Del Monte Quality

Doing It!

Bringing Transformation to Life

DEL MONTE PACIFIC LIMITED

Annual Report 2008

Doing It!
Bringing Transformation to Life

In the 2007 Annual Report, we presented the theme "Transformation into a Global Branded Company" and our plans for global consumer branded expansion with the addition of the S&W brand and our joint venture in Bharti Del Monte India, along with relentless consumer branded development in our core Philippine market.

For 2008, we are excited to share with you how we are 'Doing It!' and 'Bringing Transformation to Life'. Our five key stories supporting this consumer branded development are: the success of **Del Monte Fit 'n Right** juice drinks and the aptly-timed launch of the new **Del Monte Quick n Easy** culinary line in the Philippines, the expansion of **S&W** Processed Products, the initial gains from the development of the **Del Monte brand in India** for processed products and the growth of fresh produce under the **S&W** and **FieldFresh Fresh Produce**.

Our transformation will be a continuous journey. With our strengths, our passion and outstanding performance in 2008, we are emboldened to champion our new vision!

Del Monte Pacific's Vision is to be one of the Fastest Growing Global Branded Food and Beverage Companies

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Del Monte Fit 'n Right

Del Monte Fit 'n Right was our star product in 2008. First launched in late 2006 in a 202 single-serve can, this product took off when we launched the more convenient PET packaging format in the fourth quarter of 2007 and supported this with a high-impact marketing campaign. A breakthrough product in a class of its own, it is the first juice drink in the Philippines to contain the L-Carnitine* ingredient which aids in burning body fat. Del Monte Fit 'n Right had been featured and cited in several Philippine broadsheet and magazine editorials as one of the best innovations in 2008.

We launched the Pine Orange flavour in 2008, bringing a total of four refreshing and great-tasting flavours including Four Seasons, Apple and Pineapple.

Weight and health conscious consumers supported the product tremendously. With the increasing demand for this product, we have been building production capability to fully leverage our marketing and sales efforts in further expanding the brand's consumer base.

* L-Carnitine is a naturally occurring amino acid found in our human bodies, mostly in the body's muscle tissue. It plays an important role in the metabolism of fat. Fatty acids, in order to be broken down to produce energy, need to enter the mitochondria, which is the "furnace" of cells. Fatty acids are unable to penetrate the cell membrane, and will need L-Carnitine to be transported to the mitochondria. It is in the mitochondria that fat is broken down to produce energy. Together with a reduced-calorie diet and exercise, L-Carnitine aids in increased loss in body weight, decrease in BMI (BMI= body weight/ height^2) and body fat content.

L-Carnitine is available in red meat and dairy products in high concentrations. It is also found in nuts and seeds, fruits and vegetables, legumes and cereals. L-Carnitine is also widely available as supplements.

Del Monte Quick n Easy

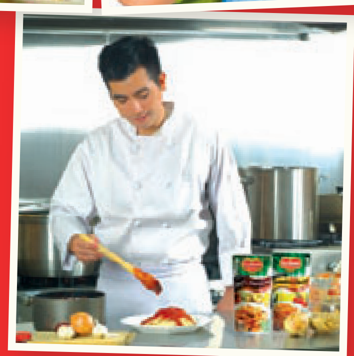
The new Del Monte Quick n Easy culinary line of products, launched in 2008, is the modern homemaker's answer to whipping up nutritious meals for her family in no time, and without fuss. The product portfolio is broad and includes:

1. Meal Mixes and Sauces – Chicken Stew, Lamb Stew, Spanish Beef Mechado, Indian Curry, Filipino Beef Kare-Kare, Chinese Sweet and Sour, All Purpose Gravy and Breading
2. Marinades – Beef/Chicken/Pork Barbecue marinades
3. Pizza sauces – Italian and Sweet pizza sauces

Our Quick n Easy products offer a good value proposition especially in these difficult economic conditions. Consumers who want to economise but still desire nutritious great-tasting dishes will find these products to be the perfect solution.

We have gone one step ahead to address health concerns by making the products with no MSG. Moreover, for tomato-based Quick n Easy sauces, there's the added benefit of lycopene which is known to reduce the risk of cancer.

Aside from the Quick n Easy line, we also launched the Gourmet range of pasta sauces in 2008. Two delicious pasta sauces – Beef and Mushroom, and Tomato and Cheese – were our opening salvo into this segment.

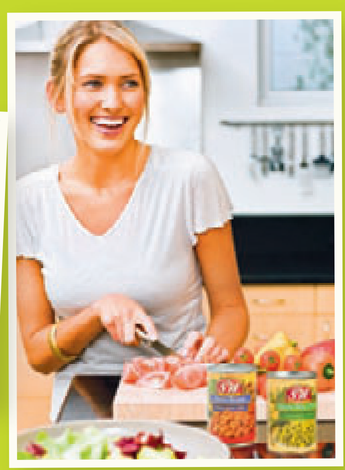


S&W
Processed Products

We acquired the S&W brand in November 2007 to be our brand platform for global expansion, starting off with the Asia Pacific market. With initial product and market expansion, we doubled the S&W processed business in 2008 to US$6.1 million in sales.

We broadened our processed product portfolio to include, among others, our pineapple and tropical fruit range - S&W canned pineapple, tropical mixed fruits and 202 single-serve canned fruit juices – all coming from our Philippine factory, first shipped to Hong Kong and Singapore. Our geographical footprint has also expanded into Korea in April and Maldives in August with the appointment of distributors or agents in these markets.

Our ambition is to grow S&W to a scale comparable to our core Philippine market, led by marketing and distribution-driven expansion into China, the Indochina and Indonesia.



Del Monte in India

Our journey into the Indian market for Del Monte processed products began in the fourth quarter of 2008, with initial focus on the foodservice sector. This saw us penetrate 450 outlets with our 202 single-serve canned fruit juice drinks in four key cities (Delhi National Capital Region, Mumbai, Bangalore and Pune) with our partners Café Coffee Day Express and Yo! China for on-premise, on-the-go sale.

Since then, we have seen many consumers stocking up their homes with the unique flavours of Del Monte 202 juices - Pineapple Crush, Four Seasons and Pineapple Orange. Our early success has led us to expand geographies with our partners and increase our reach to almost a million consumers daily through Café Coffee Day Express and Yo! China stores.

Our Del Monte canned fruits have been a hit in the bakery trade with leading names embracing our products, not to mention the local ice cream chains. As we continue to build our base of Del Monte customers , our goal is clearly to add value by focusing on helping our partners with product innovations such as "Cup o Corn" and "Fruit Trifle" using our very own 'whole corn kernel' and 'fruit cocktail', respectively.

S&W and FieldFresh
Fresh Produce

The fresh produce segment has been identified as a key growth driver with exceptional potential. We market our fresh produce under the S&W brand for products initially sourced out of the Philippines and under the FieldFresh brand for items out of India.

In 2008, we saw the first shipment from the Philippines of S&W-branded Sweet 16 fresh pineapple to Singapore, Korea, the Middle East and China. We sell direct to the leading grocery chain in Singapore, whereas for the other markets, we sell through wholesalers or distributors. S&W fresh pineapples contributed US$1.3 million in sales, a totally new business in 2008.

We also leased an additional 700 hectares of new land in the Philippines dedicated to the production of Sweet 16 in anticipation of market expansion in the years to come. Looking forward, we envision becoming one of the major players in fresh pineapple in the Asia Pacific region.

For India under the FieldFresh brand, the corn family – baby corn and sweet corn - has been identified as the key crop for exports to Europe, starting off with the UK. A reliable, scalable and profitable year round baby corn program between Punjab and Maharashtra is being developed. FieldFresh has become the largest baby corn exporter in India. Following on the footsteps of baby corn, we are also developing a sweet corn program with successful first exports to the UK last December.

For selling into the domestic Indian market, the strategic focus is on few chosen fruit and vegetable products that are scalable and profitable, sourced from origin farms and offered to modern retail with priority on Delhi NCR, Punjab and the South.

Achieving Our Vision Together

How can I contribute to achieving our corporate vision?

"As leader of our team, my contribution will focus on inspiring, motivating, influencing and empowering my team to strive to be better and better. Our workers must be advocates of total quality, our primary driver towards continuous improvement. Quality processes and quality products are what we must always strive for."

Ronnel Duclayna
Manager, Cannery Glass and Plastic Cup Lines
14 years of service

"Amidst the growth strategy of Del Monte, we need to focus our time, attention and commitment to managing our people. We need to develop and upgrade our core competencies to further excel. We need to be consistent practitioners in upholding the highest standards not only in our product but also our integrity. We have to lead in making breakthroughs since we are at the stage where we can no longer be simple purveyors of other people's ideas."

Luis Caballero
Senior Manager,
Crop Production Unit
18 years of service

"We are constantly striving to develop and build the Del Monte and S&W brands in new markets, and to further strengthen our brand position in existing markets. I am also excited with the prospect of developing a key market in the Indian subcontinent where we see tremendous growth potential for the Del Monte brand."

Sumarleki Amjah
Commercial Manager,
S&W – Southeast Asia and Export Markets - South Asia
3 years of service

"We add value by ensuring that our purchases are not only delivered at the time, volume and quality required but these are at the lowest, often times, market-defying costs. We attain these by sourcing strategically, partnering with best-in-class suppliers, driving hard negotiations, remaining open to alternate sources and innovative substitute products."

Gina Tiberio
Senior Manager for Procurement
2.5 years of service

"S&W Fresh is expanding and we will continue to work harder in delivering consistent volume and quality fruits to our existing and potential new customers while we persist on enhancing our knowledge in Sweet 16 production and other fresh produce. It is also important that we manage our costs aggressively to maximise profitability."

Marco Verdeflor
Commercial Manager
for Fresh
1.5 years of service

"I keep myself focused on my key result areas, and these are primarily to continuously find cost-effective ways of doing things, and to get the most out of the resources that I have. To my internal and external customers, I remain totally committed to give the best possible service despite the normal difficulties and challenges at work."

Marlon Reyes
Supervisor,
Demand Planning, Logistics,
and Product Outsourcing
11 years of service

"For a long time in this Company, I have never seen so much growth, and I look forward to even higher growth rates. I am proud to be a part of it, and I am excited with realising our new vision. Our accumulated knowledge and experience provides the springboard for our thrust forward, but more than that, it will be our ability to innovate and quickly adapt to our customers' needs that will be key to achieving quantum leaps. Being an "old hand" will be my base contribution, but being a model and enforcer for innovation will be my bigger value."

Raul Leonen
Chief Manufacturing Officer
28 years of service

"In chaos lies opportunity; as the world grapples with its worst economic nightmare, the challenge for brands would be to find ways to remain relevant and value enriching - giving the term 'Value Innovation' a new dimension. At Bharti Del Monte India, we believe in creating value across the chain - be it developing new recipes with existing products or by adding new products and/or packaging. We need to connect with our consumers at the very core - we need to make a tangible difference to the way they consume, in turn making them our very own brand ambassadors, the first step in building the 'Del Monte Community' in India."

Yogesh Bellani
Head of Processed Foods,
Bharti Del Monte India
1 year of service

Letter to Shareholders

We are proud to share with you that our Company has achieved record revenues of US$381.5 million, 32% higher than that of 2007, and the highest in the Company's history. Operating income soared 47% to US$56.9 million with improved operating margin of 14.9%. Net income before non-recurring items also surged 40% to US$39.8 million.

Dear Valued Shareholders,

On behalf of your Board of Directors, we are pleased to present Del Monte Pacific Limited's (DMPL) results for the year ended 31 December 2008.

Another Year Of Strength

We are proud to share with you that our Company has achieved record revenues of US$381.5 million, 32% higher than that of 2007, and the highest in the Company's history. Operating income soared 47% to US$56.9 million with improved operating margin of 14.9%. Net income before non-recurring items also surged 40% to US$39.8 million. However, net income after non-recurring items dipped by 4% to US$37.0 million for reasons explained below.

DMPL achieved broad based growth with all major markets posting higher sales. The biggest driver was the Philippine market, whose sales grew strongly by 37%, largely on the back of the success of innovative lifestyle juice drink Del Monte Fit 'n Right. More favourable prices across all categories and increased store coverage to 88,000 stores from 64,000 a year ago also boosted sales. Our market shares for volume in all categories as per AC Nielsen data remained at leadership levels while for the first time

Mr Joselito D Campos, Jr
Managing Director
and CEO

Mr Rolando C Gapud
Chairman

delivering value share leadership in the huge ready-to-drink tea and fruit juice category.

Exports to Europe, North America and Asia Pacific also increased primarily due to better prices, while S&W had its first full year of contribution in 2008.

Group gross profit improved 34% to US$96.2 million as a result of higher volume and better prices. Combined with productivity enhancement and cost-saving programs, gross margin improved to 25.2% from 24.7% despite the inflationary environment. DMPL generated US$1.7 million in cost savings primarily driven by reduced procurement costs, and efficiencies in production and logistics.

Our company booked a non-recurring expense of US$2.7 million in 2008 reflecting a gain on the sale of our China subsidiary Great Lakes that was more than offset by the foreign exchange forward hedging loss. In 2007, DMPL booked a non-recurring gain of US$10.3 million as a result of the deferred tax adjustment benefit from the economic zone tax incentives. The 2007 net profit was unusually high and provided a high base effect due to this. As such, net income in 2008 after non-recurring items slightly decreased by 4% to US$37.0 million. However, net income before non-recurring items fared strongly, up 40%.

DMPL's net debt at year-end 2008 amounted to US$62.8 million, significantly higher than prior year's US$19.2 million due to planned working capital requirements and increased capital expenditures. We spent US$19.5 million in capital expenditures, much higher than the US$6.7 million in 2007 mainly due to a major project of replacing old boilers in the Cannery with more energy efficient ones to achieve significant cost savings. DMPL's gearing level stood at 31% at year-end 2008, higher than the 9% at year-end 2007, but better than the 36% as of September 2008.

Our Transformation

We are excited with our journey of transforming the Company into one of the fastest growing global branded food and beverage companies, behind healthy, innovative and superior-value products. We remain relentless in pursuing this goal through our great brands in the Philippines, and huge untapped potential in our S&W business, our joint venture in India, and the fresh produce segment, while relying on the great talent, hard work, determination and passion of our team.

Common themes run across our transformation. We pride ourselves with being in the forefront of health and wellness, innovation and organisational excellence.

Health and Wellness

To promote health and wellness, we not only offer healthy products and promote nutritious consumption (for example, no MSG in our Quick n Easy products and the fortified vitamins in our processed pineapple products), but we have gone beyond to enter into partnership agreements with the Department of Education and the Department of Health in the Philippines. Together, we launched the Del Monte Superkid SNAP (School Nutrition and Physical Activity) Program in select primary schools across the country. Through exciting teaching modules, young students learn early in life good health values and practices that they can carry through adulthood.

Innovation

On the innovation front, we had our first Innovations Day in August 2008, led by the Consumer Product and Packaging Development Group. Bursting with bright ideas, the teams across the Company have joined hands to bring to life innovative ideas and provide a preview of future products and technologies – from fruits and snacks to beverage to culinary to packaging solutions. It was an exciting showcase of 74 new product ideas for the future, with 36 of them in the pipeline for development.

Organisational Excellence

Inspired by a vision of molding master builders of brands among our current crop of talented men and women, our Marketing group opened the Del Monte Brand Leadership University as our first portal of learning for "Marketects". The name, a fusion of the words market and architect, refers to someone who can design, create, build and grow enduring brand structures and organisations. DM BLU was conceived as a platform for building vital competencies for the evolution of a special breed of experts who can sustain our marketing success far into the future.

We also conducted our first ever Organisation Climate Survey (OCS), a diagnostic tool designed to help understand how we are doing as an organisation and identify areas which we can leverage. It is a reflection of employees' perceptions regarding the Company and their work. To help execute the survey, the Corporate Human Resource Team and Site OCS Administrators worked hand in hand with The Training Institute for Managerial Excellence, Inc. (TIME), an external organisational research and strategy agency. We believe this OCS is one of the critical steps towards building a world class organisation in support of our vision of transformation.

To demonstrate the high-calibre level of our employees, recognition is accorded to some of them by external parties. We would like to congratulate our Engineer Arthur Mencius Quiblat, Cannery Manager for Safety, Environment and Teams Administration. He was honoured with the Philippines' highest individual award for occupational safety and health in the industrial sector. The 2008 Labor Secretary's Award for Occupational Safety and Health highlighted Engineer Quiblat's contributions to occupational safety, health, skills competency, team development and environmental management in Del Monte's manufacturing operations.

Strategy and Outlook

Our Vision is to be **one of the Fastest Growing Global Branded Food and Beverage Companies**. In the earlier part of this report, we shared with you the success stories of how we started bringing to life this vision beginning 2008 – the record performance of the Del Monte Fit 'n Right juice drinks, the launch of the Del Monte Quick n Easy culinary line, the product and market expansion of our new brand, S&W, the initial successes for the Del Monte brand in India for processed products and the growth of our fresh produce segment under the S&W and FieldFresh brands.

In 2009 and beyond, we look to achieving our vision through continued global diversification of our business and a more balanced contribution from across our business streams. Specifically, we shall build significant, profitable scale in S&W, Bharti Del Monte India, and our emerging fresh produce category while sustaining solid growth in our core Philippine market where we aim to become one of the top 10 food and beverage companies in the country.

As we pursue our vision, we are mindful of the unprecedented uncertainties and slowdown in the global economy. We will therefore proceed with prudence and caution. Our exports are threatened by the slowdown in the U.S. and European markets. On the other hand, India and the Philippines have large domestic economies which may provide us with relatively stable revenues and market shares. Internally, we are gearing up to cushion the impact of the economic crisis. Our strategies include creating greater consumer value for our products, aggressively reducing non-value adding costs to help maintain healthy profit margins, efficiently managing our fruit supply and continuing to take care of our most valuable asset, our people.

Healthy Cash Dividends

Your Board of Directors declared a final dividend per share of US$0.0176. Coupled with the interim dividend per share of US$0.0080, this translates to a total dividend for the year of US$0.0256 per share compared with US$0.0268 per share in 2007. This dividend of US$0.0256 per share represents a 75% payout of full year 2008 net profit, higher than the Group's minimum payout policy of 33%. At the present share price, this cash dividend amount translates to a high yield of 10% per annum.

Our Sincere Appreciation

We thank Management and staff for their unrelenting passion, innovation and hard work, which was clearly reflected in the outstanding results in 2008 behind record-breaking performance in revenue and operating income. We thank our shareholders, bankers, business partners and customers for their support and cooperation. And finally, we thank the Chairmen of our Board Committees and the rest of the Board members for their invaluable wise counsel and advice.

We invite everyone to continue being part of this exciting journey as DMPL pursues its new Vision and transforms itself into one of the fastest growing global branded food and beverage companies.

Mr Rolando C Gapud
Chairman

Mr Joselito D Campos, Jr
Managing Director and CEO

25 March 2009

We are excited with our journey of transforming the Company into one of the fastest growing global branded food and beverage companies, behind healthy, innovative and superior-value products. We remain relentless in pursuing this goal through our great brands in the Philippines, and huge untapped potential in our S&W business, our joint venture in India, and the fresh produce segment, while relying on the great talent, hard work, determination and passion of our team.

