORT

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

The directors are pleased to present their report to the members together with the audited financial statements of Del Monte Pacific Limited (the Company) and its subsidiaries (collectively, the Group) comprising the balance sheets, profit and loss accounts and statements of changes in equity of the Company and the Group and the statement of cash flows of the Group for the financial year ended 31 December 2005.

Directors

The directors of the Company in office at the date of this report are:

Tony Chew Leong-Chee	
Mario Resca	
Martin P Lorenzo	
Fabio Matarazzo di Licosa	(appointed on 21 July 2005)
Michael Hwang	
Godfrey E Scotchbrook	
Patrick L Go	
Ramon S Ang	(appointed on 20 January 2006)
Ma Belen C Buensuceso	(appointed on 20 January 2006)
Joselito D Campos, Jr	(appointed on 20 January 2006)
Rolando C Gapud	(appointed on 20 January 2006)

Arrangements to Enable Directors to Acquire Shares or Debentures

Other than the Company's Executive Stock Option Plan ("ESOP Scheme"), as well as two new share plans put in place in 2005 – the Del Monte Pacific Restricted Share Plan and the Del Monte Pacific Performance Share Plan, neither at the end nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company, its subsidiaries or any other body corporate.

Directors' Interest in Shares or Debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
	1 January 2005 or date of appointment, if later	31 December 2005	21 January 2006	1 January 2005 or date of appointment, if later	31 December 2005	21 January 2006
In the shares of the Company						
Ordinary shares of $0.01 each						
Tony Chew Leong-Chee	396,000	396,000	396,000	25,500,000	25,500,000	20,500,000
Martin P Lorenzo	–	–	–	227,467,962	–	–
Richard W Blossom	2,026,000	2,254,000	–	–	–	–
Michael Hwang	396,000	396,000	396,000	–	–	–
Tomas P Lorenzo	–	–	–	227,467,962	–	–

DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

Directors' Interest in Shares or Debentures (Cont'd)

IPO Options held by directors to subscribe for ordinary shares of $0.01 each in the Company under the ESOP Scheme (Note 1):

	1 January 2005 or date of appointment, if later	31 December 2005	21 January 2006
Tony Chew Leong-Chee	378,000	378,000	–
Martin P Lorenzo	1,269,841	1,269,841	–
Richard W Blossom	377,998	377,998	–
Michael Hwang	377,998	377,998	–

Note 1: Each Initial Public Offering Option ("IPO Options") entitles its holder to subscribe for one ordinary share in the Company at $0.504 and is exercisable from 30 July 2000 to 29 July 2009 (both dates inclusive), subject to the terms set out in the ESOP Scheme. As at the date of this report, the directors have accepted the Options Proposal offered by NutriAsia Pacific Ltd (the "Offeror") pursuant to the Mandatory Conditional Cash Offer to acquire all the issued and fully paid-up ordinary shares of $0.01 each in the capital of the Company not already owned, controlled or agreed to be acquired by the Offeror (the "Offer"), whereby the Offer became unconditional on 30 December 2005.

Market Price Options held by directors to subscribe for ordinary shares of $0.01 each in the Company under the ESOP Scheme (Note 2):

	1 January 2005 or date of appointment, if later	31 December 2005	21 January 2006
Tony Chew Leong-Chee	700,000	700,000	–
Richard W Blossom	850,000	–	–
Michael Hwang	600,000	600,000	–
Godfrey E Scotchbrook	600,000	600,000	–

Note 2: Each Market Price Option ("Market Price Options") entitles its holder to subscribe for one ordinary share in the Company at S$0.490 and is exercisable from 2 March 2003 to 1 March 2011 (both dates inclusive), subject to the terms set out in the ESOP Scheme. As at the date of this report, the directors have accepted the Options Proposal offered by the Offeror pursuant to the Offer whereby the Offer became unconditional on 30 December 2005.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

Directors' Contractual Benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share Options

The Company has an ESOP Scheme which is administered by the Remuneration and Share Option Committee comprising of the following members:

Godfrey E Scotchbrook	(Chairman and Independent Director)
Michael Hwang	(Independent Director)
Tony Chew Leong-Chee	(Independent Director)
Martin P Lorenzo	(Executive Director)
Mario Resca	(Non-Executive Director)
Patrick L Go	(Non-Executive Director, alternate member to Martin P Lorenzo)
Thomas F Warner	(Executive Director, alternate member to Mario Resca) (resigned on 20 January 2006)

Details of the options to subscribe for ordinary shares of $0.01 each of the Company ("Share") granted to certain controlling shareholders and their associates, directors, officers, and senior managers of the Group pursuant to the ESOP Scheme are as follows:

Date of Grant	Description	1 January 2005 or date of grant, if later	Options lapsed	Options exercised	31 December 2005	No. of holders	Exercise price [1]	Exercise period
30.7.1999	IPO Options [2]	4,942,694	634,210	–	4,308,484	22	US$0.504	30.7.2000 - 29.7.2009
2.3.2001	Market Price Options [3]	8,560,000	200,000	6,010,000	2,350,000	9	S$0.490	2.3.2003 - 1.3.2011
29.5.2002	Market Price Options [4]	2,656,000	58,000	1,288,000	1,310,000	49	S$0.470	29.5.2004 - 28.5.2012

(1) On 20 December 1999, the Singapore Exchange Securities Trading Limited ("SGX-ST") approved the conversion of the quotation of the Company's shares to Singapore dollars (S$) from United States dollars (US$).

(2) Pursuant to the ESOP Scheme, the Company granted 11,428,571 IPO Options in July 1999 to certain controlling shareholders and their associates, directors, officers and senior managers of the Group. Each IPO Option entitles its holder to subscribe to one share at the IPO Price of US$0.63, less a 20% discount, or US$0.504 (as at 20 March 2006, this is equivalent to about S$0.814).

DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

Share Options (Cont'd)

The IPO Options are exercisable based on the following terms:

Option exercise period	Terms
From 30 July 2000 to 29 July 2001	(i) Up to 30 percent of IPO Options granted
From 30 July 2001 to 29 July 2002	(ii) Up to 60 percent of IPO Options granted including (i) above
From 30 July 2002 to 29 July 2009	(iii) 100 percent of IPO Options granted

Except for the following IPO Options granted to controlling shareholders and their associates since the start of the ESOP Scheme, no other share options have been granted to controlling shareholders and their associates as at the date of this report:

Controlling shareholders and their associates	Aggregate Options granted 1 January 2005	Granted during the year	Aggregate Options exercised	Aggregate Options lapsed	Aggregate Options outstanding 31 December 2005
Martin P Lorenzo [5]	1,269,841	–	–	–	1,269,841
Regina Lorenzo H-Davila [5]	190,477	–	–	–	190,477
Marco P Lorenzo [5]	175,502	–	–	–	175,502

(3) In 2001 pursuant to the ESOP Scheme, the Company granted 14,050,000 options, which are exercisable based on a subscription price equal to the average of the last dealt prices for the Company's share on the SGX-ST for the three consecutive trading days immediately preceding the offering date of the option, without any discount ("Market Price Options"), to directors, officers and senior managers of the Group, none of whom are controlling shareholders, and the latter's associates. Each of these Market Price Options entitles its holder to subscribe for one share at S$0.49.

The Market Price Options are exercisable based on the following terms:

Option exercise period	Terms
From 2 March 2003 to 1 March 2004	(i) Up to 60 percent of Market Price Options granted
From 2 March 2004 to 1 March 2011	(ii) 100 percent of Market Price Options granted

(4) In 2002, the Company granted a second batch of Market Price Options to new senior managers and managerial employees not covered by the first grant of Market Price Options. A total of 3,250,000 Market Price Options were granted based on a subscription price equal to the average of the last dealt prices for the Company's share on the SGX-ST for the three consecutive trading days immediately preceding the offering date of the option, without any discount. Each of these Market Price Options entitles its holder to subscribe for one share at S$0.47.

DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

Share Options (Cont'd)

The Market Price Options are exercisable based on the following terms:

Option exercise period	Terms	
From 29 May 2004 to 28 May 2005	(i)	Up to 60 percent of Market Price Options granted
From 29 May 2005 to 28 May 2012	(ii)	100 percent of Market Price Options granted

(5) Martin P Lorenzo, Regina Lorenzo H-Davila and Marco P Lorenzo ceased to be controlling shareholders in view of the disposal of the interest in the Company by the Macondray Group on 1 December 2005.

No holder of the options under the ESOP Scheme has received 5% or more of the total options available. Except for options granted to certain directors of the Group who are concurrently directors and/or employees of a controlling shareholder company, no director or employee of a controlling shareholder company has been granted any options. The ESOP Scheme does not extend participation to directors and employees of a controlling shareholder company and its subsidiaries. All outstanding options granted to directors, executives and employees of the Group have a term of 10 years.

The shareholders have approved the adoption of two new share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP"), during the general meeting held on 26 April 2005 to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, currently targeted at executives at key positions, to excel in their performance.

The Remuneration and Share Option Committee is responsible for administering these share plans. As at 31 December 2005, no shares have been granted or vested, under these share plans.

Apart from the above, no other options to take up unissued shares were granted during the financial year and as at the date of this report.

Audit Committee

The Audit Committee comprises five board members, all of whom are non-executive directors. The majority of the members, including the chairman, are independent. The members of the Audit Committee during the financial year and at the date of this report are:

Michael Hwang	(Chairman and Independent Director)
Tony Chew Leong-Chee	(Independent Director)
Godfrey E Scotchbrook	(Independent Director)
Mario Resca	(Non-Executive Director)
Tomas P Lorenzo	(Non-Executive Director) (resigned on 20 January 2006)
Thomas F Warner	(Executive Director, alternate member to Mario Resca) (resigned on 20 January 2006)

DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

Audit Committee (Cont'd)

The Audit Committee held 4 meetings since the last directors' report. The Committee reviews the effectiveness of the systems of internal control in the Group, its accounting policies, annual financial statements and quarterly reports, the effectiveness of the internal audit function, and the findings of both the external and internal auditors. The Audit Committee may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. Furthermore, all related transactions are subject to regular periodic reviews by the Audit Committee to ensure that they are carried out on arm's length commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the Company's minority shareholders.

In performing its functions, the Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The Committee met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of internal control. The Committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2005 as well as the external auditors' report thereon.

The Audit Committee has full access to and cooperation of the Company's management and the internal auditors. It also has full discretion to invite any director or executive officer to attend its meetings. The Chief Financial Officer attends meetings of the Committee. The auditors have unrestricted access to the Audit Committee. The Committee has reasonable resources to enable it to discharge its functions properly.

Change of Auditors

As part of a decision to rotate auditors for good corporate governance, the Company will be appointing KPMG as its auditors with effect from the financial year ending 31 December 2006 in place of Ernst & Young.

The Audit Committee having reviewed and considered the proposal for a rotation of auditors duly recommends to the Board of Directors the nomination of KPMG for appointment as auditors at the forthcoming Annual General Meeting of the Company.

