DEL MONTE PACIFIC LIMITED

Annual Report 2009

Our Vision

To be one of the fastest growing global branded food and beverage companies.

Our Mission

Del Monte Pacific Limited is to bring to life health and wellness.

- We live up to our heritage of growing premium quality food and beverage brands which are the top choice of all generations for enjoyable and healthy living.
- We leverage deep market knowledge coupled with technology and innovation to create and deliver relevant health and wellness breakthroughs to our broad base of customers.
- We continuously build on our knowledge and experience in agriculture, while enhancing the sustainability of the lands we cultivate.
- We adhere to the highest standards of corporate behaviour in our relationships with our employees, business partners, and the communities around us.
- We are a benchmark in corporate social responsibility and the preservation of the environment.
- We build a highly energised, high-performance organisation with a strong commitment to teamwork and to embracing better ways of doing things.
- We value our people and commit to provide opportunities for learning, professional growth and a better quality of life.

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Staying on Course

We had a challenging 2009 which led to lower performance, but we remain focused on executing our plans against our global consumer branded strategy. Despite the challenges faced in the Philippine market, total branded business sales were only slightly lower than the record sales established in 2008. New branded businesses - S&W and Del Monte in India – generated higher turnover.














Philippines

We launched a number of innovative products in the Philippine market including the Del Monte 100% Pineapple Juice Heart Smart with Reducol™ to help lower bad cholesterol, the Del Monte Sandosenang Sarap All-in-One Seasoning which is the Philippines' first and only all-in-one seasoning, and new smaller pouches for Del Monte Pineapple Tidbits and Ketchups.

India

In India, we introduced our Del Monte Tomato Ketchup in glass bottle and offered easy open cans for Del Monte Fiesta Fruit Cocktail, Pineapple Slices and Whole Kernel Corn. Del Monte Corn Seasonings are exciting new additions to spice up one's corn. FieldFresh Apples sourced from the Kashmir orchards are now available. Our Del Monte-branded products are already in 25 cities and more than 15,000 outlets.

S&W Brand

S&W entered the Vietnam market in end 2009 and we also pushed the brand and business further with the launch of our Philippine-cannery packed tropical fruit and beverage range in South Korea.

Letter to Shareholders

Dear Valued Shareholders,

We faced a difficult year in 2009. The combined impact of weak demand in the global markets and in the Philippines, supply issues that led to foregone sales and higher costs resulted in a net income decline of 69% to US$11.3 million from US$37.0 million in 2008.

Group turnover for 2009 decreased by 13% to US$330.7 million due to weak consumption and supply issues. Moreover, the comparative year 2008 included turnover from a former Chinese subsidiary worth US$15.6 million up until its disposal on 30 September 2008. Group turnover was also unfavourably impacted by currency translation amounting to US$9.2 million upon translation of Philippine sales from Peso to US Dollar for reporting purposes, given the 5% depreciation of the Peso against the US Dollar.

Mr Joselito D Campos, Jr

Mr Rolando C Gapud

Stripping out the foregone sales of the former Chinese subsidiary and the unfavourable currency translation impact, Group turnover for the full year of 2009 would have decreased by a lower 7% instead of 13%.

Turnover in our core Philippine market was 6% lower in US Dollar terms but was flat in Peso terms. Competition intensified in the beverage segment leading to reduced beverage sales of 4%, mainly due to the decline in canned drinks' sales. However, sales of Del Monte Fit 'n Right in PET bottle grew by 22% in 2009 versus 2008. Three new flavours were launched – Blueberry-Grape, Watermelon and Grapefruit to add to the existing four for a different flavour each day of the week. A 1-litre big pack format was also introduced to encourage increased consumption.

Despite the challenges faced in the Philippine market, Group branded business sales were only slightly lower than the record sales established in 2008. New branded businesses, S&W and Del Monte in India, generated higher turnover.

Group gross margin declined to 20.7% from 25.2% due to higher costs and a change in sales mix with volume decline in the higher margin products. Gross profit fell 29% to US$68.5 million.

The Group recognised a share of loss in its Indian venture, FieldFresh, worth US$3.9 million, up from US$3.1 million in 2008 as a result of brand building investments. However, sales grew by 26%, while contribution profit turned positive from negative in the prior year.

Cash flow from operations significantly improved to US$80.1 million from US$10.4 million in the prior year period, mainly due to lower level of trade receivables and inventories. Our Company ended with a net debt position of US$36.1 million as of 31 December 2009, translating to a net gearing of 18%, a marked improvement from the 31% in 2008. There were no major capital expenditures in 2009, thus we spent a lower US$14.6 million as compared to the US$19.5 million in 2008.

STAYING ON COURSE

Our 2009 performance was a temporary setback to our vision "to be one of the fastest growing global branded food and beverage companies". We remain committed to our consumer branded strategy and are encouraged by our initial successes in our new ventures S&W and FieldFresh in India.

The S&W branded processed and fresh products contributed US$11.0 million in sales in 2009, 50% higher than that of 2008. S&W processed product sales grew by 31% while fresh sales almost tripled. In 2009, we started selling products produced out of our Philippine cannery such as canned tropical fruit and juices to South Korea. In the new market of Vietnam, we installed a country manager, engaged a reputable distributor and began sell-in of a broader product portfolio in the third quarter of

2009. Meanwhile, in our existing market of Singapore, a maiden marketing campaign, "S&W Obsessively Good", was launched backed by in-store sampling, and print and outdoor advertising.

We are pleased to share that we have hired a General Manager for S&W to champion the growth and development of this exciting brand.

In our FieldFresh India venture, turnover grew by 26% behind strong gains in both the Del Monte branded processed business and FieldFresh branded fresh business. Our Del Monte products are now available in 25 cities and in more than 15,000 general and modern outlets across the country. In a very short time, our brand presence has already been established across various channels including leading quick service restaurant chains such as Coffee Day Xpress, Dominos, Subway and Barista, and low cost airlines Jet Lite, Jet Connect and Indigo. Moreover, there have been several first of its kind product initiatives such as Easy Open Cans, Corn with seasonings of Tomato Salsa, Green Chutney and Oriental Chilly Garlic on top of an online engagement program www.worldfoody.com. Our new plant in Hosur, capable of producing beverage and culinary products, will be operational in the second half of 2010.

FieldFresh is now the leading Indian exporter of fresh baby corn and has achieved more than 10% market share in the UK retail market during the festive season.

In the Philippines, we launched innovative value added products namely:

- Fit 'n Right Fruit snacks with L-Carinitine for healthy snacking on the go that aids in burning fat; this broadens our snack offering and stimulates fruit consumption
- A revolutionary new fruit and vegetable drink in Tetra Pak targeted at schoolchildren
- Quick n Easy culinary range and a new more affordable 90-gram Tomato Sauce sachet
- 100% Pineapple Juice Heartsmart with Reducol™ to lower bad cholesterol
- Sandosenang Sarap All in One Seasoning, the Philippines' first and only all-in-one seasoning that's complete in both taste and health (no added MSG and preservatives) to penetrate the huge flavourings segment
- SauceSulit, tomato-sauce pre-blended with ingredients that are normally added during the cooking process

We are also intensifying our cost reduction and productivity enhancement initiatives to address falling margins and profits. With the supply issues faced in 2009, our Company has appointed a Plantation Oversight Committee after an extensive review of Plantation operations. The Committee comprises experienced agricultural and management experts and is chaired by DMPL director, Dr Emil Q Javier, one of the Philippines' foremost agronomists. The Committee is tasked to oversee the streamlining of the Plantation's current procedures, introduce up-to-date methods and upgrade its agricultural practices.