Five-Year Summary

Financial Year ended 31 December (Amounts in US$ million unless otherwise stated)	**2008**	**2007**	**2006**	**2005**	**2004**
Profitability					
Turnover	**381.5**	289.4	243.4	222.4	199.6
Gross Profit	**96.2**	71.6	62.8	58.6	56.4
EBITDA	**63.3**	47.3	35.9	34.3	40.7
Profit from Operations	**56.9**	38.6	27.8	24.0	35.0
Net Profit[1]	**37.0**	38.6	21.0	18.8	28.1
EPS[1] (US cents)	**3.42**	3.57	1.94	1.74	2.62
Gross Margin (%)	**25.2**	24.7	25.8	26.3	28.2
EBITDA Margin (%)	**16.6**	16.3	14.7	15.4	20.4
Operating Margin (%)	**14.9**	13.3	11.4	10.8	17.5
Net Margin[1] (%)	**9.7**	13.3	8.6	8.5	14.1
EPS Growth[1] (%)	**(4.2)**	84.0	11.5	(33.6)	(7.1)
Return on Equity[1] (%)	**17.4**	19.5	12.5	11.8	18.3
Return on Assets[1] (%)	**11.1**	13.1	8.1	7.7	12.4
Balance Sheet					
Cash	**7.9**	15.0	51.5	60.1	57.5
Debt	**70.6**	34.2	43.7	41.7	29.8
Net Cash or (Net Debt)	**(62.8)**	(19.2)	7.8	18.4	27.7
Fixed Assets	**66.5**	68.4	56.2	54.6	48.8
Total Assets	**345.8**	321.9	266.3	254.4	232.3
Shareholders' Equity	**204.7**	221.1	173.9	161.2	157.6
Net Tangible Asset Per Share (US cents)	**17.28**	18.08	14.60	13.54	13.26
Net Debt to Equity Ratio (%)	**30.7**	8.7	cash	cash	cash
Cash Flow					
Cash Flow from Operations	**10.5**	31.4	15.7	13.9	40.0
Capital Expenditure	**19.5**	6.7	6.1	7.6	4.9
Share Statistics[2]					
Number of Shares (million)	**1,082**	1,082	1,082	1,082	1,074
Average for period					
Share Price (Singapore cents)	**57.2**	58.1	45.5	62.0	63.5
Share Price (US cents equivalent)	**40.6**	38.5	28.6	37.3	37.6
Market Capitalisation (S$ million)	**618.9**	628.6	492.3	670.8	682.3
Market Capitalisation (US$ million)	**438.9**	416.3	309.6	404.1	403.7
P&L rate: US$1 : S$	**1.41**	1.51	1.59	1.66	1.69
Price Earnings Multiple (x)	**11.9**	10.8	14.8	21.5	14.3
End of period					
Share Price (Singapore cents)	**45.0**	49.0	43.5	63.5	68.5
Share Price (US cents equivalent)	**31.2**	33.9	28.4	38.1	41.9
Market Capitalisation (S$ million)	**486.9**	530.2	470.7	687.1	736.0
Market Capitalisation (US$ million)	**337.3**	366.3	307.2	412.5	450.6
P&L rate: US$1 : S$	**1.44**	1.45	1.53	1.67	1.63
Price Earnings Multiple (x)	**9.1**	9.5	14.6	21.9	16.0
Dividend					
Dividend Per Share (US cents)	**2.56**	2.68	1.46	1.29	2.35
Dividend Per Share (Singapore cents)[3]	**3.83**	3.80	2.25	2.12	3.89
Dividend Yield (%)	**6.7**	6.5	4.9	3.4	6.1
Dividend Payout (%)	**75**	75	75	75	90

1 Net profit in 2007 and 2008 included non-recurring items amounting to US$10.3 million and (US$2.7 million), respectively. Without these, net profit in 2007 and 2008 would have been US$28.4 million and US$39.8 million, respectively or a 40% year on year growth.

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.
However, the Company's reporting currency is US dollars. Singapore share prices are converted to US for the purpose of computing financial ratios.

3 Dividend per share (Singapore cents) is based on the actual exchange rate at the respective time of dividend payment.

Board of Directors

Dr Emil Quinto Javier
Independent Director
Appointed on 30 April 2007

Mr Patrick L Go
Independent Director
Appointed on 19 April 2001
& re-elected on
28 April 2004 & 27 April 2007

Mr Benedict Kwek Gim Song
Independent Director
Appointed on
30 April 2007

Mr Godfrey E Scotchbrook
Independent Director
Appointed on 28 December 2000
& re-elected on
28 April 2004 & 27 April 2007

Mr Edgardo M Cruz, Jr
Non-Executive Director
Appointed on 2 May 2006 &
re-elected on 27 April 2007

Mr Rolando C Gapud
Chairman and
Non-Executive Director
Appointed on
20 January 2006 &
re-elected on 28 April 2006

Mr Rolando C Gapud has over 35 years of 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 also a Director of Bharti Del Monte India Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology.

Mr Joselito D Campos, Jr 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 Honorary 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, the Philippine Center for Entrepreneurship and the World Wildlife Fund-Philippines. He is also a Director of Bharti Del Monte India Private Ltd, a joint venture of DMPL with the Bharti Group of India. Mr Campos holds an MBA from Cornell University.

Mr Edgardo M Cruz, Jr is a Certified Public Accountant. He was a member of the Board and a Senior Executive Officer of the United Laboratories, Inc and its various subsidiaries both in the Philippines and in Southeast Asia for 14 years. He also served in the same capacity at Greenfield Development Corporation in the Philippines. Moreover, Mr Cruz has over 10 years of banking experience. At present, aside from being a Director and Corporate Secretary of the NutriAsia Group of Companies, he is also a member of the Board of Fort Bonifacio Development Corporation in the Philippines. Mr Cruz earned his MBA degree from the Asian Institute of Management after graduating from De La Salle University.

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

Dr Emil Quinto Javier is a Filipino agronomist widely recognised in the international community for his academic leadership and profound understanding of developing country agriculture. He is currently the President of the Philippine National Academy of Science and Technology and Scientific Advisor to the Philippine Secretary of Agriculture. He had served as Philippine Minister of Science and President of the University of the Philippines. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR). He was Chairman of the Board of the International Rice Research Institute (IRRI); Chair and Acting Director of the Southeast Asia Center for Graduate Study and Research in Agriculture (SEARCA); and Director General of the Asian Vegetable Research and Development Center (Taiwan). He holds doctorate and masteral degrees in plant breeding and agronomy from Cornell University and the University of Illinois. He completed his bachelor's degree in agriculture at the University of the Philippines at Los Banos.

Mr Benedict Kwek Gim Song is the Chairman of PST Management Pte Ltd which is the manager and trustee of Pacific Shipping Trust, listed on the Singapore Exchange. He also serves on the Boards of Ascendas REIT, NTUC ChoiceHomes and NTUC Club. Mr Kwek, with over 30 years of banking experience, was the President and CEO of Keppel TatLee Bank. He has held various key positions at Citibank in the Philippines, Hong Kong, New York and Singapore. He holds a Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development programme at Columbia University in the US.

Mr Godfrey E Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with 37 years experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being Regional Director of Burson-Marsteller, one of the world's leading public relations companies and an executive director of the then publicly listed Shui On Group. A proponent of good corporate governance, he is an Independent Director of Boustead Singapore Ltd and Hong Kong-listed Convenience Retail Asia and Pacific Access, the Asian affiliate of the Koç Group. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations.

Mr Joselito D Campos, Jr
Executive Director
Appointed on
20 January 2006 &
re-elected on 28 April 2006

Senior Management

Mr Antonio E S Ungson
Chief Legal Counsel
Appointed on
1 February 2008
Chief Compliance Officer
Appointed on
16 May 2008

Mr Richard W Blossom
Senior
Vice President

Mr Ignacio C O Sison
Chief Financial Officer
Appointed on 1 October 2006

Mr Luis F Alejandro
Group Chief
Operating Officer
Appointed on
16 May 2008

Mr Joselito D Campos, Jr
Managing Director and
Chief Executive Officer
Appointed on 2 May 2006

Mr Joselito D Campos, Jr 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, the Philippine Center for Entrepreneurship and the World Wildlife Fund-Philippines. He is also a Director of Bharti Del Monte India Private Ltd, a joint venture of DMPL with the Bharti Group of India. Mr Campos holds an MBA from Cornell University.

Mr Luis F Alejandro has over 25 years of experience in consumer product operations and management. 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 Asia 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. Mr Alejandro holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

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 has over 30 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. Mr Blossom obtained his MBA in Marketing from New York University's Stern School of Business.

Mr Ignacio C O Sison has about 20 years of finance experience spanning treasury, corporate planning and controllership. He was previously Vice President, Corporate Controller, and Vice President, Treasury and Corporate Development, of DMPI, and Finance Director of the Company's subsidiary in Singapore. Before joining the Company in 1999, he was CFO of Macondray and Company, Inc. He also worked for SGV & Co, the largest audit firm in the Philippines, and Pepsi-Cola Products Philippines, Inc. Mr Sison holds a MS in Agricultural Economics from Oxford University. He also has a MA degree, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate at the Lester B Pearson United World College of the Pacific in Canada.

Mr Antonio E S Ungson is Chief Legal Counsel and Chief Compliance Officer of DMPL. He is also Head of the Legal Department of Del Monte Philippines, Inc since March 2007. Prior to joining the Group in 2006, Mr Antonio E S Ungson was a Senior Associate in SyCip Salazar Hernandez & Gatmaitan in Manila, where he served various clients for eight years in assignments consisting mainly of corporate and transactional work including mergers and acquisitions, securities and government infrastructure projects. He also performed litigation work and company secretarial services. Mr Ungson is a lecturer on Obligations and Contracts and Business Law at the Ateneo de Manila University Loyola School of Management. He obtained his Bachelor of Laws from the University of the Philippines College of Law and completed his undergraduate degree in Economics, cum laude and with a Departmental award at the Ateneo de Manila University.

Financial Review

Turnover

Group turnover for 2008 grew strongly by 32% to US$381.5 million from a broad-based growth in all major markets. The Philippine market continued its sterling performance with sales soaring 37%. This was driven primarily by the beverage segment with the success of the Del Monte Fit 'n Right juice drink, the lifestyle beverage which aids weight loss, as well as price increases implemented across all categories during the year in review. Philippine sales also benefited from broader distribution. Store coverage increased to 88,000 stores at year-end 2008 from 64,000 stores at year-end 2007.

Export sales to Europe and North America likewise grew strongly by 20% on the back of better volume and prices, while turnover in other Asia Pacific markets was buoyed by increased sales of imported Del Monte products sourced from other Del Monte companies.

S&W had a full year of contribution in 2008 versus only two months in 2007, and fresh pineapple sales expanded significantly on higher volume and prices.

Profitability

Gross profit rose 34% to US$96.2 million driven by higher sales. Gross margin, unfavourably impacted by a general increase in costs, still managed to grow by 0.5% to 25.2% aided by cost containment and productivity enhancing measures, and more favourable prices. Cost savings initiatives in 2008 amounted to US$1.7 million.

Operating profit increased by 47% to US$56.9 million on the back of higher gross profit. Likewise, operating margin improved to 14.9% from 13.3% in 2007. Distribution and selling expenses, as well as G&A expenses were all lower as a percentage of Sales compared to prior year period.

Net profit before non-recurring items jumped by 40% to US$39.8 million from US$28.4 million. Non-recurring items for 2008 reflected a gain on the sale of the Group's China subsidiary that was more than offset by a foreign exchange forward hedging loss. Meanwhile, in 2007, there was a one off deferred tax adjustment benefit of US$10.3 million. This resulted from the Group's Philippine pineapple operations being granted a special economic zone status by the Philippine government leading to a reduced tax rate of 5% of gross profit for certain product categories instead of 35% of profit before tax.

in US$ million unless otherwise stated	2008	2007	% Change
Turnover	**381.5**	289.4	31.8
Gross profit	**96.2**	71.6	34.4
Gross margin (%)	**25.2**	24.7	0.5 ppt
Operating profit	**56.9**	38.6	47.4
Operating margin (%)	**14.9**	13.3	1.6 ppt
Net profit before non-recurring items	**39.8**	28.4	40.1
Net margin (%)	**10.4**	9.8	0.6 ppt
EPS (US cents)	**3.68**	2.62	40.1
Non-recurring items	**(2.7)**	10.3	n/m
Net profit after non-recurring items	**37.0**	38.6	(4.2)
Net margin (%)	**9.7**	13.3	(3.6 ppt)
EPS (US cents)	**3.42**	3.57	(4.2)
Net debt	**(62.8)**	(19.2)	226.3
Gearing (%)	**30.7**	8.7	22.0 ppt
Capital expenditure	**19.5**	6.7	192.2

Share of loss in the Group's Indian affiliate amounted to US$3.1 million in the full year of 2008, compared to a US$0.6 million loss in the last quarter of 2007. Only three months were booked for 2007 after the investment was made in India.

Net profit after non-recurring items dipped slightly by 4% to US$37.0 million from US$38.6 million.

Currency Impact

The Group books sales in Peso for the Philippine market and in US Dollar for the export markets, whereas more than half of the Group's costs are Peso-denominated. For financial reporting purposes, the Group translates these Peso transactions and accounts into US Dollar.

In 2008, the Group incurred foreign exchange (FX) forward hedging loss of US$4.1 million on an after tax basis. In February 2008, the Company's Philippine subsidiary entered into a non-deliverable Peso/US$ forward contract due on different dates up to January 2009 at an average forward settlement rate of P41.323/US$1. This was intended to hedge the export market's predominantly Peso costs but whose sales are in US$.

Last February 2008, the trend suggested continuing appreciation of the Peso against the US$. Economists' and banks' forecasts also suggested a similar outlook. However, the trend reversed and the Peso depreciated against the US$ to an average of 45.732 for 2008. As such, the Group recognised FX loss on matured forward contracts in 2008. The last batch of contracts matured in January 2009 and a minimal loss will be recognised in 2009.

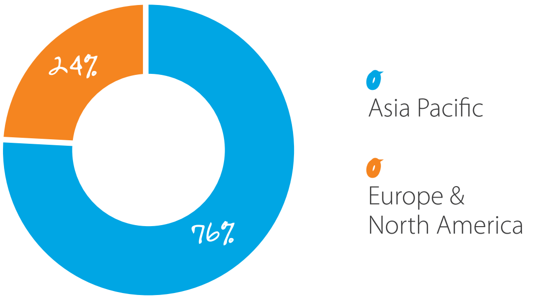
It is not the Company's policy to enter into forward hedging. Instead, it will optimise its natural hedge as much as possible.

Non-Recurring Items (after tax basis)

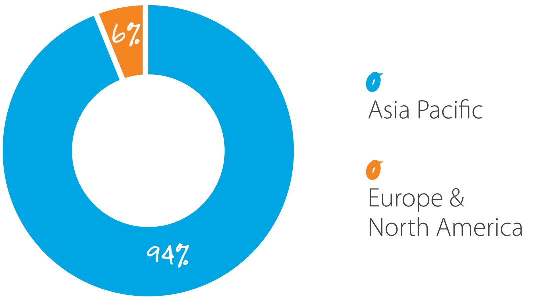
in US$ million	2008	2007
FX forward hedging loss	(4.1)	-
Great Lakes sale – net	2.3	-
Streamlining	(0.9)	(0.9)
Deferred tax benefit	-	10.3
Tax expenditure reversal	-	0.9
Total	(2.7)	10.3

Operations Review
Markets

Turnover by Market



Operating Profit by Market



Asia Pacific

Turnover in Asia Pacific, accounting for 76% of total turnover in 2008, includes the following:

- Sales in the Philippines where Del Monte Pacific owns and holds the exclusive rights to the Del Monte trademark;
- Sales in the rest of Asia Pacific, where the Group sells Del Monte and S&W-branded processed food and beverage products, and fresh pineapples through its Del Monte business partners for Del Monte, and through distributors for S&W. The Group also generates OEM sales from private label customers.

In 2008, Asia Pacific sales grew by 36% to US$289.4 million from US$212.4 million. Bulk of the increase came from the Philippine market which grew by 37% driven by the continued strong performance of innovative juice drink Del Monte Fit 'n Right. Price increases and improved store coverage also boosted turnover in the Philippine market.

In May 2007, the Company shifted from two national distributors to 18 regional distributors which led to a tremendous increase in store coverage, from only 28,000 stores in May 2007 to 64,000 in 2007 and 88,000 in 2008.

Sales in other Asia Pacific markets also improved 21% primarily due to better prices. Great Lakes contributed nine months worth of sales amounting to US$15.6 million. It was disposed on 30 September 2008. Meanwhile, S&W processed products contributed US$6.1 million to turnover for the full year, versus only two months of contribution in the prior year, while S&W fresh pineapple contributed US$1.3 million, a new business for the Group in 2008.

Higher turnover led to a 34% growth in gross profit, boosting it to US$87.8 million from US$65.4 million. Higher costs brought about by inflation slightly reduced the gross margin to 30.3% from 30.8% in 2007. Operating profit grew strongly by 47% to US$53.3 million on the back of higher gross profit.

Europe & North America

Turnover in this region comprises sales of processed fruit and beverage product and concentrate through our business partners. In 2008, Europe and North America accounted for 24% of Group turnover.

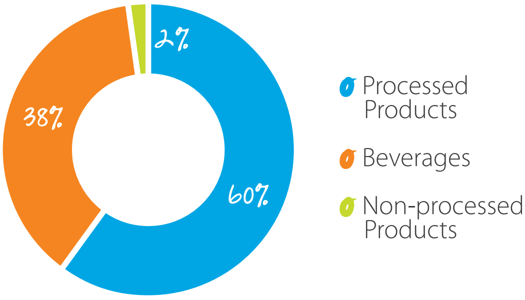
Turnover for Europe and North America rose 20% to US$92.1 million from US$77.0 million in 2007, driven primarily by higher volume and prices in North America, as the Group's major customer in that market gained market share and distribution coverage.

Higher sales led to a 37% growth in gross profit, while operating profit increased by 48% to US$3.6 million as compared to US$2.5 million in the prior year. Operating margin improved slightly to 3.9% from 3.2%.

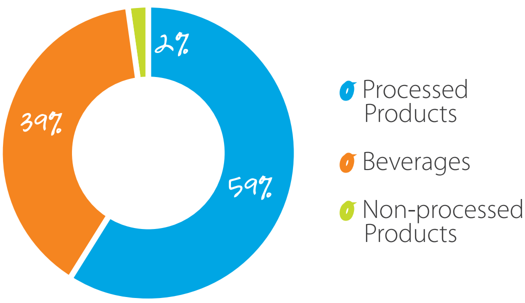
In US$ million	Asia Pacific			Europe and North America			Total		
	2008	2007	% Change	**2008**	2007	% Change	**2008**	2007	% Change
Turnover	**289.4**	212.4	36.3	**92.1**	77.0	19.5	**381.5**	289.4	31.8
Gross Profit	**87.8**	65.4	34.2	**8.5**	6.2	36.9	**96.2**	71.6	34.4
Gross Margin (%)	**30.3**	30.8	(0.5 ppt)	**9.2**	8.0	1.2 ppt	**25.2**	24.7	0.5 ppt
Operating Profit	**53.3**	36.2	47.4	**3.6**	2.5	47.7	**56.9**	38.6	47.4
Operating Margin (%)	**18.4**	17.0	1.4 ppt	**3.9**	3.2	0.7 ppt	**14.9**	13.3	1.6 ppt

Operations Review
Products

Turnover by Product



Operating Profit by Product



Processed Products

Processed products are the Group's largest product category, accounting for 60% of total turnover in 2008. Processed products include:

- Del Monte-branded processed fruits (pineapples and tropical mixed fruits) and culinary line (ketchup, sauces, pasta, condiments) sold in the Philippines;
- Del Monte-branded processed fruits (pineapples and tropical mixed fruits) sold to the international markets;
- S&W-branded processed fruits and vegetables sold mainly in Asia Pacific
- OEM products

Turnover of processed products in 2008 rose 18% to US$229.6 million from US$194.1 million due to an increase in all categories, namely, processed pineapple, mixed fruits and tomato-based products. S&W also had a full year contribution versus only two months in 2007.

Gross profit likewise grew by 15% to US$57.7 million from US$50.0 million on the back of higher turnover, while operating profit increased by 18% to US$33.6 million.

Beverages

Beverages consist of juices, juice drinks and juice concentrates. This segment accounted for 38% of the Group's total turnover in 2008, up from 32% in 2007.

Turnover of this segment jumped 57% to US$144.5 million from US$92.0 million due to the continued success of Del Monte Fit 'n Right juice drink in the Philippine market. Gross profit rose 75% to US$37.1 million while operating profit more than doubled to US$22.3 million. Operating margin also improved significantly to 15.4% from 10.1% in 2007.