On behalf of the Board of Directors

Martin P Lorenzo

Martin P Lorenzo
Joint Managing Director

Fabio Matarazzo di Licosa
Joint Managing Director

27 March 2006

STATEMENT BY DIRECTORS

for the year ended 31 December 2005

We, Martin P Lorenzo and Fabio Matarazzo di Licosa, being the Joint Managing Directors of Del Monte Pacific Limited, do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2005, the results and changes in equity of the Company and of the Group and cash flows of the Group for the year then ended, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Martin P. Lorenzo

Martin P Lorenzo
Joint Managing Director

Fabio Matarazzo di Licosa
Joint Managing Director

27 March 2006

AUDITORS' REPORT

to the Members of Del Monte Pacific Limited

(Incorporated in the British Virgin Islands)

We have audited the accompanying financial statements of Del Monte Pacific Limited (the Company) and its subsidiaries (collectively, the Group), set out on pages 50 to 104, for the year ended 31 December 2005. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements of the Company and consolidated financial statements of the Group give a true and fair view of the financial position of the Company and of the Group as of 31 December 2005 and of the results and changes in equity of the Company and of the Group and the cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Ernst & Young
Certified Public Accountants

Singapore
27 March 2006

BALANCE SHEETS

as at 31 December 2005

(Amounts in United States dollars)

	Note	Group		Company	
		2005 $'000	2004 $'000	2005 $'000	2004 $'000
Equity attributable to equity holders of the parent					
Share capital	3	10,818	10,745	10,818	10,745
Share premium	4	68,687	66,609	68,826	66,748
Translation reserves	2	(63,031)	(68,617)	–	–
Revenue reserves		144,625	148,853	855	1,244
		161,099	157,590	80,499	78,737
Minority interest		(294)	(9)	–	–
		160,805	157,581	80,499	78,737
ASSETS LESS LIABILITIES					
Property, plant and equipment	5	54,562	48,832	–	–
Subsidiaries	6	–	–	125,585	16,709
Intangible assets	7	14,734	15,156	–	–
Other assets	8	6,398	6,230	–	–
Current assets					
Inventories	9	45,996	35,679	–	–
Biological assets	10	40,067	37,248	–	–
Trade debtors	11	24,070	23,981	–	–
Other debtors, deposits and prepayments	12	8,352	7,525	3	2
Due from subsidiaries (non-trade)	13	–	–	592	81,386
Due from affiliated companies (trade)		–	127	–	–
Short-term deposits	14	53,669	50,681	–	–
Cash and bank balances	14	6,444	6,836	14	12
		178,598	162,077	609	81,400
Current liabilities					
Trade creditors		12,632	8,997	–	–
Other creditors and accruals	15	27,192	18,191	486	392
Due to subsidiaries (non-trade)	13	–	–	45,209	18,980
Short-term borrowings (unsecured)	17	41,747	29,810	–	–
Provision for taxation		1,764	1,176	–	–
		83,335	58,174	45,695	19,372
Net current assets/(liabilities)		95,263	103,903	(45,086)	62,028
Non-current liabilities					
Due to an affiliated company (non-trade)	18	–	(7,715)	–	–
Deferred tax liabilities	25	(7,802)	(8,457)	–	–
Long-term lease payable	19	(2,350)	(368)	–	–
		160,805	157,581	80,499	78,737

The accompanying notes are an integral part of the financial statements.

PROFIT AND LOSS ACCOUNTS

for the year ended 31 December 2005

(Amounts in United States dollars)

	Note	Group		Company	
		2005 $'000	2004 $'000	2005 $'000	2004 $'000
Turnover	20	222,358	199,579	25,000	22,541
Cost of sales		(169,986)	(143,219)	–	–
Gross profit		52,372	56,360	25,000	22,541
Distribution and selling expenses		(12,487)	(11,010)	–	–
General and administration expenses		(5,905)	(4,071)	(1,421)	(1,647)
Other operating expenses	21	(10,079)	(6,291)	(1,125)	(776)
Profit from operations	23	23,901	34,988	22,454	20,118
Financial income	24	2,618	761	1	–
Financial expenses	24	(4,199)	(2,575)	–	–
Profit before taxation		22,320	33,174	22,455	20,118
Taxation	25	(3,989)	(5,115)	–	–
Profit after taxation		18,331	28,059	22,455	20,118
Attributable to:					
Equity holders of the parent		18,616	28,112	22,455	20,118
Minority interest		(285)	(53)	–	–
		18,331	28,059	22,455	20,118
Earnings per share (cents)					
- Basic	27	1.73	2.62		
- Diluted	27	1.72	2.61		

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2005

(Amounts in United States dollars)

The Group

	Attributable to equity holders of the parent						
	Share capital $'000	Share premium $'000	Translation reserves $'000	Revenue reserves $'000	Total $'000	Minority interest $'000	Total Equity $'000
As at 1 January 2004	10,721	65,936	(67,665)	140,291	149,283	–	149,283
Currency translation differences recognised directly in equity	–	–	(952)	–	(952)	–	(952)
Profit for the year	–	–	–	28,112	28,112	(53)	28,059
Total recognised income and expense for the year	–	–	(952)	28,112	27,160	(53)	27,107
Shares issued under share option plan	24	673	–	–	697	–	697
Dividends (Note 26)	–	–	–	(19,550)	(19,550)	–	(19,550)
Minority interest of subsidiary acquired	–	–	–	–	–	44	44
As at 31 December 2004	10,745	66,609	(68,617)	148,853	157,590	(9)	157,581
As at 1 January 2005	10,745	66,609	(68,617)	148,853	157,590	(9)	157,581
Currency translation differences recognised directly in equity	–	–	5,586	–	5,586	–	5,586
Profit for the year	–	–	–	18,616	18,616	(285)	18,331
Total recognised income and expense for the year	–	–	5,586	18,616	24,202	(285)	23,917
Shares issued under share option plan	73	2,078	–	–	2,151	–	2,151
Dividends (Note 26)	–	–	–	(22,844)	(22,844)	–	(22,844)
As at 31 December 2005	10,818	68,687	(63,031)	144,625	161,099	(294)	160,805

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars)

The Company

	Share capital $'000	Share premium $'000	Revenue reserves $'000	Total $'000
As at 1 January 2004	10,721	66,075	676	77,472
Shares issued under share option plan	24	673	–	697
Profit for the year	–	–	20,118	20,118
Dividends (Note 26)	–	–	(19,550)	(19,550)
As at 31 December 2004	10,745	66,748	1,244	78,737
As at 1 January 2005	10,745	66,748	1,244	78,737
Shares issued under share option plan	73	2,078	–	2,151
Profit for the year	–	–	22,455	22,455
Dividends (Note 26)	–	–	(22,844)	(22,844)
As at 31 December 2005	10,818	68,826	855	80,499

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2005

(Amounts in United States dollars)

	2005 $'000	2004 $'000
Cash flows from operating activities		
Net profit attributable to shareholders	18,616	28,112
Adjustments for:		
Depreciation and amortisation	10,250	5,737
Provision for inventory obsolescence	3,242	2,549
Loss on product disposal and off-specification products	1,073	–
Impairment of property, plant and equipment	508	168
Provision for doubtful debts	1,296	79
(Write-back of)/provision for deferred income tax	(1,157)	1,162
Gain on disposal of property, plant and equipment	(39)	(75)
Minority interest	(285)	(53)
Operating profit before working capital changes	33,504	37,679
Decrease (increase) in:		
Other assets	(168)	(195)
Inventories	(13,758)	4,062
Biological assets	(2,819)	(3,014)
Trade debtors	(424)	(1,765)
Other debtors, deposits and prepayments	(1,852)	(445)
Increase (decrease) in:		
Trade creditors, other creditors and accruals	7,782	(693)
Due to affiliated companies (trade and non-trade)	(7,588)	3,916
Provision for taxation	588	444
Cash flows generated from operations	15,265	39,989
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	179	146
Purchase of property, plant and equipment	(7,640)	(4,918)
Acquisition of subsidiary, net of debt (note 6)	–	(7,357)
Net cash used in investing activities	(7,461)	(12,129)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars)

	2005 $'000	2004 $'000
Cash flows from financing activities		
Proceeds from/(repayment of) short-term borrowings	11,937	(1,466)
Dividends paid	(22,844)	(19,550)
Proceeds from exercise of stock option	2,151	697
Net cash used in financing activities	(8,756)	(20,319)
Effect of exchange rate changes on cash and cash equivalents	3,548	(534)
Net increase in cash and cash equivalents	2,596	7,007
Cash and cash equivalents, beginning of year	57,517	50,510
Cash and cash equivalents, end of year	60,113	57,517

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

		2005 $'000	2004 $'000
(a)	Cash paid (received) during the year, included in operating activities		
	Interest expenses	3,499	2,166
	Interest income	(1,861)	(655)
	Income taxes	4,974	3,492
(b)	Analysis of the balances of cash and cash equivalents		
	Cash and bank balances	6,444	6,836
	Short-term deposits	53,669	50,681
		60,113	57,517

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. DOMICILE AND ACTIVITIES

The financial statements of the Company and the consolidated financial statements of the Group for the year ended 31 December 2005 were authorised for issue in accordance with a resolution of the directors dated 27 March 2006.

The Company was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is that of investment holding. Its subsidiaries are principally engaged in growing, processing, and selling canned and fresh pineapples, pineapple concentrate, tropical mixed fruit, tomato-based products, and certain other food products mainly under the brand names of "Del Monte", "Today's", "Great Lakes", "Ming Lang" and "Rougemont".

The details of the Company's subsidiaries and their principal activities are set out in Note 6.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements, which are expressed in United States dollars ("US dollars"), have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Adoption of IFRS during the year

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous financial year, except that the Group has adopted the following revised standards mandatory for financial years beginning on or after 1 January 2005 and comparative figures have been amended as required. The adoption of revised standards does not have any effect on equity as at 1 January 2004.

- IFRS 2 Share-Based Payment;
- IAS 1 Presentation of Financial Statements;
- IAS 2 Inventories;
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS 10 Events after the Balance Sheet Date;
- IAS 16 Property, Plant and Equipment;
- IAS 17 Leases;
- IAS 19 Employee Benefits;
- IAS 21 The Effects of Changes in Foreign Exchange Rates;
- IAS 24 Related Party Disclosures;
- IAS 27 Consolidated and Separate Financial Statements;
- IAS 32 Financial Instruments: Disclosure and Presentation;
- IAS 33 Earnings per Share; and
- IAS 39 Financial Instruments: Recognition and Measurement

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of goodwill and trademarks

The Group determines whether goodwill is impaired at least on an annual basis while the trademarks with finite lives are assessed for impairment whenever there is an indication that the trademarks may be impaired. This requires an estimation of the value in use of the cash-generating units to which the goodwill and trademarks are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and apply an appropriate suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill and trademarks at 31 December 2005 were $5,610,000 (2004: $5,610,000) and $8,966,000 (2004: $9,342,000), respectively. More details are given in Note 7.

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over property, plant and equipment's useful lives. Management estimates the useful lives of these property, plant and equipment to be between 3 to 45 years. The Group reviews annually the estimated useful lives of property, plant and equipment based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease non-current assets. The carrying amount of the Group's property, plant and equipment at 31 December 2005 was $54,562,000 (2004: $48,832,000). More details are given in Note 5.

The Group depreciates significant asset components based on their depreciable lives with effect from 1 January 2005. In the past, significant asset components were recorded and depreciated separately, the Group used the same depreciation rates for all components of a particular asset.

The change in estimate brought about the change in the depreciable lives of freehold buildings and machinery and equipment to 15-45 years from 30-45 years and to 3-30 years from 3-15 years, respectively. Had the depreciable lives of freehold buildings and machinery and equipment not been changed, depreciation for the full year ended 31 December 2005 would have decreased by $227,000.

(iii) Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's provision for taxation at 31 December 2005 was $1,764,000 (2004: $1,176,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(a) Key sources of estimation uncertainty (Cont'd)

(iv) Cost of growing crops

The cost of the Group's growing crops is composed of actual costs incurred in nurturing the crops reduced by the estimated costs of fruit harvested. The cost of fruit harvested from the Group's plant crops and subsequently used in production is the estimated cost of the actual volume of fruit harvested in a given period. An estimated cost is necessary since the growth cycle of the plant crops is beyond twelve months, hence actual growing costs are not yet known as of reporting date. The estimated cost is developed by allocating estimated growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. Estimated growing costs are affected by inflation and foreign exchange rates, volume and labour requirements. Estimated harvest is affected by natural phenomenon such as weather patterns and volume of rainfall. Field performance and market demand also affect the level of estimated harvests. The Group reviews and monitors the estimated costs of harvested fruits regularly. Increases in cost of harvested fruits increases inventory cost and reduces the carrying amount of growing costs reflected as biological assets. The carrying amount of growing crops at 31 December 2005 was $38,068,000 (2004: $33,346,000). More details are given in Note 10.

(v) Pension benefits

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligation and future experiences such as the rate of return on plan assets, future salary increases, retirement date or age, and mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements. The carrying amount of the Group's retirement benefit obligations at 31 December 2005 amounted to $1,054,000 (2004: $96,000). More details are given in Note 16.

(vi) Estimated provision for doubtful accounts

The Group maintains provisions for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's provision for doubtful accounts would increase the Group's recorded operating expenses and decrease current assets. The provision for doubtful debts at 31 December 2005 amounted to $2,145,000 (2004: $906,000). More details are given in Note 11 and 12.

(vii) Estimated fair value of agricultural produce

The fair values of agricultural produce are based on the market prices, both local and international markets of the Group, at the point of harvest. The market price is based on the Group's average sales price of the agricultural produce to its relevant market less distribution costs since these are the market prices for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(a) Key sources of estimation uncertainty (Cont'd)

(viii) Estimated fair value of cattle for slaughter

The fair value cattle for slaughter are based on the market prices from the various relevant markets. Fair value of the cattle for slaughter is measured on initial recognition and at each balance sheet date at its fair value less estimated point-of-sale costs. The fair value is based on market prices of mature cattle ready for slaughter. Since market prices used as the basis for fair value refer to mature cattle, the market price for immature cattle already identified for slaughter is adjusted to account for the growing cost to be incurred for the immature cattle for slaughter to mature.