In addition, two new senior appointments have been made to strengthen the leadership of the Plantation and Cannery as well as Supply Chain.

STRATEGY AND OUTLOOK

The Company expects improved profitability in 2010 as compared to that of 2009. However, as the results of the Company's action plans will not have an immediate effect, first half 2010 profits may be lower compared to that of the same period last year.

Beyond 2010, we remain guided by our vision to be one of the fastest growing global branded food and beverage companies. In addition to revitalising our core markets and product categories, we are laying the groundwork to transform our business to one that is branded across all geographies where we can extend our Del Monte and S&W franchises. We will maximise the potential of our growing brands and markets through product innovation, marketing and sales-driven growth in the Philippines, and market and product portfolio expansion for S&W, including fresh, and FieldFresh India. We will optimise our exports sales and profit mix, while aggressively reducing non-value adding costs, increasing productivity and reliability of our supply chain, and continuing our efforts to manage our working capital more efficiently. Behind all these, we will continue to develop our organisation to address operational opportunities and support future growth.

CASH DIVIDENDS

Your Board of Directors declared a final dividend per share of US$0.0016. Coupled with the interim dividend per share of US$0.0063, this translates to a total dividend for the year of US$0.0079 per share compared with US$0.0256 per share in 2008. This dividend of US$0.0079 per share represents a 75% payout of full year 2009 net profit.

OUR SINCERE APPRECIATION

We thank Management and staff for their dedication, hard work and innovation. 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.

Mr Rolando C Gapud	**Mr Joselito D Campos, Jr**
Chairman	Managing Director and CEO

25 March 2010

Board of Directors

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 FieldFresh Foods 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.

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

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

Non-Executive Director

Appointed on 2 May 2006 & re-elected on 27 April 2007

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

Independent Director

Appointed on 19 April 2001 & re-elected on 28 April 2004 & 27 April 2007

Mr Patrick L Go is CEO of Paramount Life & General Insurance Corporation. Mr Go has over 20 years of experience in corporate finance and private equity 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

Independent Director

Appointed on 30 April 2007

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

Independent Director

Appointed on 30 April 2007

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 Board of NTUC ChoiceHomes. 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 United States.

Mr Godfrey E Scotchbrook

Independent Director

Appointed on 28 December 2000 & re-elected on 28 April 2004 & 27 April 2007

Mr Godfrey E Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with almost 40 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.

Senior Management


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1. Mr Joselito D Campos, Jr
2. Mr Luis F Alejandro
3. Mr Richard W Blossom
4. Ms Tan Chooi Khim
5. Mr Ignacio C O Sison
6. Ms Angie G Flaminiano
7. Ms Ma Bella B Javier
8. Mr Raul C Leonen
9. Mr Antonio E S Ungson

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

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 Field Fresh Foods 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
Chief Operating Officer

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
Senior Vice President

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.

Ms Tan Chooi Khim

General Manager, S&W Fine Foods International Ltd

Ms Tan Chooi Khim has more than 20 years experience in the fast moving consumer goods industry spanning areas of general management, brand management, marketing and Technical. She started her career at Unilever where she spent more than 12 years growing a number of brands in various categories. With her achievements in brand management at Unilever Malaysia, she was expatriated to Unilever Japan and China. Ms Tan then joined Sara Lee Malaysia as Marketing Director before moving to becoming General Manager of Sara Lee Thailand and most recently, President of Sara Lee Malaysia, Singapore and Vietnam. Ms Tan holds a Master of Science in Chemistry from Purdue University, Indiana USA and a Bachelor of Science in Chemistry from Cumberland College, Kentucky USA.

Mr Ignacio C O Sison

Chief Financial Officer

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.

Ms Angie G Flaminiano

Chief Marketing Officer

Ms Angie G Flaminiano has almost 20 years of brand management and marketing experience. She started her career with Procter & Gamble and progressed to handling a number of brands in various categories before becoming the Regional Manager for the ASEAN, Australia and Indian markets. She then joined Southeast Asia Food, Inc (SAFI), the leading condiments company in the Philippines belonging to the NutriAsia Group, as Group Head for Marketing. She steered SAFI's brands to top 2 market positions with double-digit growth. In her present role with Del Monte, Ms Flaminiano revitalised the Del Monte brand in the Philippines, executing a clear health and wellness marketing proposition across all products. Ms Flaminiano is a Certified Public Accountant and has a BS in Business Administration and Accountancy, Cum Laude, from the University of the Philippines.

Ms Ma Bella B Javier

Chief Scientific Officer

Ms Ma Bella B Javier has almost 30 years experience in product development and R&D for fast moving consumer goods companies. She spent more than 20 years at Kraft Foods and became the Director for Asia Pacific Beverage Technology and Southeast Asia Development. In her present role, she set up the Consumer Product and Packaging Development organisation for DMPL and developed the Health and Wellness Strategic Framework and the Technology Development Roadmap. Ms Javier is a Licensed Chemist, having passed the Chemistry Licensure Examinations given by the Philippine Professional Regulations Commission in 1981. She has a BS in Chemistry from the University of the Philippines (UP) and sits as a Board Member of the UP Chemistry Alumni Foundation, and the Philippine Chamber of Food Manufacturers, Inc.

Mr Raul C Leonen

Chief Manufacturing Officer

Mr Raul C Leonen has 30 years experience in the Group's Philippine Cannery operation, which is the single largest integrated pineapple Cannery facility in the world. He has worked in all departments covering the entire pineapple processing operation. Prior to his assumption of Group Head Cannery Operation, he managed the entire can manufacturing process. To complement and augment his knowledge and experience in pineapple processing, he also spent four years in the Company's Plantation operation giving him a complete understanding of the pineapple cycle. He started his professional career as a manufacturing management trainee in Procter & Gamble Philippines and worked in detergent manufacturing for four years. Mr Leonen has a BS degree in Chemical Engineering from Adamson University.

Mr Antonio E S Ungson

Chief Legal Counsel and Chief Compliance Officer

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 was 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.