Non-processed Products

Non-processed products consist mainly of fresh pineapple and the non-core cattle business - both sold only in Asia Pacific. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals.

This segment accounted for 2% of Group sales in 2008, up from 1% in 2007. The contribution to total is still relatively small but the fresh pineapple segment has been identified as one of the Group's key growth drivers going forward.

In 2008, turnover for non-processed products more than doubled to US$7.4 million from US$3.4 million while gross profit improved to US$1.5 million from US$0.4 million due to better prices and new customers for fresh pineapples. Operating profit also rose 36% to US$1.0 million from US$0.8 million in the prior year.

	Processed Products			Beverages			Non-processed Products			Total		
In US$ million	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change
Turnover	**229.6**	194.1	18.3	**144.5**	92.0	57.1	**7.4**	3.4	117.9	**381.5**	289.4	31.8
Gross Profit	**57.7**	50.0	15.3	**37.1**	21.2	75.1	**1.5**	0.4	278.1	**96.2**	71.6	34.4
Gross Margin (%)	**25.1**	25.8	(0.7 ppt)	**25.7**	23.1	2.6 ppt	**19.9**	11.5	8.4 ppt	**25.2**	24.7	0.5 ppt
Operating Profit	**33.6**	28.6	17.8	**22.3**	9.3	139.6	**1.0**	0.8	35.7	**56.9**	38.6	47.4
Operating Margin (%)	**14.7**	14.7	0.0 ppt	**15.4**	10.1	5.3 ppt	**14.2**	22.8	(8.6 ppt)	**14.9**	13.3	1.6 ppt

Operations Review
Production

Our Plantation and Cannery delivered record harvest and production volumes in 2008 at 704,893 and 689,246 metric tonnes of pineapples, respectively – the highest in the Company's 82-year history

Del Monte Pacific operates one of the world's largest pineapple plantations of approximately 20,000 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.

To support the Company's aggressive growth plans, we started augmenting the Corporate Plantation with contract farming in the third quarter of 2006. From 178 hectares of land under contract farming in 2006, this expanded to 967 hectares by the end of 2007 and to 1,443 hectares by the end of 2008.

Organised farming was launched in the second quarter of 2008 to complement the contract farming program. Organised farming is a corporate leased area and planted according to the modified practice of contract farmers. The area is 100% controlled by the Company but not contiguous and it does not use the heavy equipment found in the Corporate Plantation. Total organised farming was 195 hectares at the end of 2008.

In 2008, we harvested a record 704,893 metric tonnes of pineapple, 9% higher than that of 2007, and the highest in DMPL's 82-year history. Majority of the harvested pineapples went into processing, with only 2% sold as fresh fruit.

One of the Company's immediate and long-term growth drivers is the sale of fresh pineapples of the more premium sweet variety – Sweet 16. Intensive plantings of this variety started in 2006. Given the 18-month cycle for the first pineapple fruit, harvest expanded in 2008.

We have banned the use of Endosulfan pesticide in our pineapple growing operations and are now using less toxic alternatives.

Our Cannery located 30 minutes away from the Plantation processed 689,246 metric tonnes of pineapple in 2008, also the highest in the Company's history. Due to the record sales performance of the Group, the Cannery also registered its highest production of juices and fruits in plastic cups.

The Group spent higher than normal capital expenditures in 2008 amounting to US$19.5 million, compared to the US$6.7 million in 2007. The Cannery embarked on a big project of replacing old boilers with more energy efficient ones which are expected to generate significant cost savings. We also invested in a new plastic cup line to support the upcoming launch in the Philippine market of the new Fruit Snacks, processed fruits packaged in convenient plastic cups for healthy snacking.

Fully recognising that excellence cannot be achieved without the cooperation and support of world-class suppliers, we have taken the effort to develop a procurement transparency programme. Under our new Supplier Quality Management Programme, preferred and accredited suppliers demonstrate consistent high-quality performance, flexibility and responsiveness in serving operational needs, and compliance with safety, environment and manpower regulations. This new level of collaboration has enhanced the value of our products and our compliance with measures on product safety and environment protection.

Our operations have consistently maintained a high standard of quality control and product assurance. We meet food standards set by our customers worldwide and by a number of international agencies.

Certifications

- British Retail Consortium Global Standard on Food
- GMP (Codex Alimentarius Food Hygiene System)
- HACCP (Codex Alimentarius)
- Halal
- ISO 9001-2000
- Kosher
- SGF Voluntary Control System

Voluntary Participation/Membership in Food Safety and Quality Organisations

- Association of the Industry of Juices and Nectars from Fruits and Vegetables of the European Union (AIJN)
- Grocery Manufacturers Association – Supplier Assessments for Food Excellence (GMA-SAFE) Audits (formerly FPA-SAFE)
- Philippine Society for Quality
- Sure Global Fair (SGF)

Business Outlook

Management is guided by its vision to transform Del Monte Pacific into one of the fastest growing global branded food and beverage companies. Amidst this global crisis, Management is mindful of unprecedented uncertainties and expects demand for exports of processed pineapple products to be under pressure. Therefore, we will proceed with caution and prudence and at the same time prepare for worse operating conditions.

In the Philippines, we will intensify our drive to provide consumers with value-for-money offerings. Low cash outlay smaller packs will be offered in our culinary and processed fruit categories. We will also expand our beverage portfolio under the Del Monte Fit 'n Right brand and will maximise volume behind the recently launched culinary line under the Del Monte Quick n Easy brand, offering cooking enthusiasts with meal mixes and sauces for affordable and convenient home cooking. There will also be continued distribution expansion.

In India under our joint venture, Bharti Del Monte, 2009 will see the expansion of our beverage and culinary products across more cities, tapping both modern trade and the foodservice sectors.

For S&W, we will expand sales in Asia of S&W processed fruits and vegetables along with S&W Sweet 16 branded fresh pineapple.

In this challenging environment, we will intensify our efforts to reduce costs and increase productivity, and protect margins. This, combined with our strategy of maximising volume and share in markets less impacted by the global economic problems, will allow us to maintain a healthy financial position while preserving industrial peace and avoiding manpower layoffs which have become characteristic of companies reeling from the effects of the global economic downturn.

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 the 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 2008, 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. To a certain extent, the Group has a natural hedge against US dollar fluctuations due to its revenue and cost mix.

Inflation

The Group's costs are affected by inflation. 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 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 low-risk securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities, for both short-term and long-term requirements. 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 ensure 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 risks associated with the Group's international business is minimised by the nature of its long-term supply agreements, four 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 several of these contracts, there are provisions which enable the Group to limit its downside risk by adjusting pricing based on changes in its 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.

Product Safety

Our agri-industrial processes conform with the highest international standards on food safety and food quality, and are accredited by the world's leading certifying bodies for Good Manufacturing Practices (GMP), Hazards Analysis and Critical Control Points (HACCP), IS0 9001, Kosher and Halal. At least 10 quality audits performed annually by reputable, independent international auditors confirm that our processes meet or often exceed standards. Business partners and customers also conduct their own audits before our products are purchased or exported to their countries.

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, health and wellness, quality, competitiveness and consumer appeal
- Increased penetration of high-growth distribution channels and markets
- Building on closer working relationships with business partners
- Close monitoring of changes in legislation and government regulations affecting the Group's business

At Del Monte Pacific, our culture is deeply rooted in our commitment to contribute to the growth of the people who work with us and those who live in our host communities. We believe in the core values of transparency, accountability, respect for individual rights and concern for the common good.

Over the past 80 years, we have pioneered programmes that gave us the opportunity to share our values, expertise and resources with our surrounding communities. Our presence has helped build self-reliant communities; it has created lasting bonds of friendship and cooperation with our neighbours.

To sustain a strong organisation in tune with our commitments to our workers and host communities, we continue to work closely with teams across our own organisation as well as with the government and private sectors.

The Group's Code of Ethics guides the professional conduct of our teams. We strive to create a positive impact on our host communities of which we have become an integral part of. We make every effort to bring to our customers innovative products of great nutritional value. We nurture nature which is the source of our business. We comply with international standards on food safety and food quality and abide by the laws and regulations applicable to our business in the countries where we operate in.

Caring For Our Environment

The Group is committed to doing its share in protecting and preserving the environment for future generations.

We support efforts to encourage conservation of resources, waste reduction, and promote responsible waste management and safe use of harmful materials. We work hard to communicate our environmental policy to employees and host communities.

Conservation

We thoroughly plan our day-to-day production schedules to achieve energy-efficient operations, conserve resources (fuels, lubricants, water, electricity) and protect the environment.

Our pineapple pulp waste disposal system is 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. Excess pulp are also reprocessed, packed and sold as cattle feed to domestic livestock raisers or exported to other companies in Asia. Other solid wastes from our other production facilities undergo solar drying and processing and are used as organic fertilizer.

Waste Management

We operate effluent treatment plants that treat wastewater discharged from our agri-industrial facilities in conformance with government standards. Our high-filtration juice extraction system also processes excess juice into pineapple concentrate and syrup, significantly reducing the volume of wastewater processed. These waste-treatment plants help protect nearby coastal waters and land areas from pollution.

Together with the community and concerned non-government organisations, we exert efforts to enhance solid waste management and conserve the use of energy, water and other resources. Plantation-based families segregate domestic solid waste right at their own homes. Proceeds from the sale of recyclable waste materials help fund community projects.

Plantation employees participate in a clean-up drive.

Responsible Use of Materials

We work with government agencies, local government units and community organisations to ensure a safe environment for our workers and our host communities. We comply with government standards in the application and use of fertilizers and industrial chemicals in all phases of our operations. We conduct regular safety audits on our fertilizer warehouses, chemical storage areas, and facilities where these chemicals are used. Workers handling these chemicals are issued protective equipment and undergo regular medical check-ups. We have also opted to discontinue the use of Endosulfan pesticide in our pineapple growing operations.

Product Safety

Our agri-industrial processes conform with the highest international standards on food safety and food quality, and are accredited by the world's leading certifying bodies for Good Manufacturing Practices (GMP), Hazards Analysis and Critical Control Points (HACCP), IS0 9001, Kosher and Halal. At least 10 quality audits performed annually by reputable, independent international auditors confirm that our processes meet or often exceed standards. Business partners and customers also conduct their own audits before our products are purchased or exported to their countries.

Other Green Initiatives

We support local tree nurseries, tree planting, educational drives on wildlife protection, environmental management of coastal waters and protection of water resources, and socio-economic projects for rural communities. We also donate recyclable materials and equipment to help community organisations carry out long-term and sustainable programmes on public safety and environment conservation.

Caring for Our Community

We support the socio-economic and cultural growth of our host communities. Del Monte Foundation, Inc., a non-stock and non-profit organisation, spearheads our efforts to help build healthy communities that work together for sustainable development. Through a broad-range programme of assistance, we encourage our host communities to learn self-sufficiency and contribute to nation-building.

We share our resources and expertise with local government units and community organisations through programmes on livelihood support, technical education, scholarships, educational subsidies and health care services.

Livelihood Support

We have embarked on a landmark partnership with local farmers and entrepreneurs who now earn more from under-utilised or unproductive farm land. This outgrowing programme teaches farmers new ways to grow quality fruit in high volume for processing at our Cannery. Farmers receive farm inputs and technical assistance and grow pineapple and papaya in coastal and hinterland villages around the Cannery.

Technical Education

Through the foundation, over 7,000 community leaders, heads of families, women and out-of-school youth and families of employees in the Philippines have acquired technical skills to gain employment, start small businesses and augment family income. A number of graduates in electrical welding were among the first to be employed in one the country's newest shipbuilding facilities. Some 100 women also participated in an extensive home care education programme that teaches natural family planning, proper nutrition, health consciousness and traditional medicine.

Del Monte workers, their families and community residents join hands in planting trees in non-productive fields across the plantation and in neighbouring villages. The company has signed agreements with local government units, schools and government agencies to ensure continuing collaborative efforts to protect the environment.

Graduates also serve the community by sharing technical expertise not readily available in the countryside. Graduates who embark on communal livelihood projects have organised themselves into trade associations that enjoy organisational support from the foundation.

The foundation works closely with the Philippine Technical Education and Skills Development Authority to further promote community education and ensure training standards comply with government requirements. Our education centres also serve as satellite training centres of the government in rural areas, offering courses in agro-technologies. The Foundation has also initiated discussions with the League of Municipalities of the Philippines for greater collaboration with local government units in pursuing livelihood training programmes most needed in their communities.

Improved training capability has been attained through donations by the Group. A fully-equipped computer centre offers literacy programmes and internet service to community leaders, students, professionals and local entrepreneurs. A food processing laboratory helps beginners and entrepreneurs master skills in meat, fish and fruit processing, baking and beverage mixing. Income generated through such training programmes helps defray the costs of maintaining the foundation's learning centers.

Scholarship and Continuous Learning

The Jose Yao Campos Grants-in-Aid Scholarships, launched in 2008, offer free education to some 50 children of Del Monte Pacific's staff in the Philippines. This programme is funded through the personal contribution of Group CEO Joselito D Campos, Jr. The foundation continues to support 80 other scholars who are residents of its host communities. Scholars enjoy free tuition fees and living allowances from pre-school to post-graduate studies.

Past scholars of the company (from 1955 to 2000), now leaders in their communities, have committed to organise themselves into an Alumni Association that shall spearhead efforts to provide educational opportunities to more rural children.

We have also established a youth organisation that encourages members to spearhead training programmes for fellow youth. Some 200 young rural leaders gathered for the foundation's first Youth Congress where they shared experiences and learned leadership principles. It was a first step towards building a strong network of cooperation that will help them seek solutions to common issues and introduce innovative ideas for community growth.

We continue to strengthen ties with local government units and grassroots associations to recruit training participants, provide opportunities for livelihood and community service among graduates, and implement key community projects. We help build community infrastructures (health and social centers, chapels, school furnishing) that enhance community learning, networking and expertise sharing.

Health Care Services

To help curb the escalating rate of child malnutrition in our host communities, the foundation has launched a feeding programme in one pilot school where elementary students are served hot meals and snacks during schooldays. This programme, undertaken in partnership with local government units and the Department of Education, has benefited some 350 below-normal-weight students of the school. Funds for this programme were generated from the "One Day's Pay Campaign" where Del Monte Pacific's staff in the Philippines and its headquarters in Singapore donated money equivalent to a day's salary. Each worker's contribution was matched by the company.

Left to Right

DMPL CEO Joselito D Campos, Jr meets young scholars of the Jose Yao Campos Grant-in-Aid Scholarship Program. Scholars, who are all children of Del Monte employees, enjoy free tuition and other school fees from primary school until they complete post-graduate studies.

Malnourished children gained weight after joining the free nutritional feeding sessions organised by Del Monte Foundation in their schools.

On a wider scale, we have pioneered programmes aimed at raising the quality of health among various age groups across the Philippine population. Our marketing team has introduced milestone programmes that highlight the importance of good nutrition in leading a healthy and productive life. We entered into agreements with the Department of Education and the Department of Health in the Philippines to launch the Del Monte Superkid SNAP (School Nutrition and Physical Activity Programme) in select elementary schools across the Philippines. Through exciting teaching modules, young students learn early in life the importance of good health values and practices which they can carry through to their adulthood.

A cancer prevention information campaign has also been initiated in collaboration with three private organisations in the Philippines to heighten awareness of cancer, the third leading cause of mortality in the country. Under this programme, medical experts and volunteers conduct lectures on good nutrition and alternative lifestyles among the youth and cancer patients.

Recognition

The Foundation has received a five-year accreditation with the Philippine Council for NGO (Non-government Organisation) Certification, affirming our conformance with the highest standards of good governance, transparency and corporate social responsibility.

Caring for Our People

Del Monte Pacific is committed to the growth of its people as it grows its business. We have around 4,300 employees at our plantation, manufacturing facilities, and administrative and marketing offices in the Philippines, India, Singapore and Vietnam. As we share with our employees our new vision to become one of the fastest growing global branded food and beverage companies, we provide them with every opportunity to contribute to the attainment of this vision.

Healthy Work Environment

Our farm and production facilities employ people from surrounding villages. Workers are paid the best in the industry, and are informed of the terms and conditions of employment prior to their appointments. They undergo annual medical examinations or whenever required. Child and forced labour and any other form of exploitation are not practised. Discrimination on the grounds of nationality, caste, religion, age and gender goes against the Group's Code of Business Ethics.

Appropriate steps are taken to protect workers from safety and health hazards. Work uniforms and accessories are issued to workers. Personal protective equipment are issued for specific work assignments. Orientation training seminars and refresher courses are routinely conducted to inform and help workers guard against work-related accidents and health hazards. Workers have access to clean toilets, potable water and facilities for dining, food storage, rest and recreation.

A vigorous campaign to help consumers fight cancer highlights the importance of lycopene-rich diets. Del Monte launched this cancer prevention program in partnership with leading non-government organisations.

Labour-Management Cooperation
In the Philippines, Labour-Management Cooperation (LMC) councils meet regularly to discuss and decide issues affecting employees, their families, the Company and the community. Newly-signed memorandums of agreement with two key labor unions have stipulated increased wages and enhanced benefits for farm and factory workers from 2007 to 2009.

LMC teams have also initiated improvements in working conditions now enjoyed by workers and their families. Rank-and-file workers recommended many innovations now incorporated in our retirement, provident and health care plans, production and socio-recreational facilities, work uniforms and tools, livelihood support and community outreach projects.

LMC teams actively reach out to host communities as we partner with local government units and organisations to hold environment conservation programmes (coastal clean-up, mangrove planting on river deltas, tree planting along national roads and in tree farms), distribute gifts to poor families during Christmas, distribute food and medicine to victims of calamities, and donate blood to the local Blood Bank.

We support initiatives of the Department of Labor and Employment, Philippine Federation of LMC Practitioners, local tripartite wage boards and labour groups in multi-sectoral efforts to improve the quality of life of workers and enhance the competitiveness of Filipino products in the global market.

Training and Development
Our field, factory and office teams learn new skills, adapt to new technological changes and share our passion for work excellence through continuing training. The Group cultivates a culture of excellence as we continue to encourage our people to innovate and strive for continuous improvement.

Employees are given every opportunity to expand their knowledge of agriculture and technical skills and learn lessons on personality development, supervision and management. Value formation, skills training, and knowledge-sharing programmes are conducted year-round, helping employees to continuously improve the quality of their performance. This learning programme is linked with a management succession plan that selects potential leaders across the organisation.

We launched the Del Monte Brand Leadership University (DM BLU), our newest learning portal for developing the skills of our marketing, sales and logistics teams in creating world-class product brands and services. DM BLU helps improve key management competencies via workshops and lectures.

Recognising the creative potential of our teams, the first Del Monte Innovations Day was organised to showcase innovative ideas for new products and services from teams across the company. Product prototypes that were presented to Senior Management will undergo evaluation and review.

A pool of pre-selected and pre-trained in-house trainers conduct job competency training programs for supervisors, executives and key staff under the Cannery Pine101 series and PineU (short for Pineapple University).

Improved competencies of our workers have helped us meet international standards on food quality and food safety. Key trade partners in the Philippines and exporters representing pineapple fruit and juice markets in the United States, Canada and the European Union completed stringent audits of our manufacturing processes and facilities during the year.

Del Monte Brand Leadership University, our newest learning portal, opens its doors to our sales, marketing and logistics teams to impart vital competencies in creating winning brands.

We continue to recruit young professionals with high potential to join our ranks and help build the Group's future. Engineers, agriculturists, technical experts and other professionals undergo supervisory traineeship. Supervisors and executives gain opportunities to build their careers with us through career development and succession planning programmes.

We tap the cooperation of our teams in the implementation of Company policies and rules as well as compliance with Good Manufacturing Practices, HACCP, ISO and other food safety standards. Workers are oriented and trained to lead and monitor the implementation of these guidelines.

Communication

The Group's strategies and accomplishments as presented to Senior Management during the Annual State-of-the-Business Meeting are cascaded to different employee levels across the company. Workers share information and insights through divisional, departmental and sectional assemblies. Worker feedback is relayed to different management levels.