(ix) Estimated allowance for inventory obsolescence

The Group recognises provision on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to profit and loss account and are written off. In addition to a provision for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its stocks. The assessment of the condition of the inventory goods either increase or decrease the expenses or total inventory. The provision for inventory obsolescence at 31 December 2005 was $3,730,000 (2004: $1,662,000). More details are given in Note 9.

(b) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Operating leases

The Group has entered into various lease agreements as a lessee of industrial and agricultural land and storage and distribution warehouses. The Group has determined that the lessor retains all significant risks and rewards of ownership of these properties which are leased out on operating lease.

(ii) Finance leases

The Group leases equipments and vehicles from the Del Monte Philippines, Inc. Retirement Fund, a related party, which retains substantial portion of the risks and rewards of ownership on these properties. The Group has determined that these leases are finance leases.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. All significant intercompany balances and any unrealised profit and loss on intercompany transactions have been eliminated on consolidation.

The formation of the Group in 1999 has been accounted for as a reorganisation of companies under common control using merger accounting. The consolidated financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a consolidated Group for all periods presented. The assets and liabilities of Del Monte Pacific Resources Limited and its subsidiaries contributed to the Company have been reflected at predecessor cost in these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation (Cont'd)

In translating the financial statements of foreign subsidiaries in the preparation of the consolidated financial statements, all the assets and liabilities of those subsidiaries with reporting currencies other than US dollars are translated into US dollars at the rates of exchange in effect at the balance sheet date, and all their income and expense items are translated into US dollars at the average exchange rates during the year. The resulting cumulative translation differences are dealt with as movements in reserves. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation shall be recognised in the profit and loss account.

Minority interest represents the portion of profit and loss and net assets/liabilities in a subsidiary, not held by the Group and is presented separately in the profit and loss account and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably.

Revenue from sale of goods is recognised when goods are delivered, and title has passed to customers.

Dividend income is recognised when the shareholder's right to receive payment is established. Interest income is accrued on a time proportion basis that reflects the effective yield on the asset.

Interest income is recognised as interest accrues (using the effective interest method) unless collectibility is in doubt.

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation and any impairment loss. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the profit and loss account in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of the fixed asset.

Depreciation is calculated on a straight-line basis over the expected useful life as follows:

	Years
Freehold buildings	15 - 45
Buildings, land improvements and leasehold improvements	3 - 45
Machinery and equipment	3 - 30
Dairy and breeding herd	3.5 - 6

The Group depreciates significant asset components based on their depreciable lives with effect from 1 January 2005. In the past, significant asset components were recorded and depreciated separately, the Group used the same depreciation rates for all components of a particular asset.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

The change in estimate brought about the change in the depreciable lives of freehold buildings and machinery and equipment to 15-45 years from 30-45 years and to 3-30 years from 3-15 years, respectively. Had the depreciable lives of freehold buildings and machinery and equipment not been changed, depreciation for the full year ended 31 December 2005 would have decreased by $227,000.

The useful life and depreciation method are revised periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Leasehold improvements, comprising expenditures on infrastructure improvements including building of roads and irrigation system, are depreciated over their expected useful lives or, where shorter, the lease term of the related land.

At present, the Group has no legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease, except for two contracts by a subsidiary where the Group is contingently liable for the cost of dismantling because the lessors have the option to require the company to restore the leased premises to its original condition at the Group's expense. The dismantling obligation is therefore contingent and undeterminable at this time.

Dairy and breeding herd relates to livestock (cattle) being reared for milking and breeding purposes.

Fully depreciated assets are retained in the financial statements until they are no longer in use, and no further charge for depreciation is made in respect of these assets.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the financial statements and any gain or loss resulting from their disposals is included in the profit and loss account.

Interest cost to fund the construction of the property, plant and equipment as well as financial leases are charged to profit and loss account as they are incurred.

Construction-in-progress

Construction-in-progress represents plant and properties under construction and is stated at cost. This includes cost of construction and other direct costs .

No provision for depreciation is charged on construction-in-progress until such time as the relevant assets are completed and put into operational use.

Subsidiaries

A subsidiary is a company in which the Group, directly or indirectly, holds more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Affiliated companies

An affiliated company is a company, not being a subsidiary or an associated company, in which one or more of the shareholders and/or directors of the Company have a significant equity interest or can exercise significant influence over its operating and financial policies and decisions.

Intangible assets

Intangible assets acquired separately are capitalised at cost and from a business acquisition are capitalised at fair value as at the date of acquisition.

Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period and method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss account.

Intangible assets with indefinite useful lives are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful lives of intangible assets with indefinite lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Intangible assets created within the business are not capitalised, and expenditure is charged to the profit and loss account in the year in which the expenditure is incurred.

Research and development costs

Research costs are charged to the profit and loss account as incurred. Development costs of a project are recognised as an asset when its future recoverability can reasonably be regarded as assured. Capitalised development costs are amortised over the period of expected future sales from the related project.

Other development costs are charged to profit and loss account when incurred.

Impairment of assets

(a) Financial instruments

Financial instruments are reviewed for impairment at each balance sheet date.

For financial assets carried at amortised cost, whenever it is probable that the Company or Group will not collect all amounts due according to the contractual terms of receivables or held-to-maturity investments, an impairment or bad debt loss is recognised in the profit and loss account. Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write-down. Such reversal is recorded in the profit and loss account. However, the increased carrying amount is only recognised to the extent it does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of assets (Cont'd)

(b) Other assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account for items of property, plant and equipment and intangible assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Except in the case of goodwill, reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased and is recorded in the profit and loss account.

Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost of finished goods is based on the weighted average method, while the cost of production materials and storeroom items is based on the weighted moving average method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, where appropriate, and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

Biological assets and agricultural produce

Biological assets comprise growing crops and livestock. Agricultural produce comprises mainly harvested pineapples.

Biological assets and agricultural produce at the point of harvest are measured on initial recognition at their fair value less estimated point-of-sale costs. Biological assets (livestock) are also measured at each balance sheet date at their fair value less estimated point-of-sales costs. Gains and losses arising from such measurement are included in the profit or loss account in the period in which they arise. However, where the fair value of the biological assets cannot be measured reliably, the biological assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The Group states biological assets (livestock) and agricultural produce at the point of harvest at fair value less estimated point-of-sale costs, except for those biological assets (growing crops) where the fair value cannot be measured reliably. Such biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses. Expenditures on growing crops include land preparation expenses and other direct expenses incurred during the cultivation period of the primary and ratoon crops. These expenditures on growing crops are deferred and taken into the inventory account based on the estimated total yield during the estimated growth cycle of three years.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement coveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit and loss account. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income tax

Income tax expense is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the balance sheet date between the carrying amounts of assets and liabilities and the amounts used for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax liabilities are not provided on undistributed earnings of foreign subsidiaries to the extent the earnings are intended to remain indefinitely invested in those entities. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not deductible for tax purposes.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred acquisition costs

Deferred acquisition costs relate to costs which are directly attributed to a particular acquisition of investment being considered by the Group. Such deferred acquisition costs would be capitalised as part of the cost of investment upon the consummation of the related acquisition. Other general administrative costs, including the cost of maintaining an acquisition department, are recognised as expense as incurred.

Deferred acquisition costs are written off to the profit and loss account when, in the opinion of the directors, the consummation of such acquisition is deemed remote.

Financial instruments

As of the end of the financial year, the Company's and Group's financial instruments mainly consisted of cash and cash equivalents, receivables, payables, short-term borrowings and non-current payables. The carrying amounts of the Company's and Group's cash and cash equivalents approximate their fair values because of the short maturity of those instruments.

Receivables are carried at anticipated realisable value after provision for doubtful accounts. An estimated provision for doubtful debt is made when collection of the amount is no longer probable. Bad debts are written off to the profit and loss account as incurred. Trade debtors generally have 7 to 75-day terms.

Trade debtors which are factored out to financial institutions without recourse to the Group are treated as being fully settled. The corresponding payments from the financial institutions are recorded as cash receipts from customers and no liability is recognised.

Trade debtors which are factored out to financial institutions with recourse to the Group are not treated as being settled. The corresponding payments from the financial institutions are recorded as cash receipts from these institutions and corresponding bank borrowings are recognised.

Financial instruments are classified as liabilities or equity in accordance with the substance of contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the assets and settle the liability simultaneously.

Liabilities for trade and other creditors and due to subsidiaries are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Trade creditors are normally settled on 15 to 30-day terms.

The carrying amounts of the short-term borrowings approximate their fair values based on borrowing rates currently available for short-term borrowings with similar terms and maturity. Where the effect of time value of money is material, the non-current liabilities are the present values of the expenditures expected to be required to settle the obligation.

Reserves

Capital reserve, comprising share premium, is created from the difference arising from the issue of ordinary shares of the Company at an issue price higher than the par value of the shares.

Translation reserve is intended for reflection of translation differences arising on consolidation of financial statements of foreign entities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign currencies

The Company and its subsidiaries maintain their books and records in their respective functional currencies.

Transactions in foreign currencies other than the functional currencies during the year are translated at the exchange rates in effect at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the balance sheet date. Exchange differences are dealt with in the profit and loss account.

Pensions and other post-employment benefits

A subsidiary, Del Monte Philippines, Inc, has both a defined contribution plan and a defined benefit plan.

A defined contribution plan requires fixed contributions to a separately administered fund. The subsidiary has no legal or constructive obligations to pay further contributions aside from the fixed contribution.

Contributions to the fund are expensed as they fall due. A liability or asset is recognised in case of differences between the amount expensed by the subsidiary and the amount contributed to the fund.

A defined benefit pension plan requires contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognised immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately if the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognised immediately.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Borrowing costs

Borrowing costs are recognised as expenses when incurred.

Contingencies

Contingent liabilities are not recognised in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Equity compensation benefits

The Company has an Executive Stock Option Plan for the granting of non-transferable options to purchase the Company's shares. With the adoption of IFRS 2 on 1 January 2005, the Group measures and records the fair value of the executives' services rendered by reference to the fair value of the Executive Stock Options. These services are measured at grant date of the shares options and are recognised as remunerations (with corresponding increase in equity) over the period till executives' entitlement to the options become unconditional (i.e. the vesting period for the option). At each balance sheet date, the Group revises its estimates of the number of options that are expected to be exercisable. The impact of the revision in executives' remuneration and in the corresponding adjustment to the equity is adjusted over the remaining vesting period of the share options.

When options are exercised, share capital (par value) and share premium are increased by the amount of net proceeds received. Amounts equivalent to the fair values of the exercised options that are previously recorded in the share option reserve are transferred to share premium.

The Group has taken advantage of the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested on or before 1 January 2005.

Cash and cash equivalents

Cash represents cash on hand and deposits with banks or other financial institutions which are repayable on demand.

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets and liabilities

(a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised where:

- The contractual rights to receive cash flows from the asset have expired;
- The Group retains the contractual rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derecognition of financial assets and liabilities (Cont'd)

(a) Financial assets (Cont'd)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the profit and loss account.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit and loss account.

3. SHARE CAPITAL

	2005 $'000	2004 $'000
Authorised		
– 2,000,000,000 (2004: 2,000,000,000) ordinary shares of $0.01 each	20,000	20,000
Issued and fully paid		
Beginning of year		
– 1,074,483,194 (2004: 1,072,079,194) ordinary shares of $0.01 each	10,745	10,721
Issued during the year		
– 7,298,000 (2004: 2,404,000) ordinary shares of $0.01 each	73	24
End of year		
– 1,081,781,194 (2004: 1,074,483,194) ordinary shares of $0.01 each	10,818	10,745

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

3. SHARE CAPITAL (Cont'd)

Outstanding options

As at 31 December 2005, the outstanding options to subscribe for the Company's ordinary shares of $0.01 each are as follows:

2005

Date of grant	Description	1 January 2005 or date of grant, if later [1]	Options lapsed	Options exercised	31 December 2005	No. of holders	Exercise price [2]	Exercise period
30.7.1999	IPO Options [3]	4,942,694	634,210	–	4,308,484	22	US$0.504	30.7.2000 - 29.7.2009
2.3.2001	Market Price Options [4]	8,560,000	200,000	6,010,000	2,350,000	9	S$0.490	2.3.2003 - 1.3.2011
29.5.2002	Market Price Options [5]	2,656,000	58,000	1,288,000	1,310,000	49	S$0.470	29.5.2004 - 28.5.2012

2004

Date of grant	Description	1 January 2004 or date of grant, if later [1]	Options lapsed	Options exercised	31 December 2004	No. of holders	Exercise price [2]	Exercise period
30.7.1999	IPO Options [3]	5,615,265	672,571	–	4,942,694	25	US$0.504	30.7.2000 - 29.7.2009
2.3.2001	Market Price Options [4]	11,060,000	150,000	2,350,000	8,560,000	32	S$0.490	2.3.2003 - 1.3.2011
29.5.2002	Market Price Options [5]	2,870,000	160,000	54,000	2,656,000	88	S$0.470	29.5.2004 - 28.5.2012

(1) Included within these balances are equity-settled options that have not been recognised in accordance with IFRS 2 as the options were granted on or before 7 November 2002. These options have not been subsequently modified and therefore do not need to be accounted for in accordance with IFRS 2.