Five-Year Summary

Financial Year ended 31 December (Amounts in US$ million unless otherwise stated)	2009	2008	2007	2006	2005
Profitability					
Turnover	330.7	381.5	289.4	243.4	222.4
Gross Profit	68.5	96.2	71.6	62.8	58.6
EBITDA	30.7	63.3	47.3	35.9	34.3
Profit from Operations	25.8	56.9	38.6	27.8	24.0
Net Profit[1]	11.3	37.0	38.6	21.0	18.8
EPS[1] (US cents)	1.05	3.42	3.57	1.94	1.74
Gross Margin (%)	20.7	25.2	24.7	25.8	26.3
EBITDA Margin (%)	9.3	16.6	16.3	14.7	15.4
Operating Margin (%)	7.8	14.9	13.3	11.4	10.8
Net Margin[1] (%)	3.4	9.7	13.3	8.6	8.5
EPS Growth[1] (%)	(69.3)	(4.2)	84.0	11.5	(33.6)
Return on Equity[1] (%)	5.6	17.4	19.5	12.5	11.8
Return on Assets[1] (%)	3.2	11.1	13.1	8.1	7.7
Balance Sheet					
Cash	59.2	7.9	15.0	51.5	60.1
Debt	95.3	70.6	34.2	43.7	41.7
Net Cash or (Net Debt)	(36.1)	(62.8)	(19.2)	7.8	18.4
Fixed Assets	73.2	66.5	68.4	56.2	54.6
Total Assets	352.9	345.8	321.9	266.3	254.4
Shareholders' Equity	197.1	204.7	221.1	173.9	161.2
Net Tangible Asset Per Share (US cents)	16.63	17.28	18.08	14.60	13.54
Net Debt to Equity Ratio (%)	18.3	30.7	8.7	cash	cash
Cash Flow					
Cash Flow from Operations	81.1	10.5	31.4	15.7	13.9
Capital Expenditure	14.6	19.5	6.7	6.1	7.6
Share Statistics[2]					
Number of Shares (million)	1,082	1,082	1,082	1,082	1,082
Average for period					
Share Price (Singapore cents)	50.0	57.2	58.1	45.5	62.0
Share Price (US cents equivalent)	34.3	40.6	38.5	28.6	37.3
Market Capitalisation (S$ million)	541.0	618.9	628.6	492.3	670.8
Market Capitalisation (US$ million)	371.6	438.9	416.3	309.6	404.1
P&L rate: US$1 : S$	1.46	1.41	1.51	1.59	1.66
Price Earnings Multiple (x)	32.7	11.9	10.8	14.8	21.5
End of period					
Share Price (Singapore cents)	40.0	45.0	49.0	43.5	63.5
Share Price (US cents equivalent)	28.5	31.2	33.9	28.4	38.1
Market Capitalisation (S$ million)	432.8	486.9	530.2	470.7	687.1
Market Capitalisation (US$ million)	308.1	337.3	366.3	307.2	412.5
P&L rate: US$1 : S$	1.40	1.44	1.45	1.53	1.67
Price Earnings Multiple (x)	27.1	9.1	9.5	14.6	21.9
Dividend					
Dividend Per Share (US cents)	0.79	2.56	2.68	1.46	1.29
Dividend Per Share (Singapore cents)[3]	1.13	3.83	3.80	2.25	2.12
Dividend Yield (%)	2.3	6.7	6.5	4.9	3.4
Dividend Payout (%)	75	75	75	75	75

[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.

Operating and Financial Review

Group turnover for the full year of 2009 fell 13% to US$330.7 million from US$381.5 million due to lower sales in Europe and North America, the Philippines and the rest of Asia Pacific. The Group had foregone sales due to constraints arising from supply issues, which are now being addressed.

Moreover, 2008 included turnover from a former Chinese subsidiary worth US$15.6 million until its disposal on 30 September 2008. Group turnover was also unfavourably impacted by currency translation amounting to US$9.2 million upon translation of Philippine sales from Peso to US Dollar for reporting purposes, given the 5% depreciation of the Peso against the US Dollar.

Stripping out the foregone sales of the former Chinese subsidiary and the unfavourable currency translation impact, Group turnover for the full year of 2009 would have decreased by a lower 7% instead of 13%.

S&W branded processed and fresh products contributed US$11.0 million in sales, up 50% compared to last year. S&W processed product sales grew by 31% while fresh sales almost tripled.

Group gross margin declined to 20.7% from 25.2% due to higher costs, namely raw material, packaging, labour and fixed manufacturing costs, and a change in sales mix, partially offset by better pricing in the export markets and the favourable impact of the Peso depreciation on cost translation. Gross profit decreased by 29% to US$68.5 million from US$96.2 million.

Distribution and selling expenses decreased to 4.2% as a percent of sales, down from 5.1% in 2008 due to lower A&P spend. However, general and administration expenses increased to 4.9% as a percent of sales from 3.2% due to organisational build-up and higher expenses. Other operating expenses returned to negative from positive in 2008 as 2008 included the gain in disposal of the former Chinese subsidiary worth US$2.3 million.

The Group recognised a share of loss in its Indian venture, FieldFresh, worth US$3.9 million, up from US$3.1 million. This was due to brand building investments through higher marketing and organisational expenses to support the expansion of the company's fruit drinks, packaged fruits, ketchup & sauces and Italian range products across more cities. On the other hand, sales grew by 26% while contribution margins significantly improved on much better sales mix with the contribution of the Del Monte branded processed foods business and the rationalised product range in fresh exports under the FieldFresh brand.

Net income fell 69% to US$11.3 million from US$37.0 million in the prior year.

Cash flow from operations significantly improved to US$80.1 million from US$10.4 million in the prior year period, mainly due to lower level of trade receivables and inventories. The Company ended with a net debt position of US$36.1 million as of 31 December 2009, translating to a net gearing of 18%, an improvement from last year's 31%.

Asia Pacific

Turnover in Asia Pacific, accounting for 73% of total turnover in 2009, 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-branded processed food and beverage products through its Del Monte business partner.

in US$'000 unless otherwise stated	2009	2008	%
Turnover	330,656	381,478	(13.3)
Gross profit	68,516	96,243	(28.8)
Gross margin (%)	20.7	25.2	(4.5 ppt)
Operating profit	25,775	56,944	(54.7)
Operating margin (%)	7.8	14.9	(7.1 ppt)
Net profit	11,331	37,027	(69.4)
Net margin (%)	3.4	9.7	(6.3 ppt)
EPS (US cents)	1.05	3.42	(69.4)
Net debt	(36,116)	(62,757)	(42.5)
Gearing (%)	18.3	30.7	(12.4 ppt)
Cash flow from (used in) operations	81,314	10,518	671.2
Capital expenditure	14,610	19,488	(24.9)
Dividend per share (US cents)	0.79	2.56	(69.1)

Operating and Financial Review

Turnover in Asia Pacific, which accounted for 73% of the Group's full year turnover, fell 14% to US$241.1 million from US$279.2 million. Bulk of the decline is attributable to absent sales from former Chinese subsidiary which was sold in September 2008 and generated US$15.6 million in sales for the January-September 2008 period.

Philippines' sales were lower by 6% in US Dollar terms as it included an unfavourable impact of the 5% depreciation of the Peso against the US Dollar on the translation of Peso sales to US Dollar. In Peso terms, the Philippine market's sales were flat.

Europe & North America

Turnover in this region comprises sales of processed fruit and beverage product and concentrate through our business partners. In 2009, Europe and North America accounted for 23% of Group turnover.

Turnover for Europe and North America declined by 18% to US$75.6 million from US$92.1 million due to lower sales of processed fruit, partly offset by better pricing in North America.