We keep our employees in the Philippines informed of the Group's performance through our news magazine called Tidbits. This features key programmes, new product launches, awards, promotions, and team achievements. A similar news magazine called FreshTimes is produced by our Indian affiliate. A digital newsletter called Fresh Cut informs agri-industrial workers in the Philippines on programmes and direction. Through the monthly Sales Bulletin, business partners (distributors, sub-distributors, contract manufacturers, food service partners, etc.) get updates on product promotion and sales activities.

Benefits

Our workforce enjoys one of the most attractive compensation and benefit packages granted to agro-industrial workers in the Philippines. Complementing government-mandated privileges for all employees and qualified dependents is a broad range of free medical and dental services, a comprehensive retirement package, and voluntary plans for providential and insurance benefits.

Employee-organised cooperatives provide our workers with credit, providential, livelihood and other services that enhance economic benefits for their families. Cooperative members enjoy annual dividends and patronage refunds.

We also have in place a Share Performance Incentive Plan covering executives at key positions, encouraging them to excel. This is given on top of annual merit increases.

We provide opportunities for our workers to enjoy a healthy balance between work and family life. Employees are given the opportunity to take a healthy break from work, revitalise and enjoy their vacation leave privileges.

In the Philippines, camp-based civic associations help families organise educational, social, sports and livelihood projects. Workers' spouses and young adults learn technical skills to start small-scale businesses or find gainful employment. Graduates in sewing, food processing and other courses have initiated home-based businesses that serve community needs.

Workers also participate in teambuilding workshops and year-round sports tournaments. The Annual Del Monte Day brings together workers and their families in each company location for various sports and social activities. Factory workers join game shows and song-and-dance contests held during meal times to break routine. They also showcase creative talents in special contests (Christmas lantern-making) organised by the company.

Team building activities range from exhilarating white water rafting to year-round fun sports tournaments.

We have launched a new sports programme that gives workers' sports associations a free hand in organising tournaments and games among workers and their families. Sports equipment and uniforms are purchased by the company. Participants welcome this opportunity to hone leadership skills, enjoy physical exercise, and widen their social networks.

The Del Monte Football Club provides opportunities for children of workers in the Philippines to excel in sports as well as earn scholarship grants. Two teams competed in the Philippine Olympic Football Festival during the year. The Club continues to organise year-round football tournaments for children of employees and nearby communities.

Industrial Relations and Staff Turnover

We employ one of the largest agro-industrial workforces in the Philippines. The Group is proud to have enjoyed a sustained period of industrial peace, with no notices of strikes and lock-outs for 40 years.

The appointment of new and additional members in our executive pool highlights our new strategic directions while enhancing growth potential of new functional areas. We have also strengthened our manpower pool in our manufacturing facilities by partnering with business process outsourcing companies.

We have conducted an Organisation Climate Study for our Philippine operations to help us assess strengths and identify areas of improvement. It was the first such survey for the company, administered among our supervisors, executives and rank-and-file workers. Results of this study will be shared with both Management and workers.

Awards and Citations

Recognising the continuing excellence of our programmes, leading government and professional organisations have bestowed their highest awards on the Group throughout the years.

The Philippine Social Security System has named our Philippine subsidiary to its Hall of Fame for consistent and exemplary compliance with government-mandated welfare programmes for workers as well as its retirees. The company was named "Employer of the Year" for the past four years. The company was lauded for extending the full range of social security benefits, including worker coverage, advance payment of sickness, maternity and employee compensation benefits.

The Philippine League of LMC Practitioners and the Department of Labor and Employment has awarded the "Outstanding LMC (Labor-Management Council) of the Philippines" to our Philippine unit. The award honours Management and labour teams whose joint efforts have helped foster industrial peace and raise worker productivity. It also recognises members of the private sector that have raised the competitiveness of Philippine products and services in the global market.

Del Monte workers have also received special honours from various sectors for exemplifying good work ethics, promoting professional excellence, contributing agri-industrial innovations and strengthening industry relations. Our executives who were elected to key posts in professional organisations also help build networks for the Group.

< Left to Right

Employees are given every opportunity to improve their technical and leadership skills, and enrich their careers with the company.

Engineer Arthur Mencius Quiblat, Del Monte Cannery Manager for Safety, Environment and Teams Administration was honoured with the Philippines' highest individual award for occupational safety and health in the industrial sector.

Del Monte Pacific is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Code of Corporate Governance 2005 ("Code"). The Company confirms that it has adhered to the principles and guidelines as set out in the Code, where applicable, and has specified and explained the areas of non-compliance in its report.

The key aspects of our group's corporate governance framework and practices are discussed in reference to the principles of the Code.

Board Matters

Principle 1
The Board's Conduct of Affairs

The Board of Directors ("Board") provides entrepreneurial leadership and sets the strategic direction for the Company. It is responsible for the overall policies of the Group to ensure success.

The Board has adopted guidelines specifying matters requiring the Board's approval. These include the approval of the Group's strategic plans, appointment of directors and key managerial personnel, annual budgets, major investment proposals, and the review of 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 financial statements;
- 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.

To facilitate effective management, certain functions have been delegated to various Board committees, each of which has its own written terms of reference and whose actions are reported to and monitored by the Board.

To achieve its goals, the Board ensures that the Company is equipped with the necessary financial, technical and human resources. The Board, together with Management, is shaping the Company's values and standards to be more dynamic, innovative and global in mindset and outlook.

The Board works closely with Management to drive the Group's business to a higher level of growth. Management is accountable to the Board and Management's performance is reviewed by the Board annually.

The Board has also put in place a framework of prudent and effective controls that allows risk to be assessed and managed.

The Board ensures that obligations to shareholders and other stakeholders are understood and complied with. With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from regulatory requirements and changes.

Attendance at the Board and Board Committee Meetings in 2008

	Board Meetings		Audit Committee Meetings		Remuneration and Share Option Committee Meetings		Nominating Committee Meetings	
Directors	No. of Meetings Held	Attendance	No. of Meetings Held	Attendance	No. of Meetings Held	Attendance	No. of Meetings Held	Attendance
Mr Rolando C Gapud	4	4	4	4	4	4	1	1
Mr Joselito D Campos, Jr	4	4	-	-	-	-	-	-
Mr Edgardo M Cruz, Jr	4	4	4	4	4	4	1	1
Mr Patrick L Go	4	4	4	4	4	4	1	1
Dr Emil Quinto Javier	4	3	-	-	-	-	1	0
Mr Benedict Kwek Gim Song	4	4	4	4	4	4	1	1
Mr Godfrey E Scotchbrook	4	4	4	4	4	4	1	1

The Board meets at least quarterly, and more frequently when required, to review and evaluate the Group's operations and performance and to address key policy matters.

Board meetings are scheduled to enable the Board to perform its duties. During the year in review, the Board held four meetings. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate Board participation.

New directors undergo an orientation programme whereby they are briefed by the Company Secretary on their obligations as directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They are also briefed by Management on the Group's industry and business operations. Ongoing orientation includes tours of the Group's plantation and manufacturing facilities, as well as visits to the trade. These are organised to enable Board members to gain a firsthand understanding and appreciation of the Group's business operations.

Timely updates on developments in accounting matters, legislation, jurisprudence, government policies and regulations affecting the Group's business and operations are likewise provided to all directors.

The Nominating Committee has formalised the Company's procedures for the selection, appointment and re-appointment of directors. Letters of appointment will be issued to directors setting out their duties, obligations and terms of appointment as appropriate.

The Board is of the view that the Company's directors make objective decisions in the interest of the Company.

Principle 2

Board's Composition and Guidance

The Board comprises seven directors, one of whom is an executive director. Of the six non-executive directors, four are independent directors. The profiles of the directors, including information on their appointments and re-appointments, are set out on pages 12-13 of this Report.

A strong element of independence is present in the Board with independent directors making up more than one-half of the Board. The Board exercises objective judgment on corporate affairs independently. No individual or group of individuals dominates the Board's decision-making. In addition, the roles of Chairman and CEO are assumed by different persons.

Our non-executive directors contribute to the Board process by monitoring and reviewing Management's performance against pre-determined goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. Our directors bring independent judgment to the Group's business activities and transactions, in particular, in situations involving conflicts of interest and other complexities.

Our directors also bring with them invaluable experience, extensive business networks and expertise in specialised fields such as strategic planning, mergers and acquisitions, corporate finance and restructuring, accounting, marketing and business development, risk and crisis management, corporate communications and investor relations.

The size, composition, range of experience and the varied expertise of our current Board members allow discussions on policy, strategy and performance to be critical, informed and effective.

Our non-executive directors also meet regularly without the presence of Management to discuss strategies, policies and issues.

Principle 3

Chairman and Chief Executive Officer

There is a clear division of executive duties and responsibilities in the Company, providing checks and balances to ensure that there is no concentration of power, in any one individual and that accountability is increased. The Company's business is managed and administered by the Managing Director and CEO, Mr Joselito D Campos Jr, whilst the Board is headed by Mr Rolando C Gapud as non-executive Chairman. The Chairman of the Board and the CEO are not related to each other.

Our Chairman sets the tone of Board meetings to encourage proactive participation and constructive discussions on agenda topics. Constructive relations between the Board and Management are encouraged, as with executive directors and non-executive directors. He ensures that directors and shareholders alike, receive clear, timely and accurate information from Management, thus maintaining the Company's high standards of corporate governance.

Principle 4
Board Membership

The Nominating Committee ("NC") was set up on 7 February 2003 and currently comprises the following members, all of whom are non-executive directors and a majority of whom, including the Chairman, are independent directors:

Mr Godfrey E Scotchbrook	Chairman & Independent Director
Mr Edgardo M Cruz, Jr	Non-Executive Director
Mr Rolando C Gapud	Non-Executive Director
Mr Patrick L Go	Independent Director
Dr Emil Quinto Javier	Independent Director
Mr Benedict Kwek Gim Song	Independent Director

Under its terms of reference, the NC is responsible for reviewing the Board's composition and effectiveness and determining whether directors possess the requisite qualifications and whether independent directors' independence is compromised. All candidates for appointment or re-election as directors are considered by the NC and recommended for approval by the Board.

The NC has formalised the processes and procedures for selection, appointment and re-appointment of directors.

Details of each director's academic and professional qualifications, directorships or chairmanships in other companies, and other major appointments, are presented on pages 12 - 13 of this Annual Report.

In cases where a director has multiple board representations, the NC also assesses whether such director has been adequately carrying out his/her duties as a director of the Company.

The Committee reviews and determines the independence of each director on an annual basis.

All directors may hold office for a maximum period of three years whereupon they shall retire in accordance with the Company's Articles of Association but are eligible for re-election.

Directors Retiring Under Article 88

Mr Edgardo M Cruz, Jr
Non-Executive Director
Appointed on 2 May 2006 and
re-elected on 27 April 2007

Mr Godfrey E Scotchbrook
Independent Director
Appointed on 28 December 2000 and
re-elected on 28 April 2004 and 27 April 2007

In reviewing the nomination of the directors retiring by rotation under Article 88 of the Company's Articles of Association, the NC had considered the contributions and performance of each director, taking into account his attendance and participation at Board and Board committee meetings.

All directors retiring by rotation have consented to continue in office and have offered themselves for re-election at the Company's Annual General Meeting ("AGM").

Principle 5
Board Performance

The Board has implemented an evaluation process to be carried out by the NC for assessing the effectiveness of the Board as whole. This evaluation is carried out on an annual basis.

During the year, the Board undertook an evaluation of its collective performance.

This process took the form of a questionnaire sent to each Director, seeking their views on matters concerning the composition of the Board, balance of skills and expertise on the Board, availability and flow of information to Board members, Board procedures and structure of meetings, Board accountability, succession plan for top management, etc.

A summary of findings prepared based on responses from the completed questionnaires was tabled and discussed at an NC meeting, led by the Chairman of the NC. A comparison of the findings against those of last year was also noted in the discussion.

These findings were also communicated to the Board.

Principle 6
Access to Information

Management provides the Board with timely and complete information prior to Board meetings and on an ongoing basis. These include relevant information and explanatory notes for matters that are presented to the Board, such as budgets and forecasts.

At Board meetings, the Group's actual results are compared with budgets, and material variances are explained. The strategies and forecasts for the following months are discussed and approved as appropriate.

The directors have separate and independent access to Management and the Company Secretary. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Company Secretary attends and prepares minutes of all Board and Board committee meetings. She assists the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure the effective functioning of the Board, and that the Company's Memorandum and Articles of Association and relevant rules and regulations are complied with.

The Company Secretary ensures qualitative information flow within the Board and its committees and between senior Management and non-executive directors. She is the primary channel of communication between the Company and the SGX-ST.

The Company Secretary administers orientation programme for newly-appointed directors where they are briefed on their duties and obligations as directors, the Group's governance practices, and relevant statutory and regulatory compliance issues. In addition, she assists with the professional development of Board members as required.

The appointment and the removal of the Company Secretary is a matter for the Board.

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

Remuneration Matters

Principle 7

Procedures for Developing Remuneration Policies

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

Mr Godfrey E Scotchbrook	Chairman & Independent Director
Mr Edgardo M Cruz, Jr	Non-Executive Director
Mr Rolando C Gapud	Non-Executive Director
Mr Patrick L Go	Independent Director
Mr Benedict Kwek Gim Song	Independent Director

The RSOC's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the directors as well as key senior executives of the Group. It is at liberty to seek independent professional advice as appropriate.

Under its terms of reference, the RSOC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's key senior executives. The RSOC assumed the role of the Employee Share Option Plan Committee, previously responsible for administering the Del Monte Pacific Executive Stock Option Plan, the Del Monte Pacific Restricted Share Plan ("RSP") and the Del Monte Pacific Performance Share Plan ("PSP"). The RSOC considers all aspects of remuneration - director's fees, salaries, allowances, bonuses, options, share awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.

The RSOC's recommendation for directors' fees had been made in consultation with the Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RSOC or the Board participated in the deliberation of his own remuneration.

Principle 8

Level and Mix of Remuneration

The remuneration of the Company's directors has been formulated so as to attract, retain and motivate the directors to run the Company successfully.

The RSOC reviews the service contracts of the Company's executive directors and key Management. The compensation commitments in service contracts are reviewed and notice periods for termination do not exceed six months.

In reviewing the recommendation for non-executive directors' remuneration for 2009, the RSOC had continued to adopt a framework, based on guidelines recommended by the Singapore Institute of Directors, which comprises a base fee, fees for membership on Board committees, as well as fees for chairing Board committees. The fees take into consideration the amount of time and effort that each Board member may be required to devote to their role.

The compensation structure for executives of Group subsidiaries consists of two key components - fixed cash and an 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 participate in the Company's Executive Stock Option Plan 1999 ("Scheme"), as amended. The Scheme is a share option 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 Company has in place two other share plans - the Restricted Share Plan (RSP) and the Performance Share Plan (PSP) (collectively the "Share Plans"). These are also administered by the RSOC. The RSP and PSP are long-term incentive schemes based on participants achieving pre-set operating unit financial goals, individual performance, as well as, achieving corporate financial goals in the case of the PSP.

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. These are also designed to align interests of these executives with those of shareholders.

Depending on the plan, shares are either delivered after the participant has served the Group for a specific period or delivered after a further period beyond completion of prescribed performance targets.

The aggregate number of shares which may be offered under the Scheme and the Share Plans is 10% of the Company's total issued capital. The terms of the Scheme and Share Plans are described in more detail in the Directors' Report.

Principle 9

Disclosure on Remuneration

The number of directors in each remuneration band is disclosed in the table below. The Board is of the opinion that it would not serve a purpose to disclose the exact remuneration of each director given the confidentiality of and sensitivity attached to remuneration matters.

There is no immediate family member (as defined in the Listing Manual of the SGX-ST) of a director or the CEO in the employ of the Company whose annual remuneration exceeds S$150,000 during the year.

Disclosure on Remuneration of Directors for 2008

Remuneration Bands and Number of Directors	Fixed Salary %	Director Fees %	Variable Income / Bonus %	Benefits In Kind %
Executive Director				
S$500,000 to below S$750,000				
1	93	7	-	-
Non-Executive Director				
S$250,000 to below S$500,000				
1*	76	23	-	-
Non-Executive Directors				
Below S$250,000				
5	-	100	-	-

Notes:
* Includes remuneration received in a subsidiary
Details of the share options and share awards granted to each director are shown in the Directors' Report

Disclosure on Remuneration of Top Five Key Executives* for 2008

Remuneration Bands and Number of Key Executives	Fixed Salary %	Variable Income / Bonus %	Benefits In Kind %
S$1,000,000 to below S$1,250,000			
1	99	-	1
S$250,000 to below S$500,000			
There are 2 executives within this band and their remuneration breakdown is as follows:			
1	84	14	2
1	89	10	1
Below S$250,000			
There are 2 executives within this band and their remuneration breakdown is as follows:			
1	94	2	4
1	97	-	3

Notes:
* Key Executives who are not Directors
Details of the share awards granted to each key executive are shown in the Directors' Report

Accountability and Audit

Principle 10
Accountability

There are in place comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company policies and Board decisions, including 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. Information such as disclosure documents, quarterly results, profit and loss statements, cash flow statements, working capital requirements and borrowing levels are presented using comparative figures between actual results, budgeted levels and 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.

Based on Management's reports, the Board provides a balanced and fair assessment of the Company's performance, position and prospects for interim reports, other price sensitive public reports and other reports to regulators as required.

Principle 11
Audit Committee

The Audit Committee ("AC") was set up on 9 July 1999 and currently comprises the following members, all of whom are non-executive directors and a majority of whom, including the Chairman, are independent directors.

Mr Benedict Kwek Gim Song	Chairman & Independent Director
Mr Edgardo M Cruz, Jr	Non-Executive Director
Mr Rolando C Gapud	Non-Executive Director
Mr Patrick L Go	Independent Director
Mr Godfrey E Scotchbrook	Independent Director

The members of the AC are highly qualified with at least two members having the requisite financial management experience and expertise.

Under its terms of reference, the AC reviews the scope and results of the audit and its cost effectiveness. The AC also ensures the independence and objectivity of the external auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors. In 2008, the AC had reviewed the audit and non-audit services of the external auditors and was satisfied with their independence.

The AC also reviews the significant financial reporting issues and judgments so as to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance. The AC further conducts periodic reviews of all related-party transactions.

The AC has the authority to investigate any matter within its terms of reference, has unrestricted access to Management and the Head of the Corporate Auditing department, and has full discretion to invite any director or executive officer to attend its meetings.

The AC monitors the adequacy and effectiveness of the Group's internal control system and internal audit function. It has set in place arrangements to ensure independent investigation of matters such as improprieties in financial reporting.

A Whistleblower Policy was put in place in 2004 to promote the highest standards of business and personal ethics in the conduct of the Group's affairs. The Board, together with the Chairman of the AC, had appointed a Protection Officer as well as an Investigations Officer to administer the Company's Whistleblower programme.

The AC also makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor as well as the approval of the remuneration and terms of engagement of the external auditor.

The AC 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. During the year in review, the AC held four meetings.

Principle 12
Internal Controls

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 of its assets. These internal controls include financial, operational and compliance controls, and risk management policies and systems established by Management.

The effectiveness of these controls and systems is subject to an annual review of the Group's Corporate Auditing department and is monitored by the AC. In addition, the Company's external auditors also review the effectiveness of the Group's key internal controls as part of their audit plan for the year.

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

Principle 13

Internal Audit

The Group's Corporate Auditing department is staffed by trained personnel with appropriate segregation of duties from the activities it audits. A majority of the Group's auditors are Certified Public Accountants and are members of the Institute of Internal Auditors-Philippines, one of whom is a top 25 Certified Internal Auditor.

This department has a respectable standing within the Company and 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 functioning effectively.

The head of the Corporate Auditing department reports functionally to the AC and administratively to the CEO. It is the Group's policy to support the Corporate Auditing department to comply with and exceed the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC is of the view that the Company has an adequate internal audit function.