(2) On 20 December 1999, the Singapore Exchange Securities Trading Limited ("SGX-ST") approved the conversion of the quotation of the Company's shares to Singapore dollars (S$) from United States dollars (US$).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

3. SHARE CAPITAL (Cont'd)

Outstanding options (Cont'd)

(3) Pursuant to the ESOP Scheme, the Company granted 11,428,571 IPO Options in July 1999 to certain controlling shareholders and their associates, directors, officers and senior managers of the Group. Each IPO Option entitles its holder to subscribe to one share at the IPO Price of US$0.63, less a 20% discount, or US$0.504 (as at 20 March 2006, this is equivalent to about S$0.814).

The IPO Options are exercisable based on the following terms:

Option exercise period	Terms
From 30 July 2000 to 29 July 2001	(i) Up to 30 percent of IPO Options granted
From 30 July 2001 to 29 July 2002	(ii) Up to 60 percent of IPO Options granted including (i) above
From 30 July 2002 to 29 July 2009	(iii) 100 percent of IPO Options granted

Except for the following IPO Options granted to controlling shareholders and their associates since the start of the ESOP Scheme, no other share options have been granted to controlling shareholders and their associates as at the date of this report:

Controlling shareholders and their associates	Aggregate Options granted 1 January 2005	Granted during the year	Aggregate Options exercised	Aggregate Options lapsed	Aggregate Options outstanding 31 December 2005
Martin P Lorenzo [6]	1,269,841	–	–	–	1,269,841
Regina Lorenzo H-Davila [6]	190,477	–	–	–	190,477
Marco P Lorenzo [6]	175,502	–	–	–	175,502

(4) In 2001 pursuant to the ESOP Scheme, the Company granted 14,050,000 options, which are exercisable based on a subscription price equal to the average of the last dealt prices for the Company's share on the SGX-ST for the three consecutive trading days immediately preceding the offering date of the option, without any discount ("Market Price Options"), to directors, officers and senior managers of the Group, none of whom are controlling shareholders, and the latter's associates. Each of these Market Price Options entitles its holder to subscribe for one share at S$0.49.

The Market Price Options are exercisable based on the following terms:

Option exercise period	Terms
From 2 March 2003 to 1 March 2004	(i) Up to 60 percent of Market Price Options granted
From 2 March 2004 to 1 March 2011	(ii) 100 percent of Market Price Options granted

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

3. SHARE CAPITAL (Cont'd)

Outstanding options (Cont'd)

(5) In 2002, the Company granted a second batch of Market Price Options to new senior managers and managerial employees not covered by the first grant of Market Price Options. A total of 3,250,000 Market Price Options were granted based on a subscription price equal to the average of the last dealt prices for the Company's share on the SGX-ST for the three consecutive trading days immediately preceding the offering date of the option, without any discount. Each of these Market Price Options entitles its holder to subscribe for one share at S$0.47.

The Market Price Options are exercisable based on the following terms:

Option exercise period	Terms	
From 29 May 2004 to 28 May 2005	(i)	Up to 60 percent of Market Price Options granted
From 29 May 2005 to 28 May 2012	(ii)	100 percent of Market Price Options granted

(6) Martin P Lorenzo, Regina Lorenzo H-Davila and Marco P Lorenzo ceased to be controlling shareholders in view of the disposal of the interest in the Company by the Macondray Group on 1 December 2005.

The weighted average share price of options exercised during the year is S$0.64 (2004: S$0.64).

No holder of the options under the ESOP Scheme has received 5% or more of the total options available. Except for options granted to certain directors of the Group who are concurrently directors and/or employees of a controlling shareholder company, no director or employee of a controlling shareholder company has been granted any options. The ESOP Scheme does not extend participation to directors and employees of a controlling shareholder company and its subsidiaries. All outstanding options granted to directors, executives and employees of the Group have a term of 10 years.

The shareholders have approved the adoption of two new share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP"), during the general meeting held on 26 April 2005 to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, currently targeted at executives at key positions, to excel in their performance.

The Remuneration and Share Option Committee is responsible for administering these share plans. As at 31 December 2005, no shares have been granted or vested, under these share plans.

Apart from the above, no other options to take up unissued shares were granted during the financial year and as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

4. SHARE PREMIUM

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
At beginning of year	66,609	65,936	66,748	66,075
Shares issued under share option plan 7,298,000 ordinary shares of $0.01 each (2004: 2,404,000)	2,078	673	2,078	673
At end of year	68,687	66,609	68,826	66,748

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium, translation reserves and revenue reserves form part of the Company's surplus account that may be available for dividend distribution.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold buildings $'000	Buildings, land improvements and leasehold improvements $'000	Machinery and equipment $'000	Dairy and breeding herd $'000	Construction -in-progress $'000	Total $'000
Cost						
As at 1 January 2004	6,801	4,620	71,850	378	1,211	84,860
Additions	523	8	2,243	–	2,144	4,918
Due to acquisition of subsidiary	–	303	3,053	–	–	3,356
Disposals	(23)	–	(496)	(65)	–	(584)
Reclassifications	3	98	1,032	–	(1,133)	–
Currency realignment	(91)	(53)	(942)	(5)	(16)	(1,107)
As at 31 December 2004 and 1 January 2005	7,213	4,976	76,740	308	2,206	91,443
Additions	376	338	9,768	–	2,921	13,403
Disposals	(34)	–	(1,236)	(18)	(1)	(1,289)
Reclassifications	261	46	2,037	–	(2,344)	–
Currency realignment	398	287	4,923	19	129	5,756
As at 31 December 2005	8,214	5,647	92,232	309	2,911	109,313

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Freehold buildings $'000	Buildings, land improvements and leasehold improvements $'000	Machinery and equipment $'000	Dairy and breeding herd $'000	Construction -in-progress $'000	Total $'000
Accumulated depreciation and impairment						
As at 1 January 2004	2,405	1,268	32,180	288	–	36,141
Charge for the year	114	240	4,994	27	–	5,375
Due to acquisition of subsidiary	–	13	1,916	–	–	1,929
Impairment loss [a]	–	168	–	–	–	168
Disposals	(13)	–	(443)	(57)	–	(513)
Currency realignment	(33)	(10)	(442)	(4)	–	(489)
As at 31 December 2004 and 1 January 2005	2,473	1,679	38,205	254	–	42,611
Charge for the year	157	274	9,375	22	–	9,828
Impairment loss [a]	–	–	508	–	–	508
Disposals	(34)	–	(1,098)	(17)	–	(1,149)
Currency realignment	156	93	2,687	17	–	2,953
As at 31 December 2005	2,752	2,046	49,677	276	–	54,751
Net book value						
As at 31 December 2005	5,462	3,601	42,555	33	2,911	54,562
As at 31 December 2004	4,740	3,297	38,535	54	2,206	48,832
Net book value of property, plant and equipment under finance leases (See note 19)						
As at 31 December 2005	–	–	3,658	–	–	3,658

[a] This impairment loss relates to machinery and equipment (2004: leasehold improvements) and has been recognised in the profit and loss account in the line item of "Other Operating Expenses" (Note 21).

The impairment loss due to obsolescence is recognised to reduce the carrying amount of machinery and equipment (2004: leasehold improvements) to the recoverable amount. The recoverable amount estimation was based on higher of net selling price and value in use.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

6. SUBSIDIARIES

	2005 $'000	2004 $'000
Unquoted equity shares, at cost	16,709	16,709
Due from subsidiaries (non-trade)	108,876	–
	125,585	16,709

The amounts due from subsidiaries were classified as current in 2004 as they had no repayment terms and therefore considered to be payable on demand. In 2005, management is of the opinion that the amounts due from subsidiaries are in effect quasi-equity. As they have no repayment terms, it is impracticable to determine the fair value of these quasi-equity balances as at 31 December 2005. Therefore, they are stated at cost and classified as non-current assets as at 31 December 2005.

The amounts due from subsidiaries include an amount of $2,800,000 (2004: Nil) which bears interest at 6.08% per annum (2004: Nil) and is not expected to be repaid within the next twelve months.

The Company and the Group had the following subsidiaries as at 31 December 2005:

Name of subsidiary	Principal activities	Country of incorporation and place of business	% of equity held by the Group		Cost of investment by the Company	
			2005 %	2004 %	2005 $'000	2004 $'000
Held by the Company						
Del Monte Pacific Resources Limited ("DMPRL") (i)	Investment holding	British Virgin Islands	100	100	10,139	10,139
GTL Limited ("GTL") (i)	Trading food products sold mainly under the brand name "Del Monte"	Federal Territory of Labuan, Malaysia	100	100	10	10
DMPL Management Services Pte Ltd ("DMS") (i)	Providing administrative support and liaison services to the Group	Singapore	100	100	(ii)	(ii)
DMPL India Pte Ltd (i)	Investment holding	Singapore	100	100	(ii)	(ii)
Abpak Company Limited (iii)	Investment holding	Hong Kong	89	89	6,560	6,560
					16,709	16,709

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

6. SUBSIDIARIES (Cont'd)

Name of subsidiary	Principal activities	Country of incorporation and place of business	% of equity held by the Group 2005 %	% of equity held by the Group 2004 %
Held by DMPRL				
Central American Resources, Inc ("CARI") (i)	Investment holding and trading food products mainly under the brand name "Del Monte"	Panama	100	100
Held by CARI				
Del Monte Philippines, Inc ("DMPI") (iv)	Growing, processing and distribution of food products mainly under the brand names "Del Monte" and "Today's"	The Philippines	100	100
Dewey Limited ("Dewey") (i)	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Bermuda	100	100
Pacific Brands Philippines, Inc ("PBPI") (iv)	Dormant	State of Delaware, USA	100	100
Hordaland Company Limited ("Hordaland")	Dormant	Hong Kong	(v)	100
Held by DMPL India Pte Ltd				
Del Monte Foods India Private Limited (vi)	Manufacturing, processing and distributing food and beverages and other related products	Mumbai, India	100 (viii)	100 (viii)
Held by Abpak Company Limited				
Great Lakes (Tianjin) Fresh Foods and Juice Co., Ltd (vii)	Manufacturing and marketing of fruit juice under the brand names "Great Lakes", "Ming Lang" and "Rougemont"	Tianjin, China	89	89
Great Lakes (Qinhuangdao) Fresh Foods and Juice Company Limited (vii)	Manufacturing and marketing of fruit juice for export markets	Hubei, China	89 (ix)	–

(i) Audited by Ernst & Young, Singapore
(ii) Cost of investment of $1 (2004: $1)
(iii) Audited by Ernst & Young, Hong Kong
(iv) Audited by SyCip Gorres Velayo & Co, associate firm of Ernst & Young, Global
(v) Deregistered in 2005
(vi) Audited by Deloitte, Haskins & Sells, Bangalore, India
(vii) Audited by Ernst & Young, Beijing, China
(viii) 0.1% held by DMPRL
(ix) Newly incorporated in 2005

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

6. SUBSIDIARIES (Cont'd)

In previous year, the Company acquired 89% of Abpak Company Limited which holds 100% of Great Lakes (Tianjin) Fresh Foods & Juice Co., Ltd. ('Great Lakes'), a China-based premium fruit juice producer.