Others

Others include sales of S&W-branded processed food and beverage products, sales of fresh pineapples through Del Monte business partners for Del Monte and through distributors for S&W, and OEM sales from private label customers.

Sales of S&W processed products significantly improved by 31% to US$7.9 million from US$6.1 million last year. The fresh segment also performed well with sales up 46% to US$6.1 million.

	<--- Asia Pacific						--->		North America & Europe		Others		Total	
	Processed products		Beverages		Non-processed products		Total		Processed products					
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
External revenues	125,992	143,659	93,776	103,563	1,851	16,438	221,619	263,660	75,563	92,067	33,474	21,751	330,656	381,478

Business Outlook

The Company expects improved profitability in 2010 as compared to that of 2009. However, as the results of the Company's action plans will not have an immediate effect, first half 2010 profits may be lower compared to that of the same period last year.

The Group will improve product availability through effective supply chain management, including investments in processes and systems.

In the Philippines, sales and profitability are expected to improve on the back of new value added product launches, product cost savings (via product formula and packaging optimisation, lower tollpacking and logistics costs) and aggressive fixed cost management.

In November 2009, the Company launched another innovative healthy juice, the Del Monte 100% Pineapple Juice Heart Smart, which contains Reducol™ to lower bad cholesterol. Consumer take-up has been in line with targets. New sauces with added value were also launched. Del Monte Sauce Sulit, tomato sauce with added ingredients of either Liverspread or sauteed garlic, onion and fish sauce, makes meal preparation three steps faster. In February 2010, another unique product was launched – the Del Monte Sandosenang Sarap All-in-One Seasoning which enhances the flavour of all types of dishes. It is the Philippines' first and only all-in-one seasoning that's complete in both taste and health, containing 12 key ingredients for seasoning and has no added MSG and preservatives. Products such as these provide added value to customers. The Company will continue to develop and launch similar products.

For S&W, business development will be intensified in new markets such as Vietnam, while growing existing markets.

At FieldFresh, the joint venture in India, business-building efforts are on track. FieldFresh's Del Monte-branded business is now in 25 key cities and this expansion will be further supported by the new plant which will be operational in the second half of 2010.

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 2009, 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. Financing is obtained from bank credit facilities, for both short-term and long-term requirements and/or through the sale of assets, particularly receivables from its customers. 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.
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.

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, outgrowers and service providers' performance, production efficiencies, input 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
- Pursuit of productivity-enhancing and efficiency-generating work practices and capital projects
- Compliance with proven agricultural practices in the pineapple growing operations.
- Focus with 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
- Implementation of a program that monitors the Group's compliance with laws and regulations

Social Responsibility

In 2009, a new Corporate Mission, Vision and Core Values were put in place and shared with our employees. We enjoined them to rally behind our New Corporate Mission "To bring to life health and wellness" and our Vision "To be one of the fastest growing global branded food and beverage companies," alongside our Core Values that highlight our passion for winning, customer focus, respect for individual rights, integrity, teamwork, commitment to society and the environment.

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

We are committed to doing our 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 communicate our environmental policy to employees and host communities.

The Group is also driven by a Mission to continuously build on our knowledge and experience in agriculture as we enhance the sustainability of the lands we cultivate.

For espousing environment-friendly practices over the last eight decades, our Philippine subsidiary is considered a benchmark in corporate social responsibility and the preservation of the environment.

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.

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.

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.

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), ISO 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. In partnership with local governments, we have initiated 'food for work' programmes that provide local farmers supplemental income as they help grow seedlings and till public tree farms.

We also donate recyclable materials and equipment to help community organisations carry out long-term and sustainable programmes on public safety and environment conservation.

Our support to local fishermen has raised income gained from the rich marine waters near the Cannery. The Cannery employee cooperative extended low-interest credit assistance to the local fishermen's association, allowing them to purchase fishing nets and gear. Our support has also strengthened our ties with local fishermen and environment advocates.

Many Del Monte employees and their families also do volunteer work in different environment conservation projects initiated by the Group. Some serve as project leaders in their respective communities.

CARING FOR OUR COMMUNITY

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. As our business grows, we have touched the lives of many people as we bring change and development to rural 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.

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 Del Monte Foundation, over 8,000 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. After completing a technical training programme, a number of graduates were contracted by a local electric cooperative to help tap electricity lines that now light up many homes in remote villages. Some 100 women also participated in an extensive home care education programme that teaches natural family planning, proper nutrition, health consciousness and traditional medicine.

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.

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 centres.

Scholarship and Continuous Learning

The Jose Yao Campos Grants-in-Aid Scholarships, launched in 2008, offer free education to 90 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.

The Foundation has launched this year a new partnership drive with the Group's business partners and community leaders to raise funds for the education of an additional 100 scholars. The programme has generated wide support through the Del Monte Tee Golf Tournament, enabling the Foundation to raise scholarship funds from sponsorship and tournament fees.

We have also established a youth organisation that encourages members to spearhead training programmes for fellow youth. Some 600 young rural leaders gathered for the Foundation's first and second Annual Youth Congress where they shared experiences, learned leadership principles, and submitted

Development Plans for their own communities. 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. Many graduates are now harnessing resources of their respective youth organisations to attain both medium- and long-term development goals.

The Foundation also lent support to a multi-sectoral 'Dreams of Peace' campaign where youth leaders representing different ethnic and religious groups in conflict areas across Southern Philippines trained and explored creative solutions to help children in their respective communities deal with their experiences.

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 centres, 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.

Another 120-day feeding programme was conducted for 500 children living near farms managed by local growers. Beneficiaries have increased body weight, improved school attendance records, and enhanced their potential for personal growth. Their mothers also attended lectures on proper nutrition, health and sanitation.

Calamity Assistance

As it has always done in the past, the Group takes great effort to reach out to people in crisis. When the Philippines experienced its heaviest rainfall in 40 years and massive flooding paralysed the country's capital and most of the northern island of Luzon, the Group quickly organised its teams to respond to the crisis. The Group, in partnership with logistics and trade partners, was among the first to commit and deliver assistance to flood-stricken areas across Metro Manila and other parts of Luzon. Through a nationwide telecast of a leading TV network, the Group linked up with government and non-government organisations in a massive effort to swiftly reach out to as many victims as possible.

Many Del Monte employees and their families, who were themselves flood victims, received timely relief and financial assistance from fellow employees in a country-wide fundraising organised by the employees themselves.

Recognition

The Del Monte 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 adhere to the highest standards of corporate behaviour in our relationships with our employees, business partners, and the communities around us.

We have around 4,200 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 be 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.

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 labour unions have stipulated increased wages and enhanced benefits

Social Responsibility

for farm and factory workers from 2009 to 2014. LMC teams have also initiated improvements in working conditions now enjoyed by workers and their families.

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.

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. This learning programme is linked with a management succession plan that selects potential leaders across the organisation.

To help supervisors and executives meet global challenges, a special leadership training programme called LeAD was launched at our Philippine subsidiary. Training participants undergo a series of progressive modules that highlight our drive to create breakthroughs and strengthen relations with customers and business partners.