Communication with Shareholders/Investor Relations

Principle 14

The Company places importance on strengthening shareholder relations through regular dialogues with the investing community, based on the principle of effective and fair communication. The Company participates actively in conferences, forums and road shows organised by stock broking companies. In 2008, the Group participated in the conferences and meetings organised by DBS, Deutsche and UBS in Singapore, and by CLSA in Singapore and Hong Kong. It had a total of more than 100 investor and brokers meetings comprising organised conferences and adhoc requests.

The Company occasionally organises trips for the public (investors, analysts and media) to the Philippines, providing them with firsthand appreciation and understanding of the Group's operations. The Company also holds interviews and briefings with media personnel to share its business and strategy.

The Company is committed to providing easy access to timely and relevant information. To maintain an open channel of communication, the Company has an email alert system whereby emails on its developments and updates are sent regularly. This is also announced to the public via the SGXnet system. The Company does not practise selective disclosure and encourages shareholders to share their views or inputs, and endeavours to address their concerns.

The Company announces its financial results on a quarterly basis within the prescribed timeframe and holds briefings on its half-year and full-year performance. The report and presentation on the Company's financial results are disseminated through the SGXnet, the Company's email alerts and website.

Principle 15

In general meetings, shareholders are given the opportunity to communicate their views and direct questions to directors and Management regarding the Company. The Chairpersons of Board Committees and the external auditors are present at the AGM and other general meetings of shareholders, to assist the Board in addressing shareholders' questions. The minutes of AGM are available to shareholders upon their request.

Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy.

Resolutions on each distinct issue are tabled separately at general meetings.

Dealings with Securities

The Company has adopted and implemented a Best Practices Guide which is 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 Board and the Company's employees are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year; and one month before the announcement of the Company's full-year financial results. This restriction ends one day after the Company's announcements of the relevant results.

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The Directors' Report

(Amounts in United States Dollar 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, income statements and statements of changes in equity of the Company and the Group and the cash flow statement of the Group for the financial year ended 31 December 2008.

Directors

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

Mr Rolando C Gapud
Mr Joselito D Campos, Jr
Mr Edgardo M Cruz, Jr
Mr Patrick L Go
Dr Emil Quinto Javier
Mr Benedict Kwek Gim Song
Mr Godfrey E Scotchbrook

Arrangements to Enable Directors to Acquire Shares or Debentures

Except as disclosed under the "Share Option and Incentive Plans" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

Directors' Interests

According to the register kept by the Company, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares in the Company are as follows:

	Direct Interest			Deemed Interest		
	At 1 January 2008	At 31 December 2008	At 21 January 2009	At 1 January 2008	At 31 December 2008	At 21 January 2009
<u>The Company</u>						
Ordinary shares of US$0.01 each						
Mr Joselito D Campos, Jr	-	-	-	864,429,372	849,429,372	849,429,372

(Amounts in United States Dollar unless otherwise stated)

Directors' Interests (cont'd)

	At 1 January 2008	At 31 December 2008	At 21 January 2009	At 1 January 2008	At 31 December 2008	At 21 January 2009
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018						
Mr Rolando C Gapud	-	400,000	400,000	-	-	-
Mr Edgardo M Cruz, Jr	-	200,000	200,000	-	-	-
Mr Patrick L Go	-	200,000	200,000	-	-	-
Dr Emil Quinto Javier	-	200,000	200,000	-	-	-
Mr Benedict Kwek Gim Song	-	250,000	250,000	-	-	-
Mr Godfrey E Scotchbrook	-	300,000	300,000	-	-	-
Grant of share awards at S$0.680 per share with vesting period from 20/05/2010 onwards						
Mr Joselito D Campos, Jr	-	1,611,000	1,611,000	-	-	-

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

Directors' Contractual Benefits

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 32 to the financial statements, since the end of the last financial year, no director 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 he is a member, or with a company in which he has a substantial financial interest.

Share Option and Incentive Plans

The Del Monte Pacific Executive Stock Option Plan 1999 ("ESOP") of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively.

The shareholders also approved the adoption of two share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (collectively the "Share Plans"), 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 ESOP and Share Plans are administered by the Remuneration and Share Option Committee ("RSOC") comprising of the following members:

Mr Godfrey E Scotchbrook	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	
Mr Rolando C Gapud	
Mr Patrick L Go	(Independent Director)
Mr Benedict Kwek Gim Song	(Independent Director)

Share Option and Incentive Plans (cont'd)

Other information regarding the ESOP is set out below:

Under the ESOP, 2 types of options were granted:

- Initial Public Offering Options ("IPO Options")
- Market Price Options

IPO Options

At the time of the Company's initial public offering in July 1999, a total of 11,428,571 IPO Options were granted at an exercise price of US$0.504 each. None of the IPO Options granted were exercised and all IPO Options granted have since lapsed.

Market Price Options

(a) A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the Listing Date.

(b) A Market Price Option may be granted only after the lapse of one year from the Listing Date.

(c) The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

(d) The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

In March 2001, a total of 14,050,000 Market Price Options were granted at an exercise price of S$0.490 each. All of the 14,050,000 Market Price Options have either been exercised or have lapsed following the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006.

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

Other information regarding the Del Monte Pacific RSP is set out below:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, the grant of 1,611,000 shares were awarded at the market price of S$0.680 per share to Mr Joselito D Campos, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 28 April 2008.

(Amounts in United States Dollar unless otherwise stated)

Share Option and Incentive Plans (cont'd)

At the end of the financial year, details of the options granted under the ESOP on the unissued ordinary shares of the Company, are as follows:

Option date	Exercise Price S$	Number of options outstanding at 1/1/2008	Options granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 31/12/2008	Number of option holders at 31/12/2008	Exercise period
7 March 2008	0.627	-	1,550,000	-	-	1,550,000	6	Up to 60%: 7 March 2010 – 6 March 2011 100%: 7 March 2011 – 6 March 2018

At the end of the financial year, details of share awards granted under the Del Monte Pacific RSP are as follows:

Date of grant	Market price on date of grant S$	Share awards granted	Number of share awards granted as at 31/12/2008	Number of share award holders at 31/12/2008	Vesting period
7 March 2008	0.615	1,725,000	1,725,000	3	60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 onwards
20 May 2008	0.680	1,611,000	1,611,000	1	60%: 20 May 2010 – 19 May 2011 40%: 20 May 2011 onwards
		3,336,000	**3,336,000**	**4**	

Details of options granted to directors of the Company under the ESOP are as follows:

Name of director	Options granted in financial year ended 31 December 2008	*Aggregate options granted since commencement of ESOP to 31 December 2008	*Aggregate options exercised since commencement of ESOP to 31 December 2008	Aggregate options outstanding as at 31 December 2008
Mr Rolando C Gapud	400,000	400,000	-	400,000
Mr Edgardo M Cruz, Jr	200,000	200,000	-	200,000
Mr Patrick L Go	200,000	200,000	-	200,000
Dr Emil Quinto Javier	200,000	200,000	-	200,000
Mr Benedict Kwek Gim Song	250,000	250,000	-	250,000
Mr Godfrey E Scotchbrook	300,000	300,000	-	300,000
	1,550,000	1,550,000	-	1,550,000

* Excludes options granted prior to the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006, all of which have either been exercised or have lapsed.

(Amounts in United States Dollar unless otherwise stated)

Share Option and Incentive Plans (cont'd)

Details of share awards granted to directors of the Company under the Del Monte Pacific RSP are as follows:

Name of director	Share awards granted for financial year ended 31 December 2008	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards granted as at 31 December 2008
Mr Joselito D Campos, Jr	1,611,000	1,611,000	1,611,000

The grant of 1,611,000 share awards to Mr Joselito D Campos, an associate of a controlling shareholder, was approved by shareholders at the Annual General Meeting of the Company held on 28 April 2008.

Except as disclosed above, no options or share awards have been granted to the controlling shareholders of the Company or their associates and no participant under the ESOP and Del Monte Pacific RSP has been granted 5% or more of the total options available under the ESOP and Del Monte Pacific RSP.

No options or share awards have been granted to employees of the holding company or its related companies under the ESOP and Del Monte Pacific RSP, except for 3 employees of related companies, who were granted an aggregate of 1,725,000 share awards.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries at the end of the financial year.

Audit Committee

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

Mr Benedict Kwek Gim Song	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	
Mr Rolando C Gapud	
Mr Patrick L Go	(Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)

The Directors' Report

(Amounts in United States Dollar unless otherwise stated)

Audit Committee (cont'd)

The AC held 4 meetings since the last directors' report. The AC 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 AC 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 interested person transactions are subject to regular periodic reviews by the AC 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 AC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The AC 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 AC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2008 as well as the external auditors' report thereon.

The AC has full access to and cooperation of 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 AC. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its functions properly.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

18 March 2009

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 46 to 100 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Company for the year then ended in accordance with International Financial Reporting Standards; and

(b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

18 March 2009

Independent Auditors' Report

Members of the Company
Del Monte Pacific Limited

We have audited the accompanying financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement of the Group and income statement and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 100.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes:

(a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the consolidated financial statements of the Group and the financial statements of the Company give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Company for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
18 March 2009

Balance Sheets
Year Ended 31 December 2008

		Group		Company	
	Note	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Non-Current Assets					
Property, plant and equipment	3	66,474	68,396	-	-
Subsidiaries	4	-	-	76,707	84,540
Joint venture	5	23,374	21,983	-	-
Intangible assets	6	17,693	25,438	-	-
Other assets	7	9,189	7,913	-	-
		116,730	123,730	76,707	84,540
Current Assets					
Inventories	8	81,045	61,532	-	-
Biological assets	9	55,084	57,361	-	-
Trade and other receivables	10	85,072	64,367	42,982	14,284
Cash and cash equivalents	13	7,862	14,958	14	14
		229,063	198,218	42,996	14,298
Total Assets		345,793	321,948	119,703	98,838
Equity					
Share capital	14	10,818	10,818	10,818	10,818
Reserves	15	193,864	210,262	71,400	70,406
Total Equity		204,682	221,080	82,218	81,224
Non-Current Liabilities					
Deferred tax liabilities	16	1,694	1,116	-	-
Financial liabilities	17	116	789	-	-
		1,810	1,905	-	-
Current Liabilities					
Trade and other payables	18	65,439	60,792	29,104	9,233
Financial liabilities	17	71,665	34,763	8,381	8,381
Current tax liabilities		2,197	3,408	-	-
		139,301	98,963	37,485	17,614
Total Liabilities		141,111	100,868	37,485	17,614
Total Equity and Liabilities		345,793	321,948	119,703	98,838

The accompanying notes form an integral part of these financial statements.

Income Statements

Year Ended 31 December 2008

	Note	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
Revenue	20	381,478	289,423	40,500	22,000
Cost of sales		(285,235)	(217,838)	-	-
Gross profit		96,243	71,585	40,500	22,000
Distribution and selling expenses		(21,107)	(16,904)	-	-
General and administrative expenses		(18,676)	(15,077)	(3,172)	(2,481)
Other expenses		484	(978)	(7,071)	(573)
Results from operating activities		56,944	38,626	30,257	18,946
Finance income		1,351	2,374	-	1
Finance expenses		(11,350)	(3,237)	-	-
Net finance (expenses)/income	22	(9,999)	(863)	-	1
Share of loss of joint venture, net of tax		(3,063)	(604)	-	-
Profit before taxation		43,882	37,159	30,257	18,947
Income tax	23	(6,855)	1,472	-	-
Profit for the year	21	37,027	38,631	30,257	18,947
Earnings per share					
Basic earnings per share (cents)	24	3.42	3.57		
Diluted earnings per share (cents)	24	3.42	3.57		

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Year Ended 31 December 2008

	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Hedging reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Revenue reserve US$'000	Total equity US$'000
Group									
2007									
At 1 January 2007		10,818	68,687	(55,030)	-	-	-	149,412	173,887
Currency translation differences recognised directly in equity		-	-	23,439	-	-	-	-	23,439
Net surplus on revaluation of property, plant and equipment, net of tax		-	-	-	-	3,513	-	-	3,513
Net gains recognised directly in equity		-	-	23,439	-	3,513	-	-	26,952
Profit for the year		-	-	-	-	-	-	38,631	38,631
Total recognised income and expense for the year		-	-	23,439	-	3,513	-	38,631	65,583
Dividends	25	-	-	-	-	-	-	(18,390)	(18,390)
At 31 December 2007		10,818	68,687	(31,591)	-	3,513	-	169,653	221,080

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Year Ended 31 December 2008

	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Hedging reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Revenue reserve US$'000	Total equity US$'000
Group									
2008									
At 1 January 2008		10,818	68,687	(31,591)	-	3,513	-	169,653	221,080
Currency translation differences recognised directly in equity		-	-	(23,937)	-	-	-	-	(23,937)
Currency translation differences transferred to income statement on disposal of subsidiaries		-	-	539	-	-	-	-	539
Net changes in fair value of cash flow hedges, net of tax		-	-	-	(619)	-	-	-	(619)
Net loss on revaluation of property, plant and equipment, net of tax		-	-	-	-	(145)	-	-	(145)
Net gains recognised directly in equity		-	-	(23,398)	(619)	(145)	-	-	(24,162)
Profit for the year		-	-	-	-	-	-	37,027	37,027
Total recognised income and expense for the year		-	-	(23,398)	(619)	(145)	-	37,027	12,865
Value of employee services received for issue of share options	28	-	-	-	-	-	486	-	486
Dividends	25	-	-	-	-	-	-	(29,749)	(29,749)
At 31 December 2008		10,818	68,687	(54,989)	(619)	3,368	486	176,931	204,682

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Year Ended 31 December 2008

	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Revenue reserve US$'000	Total equity US$'000
Company					
2007					
At 1 January 2007	10,818	68,826	-	1,023	80,667
Profit for the year	-	-	-	18,947	18,947
Dividends (Note 25)	-	-	-	(18,390)	(18,390)
At 31 December 2007	10,818	68,826	-	1,580	81,224
2008					
At 1 January 2008	10,818	68,826	-	1,580	81,224
Profit for the year	-	-	-	30,257	30,257
Value of employee services received for issue of share options (Note 28)	-	-	486	-	486
Dividends (Note 25)	-	-	-	(29,749)	(29,749)
At 31 December 2008	10,818	68,826	486	2,088	82,218

The accompanying notes form an integral part of these financial statements.

Cash Flow Statement

Year Ended 31 December 2008

	Group	
	2008 US$'000	2007 US$'000
Operating Activities		
Profit for the year	37,027	38,631
Adjustments for:		
Amortisation of intangible assets	650	442
Depreciation of property, plant and equipment	8,757	8,845
Allowance for doubtful receivables	1,454	670
Allowance for inventory obsolescence	1,372	1,189
Reversal of impairment loss on property, plant and equipment	(39)	(161)
Gain on disposal of property, plant and equipment	(77)	(89)
Gain on disposal of subsidiaries	(2,326)	-
Equity-settled share-based payment transactions	486	-
Share of joint venture's losses	3,063	604
Finance income	(1,351)	(2,374)
Finance expense	11,350	3,237
Income tax	6,855	(1,472)
Operating profit before working capital changes	67,221	49,522
Changes in working capital:		
Other assets	(2,433)	193
Inventories	(29,792)	(9,821)
Biological assets	(5,220)	(4,713)
Trade and other receivables	(35,314)	(14,775)
Trade and other payables	22,386	20,468
Operating cash flows	16,848	40,874
Income taxes paid	(6,330)	(9,483)
Cash flows from operating activities	10,518	31,391
Investing Activities		
Interest received	1,356	2,364
Proceeds from disposal of property, plant and equipment	198	334
Purchase of property, plant and equipment	(19,488)	(6,669)
Acquisition of trademark	(171)	(10,000)
Acquisition of subsidiary, net of cash	-	(21,268)
Additional investment in joint venture	(4,454)	(1,234)
Disposal of subsidiaries, net of cash disposed (Note 27)	5,225	-
Cash flows used in investing activities	(17,334)	(36,473)
Financing Activities		
Interest paid	(3,913)	(3,058)
Repayment of finance lease liabilities	(1,086)	(1,057)
Proceeds from borrowings	38,290	-
Repayment of borrowings	-	(9,525)
Dividends paid	(29,749)	(18,390)
Cash flows used in financing activities	3,542	(32,030)
Net decrease in cash and cash equivalents	(3,274)	(37,112)
Cash and cash equivalents at beginning of year	14,958	51,546
Effect of exchange rate changes on balances held in foreign currency	(3,822)	524
Cash and cash equivalents at end of year (Note 13)	7,862	14,958

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 18 March 2009.

1. Domicile and Activities

Del Monte Pacific Limited (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" and "S&W" . The details of the Company's subsidiaries and their principal activities are set out in Note 4.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc. and Well Grounded Limited which at 31 December 2008 hold 57.8% and 42.2% respectively through their intermediary companies. NutriAsia Pacific Limited, NutriAsia Inc. and Well Grounded Limited are incorporated in the British Virgin Islands.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis except for biological assets (livestock) which are measured at fair value less estimated point-of-sale costs, freehold land which are measured at valuation and certain financial assets and financial liabilities which are measured at fair value.

The financial statements are presented in United States ("US") dollars which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3 – Property, plant and equipment
- Note 6 – Intangible assets
- Note 8 – Inventories
- Note 9 – Biological assets
- Note 11 – Trade receivables
- Note 19 – Retirement benefit obligations
- Note 23 – Income tax
- Note 28 – Share option and incentive plans

2. Summary of Significant Accounting Policies (cont'd)

2.1 Basis of Preparation (cont'd)

The accounting policies of the Group have been consistently applied by the Group and are consistent with those used in the previous financial year. The Group has adopted the following revised standards which are mandatory for financial years beginning on or after 1 January 2008. The Group's adoption of the new and revised standards has no significant impact on current and prior periods.

IFRIC 11 IFRS 2 *Group and Treasury Share Transactions*

IFRIC 12 *Service Concession Arrangements*

IFRIC 14 IAS19 *Limit on a Defined Asset, Minimum Funding Requirements and their Interaction*

2.2 Consolidation

Acquisition under common control

The formation of the Group in 1999 was 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.

Other acquisitions

Other acquisitions are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, representing negative goodwill, is credited to the income statement in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint ventures

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Joint ventures are accounted for using the equity method. The consolidated financial statements include the Group's share of the income, expenses and equity movements of joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. Summary of Significant Accounting Policies (cont'd)

2.2 Consolidation (cont'd)

Accounting for subsidiaries and joint ventures by the Company

Investments in subsidiaries and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

2.3 Foreign Currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the income statement.

Foreign operations

The assets and liabilities of foreign operations are translated to US dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to US dollars at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in the translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to the income statement.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to the income statement as an adjustment to the profit or loss arising on disposal.

2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land, which are stated at its revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluation is carried out by independent professional valuers regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Any increase in the revaluation amount is credited to the revaluation reserve unless it offsets a previous decrease in value of the same asset that was recognised in the income statement. A decrease in value is recognised in the income statement where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to accumulated profits and is not taken into account in arriving at the gain or loss on disposal.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2. Summary of Significant Accounting Policies (cont'd)

2.4 Property, Plant and Equipment (cont'd)

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Construction-in-progress represents plant and properties under construction and is not depreciated until such time as the relevant assets are completed and become available for use. Depreciation on other property, plant and equipment is recognised in the income statement on a straight-line basis over their estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Buildings on freehold land	-	15 to 45 years
Buildings, land improvements and leasehold improvements	-	3 to 45 years
Machinery and equipment	-	3 to 30 years
Dairy and breeding herd	-	3½ years to 6 years
Motor vehicles	-	5 to 10 years

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

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 income statement.

2.5 Intangible Assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets and is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in Note 2.8.

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. These intangible assets are amortised in the income statement on a straight-line basis over their estimated useful lives as follows:

Trademarks	-	40 years
Distribution network	-	5 years
Label development costs	-	10 years

Intangible assets created within the business are not capitalised and expenditure is charged to the income statement in the year in which the expenditure is incurred.

2. Summary of Significant Accounting Policies (cont'd)

2.6 Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, financial liabilities, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits and 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.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects profit or loss.