The acquisition of a subsidiary company has been shown in the consolidated statement of cash flows as a single item. The effect on the individual assets and liabilities at the date of acquisition are set out below:

	$'000
Intangible assets	594
Property, plant and equipment	1,427
Inventories	729
Trade debtors	1,610
Other debtors, deposits and prepayments	274
Cash and bank balances	697
Trade creditors	(1,489)
Other creditors and accruals	(1,354)
Short-term borrowings	(1,494)
Minority interest	(44)
Net assets acquired	950
Goodwill arising on consolidation	5,610
Total consideration (including acquisition related cost)	6,560
Add: Net debt of subsidiary company	797
Cash outflow on acquisition, net of debt	7,357

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

7. INTANGIBLE ASSETS

	Group			
	Trademarks $'000	Distribution network $'000	Goodwill $'000	Total $'000
Cost				
As at 1 January 2004	12,115	–	–	12,115
Due to acquisition of subsidiary	365	227	5,610	6,202
As at 31 December 2004, 1 January 2005 and 31 December 2005	12,480	227	5,610	18,317
Accumulated amortisation				
As at 1 January 2004	2,799	–	–	2,799
Amortisation (Note 21)	339	23	–	362
As at 31 December 2004 and 1 January 2005	3,138	23	–	3,161
Amortisation (Note 21)	376	46	–	422
As at 31 December 2005	3,514	69	–	3,583
Net book value				
As at 31 December 2005	8,966	158	5,610	14,734
As at 31 December 2004	9,342	204	5,610	15,156

Movements in accumulated amortisation during the financial year were as follows:

	Group	
	2005 $'000	2004 $'000
At beginning of year	3,161	2,799
Amortisation during the year – Del Monte & Today's trademarks	303	303
– Great Lakes trademark and distribution network	119	59
At end of year	3,583	3,161

In November 1996, a subsidiary, DMPRL, entered into a sub-license agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademark in the Indian Sub-continent territories in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licenses to others ("Indian Sub-continent trademark").

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

7. INTANGIBLE ASSETS (Cont'd)

Under the terms of the agreement, a total consideration of $10 million would be payable by DMPRL to the affiliated company for the right to use the trademark. The first sum of $1 million was paid during 1996 and the remaining $9 million will be payable by installments. Each installment will equal forty percent of "Net Income" which is determined on the basis specified in the agreement, but the balance of the $9 million has to be paid in any event no later than 30 November 2006. The licensed trademarks were recorded at the net present value of the estimated future cash payments to be made as at 31 December 1996. The difference between the cash price equivalent of the intangible asset and the total payment is capitalised and has been offset against the payable to the affiliated company. In arriving at the net present value of the future cash payments, a discount rate that approximates the cost of funds to the Company has been used. The approximate net carrying amount and the remaining amortisation period of the Indian Sub-continent trademark as at 31 December 2005 are $5,883,000 and 31 years (2004 : $6,072,000 and 32 years), respectively.

In addition, a subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("Philippine trademarks"). The approximate net carrying amount and the remaining amortisation period of the Philippine trademarks as at 31 December 2005 are $2,827,000 and 25 years (2004: $2,941,000 and 26 years), respectively.

These trademarks give the Group the exclusive perpetual right to use the trademarks in the specified countries. It is expected that a significant amount of revenue will be generated from the use of these trademarks over 40 years.

In July 2004, the Company acquired 89% of Abpak Company Limited for an aggregate value of $10,100,000. This includes the initial investments of $6,276,000 plus acquisition related cost of $284,000 for Great Lakes' net assets of $358,000, thus recognising goodwill of $6,202,000. However, with the adoption of IFRS 3, only intangible of $592,000, with finite life of 5 years is subject to amortisation and the remaining $5,610,000 is subject to annual impairment test. The net carrying amount and the remaining amortisation period of Great Lakes' intangibles (other than goodwill) as at 31 December 2005 are $ 414,000 and 3.5 years (2004: $533,000 and 4.5 years), respectively.

Impairment testing of goodwill

Goodwill acquired through a business combination has been allocated to a group of cash-generating units ("CGU"), Great Lakes (Tianjin) and Great Lakes (Qinhuangdao) ("GL CGU"), two subsidiaries whose principal activities are manufacturing and marketing of fruit juice, for impairment testing.

The recoverable amount of GL CGU is determined based on a value in use calculation using cash flow projections approved by the Board of Directors covering a five-year period. The cash flow projection for the first year is based on financial budgets prepared by management while the following two years are based on the strategic business plan. Thereafter, a constant growth rate is applied for the remaining two years. The pre-tax discount rate of 8.08% per annum was applied to the cash flow projections, after taking into consideration the bank's prime lending rate, the expected rate of return and various risks.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue and budgeted gross margins – the basis used to determine the value assigned to the budgeted revenue and budgeted gross margins is the average revenue and gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and growth.

Management believes that any reasonably possible change on the key assumptions in the computation of the recoverable amount of the goodwill would not cause its carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

7. INTANGIBLE ASSETS (Cont'd)

Impairment testing of Indian Sub-continent trademark

The Indian Sub-continent trademark has been allocated to a cash-generating unit ("CGU"), Del Monte Foods India Private Limited ("DMFI CGU"), a subsidiary whose principal activities are manufacturing, processing and distributing food and beverages and other related products, for impairment testing.

The recoverable amount is also determined based on a value in use calculation using cash flow projections approved by the Board of Directors covering a five-year period. The cash flow projection for the first year is based on financial budgets prepared by management while the following two years are based on the strategic business plan. Thereafter, a constant growth rate is applied for the remaining two years. The pre-tax discount rate of 10.5% per annum was applied to the cash flow projections, which is derived from the bank's prime lending rate, the expected rate of return and various risks.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of trademarks:

Budgeted revenue and budgeted gross margins – the determination of the value assigned to the budgeted revenue and budgeted gross margin is based on the Group's forecasted revenue and average gross margins achieved in the year by their comparable manufacturing operation immediately before the budgeted year, increased for expected efficiency improvements and growth.

Management believes that any reasonably possible change on the key assumptions in the computation of the recoverable amount of the trademark would not cause its carrying amount to exceed its recoverable amount.

8. OTHER ASSETS

	Group	
	2005 $'000	**2004 $'000**
Advances to growers	3,384	3,366
Security deposit	1,291	1,311
Land expansion (development cost of acquired leased areas)	1,026	948
Others	697	605
	6,398	6,230

Advances to growers may be applied against the minimum guaranteed profits to growers.

Land expansion assets are development costs of newly acquired leased areas which include costs such as creation of access roads, construction of bridges and clearing costs.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

9. INVENTORIES

	Group	
	2005 $'000	2004 $'000
Finished goods		
- at cost	9,610	9,616
- at net realisable value	308	134
Raw materials and packaging supplies		
- at cost	36,078	25,929
	45,996	35,679

Inventory is stated after provision for inventory obsolescence. Movement in the provision for inventory obsolescence during the financial year are as follows:

At beginning of year	1,662	2,505
Provision for the year (Note 21)	3,242	2,549
Write-off against provision	(1,373)	(3,360)
Currency realignment	199	(32)
At end of year	3,730	1,662

10. BIOLOGICAL ASSETS

	Group	
	2005 $'000	2004 $'000
Livestock - at fair value	1,999	3,902
Growing crops - at cost	38,068	33,346
	40,067	37,248

The Group's livestock comprises growing herd and cattle for slaughter. The fair value was determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

10. BIOLOGICAL ASSETS (Cont'd)

Reconciliation of changes in the carrying amount:

	Group	
	2005 $'000	2004 $'000
Livestock		
At beginning of year/date of acquisition	3,902	3,745
Currency realignment	244	(48)
Increases due to purchases	5,629	10,222
(Loss)/gain arising from changes in fair value less estimated point-of-sale costs attributable to price changes	(259)	55
Decreases due to sales	(7,517)	(10,072)
At end of year	1,999	3,902

	Group	
Growing crops		
At beginning of year	33,346	30,489
Currency realignment	2,068	(408)
Additions	29,158	25,817
Harvested	(26,504)	(22,552)
At end of year	38,068	33,346

11. TRADE DEBTORS

	Group	
	2005 $'000	2004 $'000
Trade debtors	25,190	24,887
Less provision for doubtful debts	(1,120)	(906)
	24,070	23,981

Movements in provision for doubtful debts during the financial year were as follows:

At beginning of year	906	961
Provision for the year (Note 23)	271	79
Write-back of provision (Note 23)	(8)	(69)
Write-off against provision	(113)	(52)
Currency realignment	64	(13)
At end of year	1,120	906

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

11. TRADE DEBTORS (Cont'd)

Trade debtors are denominated in the following currencies:

	Group	
	2005 $'000	2004 $'000
US Dollars	11,134	10,285
Philippine Pesos	11,807	12,411
Chinese Renminbi	1,084	1,285
Others	45	–
At end of year	24,070	23,981

12. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Prepayments	4,621	4,649	3	2
Other recoverables	2,786	1,410	–	–
Deposits	596	765	–	–
Non-trade debtors	1,349	595	–	–
Downpayment from contractors	25	106	–	–
	9,377	7,525	3	2
Less provision for doubtful debts (Note 21)	(1,025)	–	–	–
	8,352	7,525	3	2

Movements in provision for doubtful debts during the financial year were as follows:

	Group	
	2005 $'000	2004 $'000
Provision for the year and at end of year (Note 21)	1,025	–

13. DUE FROM/TO SUBSIDIARIES (NON-TRADE)

These balances are unsecured, non-interest bearing and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

14. BANK BALANCES AND SHORT-TERM DEPOSITS

Cash at banks earn interest, if any, at floating rates based on daily bank deposit rates ranging from 1.00% to 3.00% (2004: 0.03% to 1.00%) per annum. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of short-tem deposits is 3.12% per annum (2004: 1.24% per annum).

15. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Accrued operating expenses	11,332	10,853	481	386
Customer deposits	3,720	3,414	–	–
Accrued payroll expenses	2,098	2,202	–	–
Value-added tax payable	122	886	–	–
Withheld from employees (taxes and social security cost)	950	801	–	–
Other creditors [a]	7,961	35	5	6
Obligations under finance leases (Note 19)	1,009	–	–	–
	27,192	18,191	486	392

The accrued payroll expenses of the Group includes retirement benefit obligations of approximately $1,054,000 (2004: $96,000) (Note 16).

(a) The other creditors includes an amount of approximately $7,933,000, previously classified as due to an affiliated company (Note 18). The amount is unsecured, non-interest bearing and is repayable not later than 30 November 2006.

16. RETIREMENT BENEFIT OBLIGATIONS

A subsidiary, DMPI, has a defined benefit retirement plan covering substantially all of its officers and regular full-time employees. The benefits are based on a percentage of latest monthly salary and credited years of service. Total pension contributions charged to the consolidated profit and loss account amounted to about PHP128.1 million or $2,322,000 for the year (2004: PHP65.4 million or $1,166,000). DMPI's annual contribution to the pension plan consists of payments covering the current service cost for the year plus payments towards funding the actuarial accrued liability, if any.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

16. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

Amount recognised in the balance sheet:

	Group	
	2005 $'000	2004 $'000
Present value of funded obligations	31,088	28,527
Fair value of plan assets	(29,189)	(27,154)
	1,899	1,373
Unrecognised past service cost	(3,788)	–
Unrecognised actuarial gains/ (loss)	2,943	(1,277)
Net liability recorded under accrued payroll expenses (Note 15)	1,054	96

The pension plan assets include some of the buildings occupied by the subsidiary under a long-term lease with a fair value of approximately $5,554,000 (2004: $5,554,000).

The amount recognised in the profit and loss account is as follows:

Current service cost	1,525	1,321
Interest cost	3,471	2,706
Expected return on plan assets	(3,288)	(2,861)
Amortisation for:		
Past service cost	364	–
Under-provision in prior year	250	–
Total included in staff costs (Note 22)	2,322	1,166

The actual return on plan assets was $3,418,000 (2004: $3,592,000).

Movement in the liability recognised in accrued payroll expenses:

At beginning of year	96	89
Exchange differences	97	(6)
Total expense	2,322	1,166
Contributions paid	(1,461)	(1,153)
At end of year	1,054	96

The funded obligation and plan assets are measured and valued with the advice of qualified actuaries who carry out a full valuation once every two years. The last valuation of these obligations and plans was performed in 2005 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 31 December 2005.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

16. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

The principal actuarial assumptions used for accounting purposes were:

	Group	
	2005	**2004**
	% per annum	**% per annum**
Discount rate	12	11
Expected return on plan assets	12	11
Future salary increases	5-8	6.5-8

17. SHORT-TERM BORROWINGS (UNSECURED)

The amounts are unsecured, bearing weighted average effective interest rates at 3.6% to 7.3% (2004: 2.0% to 8.4%) per annum and mature within twelve months.

The interest rate exposure of the borrowings of the Group was as follows:

	Group	
	2005	**2004**
	$'000	**$'000**
Total borrowings at floating rates	41,747	29,810

18. DUE TO AN AFFILIATED COMPANY (NON-TRADE)

The balance is unsecured, non-interest bearing and repayable not later than 30 November 2006. In 2005, this amount has been classified under other creditors and accruals (Note 15) as the counterparty is no longer an affiliated company.