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, we have carved a new tradition that pays tribute to outstanding innovations contributed by individuals and teams. The Del Monte Innovations Day was organised to showcase innovative ideas for new products, services and processes from teams across the Company. Product prototypes presented to Senior Management undergo evaluation and review before it is produced or marketed.

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).

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.

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 FreshCut 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.

Through a wallposter called "Pinikit," written in a Philippine dialect commonly understood in our areas of operations, we also inform our host communities of the Group's business thrusts and social programmes for their specific communities. Several editions of this quarterly wallposter are distributed in coastal and upland villages where corporate and contracted farms are located as well as in Company housing camps and production facilities.

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.

Workers participate in teambuilding workshops and year-round 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.

In the Philippines, the Del Monte Football Club provides opportunities for children of workers to excel in sports as well as earn scholarship grants. The Group's Football Scholars have

been selected as members of the Philippine Football Youth Team, and has had the opportunity to play and represent the country in tournaments held in other Asian countries. 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.

We conducted an Organisation Climate Survey for our Philippine operations to help us assess strengths and identify areas of improvement. Results of the first climate survey conducted for the Company and administered among our supervisors, executives and rank-and-file workers, have been shared with both Management and staff. More importantly, it has yielded new programmes directly responding and addressing issues raised through this feedback mechanism.

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 have awarded the "Outstanding LMC (Labor-Management Council) of the Philippines" Award to our Philippine unit. The award honours Management and labour teams whose joint efforts have helped foster industrial peace and raise worker productivity.

Corporate Governance

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 the 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") oversees Management and ensures the long-term interests of shareholders are served. The Board provides entrepreneurial leadership and sets the strategic direction for the Company. It is responsible for the overall policies and integrity 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;
- approval of grant of share awards or options;
- approval of remuneration and HR matters;
- 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, shapes 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 success. 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.

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

Attendance at the Board and Board Committee Meetings in 2009

Directors	Board Meetings		Audit Committee Meetings		Remuneration and Share Option Committee Meetings		Nominating Committee Meetings	
	Meetings Held	Attendance	Meetings Held	Attendance	Meetings Held	Attendance	Meetings Held	Attendance
Mr Rolando C Gapud	4	4	4	4	4	4	2	2
Mr Joselito D Campos, Jr	4	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr Edgardo M Cruz, Jr	4	4	4	4	4	4	2	2
Mr Patrick L Go	4	3	4	3	4	3	2	1
Dr Emil Quinto Javier	4	4	N.A.	N.A.	N.A.	N.A.	2	2
Mr Benedict Kwek Gim Song	4	4	4	4	4	4	2	2
Mr Godfrey E Scotchbrook	4	4	4	4	4	4	2	2

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 visits to the Group's plantation and manufacturing facilities. 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 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 4-5 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 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.

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. The Chairman 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 expertise and whether the independence of Directors is compromised.

All appointments and re-appointments of Directors are first reviewed and considered by the NC and then recommended for approval by the Board. The NC has formalised this process and has adopted procedures for the selection, appointment and re-appointment of Directors, in order to increase transparency of the nominating process.

The NC will evaluate the balance of skills and competencies on the Board and in consultation with the Chairman of the Board and Management, determine the desired skill sets and qualities for a particular appointment.

The NC does not usually engage the services of search consultants to identify potential candidates and will consider recommendations and referrals provided the potential candidates meet the qualification criteria established for the particular appointment.

The NC will evaluate the suitability of a potential candidate based on his qualification and experience, ability to commit time and effort in the effective discharge of his duties and responsibilities, independence, past business and related experience and track record. The NC will also identify any core competencies that will complement those of current Directors on the Board.

The NC is also tasked with reviewing the performance and contribution of Directors in order to nominate them for re-election or re-appointment. The NC will review, in particular, the Directors' attendance and participation at meetings of the Board and Board committees and their efforts and contributions towards the success of the Group's business and operations.

Details of each Director's academic and professional qualifications, Directorships or chairmanships in other companies, and other major appointments, are presented on pages 4-5 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 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. Newly appointed Directors will be subject to re-election at the Annual General Meeting following his appointment.

Directors Retiring Under Article 88

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

Dr Emil Quinto Javier
Independent Director
Appointed on 30 April 2007 and
re-elected on 28 April 2008

In reviewing the nomination of the Directors retiring by rotation under Article 88 of the Company's Articles of Association for re-election, 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, through the NC, implemented an annual evaluation process to assess the effectiveness of the Board as a whole.

The evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas such as Board composition and conduct, Board processes and procedures, Board accountability, evaluation and succession planning of key executives.

The evaluation process takes into account the views of each Board member and provides an opportunity for him to give constructive feedback on the workings of the Board including its procedures and processes and if these may be improved upon.

An evaluation exercise was carried out in the financial year under review.

Led by the Chairman, a summary of findings prepared based on responses from the completed questionnaires was discussed resulting in a number of agreed recommendations. The key recommendations related to time allocation for discussions and meetings and succession planning of key executives. These recommendations were reviewed with the Board and implemented, as appropriate.

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 the flow of qualitative information 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 advises newly-appointed Directors on their duties and obligations as Directors, the Group's governance practices, and relevant statutory and regulatory compliance matters, as part of an orientation programme. 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 and the Del Monte Pacific Performance Share Plan. 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.

In conjunction with the review of remuneration matters of the Company's key senior executives, the RSOC works with the Company's human resource department in reviewing individual performance appraisal reports and benchmark studies conducted by Management.

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.

During the year in review, the RSOC held four meetings.

Principle 8

Level and Mix of Remuneration

The remuneration of the Company's Directors and key senior executives has been formulated to attract, retain and motivate these executives 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 2010, 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 Scheme had since 24 July 2009 expired.

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 Scheme and the Share Plans, 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 remuneration of each Director and the top 5 key executives has been disclosed in the respective bands. The Board is of the opinion that it will 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.

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.

Disclosure on Remuneration of Directors for 2009

Remuneration Bands & Names of Directors	Fixed Salary %	Director Fees %	Variable Income/ Bonus %	Benefits In Kind %
Executive Director				
S$750,000 to below S$1,000,000				
Mr Joselito D Campos, Jr	73	5	22	-
Non-Executive Directors				
S$250,000 to below S$500,000				
Mr Edgardo M Cruz, Jr*	78	21	-	1
Below S$250,000				
Mr Rolando C Gapud	-	100	-	-
Mr Patrick L Go	-	100	-	-
Dr Emil Quinto Javier**	40	60	-	-
Mr Benedict Kwek Gim Song	-	100	-	-
Mr Godfrey E Scotchbrook	-	100	-	-

Notes:

* Includes remuneration received in a subsidiary

** Includes consultancy fees

Details of the share options and share awards granted to each director are shown in the Directors' Report

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 2009, 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 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.

Disclosure on Remuneration of Top Five Key Executives* for 2009

Remuneration Bands & Names of Key Executives	Fixed Salary %	Variable Income/ Bonus %	Benefits In Kind %
S$1,250,000 to below S$1,500,000			
Mr Luis F Alejandro	41	58	1
S$250,000 to below S$500,000			
Mr Richard W Blossom	88	7	5
Mr Ignacio C O Sison	87	12	1
Ms Angie G Flaminiano	71	28	1
Ms Ma Bella B Javier	71	28	1

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

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.