Intra-group financial guarantees

Financial guarantees are classified as financial liabilities.

Financial guarantees are recognised initially at fair value. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the income statement.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

2. Summary of Significant Accounting Policies (cont'd)

2.7 Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made.

2.8 Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and biological assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

2. Summary of Significant Accounting Policies (cont'd)

2.8 Impairment (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 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 and selling expenses.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period 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 period 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 period in which the reversal occurs.

2.10 Biological Assets

Biological assets comprise growing crops and livestock.

Biological assets (growing crops), for which fair values cannot be measured reliably, are measured at cost less accumulated impairment losses. Expenditure on growing crops includes land preparation expenses and other direct expenses incurred during the cultivation period of the primary and ratoon crops. These expenditure on growing crops are deferred and taken into inventories based on the estimated total yield during the estimated growth cycle of three years.

Biological assets (livestock) are measured at fair value less estimated point-of-sale costs, with any changes therein recognised in income statement. Point-of-sale costs include all costs that would be necessary to sell the assets. Gains and losses arising from such measurement are included in the income statement in the period in which they arise.

2.11 Employee Benefits

Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

2. Summary of Significant Accounting Policies (cont'd)

2.11 Employee Benefits (cont'd)

Defined benefit pension plan

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 period exceeds 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.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2. Summary of Significant Accounting Policies (cont'd)

2.11 Employee Benefits (cont'd)

Share-based payments

The Group grants share awards and share options for the shares of the Company to Group employees. The fair value of incentives granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and accounted for as described below.

Share awards

The fair value, measured at grant date, is spread over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is spread over the vesting period during which the employees become unconditionally entitled to the options. At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

2.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.13 Revenue Recognition

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For export shipments, transfer occurs upon loading of the goods onto the relevant carrier.

Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

2. Summary of Significant Accounting Policies (cont'd)

2.14 Finance Income and Expenses

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings and foreign currency losses. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.15 Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.16 Dividends

A liability to make dividend payments is recognised when the Group declares dividend payments to the shareholders. The dividend payments are disclosed if the Group declares the dividend payments to the shareholders after balance sheet date.

3. Property, Plant and Equipment

	<----	----	---- Cost ----	----	---->	Valuation	
	Buildings on freehold land US$'000	Buildings, land improvements and leasehold improvements US$'000	Machinery and equipment US$'000	Dairy and breeding herd US$'000	Construction -in-progress US$'000	Freehold land US$'000	Total US$'000
Group							
Cost / Valuation							
At 1 January 2007	8,870	6,823	98,884	314	1,737	-	116,628
Additions	120	1,130	3,025	-	2,394	-	6,669
Disposals	-	(14)	(1,130)	(19)	-	-	(1,163)
Reclassifications	(13)	148	1,300	-	(1,482)	47	-
Acquisition of subsidiary	-	-	3	-	-	-	3
Surplus on revaluation	-	-	-	-	-	5,171	5,171
Currency realignment	1,625	1,082	17,397	58	319	498	20,979
At 31 December 2007	10,602	9,169	119,479	353	2,968	5,716	148,287
At 1 January 2008	10,602	9,169	119,479	353	2,968	5,716	148,287
Additions	79	107	3,975	-	15,327	-	19,488
Disposals	-	(9)	(685)	(92)	-	-	(786)
Reclassifications	10	79	1,359	-	(1,448)	-	-
Disposal of subsidiaries (Note 27)	-	(1,532)	(7,260)	-	(384)	-	(9,176)
Deficit on revaluation	-	-	-	-	-	(145)	(145)
Currency realignment	(1,425)	(1,619)	(14,304)	(46)	(347)	(29)	(17,770)
At 31 December 2008	9,266	6,195	102,564	215	16,116	5,542	139,898
Accumulated Depreciation and Impairment Losses							
At 1 January 2007	2,905	1,960	55,280	285	-	-	60,430
Charge for the year	232	410	8,203	-	-	-	8,845
Reversal of impairment loss	-	-	(161)	-	-	-	(161)
Disposals	-	(14)	(885)	(19)	-	-	(918)
Currency realignment	560	360	10,722	53	-	-	11,695
At 31 December 2007	3,697	2,716	73,159	319	-	-	79,891
At 1 January 2008	3,697	2,716	73,159	319	-	-	79,891
Charge for the year	265	441	8,050	1	-	-	8,757
Reversal of impairment loss	-	-	(39)	-	-	-	(39)
Disposals	-	(9)	(564)	(92)	-	-	(665)
Disposal of subsidiaries (Note 27)	-	(313)	(3,874)	-	-	-	(4,187)
Currency realignment	(506)	(314)	(9,471)	(42)	-	-	(10,333)
At 31 December 2008	3,456	2,521	67,261	186	-	-	73,424
Carrying Amount							
At 1 January 2007	5,965	4,863	43,604	29	1,737	-	56,198
At 31 December 2007	6,905	6,453	46,320	34	2,968	5,716	68,396
At 31 December 2008	5,810	3,674	35,303	29	16,116	5,542	66,474

3. Property, Plant and Equipment (cont'd)

As at 31 December 2008, the net carrying amount of leased property, plant and equipment was US$717,000 (2007: US$1,299,000).

Impairment loss relating to machinery and equipment has been reversed and credited against "Other expenses" in the income statement during the year. The impairment was reversed to increase the carrying amount of machinery and equipment to its recoverable amount, which was estimated based on the higher of net selling price and value in use.

At 31 December 2008, 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 with 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.

Freehold land of the Group at 31 December 2008 is stated at fair value of US$5,542,000 (2007: US$5,716,000) based on prior year independent valuation by Binswanger Philippines Inc, Manila, Philippines, on an existing use basis and cash consideration received for the sale of the Group's freehold land in India subsequent to 31 December 2008 (Note 33).

The carrying amount of the freehold land would have been US$47,000 (2007: US$47,000) had the freehold land been carried at cost less impairment losses.

Source of estimation uncertainty

The costs of property, plant and equipment, except for freehold land, are depreciated on a straight-line basis over their 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. It is possible that future results of operations 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.

4. Subsidiaries

	Company	
	2008	**2007**
	US$'000	**US$'000**
Unquoted equity shares, at cost	10,199	18,032
Amounts due from subsidiaries (non-trade)	66,508	66,508
	76,707	84,540

4. Subsidiaries (cont'd)

The amounts due from subsidiaries are unsecured and interest-free. Settlement of the balances are neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investment in the subsidiaries. Accordingly, they are stated at cost less accumulated impairment losses.

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2008 %	Effective equity held by the Group 2007 %
Held by the Company				
Abpak Company Limited ("Abpak") (Note 27)	Investment holding	Hong Kong	-	100
Del Monte Pacific Resources Limited ("DMPRL") [1]	Investment holding	British Virgin Islands	100	100
DMPL India Pte Ltd ("DMPLI") [1]	Investment holding	Singapore	100	100
DMPL Management Services Pte Ltd [1]	Providing administrative support and liaison services to the Group	Singapore	100	100
GTL Limited [1]	Trading food products mainly under the brand names, "Del Monte" and "S&W"	Federal Territory of Labuan, Malaysia	100	100
S&W Fine Foods International Limited (formerly known as "S&W Foods International Limited") [1]	Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100	100
Held by DMPRL				
Central American Resources, Inc ("CARI") [1]	Investment holding	Panama	100	100

4. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2008 %	2007 %
Held by CARI				
Del Monte Philippines, Inc ("DMPI") [2]	Growing, processing and distribution of food products mainly under the brand names "Del Monte" and "Today's"	Philippines	100	100
Dewey Limited ("Dewey") [1]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Bermuda	100	100
Pacific Brands Philippines, Inc [4]	Inactive	State of Delaware, USA	100	100
Held by DMPLI				
Del Monte Foods India Private Limited ("DMFI") [a] [3]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100	100
DMPL India Limited [3]	Investment holding	Mauritius	82.2	80.2
Held by Abpak				
Great Lakes (Tianjin) Fresh Foods and Juice Co., Ltd (Note 27)	Manufacturing and marketing of fruit juice under the brand names "Great Lakes", "Ming Lang" and "Rougemont"	Tianjin, China	-	100
Great Lakes (Qinhuangdao) Fresh Foods and Juice Company Limited (Note 27)	Manufacturing and marketing of fruit juice for export markets	Hubei, China	-	100
Held by DMPI				
Philippines Packing Management Services Corporation [2]	Management, logistic and support services	Philippines	100	100

(a) 0.1% held by DMPRL.
[1] Audited by KPMG LLP Singapore.
[2] Audited by member firm of KPMG International.
[3] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[4] Not required to be audited in the country of incorporation.

In the current year, the Group acquired an additional 2% in its subsidiary, DMPL India Limited for a cash consideration of US$4,454,000, increasing its ownership from 80.2% to 82.2%.

A subsidiary is considered significant as defined under the SGX-ST Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

5. Joint Venture

	Group	
	2008	2007
	US$'000	US$'000
Investment in a joint venture	7,522	3,068
Goodwill on acquisition	19,519	19,519
Share of post acquisition reserve	(3,667)	(604)
	23,374	21,983

In the current year, the Group's effective interest in Bharti Del Monte India Private Limited was increased from 40.1% to 41.1% as a result of the Group's increased investment in subsidiary, DMPL India Limited, which holds the Group's interest in this joint venture.

Details of the joint venture that is held by DMPL India Limited are as follows:

Name of company	:	Bharti Del Monte India Private Limited (formerly known as FieldFresh Foods Private Limited) *
Principal activities	:	Production and sale of fresh and processed fruits and vegetables food products
Country of incorporation/business	:	India
Effective equity held by the Group	:	41.1% (2007: 40.1%)

* Audited by other certified public accountants. Joint venture is not significant under Rule 718 of the SGX-ST Listing Manual.

The summarised financial information of the joint venture, which represents the Group's share, is as follows:

	2008	2007
	US$'000	US$'000
Assets and Liabilities		
Non-current assets	4,955	4,828
Current assets	1,138	1,441
Total assets	6,093	6,269
Current liabilities	651	1,243
Non-current liabilities	1,987	2,335
Total liabilities	2,638	3,578
Net assets	3,455	2,691
Results		
Revenue	4,160	71
Expenses	(7,223)	(675)
Loss after taxation	(3,063)	(604)

The joint venture did not have any outstanding commitments or contingent liabilities as at 31 December 2008.

6. Intangible Assets

	Trademarks US$'000	Distribution network (Note 27) US$'000	Goodwill (Note 27) US$'000	Total US$'000
Cost				
At 1 January 2007	12,480	227	7,178	19,885
Addition	10,000	-	-	10,000
At 31 December 2007	22,480	227	7,178	29,885
At 1 January 2008	22,480	227	7,178	29,885
Addition	171	-	-	171
Disposal of subsidiaries (Note 27)	(365)	(227)	(7,178)	(7,770)
At 31 December 2008	22,286	-	-	22,286
Accumulated Amortisation				
At 1 January 2007	3,890	115	-	4,005
Amortisation	396	46	-	442
At 31 December 2007	4,286	161	-	4,447
At 1 January 2008	4,286	161	-	4,447
Amortisation	616	34	-	650
Disposal of subsidiaries (Note 27)	(309)	(195)	-	(504)
At 31 December 2008	4,593	-	-	4,593
Carrying Amount				
At 1 January 2007	8,590	112	7,178	15,880
At 31 December 2007	18,194	66	7,178	25,438
At 31 December 2008	17,693	-	-	17,693

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

	2008 US$'000	2007 US$'000
At 1 January	4,447	4,005
Amortisation during the year		
- Del Monte and Today's trademarks	303	303
- Great Lakes trademark and distribution network	89	119
- S&W trademark and label development costs	258	20
Disposal of subsidiaries	(504)	-
At 31 December	4,593	4,447

The amortisation is recognised under "Other expenses" in the income statements.

Trademarks

Indian sub-continent trademark

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-licences to others ("Indian sub-continent trademark").

6. Intangible Assets (cont'd)

Trademarks (cont'd)

Indian sub-continent trademark (cont'd)

Under the terms of the agreement, a total consideration of US$10 million would be payable by DMPRL to the affiliated company for the right to use the trademark. The first sum of US$1 million was paid in 1996 and the remaining US$9 million was settled in November 2006. The licenced 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 was 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 approximated the cost of funds to the Company was used. The net carrying amount and the remaining amortisation period of the Indian sub-continent trademark as at 31 December 2008 are US$5,313,000 and 28 years (2007: US$5,503,000 and 29 years) respectively.

Since its acquisition, the Indian sub-continent trademark was allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU").

The recoverable amount of the Indian sub-continent 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 four years are based on strategic business plan. A terminal value, which is the present value of all future cash flows, assuming a perpetual constant growth rate, is also applied in the fifth year. The pre-tax discount rate of 10.8% (2007: 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.

Key assumptions on which management has based its cash flow projections to undertake impairment testing of trademarks are 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.

Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("Philippines trademarks"). The net carrying amount and the remaining amortisation period of the Philippines trademarks as at 31 December 2008 are US$2,489,000 and 22 years (2007: US$2,602,000 and 23 years) respectively.

Management has reviewed for indicators of impairment for the Philippines trademarks and conclude that no indication of impairment exist at the balance sheet date.

6. Intangible Assets (cont'd)

Trademarks (cont'd)

S&W trademark

In November 2007, a subsidiary, S&W Fine Foods International Limited (formerly known as "S&W Foods International Limited"), entered into an agreement with Del Monte Corporation to acquire the exclusive right to use the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa for a total consideration of US$10,000,000. The net carrying amount and the remaining amortisation period of the "S&W" trademark as at 31 December 2008 are US$9,721,000 and 39 years (2007: US$9,979,000 and 40 years) respectively.

Management has reviewed for indicators of impairment for the "S&W" trademark and conclude that no indication of impairment exist at the balance sheet date.

The above trademarks give the Group the perpetual exclusive right to use the trademarks in the specified countries. Management has determined that the economic useful life of the trademarks is 40 years as it is expected that a significant amount of revenue will be generated from the use of these trademarks over this period.

Source of estimation uncertainty

The Group reviews goodwill for impairment annually while the trademarks and label development costs are assessed for impairment whenever there is an indication that the trademarks and label development costs may be impaired. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill, trademarks and label development costs are allocated.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate suitable discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

7. Other Assets

	Group	
	2008 US$'000	2007 US$'000
Advances to growers	6,338	4,700
Security deposits	1,110	1,421
Land expansion (development costs of acquired leased areas)	1,197	1,291
Others	544	501
	9,189	7,913

The advances to growers may be applied against the minimum guaranteed profits to growers.

Land expansion comprises development costs of newly acquired leased areas including costs such as creation of access roads, construction of bridges and clearing costs. These costs are amortised over the lease periods.

8. Inventories

	Group	
	2008	2007
	US$'000	US$'000
Finished goods		
- at cost	24,156	17,218
- at net realisable value	154	122
Semi-finished goods		
- at cost	2,229	8,867
- at net realisable value	12	-
Raw materials and packaging supplies		
- at cost	54,494	35,325
	81,045	61,532

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the financial year are as follows:

	Group	
	2008	2007
	US$'000	US$'000
At 1 January	2,589	2,411
Allowance for the year (Note 21)	1,372	1,189
Write-off against allowance	(1,719)	(1,581)
Disposal of subsidiaries	(68)	-
Currency realignment	(449)	570
At 31 December	1,725	2,589

Source of estimation uncertainty

The Group recognises allowance 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 income statement and are written off. In addition to an allowance 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 inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

9. Biological Assets

	Group 2008 US$'000	Group 2007 US$'000
Growing Crops (at cost)		
At 1 January	52,449	42,475
Additions	44,440	39,413
Harvested	(36,979)	(37,272)
Currency realignment	(6,854)	7,833
At 31 December	53,056	52,449
Livestock (at fair value)		
At 1 January	4,912	1,976
Purchases of livestock	1,883	4,462
Changes in fair value attributable to price changes (Note 21)	(12)	225
Sales of livestock	(4,112)	(2,116)
Currency realignment	(643)	365
At 31 December	2,028	4,912
Total biological assets	55,084	57,361

Growing crops

Estimated hectares planted with growing crops are as follows:

	Group 2008	Group 2007
Pineapples	13,802	11,262
Papaya	961	330
Passion fruit	62	62

Estimated fruits harvested, in metric tons, from the growing crops are as follows:

	Group 2008	Group 2007
Pineapples	679,607	644,496
Papaya	5,408	5,869
Passion fruit	193	318

9. Biological Assets (cont'd)

Source of estimation uncertainty

Growing crops is stated at cost which comprises actual costs incurred in nurturing the crops reduced by the estimated cost of fruits harvested. The cost of fruits harvested from the Group's plant crops and subsequently used in production is the estimated cost of the actual volume of fruits 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 cost of harvested fruits regularly. Increases in cost of harvested fruits increases the value of inventories in the balance sheet and reduces the carrying amount of growing costs reflected as biological assets.

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at fair value. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Source of estimation uncertainty

The fair value of cattle for slaughter is 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, with changes in fair value recognised in income statement. 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.

10. Trade and Other Receivables

		Group		Company	
	Note	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Trade receivables	11	67,604	50,540	-	-
Deposits, prepayments and other receivables	12	17,468	13,827	71	65
Amounts due from subsidiaries (non-trade)		-	-	42,911	14,219
		85,072	64,367	42,982	14,284

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

11. Trade Receivables

	Group	
	2008	2007
	US$'000	US$'000
Trade receivables	69,383	52,035
Less: Allowance for doubtful receivables	(1,779)	(1,495)
	67,604	50,540

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical region) is:

	Group	
	2008	2007
	US$'000	US$'000
Asia Pacific	37,506	33,785
Europe and North America	30,098	16,755
	67,604	50,540

The ageing of receivables at the reporting date is:

	2008		2007	
	Gross	Impairment losses	Gross	Impairment losses
	US$'000	US$'000	US$'000	US$'000
Not past due	65,279	(941)	49,549	(944)
Past due 0 - 30 days	2,904	-	1,459	-
Past due 31 - 90 days	87	-	47	-
More than 91 days	1,113	(838)	980	(551)
	69,383	(1,779)	52,035	(1,495)

The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Movements in allowance for doubtful receivables during the financial year are as follows:

	Group	
	2008	2007
	US$'000	US$'000
At 1 January	1,495	1,320
Allowance/(write-back) for the year (net) (Note 21)	535	(38)
Write-off against allowance	(5)	(29)
Disposal of subsidiary	(47)	-
Currency realignment	(199)	242
At 31 December	1,779	1,495

11. Trade Receivables (cont'd)

Source of estimation uncertainty

The Group maintains allowance 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 allowance for doubtful accounts would increase the Group's recorded operating expenses and decrease current assets.

12. Deposits, Prepayments and Other Receivables

	Group		Company	
	2008	2007	2008	2007
	US$'000	US$'000	US$'000	US$'000
Prepayments	7,030	6,389	48	65
Other recoverables	6,159	6,768	23	-
Deposits	568	635	-	-
Non-trade receivables	3,747	1,862	-	-
Downpayment to contractors	3,071	361	-	-
	20,575	16,015	71	65
Less: Allowance for doubtful receivables	(3,107)	(2,188)	-	-
	17,468	13,827	71	65

Movements in allowance for doubtful receivables during the financial year were as follows:

	Group	
	2008	2007
	US$'000	US$'000
At 1 January	2,188	1,480
Allowance for the year (Note 21)	919	708
At 31 December	3,107	2,188

13. Cash and Cash Equivalents

	Group		Company	
	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Cash and bank balances	7,862	4,021	14	14
Short-term deposits	-	10,937	-	-
	7,862	14,958	14	14

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 5.20% (2007: 2.3% to 4.6%) 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 interest at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits during the financial year was 2.58% (2007: 5.06%) per annum.