19. LONG-TERM LEASE PAYABLE

	Group	
	2005	**2004**
	$'000	**$'000**
Current:		
Obligations under finance leases (Note 15)	1,009	–
Non-current:		
Obligations under finance leases	1,681	–
Other long-term lease payable	669	368
	2,350	368

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

19. LONG-TERM LEASE PAYABLE (Cont'd)

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	2005		2004	
	Minimum lease payments $'000	Net present value of lease payments $'000	Minimum lease payments $'000	Net present value of lease payments $'000
Future payment payable for finance leases				
Within one year	1,313	1,009	–	–
Within two to five years	1,943	1,681	–	–
	3,256	2,690	–	–
Amounts representing finance charges	(566)	–	–	–
Present value of lease payments	2,690	2,690	–	–
Current portion	1,009	1,009	–	–
Non-current portion	1,681	1,681	–	–
	2,690	2,690	–	–

The finance leases bear interest at 14% per annum which is also the effective interest rate.

The net book value of assets acquired under finance leases is disclosed in Note 5.

The finance leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debts or entering into other lease agreements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

20. TURNOVER

Turnover of the Company comprises dividend income from its investment in subsidiaries.

Turnover of the Group comprises gross invoiced sales, net of discounts and returns, and is recognised when goods are delivered, and title has passed to customers. Significant intra-group transactions have been excluded from Group turnover.

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Sale of goods	222,358	199,579	–	–
Dividend income from investment in subsidiaries	–	–	25,000	22,541
	222,358	199,579	25,000	22,541

21. OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating expenses:

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Loss on product disposal and off-specification products	1,073	–	–	–
Provision for inventory obsolescence (Note 9)	3,242	2,549	–	–
Prior year tax assessment – value added tax and withholding tax	1,075	–	–	–
Provision for doubtful debts – other debtors (Note 12)	1,025	–	–	–
Impairment of property, plant and equipment (Note 5)	508	168	–	–
Direct write-off of inventories	73	–	–	–
Write-off of deferred acquisition costs	–	486	–	486
Amortisation of intangibles (Note 7)	422	362	–	–
Net changes in fair value of livestock and harvested pineapples that remain unsold as at the end of the year	451	475	–	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

22. STAFF COSTS

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Wages and salaries	32,084	28,486	462	727
Social security costs	1,448	1,254	–	–
Pension costs - provident fund	525	382	–	–
Pension costs - defined benefit plan (Note 16)	2,322	1,166	–	–
Production profit share (See Note below)	25	143	–	–
	36,404	31,431	462	727
Number of persons employed on a full-time basis at end of the year	5,774	5,727	–	–

Note: In compliance with the Philippine Comprehensive Agrarian Reform Law ("CARL") under Executive Order No. 229 and Republic Act No. 6657, a substantial portion of the land previously leased in the Philippines by DMPI from the National Development Company ("NDC") was submitted for land distribution to the Department of Agrarian Reform ("DAR") and subsequently awarded to beneficiaries who formed a cooperative.

On 21 February 1989, DMPI and the beneficiaries' cooperative entered into a lease agreement on the said land at a certain fee for a period of 25 years starting 1 March 1989. DMPI used the land and paid rentals based on the lease agreement pending formal ratification of such agreement by DAR. On 11 January 1991, DAR ratified the amendment in the existing lease agreement, which reduced the lease period to 10 years and increased the annual fee effective from 12 December 1988. On 11 January 1997, DMPI and the beneficiaries' cooperative entered into a new lease agreement extending the lease period for another 25 years starting 11 January 1999.

The remaining land leased from NDC devoted to non-agricultural activities is not submitted for land distribution and continues to be subject to a long-term lease extending until 2032.

Privately owned lands are covered by existing crop producer and grower contracts which are continually being renewed. For certain private lands that exceed the allowable retention limits, the law requires compulsory acquisition and distribution to qualified beneficiaries. The continuation of these lease agreements is dependent on the terms and conditions to be agreed upon by the parties involved.

Pursuant to the requirements of the CARL, the Company granted its qualified employees, who are regular farmworkers and technical farmworkers, a share in the production profits realised from the operation of leased private agricultural land under deferred coverage of the CARL in accordance with the sharing scheme approved by DAR.

DMPI has accrued for the estimated amount of production profit share of approximately $25,000 (2004: $143,000) that the Company believes is in full compliance with the implementation guidelines of the law.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

23. PROFIT FROM OPERATIONS

This is determined after charging/(crediting) the following:

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Auditors' remuneration				
- payable to the auditors of the Company	129	116	105	105
- payable to other auditors	137	114	–	–
Non-audit fees				
- payable to the auditors of the Company	20	34	10	32
- payable to other auditors	–	128	–	–
Depreciation of property, plant and equipment	9,828	5,375	–	–
Provision for doubtful trade debts (Note 11)	271	79	–	–
Research and development expenditure	358	175	–	–
Operating lease rentals	4,261	5,686	–	–
Gain on disposal of property, plant and equipment	(39)	(75)	–	–
Write-back of provision for doubtful trade debts (Note 11)	(8)	(69)	–	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

24. FINANCIAL INCOME (EXPENSES)

(a) Financial income

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Interest income from:				
- bank deposits	1,879	678	–	–
- affiliated companies	80	80	–	–
- others	43	3	1	–
Foreign exchange gain, net	616	–	–	–
	2,618	761	1	–

(b) Financial expenses

	Group 2005 $'000	Group 2004 $'000	Company 2005 $'000	Company 2004 $'000
Interest expenses on:				
- bills payable	(3,272)	(1,869)	–	–
- factoring	(111)	(84)	–	–
- affiliated companies	(295)	–	–	–
- others	(521)	(401)	–	–
Foreign exchange losses, net	–	(221)	–	–
	(4,199)	(2,575)	–	–

25. TAXATION

(a) Group income tax has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective foreign tax jurisdictions. Details of provision for Group foreign income tax are as follows:

	Group	
	2005 $'000	2004 $'000
Current tax		
- current year	5,146	3,953
Deferred tax		
- current year	(1,157)	1,162
	3,989	5,115

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

25. TAXATION (Cont'd)

The Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands.

The Group

The effective income tax rate of the Group for the year was 17.9% (2004: 15.4%). The reconciliation between tax and profit before taxation multiplied by the applicable tax rate is as follows:

	Group	
	2005 $'000	**2004 $'000**
Profit before taxation	22,320	33,174
Taxation on profit at the weighted average of the applicable tax rates (see (b) below)	3,552	4,230
Difference of effective rates of other countries	–	79
Final tax on dividend	–	799
Non-deductible expenses	428	–
Translation adjustment	(1)	1
Others	10	6
	3,989	5,115

(b) The applicable weighted average tax rate is determined to be 17.9% (2004: 15.4%) and is calculated using the tax rates applicable in the jurisdictions where the companies in the Group operate. Although the Group's principal subsidiary is in the Philippines where the current tax rate is 32.5% (2004: 32%), other companies in the Group operate their businesses in jurisdictions where they are subjected to lower tax rate or considered exempt from tax.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

25. TAXATION (Cont'd)

(c) The tax impact of temporary differences between the basis of assets and liabilities for financial reporting and taxation purposes that gives rise to deferred tax assets or liabilities are analysed as follows:

2005

Group	At beginning of year $'000	Charged/ (credited) to profit and loss $'000	Exchange difference $'000	At end of year $'000
Deferred income tax liabilities				
Accelerated depreciation allowance	3,751	(6)	233	3,978
Deferred growing crops	5,803	141	362	6,306
Net changes in fair value of livestock and harvested pineapples that remain unsold as at the end of the year	30	(30)	–	–
	9,584	105	595	10,284
Deferred income tax assets				
Provisions	998	1,331	84	2,413
Foreign exchange differences	129	(69)	9	69
	1,127	1,262	93	2,482
Net deferred tax liabilities	8,457	(1,157)	502	7,802

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

25. TAXATION (Cont'd)

2004

Group	At beginning of year $'000	Charged/ (credited) to profit and loss $'000	Exchange difference $'000	At end of year $'000
Deferred income tax liabilities				
Accelerated depreciation allowance	3,450	349	(48)	3,751
Growing crops	5,369	508	(74)	5,803
Net changes in fair value of livestock and harvested pineapples that remain unsold as at the end of the year	103	(73)	–	30
	8,922	784	(122)	9,584
Deferred income tax assets				
Provisions	1,350	(387)	35	998
Foreign exchange differences	122	9	(2)	129
	1,472	(378)	33	1,127
Net deferred tax liabilities	7,450	1,162	(155)	8,457

(d) The total amount of potential income tax consequences that would arise from the payment of dividends to the shareholders of the Company, resulting from a withholding tax of 15% on the total revenue reserves as at 31 December 2005 of a subsidiary based in the Philippines, is approximately $5,175,000 (2004: $3,779,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

26. DIVIDENDS

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Final dividend paid in respect of the previous financial year of 1.81 cents per share less tax at Nil % (2004: 1.28 cents per share less tax at Nil %)	19,494	13,748	19,494	13,748
Interim dividend paid of 0.31 cents per share less tax at Nil % (2004: 0.54 cents per share less tax at Nil %)	3,350	5,802	3,350	5,802
	22,844	19,550	22,844	19,550

Subsequent to the financial year, the directors declared a final dividend of $0.98 cents per share, less tax at Nil %, amounting to $10,611,000 in respect of the financial year ended 31 December 2005. These dividends have not been provided for in the financial year ended 31 December 2005.

27. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2005	2004
Net profit attributable to shareholders ($'000)	18,616	28,112
Weighted average number of ordinary shares in issue ('000)	1,079,132	1,073,800
Basic earnings per share (in cents)	1.73	2.62

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares which are the share options granted to employees.

For the diluted earnings per share in relation to the share options, a calculation is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares for the financial year) based on the monetary value of the subscription rights attached to outstanding share options. This calculation serves to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. For the share options calculation, no adjustment is made to net profit attributable to shareholders.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

27. EARNINGS PER SHARE (Cont'd)

	2005	2004
Net profit attributable to shareholders, representing amount used to determine diluted earnings per share ($'000)	18,616	28,112
Weighted average number of ordinary shares in issue ('000)	1,079,132	1,073,800
Adjustments for share options ('000)	798	2,700
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,079,930	1,076,500
Diluted earnings per share (in cents)	1.72	2.61

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

The major shareholders of the Company were Del Monte Holdings Limited (formerly known as Juliet Holdings SA) and MCI Inc (both incorporated in the British Virgin Islands). Del Monte Holdings Limited was an indirect wholly-owned subsidiary of Cirio Del Monte NV in Amministrazione Straordinaria (incorporated in the Netherlands). MCI, Inc was a wholly-owned subsidiary of Macondray & Co, Inc (incorporated in the Philippines). Del Monte Holdings Limited and MCI ceased to be the shareholders of the Company subsequent to the sale of their shareholdings to NutriAsia Pacific Ltd in December 2005 and January 2006.

Subsequently, the Company's immediate holding company became NutriAsia Pacific Ltd, a company incorporated in the British Virgin Islands, after the acceptance by shareholders in respect of the Offer by NutriAsia Pacific Ltd.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

The Group and the Company had significant transactions with related parties in terms agreed between the parties as follows:

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Income				
Sales to Cirio Del Monte group of companies	–	21,071	–	–
Sales to Macondray group of companies	1,979	2,245	–	–
Financial income from Cirio Del Monte group of companies	–	80	–	–
Sub-total	1,979	23,396	–	–
Expenses				
Purchases from Cirio Del Monte group of companies	–	286	–	–
Purchases from San Miguel & NutriAsia group of companies	45	–	–	–
Purchases from Macondray group of companies	2,853	2,304	–	–
Management fees to a subsidiary, DMS	–	–	750	267
Purchases from Waterloo Land and Livestock Co Pty Ltd	1,299	4,749	–	–
Financial expenses to Cirio Del Monte Group	–	23	–	–
Rental to DMPI Retirement Fund	1,232	1,124	–	–
Rental to DMPI Provident Fund	1,122	1,190	–	–
Sub-total	6,551	9,676	750	267
Aggregate value	8,530	33,072	750	267

The transactions with related parties are carried out under commercial terms and conditions. Pricing for the sales of products are market driven, less certain allowances, with prices for certain supplemental volumes subject to a price floor mechanism intended to cover product costs. For purchases, the Group policy is to solicit competitive quotations. Bids from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

The aggregate value of the sales, purchases and other transactions between the Group, Cirio Del Monte group of companies, Macondray group of companies, San Miguel and NutriAsia group of companies and trustee administered funds for the financial year 2005 amounted to $8.5 million (2004: $33.1 million).