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. It encourages shareholders to share their views or inputs, and endeavours to address their concerns.

The Company participates actively in conferences, forums and road shows organised by stock broking companies. In 2009, the Group participated in the conference organised by CLSA in Singapore. It had a total of about 70 investor and brokers meetings in 2009 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.

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.

Financial Statements 2009

CONTENTS

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, statements of comprehensive income and statements of changes in equity of the Company and the Group and the cash flow statements of the Group and Company for the financial year ended 31 December 2009.

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 2009	At 31 December 2009	At 21 January 2010	At 1 January 2009	At 31 December 2009	At 21 January 2010
The Company						
Ordinary shares of US$0.01 each						
Mr Joselito D Campos, Jr	-	-	-	849,429,372	849,429,372	849,429,372

(Amounts in United States Dollar unless otherwise stated)

Director's Interest (cont'd)

	Direct Interest			Deemed Interest		
	At 1 January 2009	At 31 December 2009	At 21 January 2010	At 1 January 2009	At 31 December 2009	At 21 January 2010
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	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	-	-	-
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	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 Notes 28 and 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 shareholders at general meetings held on 30 July 1999 and 21 February 2002 respectively. The ESOP had expired on 24 July 2009.

The Company's 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"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

(Amounts in United States Dollar unless otherwise stated)

Share Option and Incentive Plans (cont'd)

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)

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.

(Amounts in United States Dollar unless otherwise stated)

Share Option and Incentive Plans (cont'd)

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

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

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

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of 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).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

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:

Date of grant	Exercise Price S$	Number of options outstanding at 1/1/2009	Options Granted	Options Exercised	Options forfeited/ exercised	Number of options outstanding at 31/12/2009	Number of option holders at 31/12/2009	Exercise period
07/03/2008	0.627	1,550,000	-	-	-	1,550,000	6	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2018

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$	Number of share awards granted as at 31/12/2009	Number of share award holders at 31/12/2009	Vesting period
07/03/2008	0.615	1,725,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 onwards
20/05/2008	0.680	1,611,000	1	Up to 60%: 20/05/2010 – 19/05/2011 40%: 20/05/2011 onwards
12/05/2009	0.540	3,749,000	6	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
		7,085,000		

(Amounts in United States Dollar unless otherwise stated)

Share Option and Incentive Plans (cont'd)

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 2009	*Aggregate options granted since commencement of ESOP to 31 December 2009	*Aggregate options exercised since commencement of ESOP to 31 December 2009	Aggregate options outstanding as at 31 December 2009
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
	-	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.

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 2009	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards granted as at 31 December 2009
Mr Joselito D Campos, Jr	-	1,611,000	1,611,000

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.

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.

No options or share awards have been granted to other employees of the holding company or its related companies under the ESOP and Del Monte Pacific RSP, except for the 6 employees of related companies, who were granted an aggregate of 5,474,000 on 7 March 2008 and 12 May 2009.

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.

The Directors' Report

(Amounts in United States Dollar unless otherwise stated)

Audit Committee

The Audit Committee ("AC") comprises five board members, all of whom are non-executive directors. A majority of members, including the chairman, are independent. Members of the AC in 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 AC held 4 meetings since the last directors' report. The AC reviews the effectiveness of the systems of internal controls 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 are 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 controls. 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 2009 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

24 March 2010

Statement By Directors

(Amounts in United States Dollar unless otherwise stated)

In our opinion:

(a) the financial statements set out on pages 34 to 98 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 2009 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

24 March 2010

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 statements of financial position of the Group and the Company as at 31 December 2009, and the income statement, statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 98

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 at 31 December 2009 and of its consolidated financial performance of the Group and financial performance of the Company and the cash flows of the Group and of the Company for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
24 March 2010

Statements of Financial Position

	Note	Group 2009 US$'000	Group 2008 US$'000	Company 2009 US$'000	Company 2008 US$'000
Non-Current Assets					
Property, plant and equipment	4	73,212	66,474	-	-
Subsidiaries	5	-	-	76,707	76,707
Joint venture	6	30,204	23,374	-	-
Intangible assets	7	17,145	17,693	-	-
Other assets	8	10,472	9,189	-	-
		131,033	116,730	76,707	76,707
Current Assets					
Inventories	9	68,084	81,045	-	-
Biological assets	10	70,469	55,084	-	-
Trade and other receivables	11	24,154	85,072	42,527	42,982
Cash and cash equivalents	14	59,162	7,862	9	14
		221,869	229,063	42,536	42,996
Total Assets		352,902	345,793	119,243	119,703
Equity					
Share capital	15	10,818	10,818	10,818	10,818
Reserves	16	186,273	193,864	73,861	71,400
Total Equity		197,091	204,682	84,679	82,218
Non-Current Liabilities					
Deferred tax liabilities	17	1,918	1,694	-	-
Financial liabilities	18	26,068	116	-	-
		27,986	1,810	-	-
Current Liabilities					
Trade and other payables	19	56,499	65,439	34,564	29,104
Financial liabilities	18	69,294	71,665	-	8,381
Current tax liabilities		2,032	2,197	-	-
		127,825	139,301	34,564	37,485
Total Liabilities		155,811	141,111	34,564	37,485
Total Equity and Liabilities		352,902	345,793	119,243	119,703

The accompanying notes form an integral part of these financial statements

Income Statements

	Note	Group 2009 US$'000	Group 2008 US$'000	Company 2009 US$'000	Company 2008 US$'000
Revenue	21	330,656	381,478	32,000	40,500
Cost of sales		(262,140)	(285,235)	-	-
Gross profit		68,516	96,243	32,000	40,500
Distribution and selling expenses		(20,053)	(21,107)	-	-
General and administrative expenses		(19,206)	(18,676)	(4,003)	(3,172)
Other expenses		(3,482)	484	(533)	(7,071)
Results from operating activities		25,775	56,944	27,464	30,257
Finance income		733	1,351	157	-
Finance expenses		(7,100)	(11,350)	(157)	-
Net finance expenses	23	(6,367)	(9,999)	-	-
Share of loss of joint venture, net of tax		(3,880)	(3,063)	-	-
Profit before taxation		15,528	43,882	27,464	30,257
Income tax	24	(4,197)	(6,855)	-	-
Profit for the year	22	11,331	37,027	27,464	30,257
Earnings per share					
Basic earnings per share (cents)	25	1.05	3.42		
Diluted earnings per share (cents)	25	1.04	3.42		

The accompanying notes form an integral part of these financial statements

Statements of Comprehensive Income

Year Ended 31 December 2009

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Profit for the year	11,331	37,027	27,464	30,257
Other comprehensive income				
Currency translation differences recognised directly in equity	5,462	(23,937)	-	-
Currency translation differences transferred to income statement on disposal of subsidiaries	-	539	-	-
Net changes in fair value of cash flow hedges	885	(885)	-	-
Net loss on revaluation of property, plant and equipment	-	(174)	-	-
Income tax on other comprehensive income	(266)	295	-	-
Other comprehensive income for the year, net of tax	6,081	(24,162)	27,464	30,257
Total comprehensive income for the year	17,412	12,865	27,464	30,257