14. Share Capital

	2008		2007	
	No. of shares	US$'000	No. of shares	US$'000
Authorised:				
Ordinary shares of US$0.01 each	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,081,781,194	10,818	1,081,781,194	10,818

The Group has also issued share options under the Del Monte Pacific Executive Stock Option Plan 1999 ("ESOP") and share awards under the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (Note 28) during the current financial year.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net income divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

15. Reserves

	Group		Company	
	2008	2007	2008	2007
	US$'000	US$'000	US$'000	US$'000
Hedging reserve	(619)	-	-	-
Revaluation reserve	3,368	3,513	-	-
Revenue reserve	176,931	169,653	2,088	1,580
Share premium	68,687	68,687	68,826	68,826
Share option reserve	486	-	486	-
Translation reserve	(54,989)	(31,591)	-	-
	193,864	210,262	71,400	70,406

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and revenue reserve form part of the Company's surplus account that may be available for dividend distribution. The Group's share premium is shown net of a merger deficit of US$139,000, which arose from the acquisition of a subsidiary, Del Monte Pacific Resources Limited, under common control in 1999.

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities.

16. Deferred Tax

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amount determined after appropriate offsetting are included in the balance sheet as follows:

Group	At 1 January US$'000	Charged/ (credited) to income statement US$'000	Charged/ (credited) to equity US$'000	Currency realignment US$'000	At 31 December US$'000
2007					
Deferred tax liabilities					
Revaluation of freehold land	-	-	1,658	-	1,658
Accelerated depreciation allowance	3,942	(3,524)	-	624	1,042
Growing crops	7,121	(6,566)	-	1,120	1,675
	11,063	(10,090)	1,658	1,744	4,375
Deferred tax assets					
Provisions	(2,508)	60	-	(461)	(2,909)
Foreign exchange differences	(66)	(263)	-	(21)	(350)
	(2,574)	(203)	-	(482)	(3,259)
Net deferred tax liabilities/ (assets)	8,489	(10,293)	1,658	1,262	1,116
2008					
Deferred tax liabilities					
Revaluation of freehold land	1,658	-	-	(217)	1,441
Accelerated depreciation allowance	1,042	(406)	-	(93)	543
Financial derivative	-	-	(265)	-	(265)
Growing crops	1,675	(30)	-	(216)	1,429
	4,375	(436)	(265)	(526)	3,148
Deferred tax assets					
Provisions	(2,909)	1,264	-	247	(1,398)
Foreign exchange differences	(350)	278	-	16	(56)
	(3,259)	1,542	-	263	(1,454)
Net deferred tax liabilities/ (assets)	1,116	1,106	(265)	(263)	1,694

The deferred tax credit to income tax in 2007 includes a one-time positive adjustment of US$10,293,000 as a result of the qualification of the Group's Philippine operations under the policies of the Philippine Economic Zone Authority (Note 23).

16. Deferred Tax (cont'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 reserve as at 31 December 2008 of a subsidiary based in the Philippines, is approximately US$8,845,000 (2007: US$6,892,000). No provision has been made in respect of this potential income tax as it is the Company's intention to permanently reinvest these reserves in the Philippines and not to distribute them as dividends.

17. Financial Liabilities

	Group		Company	
	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Current liabilities				
Unsecured short-term borrowings	70,619	34,189	8,381	8,381
Obligations under finance leases	161	574	-	-
Financial derivatives	885	-	-	-
	71,665	34,763	8,381	8,381
Non-current liabilities				
Obligations under finance leases	20	208	-	-
Other long-term lease payables	96	581	-	-
	116	789	-	-
	71,781	35,552	8,381	8,381

Unsecured short-term borrowings

The amounts are unsecured with weighted average effective interest rates of 3.8% to 8.9% (2007: 4.0% to 6.6%) per annum which reprice at intervals of 1 to 3 months.

Obligations under finance leases

At 31 December, the Group's obligations under finance leases are as follows:

	2008			2007		
	Principal US$'000	Interest US$'000	Payments US$'000	Principal US$'000	Interest US$'000	Payments US$'000
Repayable:						
Within 1 year	161	11	172	574	60	634
After 1 year but within 5 years	20	-	20	208	12	220
Total	181	11	192	782	72	854

The finance leases bear interest at 12% (2007: 12%) per annum which is also the effective interest rate. The fair value of the finance leases approximate their carrying amount and are as disclosed in this note.

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.

17. Financial Liabilities (cont'd)

Financial derivatives

Financial derivatives comprise foreign exchange contracts used to hedge payments by the Group. The notional amount of the foreign exchange contracts is US$7,000,000.

18. Trade and Other Payables

	Group		Company	
	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Trade payables	38,981	29,755	-	-
Accrued operating expenses	20,727	24,846	333	223
Customer deposits	-	758	-	-
Accrued payroll expenses	2,205	2,517	-	74
Value-added tax payable	2,304	735	-	-
Withheld from employees (taxes and social security cost)	1,217	1,193	-	-
Other payables	5	988	5	5
Amounts due to subsidiaries (non-trade)	-	-	28,766	8,931
	65,439	60,792	29,104	9,233

The accrued payroll expenses of the Group includes retirement benefit obligations of US$838,000 (2007: US$1,702,000) (Note 19).

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

19. Retirement Benefit Obligations

A subsidiary, DMPI, has a funded, non-contributory 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.

At 31 December, the amount recognised in the balance sheet is as follows:

	Group	
	2008 US$'000	2007 US$'000
Present value of funded obligations	32,891	43,647
Fair value of plan assets	(25,535)	(31,527)
	7,356	12,120
Unrecognised past service costs	(2,541)	(3,204)
Unrecognised actuarial (loss)/gain	(3,977)	(7,214)
Net liability recorded under accrued payroll expenses (Note 18)	838	1,702

19. Retirement Benefit Obligations (cont'd)

Present value of funded obligations

	Group	
	2008 US$'000	2007 US$'000
Liability at 1 January	43,647	28,507
Benefits paid by the plan	(4,103)	(2,772)
Current service costs and interests	4,926	4,528
Actuarial loss/(gain)	(5,667)	7,664
Currency realignment	(5,912)	5,720
Liability at 31 December	32,891	43,647

Fair value of plan assets

	Group	
	2008 US$'000	2007 US$'000
Government bonds and foreign currencies	21,675	26,167
Property occupied by a lessee	3,831	4,991
Property occupied by the Group	29	369
	25,535	31,527

Movement in plan assets:

	Group	
	2008 US$'000	2007 US$'000
Fair value of plan assets at 1 January	31,527	26,227
Contributions paid into the plan	3,143	2,497
Benefits paid by the plan	(4,103)	(2,772)
Expected return on plan assets	2,570	2,798
Actuarial loss	(3,476)	(2,030)
Currency realignment	(4,126)	4,807
Fair value of plan assets at 31 December	25,535	31,527

Expenses recognised in the income statement

	Group	
	2008 US$'000	2007 US$'000
Current service cost	1,906	1,588
Interest cost	3,020	2,940
Expected return on plan assets	(2,570)	(2,798)
Amortisation for past service cost	251	251
Total pension expense	2,607	1,981

Recognised in:

Cost of sales	1,790	1,388
Distribution and selling expenses	350	287
General and administrative expenses	467	306
	2,607	1,981

19. Retirement Benefit Obligations (cont'd)

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. The Group expects to pay US$2,690,000 in contributions to the pension plan in 2009.

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in 2008 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 31 December 2008.

The principal actuarial assumptions used for accounting purposes were:

	Group	
	2008	2007
Discount rate (per annum)	8%	7%
Expected return on plan assets (per annum)	9%	7%
Future salary increases (per annum)	5%	5%-8%
Expected service life for the pension plan	12 years	12 years

Source of estimation uncertainty

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 obligations 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.

20. Revenue

	Group		Company	
	2008	2007	2008	2007
	US$'000	US$'000	US$'000	US$'000
Sale of goods	381,478	289,423	-	-
Dividend income received and receivable from subsidiaries	-	-	40,500	22,000
	381,478	289,423	40,500	22,000

Revenue 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 revenue.

21. Profit for the Year

The following items have been included in arriving at profit for the year:

	Note	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
Allowance for inventory obsolescence	8	1,372	1,189	-	-
Allowance/(Write-back) for doubtful receivables					
- trade	11	535	(38)	-	-
- other	12	919	708	-	-
Amortisation of intangible assets	6	650	442	-	-
Changes in fair value attributable to price changes of biological assets	9	12	(225)	-	-
Depreciation of property, plant and equipment	3	8,757	8,845	-	-
Gain on disposal of property, plant and equipment		(77)	(89)	-	-
Reversal of impairment loss on property, plant and equipment	3	(39)	(161)	-	-
(Gain)/Loss on disposal of subsidiaries	27	(2,326)	-	6,532	-
Non-audit fees					
- payable to the auditors of the Company		2	4	-	-
- payable to other auditors		28	6	-	-
Operating lease rentals		3,843	4,716	-	-
Research and development expenditure		1,375	827	-	-

Staff Costs

	Note	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
Wages and salaries		46,185	36,068	1,272	1,005
Social security costs		1,610	2,356	-	59
Pension costs – provident fund		590	578	-	-
Pension costs – defined benefit pension plan	19	2,607	1,981	-	-
Supplemental Performance Bonus		946	913	111	64
Value of employee services received under share-based incentive plans	28	486	-	486	-
Production profit share (see Note next page)		25	25	-	-
		52,449	41,921	1,869	1,128

21. Profit for the Year (cont'd)

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 US$25,000 (2007: US$25,000) that the Company believes is in full compliance with the implementation guidelines of the law.

22. Finance Income/(Expenses)

	Group		Company	
	2008	2007	2008	2007
	US$'000	US$'000	US$'000	US$'000
Finance Income				
Interest income from				
- bank deposits	767	1,962	-	1
- others	584	412	-	-
	1,351	2,374	-	1
Finance Expenses				
Interest expenses on				
- bills payable	(2,866)	(2,019)	-	-
- factoring	(92)	(127)	-	-
- others	(1,137)	(732)	-	-
Foreign exchange losses	(917)	(359)	-	-
Net change in fair value of cash flow hedges transferred to income statement	(6,338)	-	-	-
	(11,350)	(3,237)	-	-
Net Financial (Expenses)/ Income	(9,999)	(863)	-	1

23. Income Tax

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

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	
	2008	2007
	US$'000	US$'000
Current tax		
- current year	5,749	8,821
Deferred tax		
- current year	1,106	(10,293)
	6,855	(1,472)

23. Income Tax (cont'd)

	Group	
	2008 US$'000	2007 US$'000
Reconciliation of effective tax rate		
Profit before income tax	43,882	37,159
Taxation on profit at weighted average of the applicable tax rates	6,933	9,095
Non-deductible expenses	40	(261)
Change in tax rate	(118)	(10,306)
	6,855	(1,472)
Standard tax rates		
- Philippines (non-PEZA)	35%	35%
- Philippines (PEZA)	5%	5%
- India	34%	34%
- People's Republic of China	N.A.	24%

On 23 November 2007, DMPI's core production operations in Cagayan de Oro City, Philippines was approved as a Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). With this approval, DMPI will enjoy certain fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the current 35% on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its EcoZone-registered activities, among other incentives. This resulted in DMPI realizing, in 2007, a one-time favourable adjustment amounting to US$10,293,000 on its deferred tax liability (Note 16). The incentives will be available for as long as DMPI complies with PEZA's requirements which include exporting 70% of its production. DMPI has received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This zone was granted Presidential approval on 8 September 2008.

Sources of estimation uncertainty

The Group has exposure to income taxes in several foreign 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.

24. Earnings Per Share

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

	Group	
	2008	2007
Basic earnings per share is based on:		
Profit for the year (US$'000)	37,027	38,631
Ordinary shares in issue during the year ('000)	1,081,781	1,081,781
Basic earnings per share (in US cents)	3.42	3.57

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from ESOP and Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

The effect of ESOP and Del Monte Pacific RSP on the weighted average number of ordinary shares in issue is as follows:

	Group	
	2008	2007
Diluted earnings per share is based on:		
Profit for the year (US$'000)	37,027	38,631
Adjusted weighted average number of shares ('000):		
Ordinary shares used in the calculation of basic earnings per share	1,081,781	1,081,781
Potential ordinary shares issuable under share options	2,406	-
Weighted average number of ordinary issued and potential shares assuming full conversion	1,084,187	1,081,781
Diluted earnings per share (in US cents)	3.42	3.57

25. Dividends

	Group and Company	
	2008	2007
	US$'000	US$'000
Tax-exempt final dividend paid in respect of the previous financial year of 1.95 US cents (2007: 0.97 US cents)	21,095	10,493
Tax-exempt interim dividend paid in respect of the current financial year of 0.80 US cents (2007: 0.73 US cents)	8,654	7,897
	29,749	18,390

Subsequent to the financial year, the directors declared a tax-exempt final dividend of 1.76 US cents per share (2007: 1.95 US cents per share), amounting to US$19,039,000 (2007: US$21,095,000) in respect of the financial year ended 31 December 2008. These dividends have not been provided for in these financial statements.

26. Segment Reporting (Group)

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on mutually agreed terms.

Primary reporting format - business segments

The Group sells its products on a worldwide basis. Its products comprise of 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, biological assets, trade and other receivables, intangible assets and joint venture. Unallocated assets comprise short-term deposits and cash and bank balances. Segment liabilities comprise trade and other payables. Unallocated liabilities consist of financial liabilities, deferred tax liabilities and current tax liabilities. Capital expenditure comprises additions to property, plant and equipment.

26. Segment Reporting (Group) (cont'd)

	Processed products US$'000	Beverages US$'000	Non-processed products US$'000	Total operations US$'000
2007				
Income Statement				
Total segment revenue	194,068	91,969	3,386	289,423
Segment results	28,141	9,112	769	38,022
Net finance expense				(863)
Taxation				1,472
Profit for the year				38,631
Assets and Liabilities				
Segment assets	174,649	101,900	30,441	306,990
Unallocated assets				14,958
Total assets				321,948
Segment liabilities	36,213	24,669	491	61,373
Unallocated liabilities				39,495
Total liabilities				100,868
Other Segment Information				
Capital expenditure	3,865	2,782	22	6,669
Depreciation and amortisation	5,157	4,012	118	9,287
Reversal of impairment loss on property, plant and equipment	(56)	(105)	-	(161)
Non-cash expenses (net) other than depreciation, amortisation and impairment	1,083	679	8	1,770

26. Segment Reporting (Group) (cont'd)

	Processed products US$'000	Beverages US$'000	Non-processed products US$'000	Total operations US$'000
2008				
Income Statement				
Total segment revenue	229,622	144,478	7,378	381,478
Segment results	31,803	21,080	998	53,881
Net finance expense				(9,999)
Taxation				(6,855)
Profit for the year				37,027
Assets and Liabilities				
Segment assets	202,864	104,771	30,296	337,931
Unallocated assets				7,862
Total assets				345,793
Segment liabilities	35,235	29,515	785	65,535
Unallocated liabilities				75,576
Total liabilities				141,111
Other Segment Information				
Capital expenditure	11,300	7,928	260	19,488
Depreciation and amortisation	5,202	4,061	144	9,407
Reversal of impairment loss on property, plant and equipment	(63)	24	-	(39)
Non-cash expenses (net) other than depreciation, amortisation and impairment	1,814	1,036	385	3,235

Secondary reporting format - geographical segments

The Group's three business segments are managed on a worldwide basis through the following two main geographical areas:

	Turnover		Segment assets		Capital expenditure	
	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Asia Pacific	289,411	212,394	337,931	306,990	19,488	6,669
Europe and North America	92,067	77,029	-	-	-	-
Total	381,478	289,423	337,931	306,990	19,488	6,669

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.

27. Disposal of Subsidiaries

On 24 September 2008, the Group disposed of its interest in the Abpak Group (consisting of Abpak Company Limited, Great Lakes (Tianjin) Fresh Foods and Juice Co., Ltd and Great Lakes (Qinhuangdao) Fresh Foods and Juice Company Limited to Liwayway China (HK) Company Limited ("Liwayway") for a net consideration of US$6,270,000.

The effects of the disposal on individual assets and liabilities of the Group are as follows:

	2008 US$'000
Property, plant and equipment	4,989
Other non-current assets	141
Current assets	8,090
Current liabilities	(17,081)
Net assets	(3,861)
Intangible assets on acquisition of the subsidiaries	7,266
Currency translation differences transferred to income statement	539
Net assets disposed	3,944
Gain on disposal	2,326
Cash consideration received, satisfied in cash	6,270
Cash disposed of	(1,045)
Net cash inflow	5,225

28. Share Option and Incentive Plans

The ESOP of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively.

The shareholders also approved the adoption of two share plans, Del Monte Pacific RSP and Del Monte Pacific PSP (collectively the "Share Plans"), 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.

Other information regarding the ESOP is set out below:

(a) A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the Listing Date.

(b) A Market Price Option may be granted only after the lapse of one year from the Listing Date.

(c) The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

(d) The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

28. Share Options and Incentive Plans (cont'd)

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

Information regarding the Del Monte Pacific RSP are as follows:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, the grant of 1,611,000 shares were awarded at the market price of S$0.680 per share to Mr Joselito D Campos, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 28 April 2008.

The Remuneration and Share Option Committee ("RSOC") is responsible for administering the ESOP and the share plans.

Details of the outstanding options granted to the Company's directors and employees under the ESOP and Del Monte Pacific RSP on unissued ordinary shares of Del Monte Pacific Limited at the end of the year, are as follows:

ESOP

Date of grant of options	Exercise period	Exercise price S$	Options outstanding 2008	2007
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 100%: 7 March 2011 – 6 March 2018	0.627	1,550,000	-

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted
7 March 2008	60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 onwards	0.615	1,725,000
20 May 2008	60%: 20 May 2010 – 19 May 2011 40%: 20 May 2011 onwards	0.680	1,611,000
			3,336,000

28. Share Options and Incentive Plans (cont'd)

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options and assumptions

Date of grant of options	7 March 2008	7 March 2008	20 May 2008
	ESOP	Del Monte Pacific RSP	
Fair value at measurement date	US$0.12	US$0.44	US$0.50
Share price (Singapore dollars) at grant date	0.615	0.615	0.680
Exercise price (Singapore dollars)	0.627	-	-
Expected volatility	5.00%	5.00%	5.00%
Time to maturity	10 years	3 years	3 years
Risk-free interest rate	3.31%	3.31%	3.31%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

Sources of estimation uncertainty

The fair value of share options granted is estimated using the Black-Scholes Model, which requires the Group to estimate the expected volatility of the Company's shares and expected life of the share options. The Group assesses the estimates whenever there is an indication of a significant change in these conditions. An increase in the fair value of share options granted will increase share option expense and share option reserve.

29. Financial Risk Management

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

29. Financial Risk Management (cont'd)

Cash and interest rate risk

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages 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 low-risk securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from short-term bank loan facilities for both short-term and long-term requirement. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Sensitivity analysis

A 1% general increase in interest rates at the reporting date would increase / (decrease) profit or loss by the amounts shown below. There is no effect on equity. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	Group Profit or Loss	
	2008	2007
	US$'000	US$'000
Short-term deposits	-	109
Unsecured short-term borrowings	(706)	(342)
Obligations under finance leases	(2)	(8)
	(708)	(241)

A 1% general decrease in interest rates would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

The Group monitors its liquidity risk to ensure that it has sufficient resources to meet its liabilities as they become due, under both normal and stressed circumstances without incurring unacceptable losses or risk to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group is entitled to a total of US$223.6 million in credit lines, of which only 43% is availed. The lines are mostly for short term financing requirements, with US$33.9 million available for long term requirements. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

29. Financial Risk Management (cont'd)

Foreign exchange risk

Group is exposed to foreign exchange risk 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 currency giving rise to this risk is primarily US dollar.

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. It is not the Group's policy to take speculative positions in foreign currencies. The Group will optimize its natural hedge as much as possible.