The disclosure of the related party transactions between San Miguel and NutriAsia Group is made for the period from 2 December 2005, the date of acquisition of interest in the Company by NutriAsia Pacific Ltd., to 31 December 2005. The related party transactions between Cirio Del Monte Group in 2004 were for nine months to 30 September 2004 with the acquisition of Del Monte Foods Europe by Fresh Del Monte Produce Inc from the Cirio Del Monte Group on 1 October 2004.

All related party transactions during the financial year were conducted pursuant to the shareholders' mandate obtained at the Company's last Annual General Meeting ("AGM") held on 26 April 2005. The Company will seek a fresh mandate for recurring related party transactions which will also include the San Miguel and NutriAsia group of companies.

Key management personnel compensation

The key management personnel compensation are as follows:

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Directors:				
Fees and remuneration	1,642	1,180	334	637
Professional fees for directors	33	–	–	–
Key executive officers (excluding directors):				
Short-term employee benefits	1,367	881	–	–
Post-employment benefits [a]	32	16	–	–

(a) Certain management personnel of the Group are entitled to post-employment benefits as defined under a subsidiary's defined benefit plan. The retirement plan covers substantially all of the subsidiary's officers and regular full-time employees. The benefits are based on a percentage of latest monthly salary and credited years of service (Note 16).

Shares issued and share options granted to directors

Pursuant to the Company's Initial Public Offering ("IPO") in 1999, Reserved Shares amounting to an aggregate of 19,829,000 ordinary shares of par value $0.01 each were issued to the then directors at the IPO price US$0.63 each. As at 31 December 2005, the directors of the Company holding office at the end of the financial year held an aggregate of 3,046,000 (2004: 2,818,000) ordinary shares of par value $0.01 each.

Pursuant to an Executive Stock Option Plan, the Company granted 5,941,668 IPO Options to the then directors of the Company in 1999, under the same terms and conditions as those offered to other group executives (Note 3). As at 31 December 2005, the outstanding number of IPO options granted to the directors of the Company holding office at the end of the financial year was 2,403,837 (2004: 2,403,837).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

Shares issued and share options granted to directors (Cont'd)

In addition, on 2 March 2001, the Company granted 4,750,000 Market Share Options to the then directors of the Company, under the same terms and conditions as those offered to other group executives (Note 3). As at 31 December 2005, the outstanding number of Market Price Options granted to the directors of the Company holding office at the end of the financial year was 1,900,000 (2004: 2,750,000).

Supply contracts

The Group has a long-term supply contract for pineapple products with Del Monte International, Inc, (formerly known as Cirio Del Monte International, Inc) a member of the Cirio Del Monte group of companies, which had been in effect since 1990. Under this agreement, canned pineapples and juice, mixed tropical fruits and pineapple concentrate are supplied by the Group for distribution in European, African and Middle Eastern markets. Pricing in this contract is market driven, less certain allowances, with prices for certain product volumes subject to a price floor mechanism intended to cover product costs (Note 30(c)).

29. CONTINGENCIES

(a) The Group is contingently liable with respect to lawsuits, tax assessments, and certain matters arising out of the normal course of business. Management believes that the resolution of these contingencies will not have a material effect on the results of operations or the financial condition of the Group.

(b) A corporate guarantee was issued by the Company in favour of a bank to secure the $3 million loan granted by the bank to Del Monte Foods India Private Limited, the Company's subsidiary.

30. COMMITMENTS

(a) Operating lease commitments

Based on the existing agreements, the future minimum rental commitments as at 31 December 2005 for all non-cancellable long-term leases of real property, offices, equipment and grower agreements (including the estimated rental on lands previously owned by NDC and submitted for land distribution in compliance with the CARL) are as follows:

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Within one year	5,036	6,706	–	–
Between one to five years	19,628	22,637	–	–
More than five years	26,070	34,978	–	–
	50,734	64,321	–	–

Included in the above were commitments denominated in Philippine Peso of PHP2,564 million (2004: PHP3,499 million).

Most of the above leases contain renewable options. Some of the leases contain escalation clauses but do not provide for contingent rents. Lease terms do not contain any restrictions on Group activities concerning dividends, additional debts or further leasing.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

30. COMMITMENTS (Cont'd)

(b) Future capital expenditure

	Group		Company	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Capital expenditure not provided for in the financial statements				
- commitments in respect of contracts made	700	429	–	–
- uncommitted amounts approved by directors	13,515	8,815	–	–
	14,215	9,244	–	–

(c) Supply contracts

The Group has entered into long-term international supply contracts with six distributors in the normal course of business. Five of these distributors have exclusive rights to the Del Monte trademarks in their respective market territory or product category. The supply contracts with these parties are generally terminable by giving the other prior written notice of between 18 to 36 months (from certain pre-agreed dates onwards) or based on agreed expiry terms of the contracts, subject to options to renew the agreements and other terms and conditions as stated in each agreement with the respective distributor. Pricing of the sales of products under the supply contracts are generally market driven, less certain allowances, with prices for certain product volumes subject to a price floor mechanism intended to cover product costs.

31. FINANCIAL INSTRUMENTS

Aggregate banking facilities for trade financing (including letters of credit and bills purchase lines) and receivables factoring as at 31 December 2005 were $212.3 million, of which $38.1 million had been utilised. (2004: $179.4 million, of which $26.8 million had been utilised).

Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, credit risk and risk related to agricultural activities. The Board reviews and approves policies for managing each of these risks and they are summarised below:

Interest rate risk

The Group obtains financing through bank borrowings and leasing arrangements. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Surplus funds are placed with reputable banks.

Information on Group's interest rate exposure is also disclosed in the Notes on the Group's borrowings.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

31. FINANCIAL INSTRUMENTS (Cont'd)

Liquidity risk

Short-term funding is obtained from short-term bank loan facilities.

Foreign exchange risk

The Group's foreign exchange risk arises both from its subsidiaries operating in foreign countries, which generate revenue and incur costs in foreign currencies, and from those operations of its local subsidiaries, which are in foreign currencies. The Group also has transactional currency exposure. Such exposure arises from sales or purchases by subsidiaries in currencies other than the subsidiaries' functional currencies.

The Company and its subsidiaries maintain their respective books and accounts in their functional currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations. However, to minimise such foreign currency exposures, the Group uses foreign currency borrowings and natural hedges. The Group has a natural hedge against US dollar fluctuations as the US dollar-denominated revenues generally exceed the US dollar-denominated costs. It is not the Group's policy to take speculative positions in foreign currencies.

Credit risk

The Group sells its products through major distributors in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to be posted to secure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis.

Apart from the above, the Company and the Group have no significant concentration of credit risk with any single counterparty or group counterparties.

Risk related to agricultural activities

As an integrated producer of processed pineapple and mixed tropical fruit products for the world market, the Group's earnings are inevitably subject to certain risk factors, which include general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, raw material costs and availability, competition, market acceptance of new products, industry trends, and changes in government regulations, including, without limitation, environmental regulations.

The Group is exposed to financial risks arising from changes in cost and volume of fruits harvested from the growing crops which is influenced by natural phenomenon such as weather patterns and volume of rainfall. The level of harvest is also affected by field performance and market changes. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labour which are determined by constantly changing market forces of supply and demand.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

31. FINANCIAL INSTRUMENTS (Cont'd)

Risk related to agricultural activities (Cont'd)

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence.

The Group is subject to risks affecting the food industry generally, including risks posed by food spoilage and contamination. Specifically, the production of canned pineapple and other food related products is regulated by environmental, health and food safety organisations and regulatory bodies from local and international markets. These authorities conduct operational audits to assess the Group's compliance with food processing standards. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Despite the precaution taken by the Group, the authorities and food safety organisations may impose additional regulatory requirements that may require significant capital investment at notice.

The Group's exposure to the operational risks is managed through the following processes, among others:

- Development and execution of a realistic long-term strategic plan and annual operating plan;
- Securing long-term land leases with staggered terms;
- Increasing production and packaging capacity;
- Pursuit of productivity-enhancing and efficiency-generating work practices and capital projects;
- Focus on consumption-driven marketing strategies;
- Continuous introduction of new products and line extensions with emphasis on innovation, quality, competitiveness and consumer appeal;
- Increased penetration of high-growth distribution channels;
- Building on closer working relationships with business partners;
- Close monitoring of changes in legislation and government regulations affecting the Group's business.

Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair value: cash and bank balances, fixed deposits, trade debtors and creditors, other debtors and creditors and short-term borrowings.

32. GROUP SEGMENTAL REPORTING

Primary reporting format - business segments

The Group sells its products on a worldwide basis. Its products are broken down into: processed products, beverages and non-processed products. Each segment primarily consists of the following product variety: (1) Processed products: pineapple solids, tropical mixed fruits, tomato-based products, pasta, condiments and others; (2) Beverages: pineapple juice, juice drinks and pineapple concentrate; and (3) Non-processed products: cattle and fresh pineapples.

Segment assets consist primarily of operating assets such as property, plant and equipment, other assets, inventories, trade and other debtors and other current assets. Unallocated assets comprise short-term deposits and cash and bank balances. Segment liabilities comprise operating liabilities. Unallocated liabilities consist of short-term borrowings, provision for taxation and deferred taxation. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

32. GROUP SEGMENTAL REPORTING (Cont'd)

Primary reporting format - business segments (Cont'd)

Year ended 31 December 2005

	Processed products $'000	Beverages $'000	Non-processed products $'000	Consolidated $'000
Turnover	151,442	60,798	10,118	222,358
Segment result	17,623	5,770	508	23,901
Net foreign exchange gain	419	180	17	616
Profit before interest and taxation	18,042	5,950	525	24,517
Net interest expense	(1,296)	(849)	(52)	(2,197)
Profit before taxation	16,746	5,101	473	22,320
Taxation				(3,989)
Minority interest				285
Net profit attributable to shareholders				18,616
Segment assets	117,368	70,732	6,079	194,179
Unallocated assets				60,113
Consolidated total assets				254,292
Segment liabilities	25,405	13,200	879	39,484
Unallocated liabilities				54,003
Consolidated total liabilities				93,487
Capital expenditure	6,681	6,579	143	13,403
Depreciation	5,526	4,068	234	9,828
Amortisation	219	190	13	422
Impairment of property, plant and equipment	269	239	–	508
Non-cash expenses (net) other than depreciation and amortisation	2,819	1,773	46	4,638

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

32. GROUP SEGMENTAL REPORTING (Cont'd)

Primary reporting format - business segments (Cont'd)

Year ended 31 December 2004

	Processed products $'000	Beverages $'000	Non-processed products $'000	Consolidated $'000
Turnover	134,458	54,625	10,496	199,579
Segment result	22,649	12,156	183	34,988
Net foreign exchange loss	(137)	(83)	(1)	(221)
Profit before interest and taxation	22,512	12,073	182	34,767
Net interest expense	(990)	(595)	(8)	(1,593)
Profit before taxation	21,522	11,478	174	33,174
Taxation				(5,115)
Minority interest				53
Net profit attributable to shareholders				28,112
Segment assets	100,000	67,548	7,230	174,778
Unallocated assets				57,517
Consolidated total assets				232,295
Segment liabilities	26,066	8,638	567	35,271
Unallocated liabilities				39,443
Consolidated total liabilities				74,714
Capital expenditure	2,351	2,471	96	4,918
Depreciation	3,086	2,125	164	5,375
Amortisation	211	131	20	362
Impairment of property, plant and equipment	102	66	–	168
Non-cash expenses (net) other than depreciation and amortisation	2,606	1,191	33	3,830

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2005

(Amounts in United States dollars unless otherwise stated)

32. GROUP SEGMENTAL REPORTING (Cont'd)

Secondary reporting format - geographical segments

The Group's three business segments are managed on a worldwide basis through two main geographical areas, namely, Asia and Europe/North America.