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Changes in Equity

Year Ended 31 December 2009

Group	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
2008									
At 1 January 2008		10,818	68,687	(31,591)	-	3,513	-	169,653	221,080
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	37,027	37,027
Other comprehensive income									
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)
Total other comprehensive loss				(23,398)	(619)	(145)	-	-	(24,162)
Total comprehensive income/(loss) for the year		-	-	(23,398)	(619)	(145)	-	37,027	12,865
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends	26	-	-	-	-	-	-	(29,749)	(29,749)
Value of employee services received for issue of share options	28	-	-	-	-	-	486	-	486
Total contributions by and distributions to owners		-	-	-	-	-	486	(29,749)	(29,263)
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

Consolidated Statement of Changes in Equity (cont'd)
Year Ended 31 December 2009

Group	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
2009									
At 1 January 2009		10,818	68,687	(54,989)	(619)	3,368	486	176,931	204,682
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	11,331	11,331
Other comprehensive income									
Currency translation differences recognised directly in equity		-	-	5,462	-	-	-	-	5,462
Currency translation differences transferred to income statement on disposal of subsidiaries		-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-
Total other comprehensive loss		-	-	5,462	619	-	-	-	6,081
Total comprehensive income for the year		-	-	5,462	619	-	-	11,331	17,412
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends	26	-	-	-	-	-	-	(25,854)	(25,854)
Value of employee services received for issue of share options	28	-	-	-	-	-	851	-	851
Total contributions by and distributions to owners		-	-	-	-	-	851	(25,854)	(25,003)
Changes in ownership interests in subsidiaries that do not result in a loss of control		-	-	-	-	-	-	-	-
Acquisition of minority interest		-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-	-	-
At 31 December 2009		10,818	68,687	(49,527)	-	3,368	1,337	162,408	197,091

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Revenue reserve US$'000	Total equity US$'000
Company					
2008					
At 1 January 2008	10,818	68,826	-	1,580	81,224
Total comprehensive income for the year					
Profit for the year	-	-	-	30,257	30,257
Total comprehensive income for the year	-	-	-	30,257	30,257
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Value of employee services received for issue of share options (Note 28)	-	-	486	-	486
Dividends (Note 26)	-	-	-	(29,749)	(29,749)
Total contributions by and distributions to owners	-	-	486	(29,749)	(29,263)
At 31 December 2008	10,818	68,826	486	2,088	82,218
2009					
At 1 January 2009	10,818	68,826	486	2,088	82,218
Total comprehensive income for the year					
Profit for the year	-	-	-	27,464	27,464
Total comprehensive income for the year	-	-	-	27,464	27,464
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Value of employee services received for issue of share options (Note 28)	-	-	851	-	851
Dividends (Note 26)	-	-	-	(25,854)	(25,854)
Total contributions by and distributions to owners	-	-	851	(25,854)	(25,003)
At 31 December 2009	10,818	68,826	1,337	3,698	84,679

The accompanying notes form an integral part of these financial statements

Cash Flow Statements

	Group 2009 US$'000	Group 2008 US$'000	Company 2009 US$'000	Company 2008 US$'000
Operating Activities				
Profit for the year	11,331	37,027	27,464	30,257
Adjustments for:				
Amortisation of intangible assets	572	650	-	-
Depreciation of property, plant and equipment	8,321	8,757	-	-
Allowance for doubtful receivables	2,916	1,454	-	-
Allowance for inventory obsolescence	1,923	1,372	-	-
Reversal of impairment loss on property, plant and equipment	(84)	(39)	-	-
Gain on disposal of property, plant and equipment	(291)	(77)	-	-
Gain on disposal of subsidiaries	-	(2,326)	-	-
Equity-settled share-based payment transactions	851	486	851	486
Share of loss of joint venture	3,880	3,063	-	-
Finance income	(733)	(1,351)	-	-
Finance expense	7,100	11,350	-	-
Income tax	4,197	6,855	-	-
Operating profit before working capital changes	39,983	67,221	28,315	30,743
Changes in working capital:				
Other assets	(1,041)	(2,433)	-	-
Inventories	13,158	(29,792)	-	-
Biological assets	(13,942)	(5,220)	-	-
Trade and other receivables	60,259	(35,314)	19	(6)
Trade and other payables	(12,466)	22,386	143	36
Operating cash flows	85,951	16,848	28,477	30,773
Income taxes paid	(4,637)	(6,330)	-	-
Cash flows from operating activities	81,314	10,518	28,477	30,773
Investing Activities				
Amounts due from subsidiaries (non-trade)	-	-	437	(28,692)
Interest received	713	1,356	-	-
Proceeds from disposal of property, plant and equipment	1,387	198	-	-
Purchase of property, plant and equipment	(14,610)	(19,488)	-	-
Acquisition of trademark	(24)	(171)	-	-
Additional investment in joint venture	(10,710)	(4,454)	-	-
Disposal of subsidiaries, net of cash disposed	-	5,225	-	7,833
Cash flows (used in)/from investing activities	(23,244)	(17,334)	437	(20,859)
Financing Activities				
Amounts due to subsidiaries (non-trade)	-	-	5.316	19,835
Interest paid	(5,483)	(3,913)	-	-
Repayment of finance lease liabilities	(193)	(1,086)	-	-
Proceeds from borrowings	32,523	38,290	-	-
Repayment of borrowings	(9,467)	-	(8,381)	-
Dividends paid	(25,854)	(29,749)	(25,854)	(29,749)
Cash flows (used in)/ from financing activities	(8,474)	3,542	(28,919)	(9,914)
Net decrease in cash and cash equivalents	49,596	(3,274)	(5)	-
Cash and cash equivalents at beginning of year	7,862	14,958	14	14
Effect of exchange rate changes on balances held in foreign currency	1,704	(3,822)	-	-
Cash and cash equivalents at end of year (Note 14)	59,162	7,862	9	14

The accompanying notes form an integral part of these financial statements

These notes form an intergral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 March 2010.

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 5.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc. and Well Grounded Limited which at 31 December 2009 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 financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet:

- biological assets are measured at fair value less estimated point of sale costs
- freehold land are measured at valuation
- certain financial assets and financial liabilities are measured at fair value

2.3 Functional and presentation currency

These 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.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs 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.

2 Basis of Preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
Information about critical judgements, assumptions and estimations in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- Note 4 – Recoverability of property, plant and equipment
- Note 6 – Recoverability of investment in joint venture
- Note 7 – Recoverability of intangible assets
- Note 9 – Net realisable values of inventories
- Note 10 – Measurement of biological assets
- Note 12 –Recoverability of trade receivables
- Note 20 – Measurement of retirement benefit obligations
- Note 24 – Measurement of income tax
- Note 28 – Measurement of share option and incentive plans

2.5 Changes in accounting policies

Overview

Starting 1 January 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments
- Presentation of financial statements
- Disclosure of contractual maturity analysis

Determination and presentation of operating segments

As of 1 January 2009, the Group determines and presents operating segments based on the information that internally is provided to the Executive Committee, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with IAS 14 *Segment Reporting*. The new accounting policy in respect of operating segment disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

2 Basis of Preparation (cont'd)

Presentation of financial statements

The Group applies revised IAS 1 *Presentation of Financial Statements* (2008), which became effective as of 1 January 2009. As a result, the Group presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

Disclosure of contractual maturity analysis

The Group applies the amendments to *IFRS 7 Financial Instruments: Disclosures*, which became effective as of 1 January 2009. As a result, the Group discloses the maximum amount of issued financial guarantees in the earliest time period for which the guarantees could be called upon in the contractual maturity analysis.