At 31 December, the Group's exposure to US dollar is as follows:

	Group	
	2008 US$'000	**2007 US$'000**
Trade and other receivables	2,358	359
Cash and cash equivalents	624	76
Financial liabilities	(4,701)	(10,720)
Trade and other payables	(22,688)	(107)
	(24,407)	(10,392)

Sensitivity analysis

A 10% strengthening of the subsidiaries' foreign currency against the US dollar at the reporting date would decrease equity and profit or loss by US$89,000 (2007: nil) and US$2,352,000 (2007: US$1,039,000) respectively. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the subsidiaries' foreign currency against the US dollar would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Credit risk

The Group sells its products through major distributors and buyers in various geographical regions. For the year ended 31 December 2008, the Group's major customers collectively accounted for 26% (2007: 28%) of its total revenue. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure 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. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

Commodity price risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk related to tinplates and fuel. The Group ensures future supply of tinplates while minimising the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group. There are no outstanding purchase contracts as of 31 December 2007 and 2008.

The Group also purchases large volumes of papaya fruits for production and is significantly exposed to commodity price risk related to papaya. The Group ensures long-term supply of papaya at stable prices by executing papaya supply agreements with farmers. The Group also subsidises some of the farmers' costs related to papaya to ensure long-term relationship with them.

29. Financial Risk Management (cont'd)

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 subjected 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.

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.

International business risk

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, four 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 several of these contracts, there are provisions which enable the Group to limit its downside risk by adjusting pricing based on changes in its 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.

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 maturity 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; and
- Close monitoring of changes in legislation and government regulations affecting the Group's business.

29. Financial Risk Management (cont'd)

Fair values

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, financial liabilities and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

30. Commitments

Operating lease commitments

Based on the existing agreements, the future minimum rental commitments as at 31 December for all non-cancellable long-term leases of real property, offices and 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	
	2008 US$'000	2007 US$'000
Within one year	3,357	5,921
Between one to five years	30,337	22,661
More than five years	23,915	23,787
	57,609	52,369

Included in the above are commitments denominated in Philippine Peso of PHP2,699 million, equivalent to US$56,662,000 (2007: PHP2,111 million, equivalent to US$50,992,000).

The leases typically run for an initial period of 2 to 25 years, with an option to renew the lease after that date. 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.

30. Commitments (cont'd)

Future capital expenditure

	Group	
	2008	2007
	US$'000	US$'000
Capital expenditure not provided for in the financial statements		
- approved by directors and contracted for	4,238	2,477
- approved by directors but not contracted for	14,664	13,903
	18,902	16,380

Supply contracts

The Group currently has international supply contracts with marketing and distributing entities, which have exclusive rights to the Del Monte trademarks in their respective territories or product categories. The Group has such agreements in respect of processed foods with Del Monte Corporation in North America (except Canada), Central America and the Carribean, Del Monte Fresh Produce International Inc (the contract with which will be terminated effective 31 May 2010) in Europe, Africa and most of Middle East, and Del Monte Asia Pte Ltd (the current contract with which became effective 19 March 2007) in Asia Pacific (except the Philippines, the Indian subcontinent, Myanmar and Japan). The Group also has a supply contract with Del Monte Fresh Produce International Inc for the sale of fresh pineapples worldwide. The supply contract with Kikkoman Corp. for Japan terminated effective 30 June 2008.

These supply contracts are generally terminable by prior written notice with periods ranging between 18 to 36 months (from certain pre-agreed dates onwards). One of the contracts has an expiry date, subject to an option to renew the agreement. Pricing of the products under the supply contracts is generally market driven, less certain allowances. In several of these contracts, there are provisions which enable the Group to limit its downside risk by adjusting pricing based on changes in its costs.

31. Contingencies

As at 31 December 2008, the Group has outstanding contingent liabilities in respect of lawsuits, tax assessments and certain matters arising out of the normal course of business.

In April 2008, Fresh Del Monte Produce Inc. ("FDM") filed a complaint against the Company for an alleged breach of contract and claiming damages of US$100 million. FDM alleged that the Company had sold Del Monte processed products into FDM territory. The Group believes that the claims are without merit. The Group will contest these claims vigorously without prejudice to actions it may take against FDM. The Group is also confident that it will prevail in this case.

In July 2008, Sulpicio Lines Inc. filed a case against subsidiary, DMPI, alleging that DMPI did not disclose the toxic nature of the cargo on board the former's ill-fated vessel that capsized on 21 June 2008. Sulpicio is claiming damages of US$0.1 million. DMPI believes that the claim is without merit and that the Group will prevail in this case.

Management believes that the resolution of the above contingencies will not have a material effect on the results of operations or the financial position of the Group.

In addition, the Company has an outstanding contingent liability in respect of a corporate guarantee issued in favour of a bank to secure the US$3 million (2007: US$3 million) loan granted by the bank to subsidiary, Del Monte Foods India Private Limited. The guarantee was subsequently released on 4 March 2009.

32. Related Parties

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Group		Company	
	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Expenses				
Purchases from San Miguel Corporation	-	1,435	-	-
Management fees to a subsidiary, DMS	-	-	405	504
Rental paid to DMPI Retirement Fund	210	672	-	-
Rental paid to DMPI Provident Fund	366	552	-	-
	576	2,659	405	504

The transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. 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.

San Miguel Corporation ceased to be a related party of the Group as at 24 April 2007 after Well Grounded Limited acquired the San Miguel Group's entire stake in the Company.

The aggregate value of the sales, purchases and other transactions between the Group, San Miguel and the NutriAsia group of companies and trustee administered funds for the financial year 2008 amounted to US$0.6 million (2007: US$2.7 million).

All related party transactions during the financial year were conducted pursuant to the shareholders' mandate obtained at the Company's General Meeting held on 28 April 2008.

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group		Company	
	2008 US$'000	2007 US$'000	2008 US$'000	2007 US$'000
Directors:				
Fees and remuneration	2,273	1,563	895	653
Share-based payments	247	-	247	-
Key executive officers (excluding directors):				
Short-term employee benefits	1,613	1,402	-	-
Post-employment benefits	181	171	-	-
Share-based payments	239	-	239	-

Certain management personnel of the Group are entitled to post-employment benefits as defined under a subsidiary's defined benefit plan. The benefits are based on a percentage of latest monthly salary and credited years of service (Note 19).

33. Subsequent Events

On 16 December 2008, the Group entered into an Asset Purchase Agreement for the sale of the manufacturing assets (including premises, equipment and operating plant facilities) of its subsidiary, Del Monte Foods India Private Limited, to a third party for a consideration of Indian Rupees 50,000,000 (US$1,045,000). The sale was completed on 18 February 2009.

34. Comparative Information

Turnover for 2007 was restated due to the reclassification of certain recurring sales deductions, previously identified as non-recurring, from other expenses. Certain inventory obsolescence, transportation expenses and other expenses, previously classified as distribution and selling expenses, general and administrative expenses and other expenses, are now reflected as part of cost of sales as they are now identified to support sales and affect related product costs.

The following comparative figures have been restated to conform to the current year's presentation.

	As restated US$'000	As previously stated US$'000
Income Statement		
Revenue	289,423	289,435
Cost of sales	(217,838)	(214,003)
Distribution and selling expenses	(16,904)	(17,511)
General and administrative expenses	(15,077)	(14,527)
Other expenses	(978)	(4,768)

35. New Accounting Standards and Interpretations Not Yet Adopted

The Group has not applied the following accounting standards, amendments to standards and interpretation that have been issued but not yet effective for the year ended 31 December 2008:

- IFRS 8 *Operating Segments* requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters. IFRS 8 will become mandatory for the Group's 2009 financial statements, with retrospective application required.

- IAS 23 *Borrowing Costs* (Revised), which is mandatory for the Group's 2009 financial statements, removes the requirement to capitalise borrowing costs relating to assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

- IFRIC 13 *Customer Loyalty Programmes* requires that where entities award credits as incentives to customers to buy their goods or services (for example, loyalty points or free products), such customer loyalty programmes should be accounted for using a 'multi-element' approach. Under this approach, the consideration received from a sales transaction is separated into the sale of goods and the awarding of credits. IFRIC 13 becomes mandatory for the Group's 2009 financial statements.

- IFRIC 16 *Hedges of Net Investment in a Foreign Operation* does not permit hedge accounting on foreign exchange difference arising between the functional currency of the foreign operation and the presentation currency of the parent entity's consolidated financial statements. It requires the foreign currency exposure resulting from the net investment in a foreign operations to be hedged only once in the consolidated financial statements. IFRIC 16 becomes mandatory for the Group's 2009 financial statements.

35. New Accounting Standards and Interpretations Not Yet Adopted (cont'd)

- IAS 1 *Presentation of Financial Statements (Amended)* requires that changes in equity during the period other than changes resulting from transactions with owners in their capacity as owners, should be presented in the "total comprehensive income". IAS 1 becomes mandatory for the Group's 2009 financial statements.

- IFRS 2 *Share-based Payment (Amended)* clarifies the definition of vesting conditions, the concept of "non-vesting conditions". It requires "non-vesting conditions" to be reflected in grant date fair value and provides accounting treatment for non-vesting conditions and cancellations. IFRS 2 becomes mandatory for the Group's 2009 financial statements.

- IAS 32 *Financial Instrument: Presentation (Amended)* allows certain instruments that would normally be classified as liabilities to be classified as equity if and only if they meet certain conditions. IAS 32 becomes mandatory for the Group's 2009 financial statements.

- IFRIC 15 *Agreements for Construction of Real Estate* provides guidance on how to determine whether an agreement for the construction of real estate falls within scope of IAS 11 *Construction Contracts* or IAS 18 *Revenue* and when revenue should be recognised. IFRIC 15 becomes mandatory for the Group's 2009 financial statements.

- IFRS 3 *Business Combinations (Revised)* addresses the fair value of all items of consideration transferred by the acquirer and transaction costs in relation to the business combination to be expensed. IFRS 3 becomes mandatory for the Group's 2010 financial statements.

- IAS 27 *Consolidated and Separate Financial Statements (Amended)* requires acquisition of additional non-controlling interest after control is obtained, and disposals, of equity interests while retaining control are accounted for equity transactions while a transaction resulting in a loss of control results in a gain or loss being recognised in the income statement. IAS 27 becomes mandatory for the Group's 2010 financial statements.

- IAS 39 *Financial Instruments: Recognition and Measurement (Amended)* clarifies that changes in cash flows of a one-sided risk can be designated as a qualifying hedge item and that inflation cannot be designated as a risk. IAS 39 becomes mandatory for the Group's 2010 financial statements.

Other than the change in disclosures relating to IFRS 1 and IFRS 8, the initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

Statistics of Shareholdings

As At 18 March 2009

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	0.11	1,555	0.00
1,000	-	10,000	7,989	95.29	14,945,177	1.38
10,001	-	1,000,000	372	4.44	17,243,400	1.59
1,000,001	and above		14	0.16	1,049,591,062	97.03
TOTAL			8,384	100.00	1,081,781,194	100.00

TWENTY LARGEST SHAREHOLDERS

	Name	No. of shares	%
1.	Nutriasia Pacific Ltd	849,429,372	78.52
2.	HSBC (Singapore) Nominees Pte Ltd	78,813,690	7.29
3.	Lee Pineapple Company Pte Ltd	41,304,000	3.82
4.	DBS Nominees Pte Ltd	29,810,000	2.76
5.	United Overseas Bank Nominees Pte Ltd	16,337,000	1.51
6.	Citibank Nominees Singapore Pte Ltd	7,183,000	0.66
7.	Pineapples Of Malaya Private Limited	5,360,000	0.50
8.	DB Nominees (Singapore) Pte Ltd	4,662,000	0.43
9.	Lee Wee Heng Richard	4,566,000	0.42
10.	Raffles Nominees Pte Ltd	3,588,000	0.33
11.	Royal Bank Of Canada (Asia) Limited	2,491,000	0.23
12.	Citibank Consumer Nominees Pte Ltd	2,146,000	0.20
13.	Chew Leong Chee	2,000,000	0.18
14.	CIMB-GK Securities Pte. Ltd.	1,901,000	0.18
15.	DBS Vickers Securities (Singapore) Pte Ltd	792,000	0.07
16.	Ng Keng Kwee	721,000	0.07
17.	Go Kee Tee Ochura	592,000	0.05
18.	Luis Francisco Alejandro	500,000	0.05
19.	Merrill Lynch (Singapore) Pte Ltd	447,000	0.04
20.	OCBC Securities Private Ltd	417,000	0.04
Total		1,053,060,062	97.35

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of shareholder	**No. of shares**	**%[1]**	**No. of shares**	**%[1]**
NutriAsia Pacific Limited	849,429,372	78.52	-	-
NutriAsia Holdings Limited [2]	-	-	849,429,372	78.52
NutriAsia Inc. [2]	-	-	849,429,372	78.52
Golden Chamber Investment Limited [3]	-	-	849,429,372	78.52
HSBC International Trustee Limited [3]	-	-	849,429,372	78.52
HSBC Trustee (Hong Kong) Limited [3]	-	-	849,429,372	78.52
The Bank of Bermuda [3]	-	-	849,429,372	78.52
HSBC Holdings plc [3]	-	-	849,429,372	78.52
Well Grounded Limited [4]	-	-	849,429,372	78.52
Star Orchid Limited [4]	-	-	849,429,372	78.52

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, approximately 21.48% 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) NutriAsia Inc. ("NI") owns 57.8% of NutriAsia Holdings Limited ("NHL"), which in turn owns 100% of NutriAsia Pacific Limited ("NPL"). NI and NHL are therefore deemed to be interested in the 849,429,372 shares held by NPL.

(3) HSBC Holdings plc ("HSBC Holdings") owns 100% of The Bank of Bermuda, which owns 100% of HSBC International Trustee Limited ("HSBC International"), which owns 100% of HSBC Trustee (Hong Kong) Limited ("HSBC Trustee") and Golden Chamber Investment Limited ("GCIL") which in turn owns 65.4% of NI, which owns 57.8% of NHL, which in turn owns 100% of NPL. HSBC International is the trustee of the Twin Palms Pacific Trust, the beneficiaries of which are Mr Joselito D. Campos, Jr. and his children. HSBC Holdings, The Bank of Bermuda, HSBC International, HSBC Trustee and GCIL are therefore deemed to be interested in the 849,429,372 shares held by NPL.

(4) Star Orchid Limited ("SOL") owns 100% of Well Grounded Limited ("WGL"), which owns 42.2% of NHL, which in turn owns 100% of NPL. SOL and WGL are therefore deemed to be interested in the 849,429,372 shares held by NPL.

Interested Person Transactions

As At 31 December 2008

Name of Interested Person	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$'000	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$'000
	NIL	NIL

Proforma Group Financial Information*

For the Year Ended 31 December 2008
(Amounts in Singapore Dollars)

	Group	
	2008 S$'000	**2007 S$'000**
Revenue	537,884	437,028
Cost of sales	(402,181)	(328,936)
Gross Profit	135,703	108,092
Distribution and selling expenses	(29,761)	(25,525)
General and administrative expenses	(26,333)	(22,766)
Other expenses	682	(1,477)
Results from operating activities	80,291	58,324
Finance income	1,905	3,585
Finance expenses	(16,003)	(4,888)
Net finance expenses	(14,098)	(1,303)
Share of loss of joint venture, net of tax	(4,319)	(912)
Profit before taxation	61,874	56,109
Income tax	(9,666)	2,223
Profit for the year	52,208	58,332

* 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 2008 and 2007 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.41 and S$1.51, respectively.

Such translations should not be construed as a representation that the US$ amounts 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 As at 25 March 2009

Board of Directors

Mr Rolando C Gapud
Chairman, Non-Executive Director

Mr Joselito D Campos, Jr
Managing Director and CEO

Mr Edgardo M Cruz, Jr
Non-Executive Director

Mr Patrick L Go
Independent Director

Dr Emil Quinto Javier
Independent Director

Mr Benedict Kwek Gim Song
Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Audit Committee

Mr Benedict Kwek Gim Song
Chairman and Independent Director

Mr Edgardo M Cruz, Jr
Non-Executive Director

Mr Rolando C Gapud
Non-Executive Director

Mr Patrick L Go
Independent Director

Mr Godfrey E Scotchbrook
Independent Director

Nominating Committee

Mr Godfrey E Scotchbrook
Chairman and Independent Director

Mr Edgardo M Cruz, Jr
Non-Executive Director

Mr Rolando C Gapud
Non-Executive Director

Mr Patrick L Go
Independent Director

Dr Emil Quinto Javier
Independent Director

Mr Benedict Kwek Gim Song
Independent Director

Remuneration and Share Option Committee

Mr Godfrey E Scotchbrook
Chairman and Independent Director

Mr Edgardo M Cruz, Jr
Non-Executive Director

Mr Rolando C Gapud
Non-Executive Director

Mr Patrick L Go
Independent Director

Mr Benedict Kwek Gim Song
Independent Director

Executive Officers

Mr Joselito D Campos, Jr
Managing Director and
Chief Executive Officer

Mr Luis F Alejandro
Group Chief Operating Officer

Mr Richard W Blossom
Senior Vice President

Mr Ignacio C O Sison
Chief Financial Officer

Mr Antonio Eugenio S Ungson
Chief Legal Counsel and
Chief Compliance Officer

Company Secretary

Ms Yvonne Choo

Auditors

KPMG LLP
Certified Public Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Audit Partner: Ms Adeline Lee Tuck Ngor
(Appointed wef financial year 2006)

Principal Bankers

Banco de Oro
Bank of the Philippines Islands
Citibank, NA
Hong Kong and Shanghai Banking Corp Ltd
Metropolitan Bank & Trust Company

Registered Office

Craigmuir Chambers
PO Box 71 Road Town, Tortola,
British Virgin Islands
Tel : +284 494 2233
Fax : +284 494 3547

Singapore Share Transfer Agent

Boardroom Corporate &
Advisory Services Pte Ltd
3 Church Street #08-01 Samsung Hub
Singapore 049483

BVI Registrar and Share Transfer Office

Harney's Corporate Services Limited
Craigmuir Chambers, PO Box 71
Road Town, Tortola, British Virgin Islands

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 Mellon 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 has acquired the S&W trademarks worldwide except for the Americas, Australia and New Zealand. The Group's other trademarks include, among others, Today's, Fiesta, 202, Fit 'n Right and Del Monte Quick n Easy in the Philippines.

For further enquiries please contact:

Investor Relations and Business Office

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Corporate Profile

Listed on the Mainboard of the Singapore Exchange, Del Monte Pacific Limited (Bloomberg: DELM SP/ Reuters: DMPL.SI) is a group of companies that cater to today's consumer needs for premium quality, healthy food and beverage products. It innovates, produces, markets and distributes its products worldwide.

In the Philippines where the Group owns the Del Monte brand, it enjoys leading market shares for canned pineapple juice and juice drinks, canned pineapple and tropical mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup, and also markets products under its second-tier brand, Today's.

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 41.1% of Bharti Del Monte India Private Limited (www.bhartidelmonte.in). Bharti Del Monte India markets Del Monte-branded processed products in the domestic market and FieldFresh-branded fresh fruits and vegetables globally and locally. Del Monte Pacific's partners in Bharti Del Monte India are the well-respected Bharti Enterprises and EL Rothschild Limited.

Del Monte Pacific owns the S&W brand (www.swfinefoods.com) for all markets except the Americas, Australia and New Zealand. The S&W brand originated in the USA in 1896 as a producer and marketer of premium quality processed fruit and vegetable product.

With its 20,000-hectare contiguous pineapple plantation in the Philippines, 700,000-ton processing capacity and a port beside the Cannery, Del Monte Pacific operates the world's largest fully-integrated pineapple operation. It is proud of its long heritage of more than 80 years of pineapple growing and processing. It has long-term supply agreements with other Del Monte trademark owners and licensees around the world.

Del Monte Pacific and its subsidiaries are not affiliated with other Del Monte companies in the world, namely, Del Monte Foods Co (USA), Fresh Del Monte Produce Inc (USA), Del Monte Asia Pte Ltd and these companies' parent or subsidiaries.

Del Monte Pacific is 78.5%-owned by NutriAsia Pacific Ltd (NPL). NPL is owned by the NutriAsia Group of Companies which is in turn majority-owned by the Campos family of the Philippines. The NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines. Its flagship brands, led by UFC, have more than 80% market share in the local ketchup and hot chili sauce categories.

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