	Turnover		Total assets		Capital expenditure	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Asia	146,762	131,412	254,292	232,295	13,403	4,918
Europe/North America	75,596	68,167	–	–	–	–
Total	222,358	199,579	254,292	232,295	13,403	4,918

Segmentation of revenue is based on the geographical area in which the customers are located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

33. DIRECTORS' REMUNERATION

Number of directors of the Company in the various remuneration bands are as follows:

	Group					
	Executive Directors		Non-Executive Directors		Total	
	2005	2004	2005	2004	2005	2004
S$500,000 and above	1	–	–	–	1	–
S$250,000 to S$499,999	2	1	–	–	2	1
S$0 to S$249,999	1	2	7	8	8	10
	4	3	7	8	11	11

STATISTICS OF SHAREHOLDINGS

as at 10 March 2006

Authorised Share Capital	:	US$20,000,000
Issued and Fully Paid-up Capital	:	US$10,817,812
Class of Shares	:	Ordinary shares of US$0.01 each, with each ordinary shares entitled to one vote

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	9	0.09	1,559	0.00
1,000 - 10,000	9,573	96.31	17,742,025	1.64
10,001 - 1,000,000	346	3.48	12,828,394	1.19
1,000,001 and above	12	0.12	1,051,209,216	97.17
Total	9,940	100.00	1,081,781,194	100.00

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	NutriAsia Pacific Ltd	914,429,372	84.53
2	DBS Nominees Pte Ltd	40,619,000	3.75
3	Lee Pineapple Company Pte Ltd	40,000,000	3.70
4	United Overseas Bank Nominees Pte Ltd	20,544,000	1.90
5	HSBC (Singapore) Nominees Pte Ltd	14,337,690	1.33
6	Pineapples of Malaya Private Limited	5,360,000	0.50
7	Raffles Nominees Pte Ltd	3,932,154	0.36
8	DBSN Services Pte Ltd	3,887,000	0.36
9	Lin Shui Chin	2,365,000	0.22
10	Merrill Lynch (Singapore) Pte Ltd	2,355,000	0.22
11	Citibank Nominees Singapore Pte Ltd	1,932,000	0.18
12	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,448,000	0.13
13	Go Kee Tee Ochura	592,000	0.05
14	Chew Leong Chee	396,000	0.04
15	Hwang Sydney Michael	396,000	0.04
16	DBS Vickers Securities (S) Pte Ltd	370,000	0.03
17	Ho Kim Watt James	341,000	0.03
18	ABN Amro Nominees Singapore Pte Ltd	338,000	0.03
19	OCBC Securities Private Ltd	236,000	0.02
20	Kim Eng Securities Pte Ltd	220,000	0.02
	Total	1,054,098,216	97.44

STATISTICS OF SHAREHOLDINGS (Cont'd)

as at 10 March 2006

Substantial Shareholders (as recorded in the Register of Substantial Shareholders)

	Direct interest		Indirect interest		Total interest	
Name of shareholder	**No. of shares**	**%[1]**	**No. of shares**	**%[1]**	**No. of shares**	**%[1]**
NutriAsia Pacific Ltd [2–4]	914,357,372	84.52	–	–	914,357,372	84.52
NutriAsia San Miguel Holdings Ltd [2–3]	–	–	914,357,372	84.52	914,357,372	84.52
San Miguel Foods Asia Limited [2]	–	–	914,357,372	84.52	914,357,372	84.52
San Miguel Holdings Limited [2]	–	–	914,357,372	84.52	914,357,372	84.52
San Miguel International Limited [2]	–	–	914,357,372	84.52	914,357,372	84.52
San Miguel Corporation [2]	–	–	914,357,372	84.52	914,357,372	84.52
NutriAsia Inc. [3]	–	–	914,357,372	84.52	914,357,372	84.52
Golden Chamber Investment Limited [3]	–	–	914,357,372	84.52	914,357,372	84.52
HSBC International Trustee Limited [3]	–	–	914,357,372	84.52	914,357,372	84.52
Iona Investment Pte Ltd [5]	69,354,122	6.41	–	–	69,354,122	6.41

Percentage of Shareholdings in Public's Hand

Based on the information provided, to the best knowledge of the Directors and Substantial Shareholders of the Company, 15.48% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notes:

(1) Based on 1,081,781,194 issued ordinary shares of US$0.01 each ("Shares") in the capital of the Company as at the date hereof.

(2) San Miguel Corporation ("SMC") owns 100% of San Miguel International Limited ("SMIL"), which owns 100% of San Miguel Holdings Limited ("SMHL"), which owns 100% of San Miguel Foods Asia Limited ("SMFAL"), which owns 42.2% of NutriAsia San Miguel Holdings Ltd ("NSMHL"), which in turn owns 100% of NutriAsia Pacific Ltd ("NPL"). SMC, SMIL, SMHL, SMFAL, NSMHL are therefore deemed to be interested in the 914,357,372 shares held by NPL.

(3) HSBC International Trustee Limited ("HSBC") owns 100% of Golden Chamber Investment Limited ("GCIL"), which in turn owns 65.4% of NutriAsia Inc. ("NI"), which owns 57.8% of NSMHL, which in turn owns 100% of NPL. HSBC is therefore deemed to be interested in the 914,357,372 shares held by NPL. HSBC is the trustee of the Twin Palms Pacific Trust, the beneficiaries of which are Mr Joselito D Campos, Jr and his children. HSBC, GCIL, NI are therefore deemed to be interested in the 914,357,372 shares held by NPL.

(4) The shareholding of NPL as recorded in the Register of Substantial Shareholders (914,357,372 shares or 84.52%) is lower than that shown in the Central Depository register (914,429,372 shares or 84.53%) as NPL is required to notify a change only if the change constitutes a change in the percentage level of their holding.

(5) Iona Investment Pte Ltd notified the Company and the Company Secretary on 30 March 2006 that they had accepted the mandatory cash offer of NutriAsia Pacific Ltd on 12 January 2006 and is therefore no longer a shareholder of the Company as at 12 January 2006.

INTERESTED PERSON TRANSACTIONS

as at 31 December 2005

(Amounts in United States Dollars)

The aggregate value of Interested Person Transactions conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual were as follows:

	Group	
	2005 $'000	**2004 $'000**
Income		
Sales to Cirio Del Monte group (i)	–	21,071
Sales to Macondray group	1,979	2,245
Financial income from Cirio Del Monte group (i)	–	80
Sub-total	1,979	23,396
Expenses		
Purchases from Cirio Del Monte group (i)	–	286
Purchases from San Miguel Corp and NutriAsia Group (ii)	45	–
Purchases from Macondray group	2,853	2,304
Purchases from Waterloo Land and Livestock Co Pty Ltd	1,299	4,749
Financial expenses to Cirio Del Monte Group (i)	–	23
Professional fees for Directors' services	33	–
Sub-total	4,230	7,362
Aggregate value	6,209	30,758

(i) The Cirio Del Monte group divested its interest in Del Monte Foods Europe to Fresh Del Monte Produce Inc in October 2004. Thereafter, transactions with Del Monte Foods Europe will cease to be Interested Person Transactions within the meaning of Interested Person Transactions in Chapter 9 of the SGX Listing Manual, as Fresh Del Monte Produce Inc is not a shareholder of the Company.

(ii) San Miguel and NutriAsia became an indirect controlling shareholder of Del Monte Pacific Limited on 1 December 2005.

PROFORMA GROUP FINANCIAL INFORMATION[a]

for the year ended 31 December 2005

(Amounts in Singapore Dollars)

	2005 $'000	2004 $'000
Turnover	369,114	337,289
Cost of sales	(282,177)	(242,040)
Gross profit	86,937	95,249
Distribution and selling expenses	(20,728)	(18,607)
General and administration expenses	(9,802)	(6,880)
Other operating expenses	(16,731)	(10,632)
Profit from operations	39,676	59,130
Financial income	4,346	1,286
Financial expenses	(6,970)	(4,352)
Profit before taxation	37,052	56,064
Taxation	(6,622)	(8,644)
Profit after taxation	30,430	47,420
Minority interest	473	90
Net profit attributable to shareholders	30,903	47,510

[a] **Basis of Presentation of Proforma Group Financial Information**

The audited financial statements of the Group are expressed in United States dollars (US$).

Given the Company's listing on the SGX-ST, for the convenience of certain readers, the above financial information for the years 2005 and 2004 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.66 and S$1.69, respectively.

Such translation should not be construed as a representation that the US$ amount have been or could be converted into S$ at this or any other rates. In addition, the above financial information does not form part of the audited financial statements of the Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Mr Tony Chew Leong-Chee
Independent Director

Vice-Chairman
Mr Mario Resca
Independent Director

Joint Managing Director
Mr Martin P Lorenzo
Executive Director

Joint Managing Director
Mr Fabio Matarazzo di Licosa
Executive Director
Appointed on 21 July 2005

Mr Michael Hwang
Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Mr Patrick L Go
Independent Director

Mr Ramon S Ang
Non-Executive Director
Appointed on 20 January 2006

Ms Ma Belen C Buensuceso
Non-Executive Director
Appointed on 20 January 2006

Mr Joselito D Campos, Jr
Executive Director
Appointed on 20 January 2006

Mr Rolando C Gapud
Non-Executive Director
Appointed on 20 January 2006

AUDIT COMMITTEE

Mr Michael Hwang
Chairman and Independent Director

Mr Tony Chew Leong-Chee
Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Mr Mario Resca
Independent Director

NOMINATING COMMITTEE

Mr Michael Hwang
Chairman and Independent Director

Mr Tony Chew Leong-Chee
Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Mr Mario Resca
Independent Director

Mr Martin P Lorenzo
Executive Director
(alternate, Mr Patrick L Go, Independent Director)

REMUNERATION AND SHARE OPTION COMMITTEE

Mr Godfrey E Scotchbrook
Chairman and Independent Director

Mr Michael Hwang
Independent Director

Mr Tony Chew Leong-Chee
Independent Director

Mr Mario Resca
Independent Director

Mr Martin P Lorenzo
Executive Director
(alternate, Mr Patrick L Go, Independent Director)

EXECUTIVE OFFICERS

Mr Martin P Lorenzo
Joint Managing Director, DMPL

Mr Fabio Matarazzo di Licosa
Joint Managing Director, DMPL
CEO, Great Lakes (Tianjin) Fresh Foods and Juice Co Ltd and Del Monte Foods India Private Ltd
Appointed on 21 July 2005

Mr Kenneth C Worsdale
Chief Financial Officer, DMPL and Senior Vice-President – CFO, Del Monte Philippines, Inc

Mr Richard W Blossom
President, GTL Ltd and Managing Director, DMPL Management Services Pte Ltd

Mr Joselito D Campos, Jr
President and CEO, Del Monte Philippines, Inc
Appointed on 16 March 2006

Mr Luis F Alejandro
General Manager and Chief Operating Officer, Del Monte Philippines, Inc
Appointed on 16 March 2006

Mr Marco P Lorenzo
Senior Vice-President for Operations, Del Monte Philippines, Inc

Mr Wilfrido A Samson
Senior Vice-President for Marketing and Sales, Del Monte Philippines, Inc

Mr Paul L Rasch
President, Great Lakes (Tianjin) Fresh Foods and Juice Co Ltd

COMPANY SECRETARY

Ms Yvonne Choo
Singapore Secretary

Torman Limited
BVI Secretary

ASSISTANT COMPANY SECRETARY

Mr Christian Wong

INVESTOR RELATIONS AND MAILING ADDRESS

c/o DMPL Management Services Pte Ltd
78 Shenton Way #26-01, Singapore 079120
Tel : +65 6324 6822
Fax : +65 6221 9477
Email: invest@delmontepacific.com
Website: www.delmontepacific.com

REGISTERED OFFICE

Craigmuir Chambers
Road Town, Tortola, British Virgin Islands
Tel : +284 494 2233
Fax : +284 494 3547

BVI REGISTRAR AND SHARE TRANSFER OFFICE

HWR Services Limited
Craigmuir Chambers, Road Town, Tortola, British Virgin Islands

SINGAPORE SHARE TRANSFER AGENT

Lim Associates (Pte) Ltd
10 Collyer Quay #19-08 Ocean Building
Singapore 049315

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants, 10 Collyer Quay #21-01 Ocean Building, Singapore 049315
Audit Partner: Mr Shekaran Krishnan (appointed in 2005)

KPMG will be appointed in place of Ernst & Young effective from financial year ending 31 Dec 2006

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited

Calyon Corporate and Investment Bank

ABN AMRO Bank, Inc

AMERICAN DEPOSITARY RECEIPT (ADR) PROGRAMME

ADR symbol PDMXY tradable in the over-the-counter (OTC) market in New York with The Bank of New York as the Depositary Bank

LISTING & TRADING SYMBOLS

Listed on 2 August 1999 on the Singapore Exchange

Bloomberg: DELM SP

Reuters: DMPL.SI

TRADEMARKS

Del Monte, Del Monte Quality and **Shield in Colour** are principal registered trademarks of the Group in the Philippines and Indian Sub-continent territories. The Group's other trademarks include **Today's, Fiesta** and **202 in the Philippines**, and **Great Lakes, Little Lakes** and **Ming Lang in China**.

DEL MONTE PACIFIC LIMITED

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