IFRS 7 does not require comparative information to be restated and therefore, the contractual maturity analysis for the comparative period has not been represented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of 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 financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a 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 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 profit or loss in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has power to govern the financial and operating policies of an entity so as to obtain benefits for from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

3 Significant Accounting Policies (cont'd)

3.1 Basis of Consolidation (cont'd)

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments controlled entities are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The Group's investments include goodwill identified on acquisition, net of any accumulated impairment losses. The financial statements include the Group's share of the income, expenses and equity movements of associates and joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, 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 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.

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.

3.2 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 dates of the transactions. 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 profit or loss.

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 other comprehensive income and presented within equity 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 from equity to the profit or loss as part of the profit or loss on disposal.

3 Significant Accounting Policies (cont'd)

3.2 Foreign Currencies (cont'd)

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 profit or loss. Such exchange differences are recognised in other comprehensive income and presented within equity in the Group's financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to the profit or loss as an adjustment to the profit or loss arising on disposal.

3.3 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 reporting date.

Any increase in the revaluation amount is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value of the same asset that was recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from other comprehensive income to revenue reserves 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.

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 profit or loss 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 profit or loss 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

3 Significant Accounting Policies (cont'd)

3.3 Property, plant and equipment (cont'd)

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 profit or loss.

3.4 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 arising on the acquisition of joint ventures is presented together with investments in joint venture. Goodwill is tested for impairment as described in Note 3.7.

Goodwill is measured at cost less accumulated impairment losses, and tested for impairment. Negative goodwill is recognised immediately in the profit or loss.

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 profit or loss in the year in which the expenditure is incurred.

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

3.5 Financial Instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

3 Significant Accounting Policies (cont'd)

3.5 Financial Instruments (cont'd)

Non-derivative financial assets (cont'd)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables (see Note 11) and cash and cash equivalents (see Note 14).

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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 profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect the profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The amount recognised in other comprehensive income is removed and included in the profit or loss in the same period as the hedged cash flows affect the profit or loss under the same line item in the profit or loss as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss.

3 Significant Accounting Policies (cont'd)

3.5 Financial Instruments (cont'd)

Cash flow hedges (cont'd)

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

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, net of any tax effects.

3.6 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 profit or loss as an integral part of the total lease payments made.

3 Significant Accounting Policies (cont'd)

3.7 Impairment

Financial assets

A financial asset not carried at fair value through the profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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 asset's original effective interest rate. Losses are recognised in the profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

3 Significant Accounting Policies (cont'd)

3.7 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.

3.8 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.

3.9 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 costs to sell, with any changes therein recognised in the profit or loss. Costs to sell include all costs that would be necessary to sell the assets. Gains and losses arising from such measurement are included in the profit or loss in the period in which they arise.

3 Significant Accounting Policies (cont'd)

3.10 Employee Benefits

Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss as incurred.

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.

3 Significant Accounting Policies (cont'd)

3.10 Employee Benefits (cont'd)

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.

Share-based payments

The Group grants share awards and share options for the shares of the Company to employees of the Group. 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.

3.11 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.

3.12 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.

3 Significant Accounting Policies (cont'd)

3.12 Revenue Recognition (cont'd)

Dividend income

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

3.13 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 profit or loss 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.

3.14 Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss 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.

3.15 Government Grants

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised upon receipt. Such grants are provided to defray the wage costs incurred by the Group and are offset against staff costs in the financial statements.

3 Significant Accounting Policies (cont'd)

3.16 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.

3.17 Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise restricted share plan and share options granted to employees.

3.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see Note 27).

3.19 New Standards and Interpretations Not Yet Adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 December 2009 have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of the Group.

4 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 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	-	(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
At 1 January 2009	9,266	6,195	102,564	215	16,116	5,542	139,898
Additions	1,578	167	4,842	-	8,023	-	14,610
Disposals	(550)	(5)	(2,450)	(1)	-	(15)	(3,021)
Reclassifications	3,845	491	8,860	-	(15,476)	2,280	-
Disposal of subsidiaries	-	-	-	-	-	-	-
Deficit on revaluation	-	-	-	-	-	-	-
Currency realignment	228	303	2,666	6	422	-	3,625
At 31 December 2009	14,367	7,151	116,482	220	9,085	7,807	155,112

4 Property, Plant and Equipment (cont'd)

	<------ 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
Accumulated Depreciation and Impairment Losses							
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	-	(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
At 1 January 2009	3,456	2,521	67,261	186	-	-	73,424
Charge for the year	364	395	7,561	1	-	-	8,321
Reversal of impairment loss	-	-	(84)	-	-	-	(84)
Disposals	(80)	(5)	(1,838)	(1)	-	-	(1,924)
Disposal of subsidiaries	-	-	-	-	-	-	-
Currency realignment	98	74	1,986	5	-	-	2,163
At 31 December 2009	3,838	2,985	74,886	191	-	-	81,900
Carrying Amount							
At 1 January 2008	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
At 31 December 2009	10,529	4,166	41,596	29	9,085	7,807	73,212

As at 31 December 2009, the net carrying amount of leased property, plant and equipment was US$616,000 (2008: US$717,000).

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.

4 Property, Plant and Equipment (cont'd)

At 31 December 2009, 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 located in the Philippines at 31 December 2009 is stated at fair value of US$5,527,000 (2008: US$5,542,000) based on prior year independent valuation by Binswanger Philippines Inc, Manila, Philippines, on an existing use basis. Management has assessed that the fair value of the freehold land is not significantly different from its carrying value as at 31 December 2009. In respect of the freehold land in Singapore stated at fair value of US$2,280,000 (2008: Nil), the Group had engaged CKS Property Consultants to perform an independent valuation on an existing use basis.

The carrying amount of the freehold land would have been US$2,282,000 (2008: 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.

5 Subsidiaries

	Company	
	2009 US$'000	2008 US$'000
Unquoted equity shares, at cost	10,199	10,199
Amounts due from subsidiaries (non-trade)	66,508	66,508
	76,707	76,707

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.

5 Subsidiaries (cont'd)

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 2009 %	2008 %
Held by the Company				
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

5 Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2009 %	2008 %
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 trademarks in various countries; investment holding	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	88.7	82.2
Held by DMPI				
Philippines Packing Management Services Corporation [2]	Management, logistic and support services	Philippines	100	100
Held by Dewey				
Dewey Sdn. Bhd. [5]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Malaysia	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.
[5] Auditors not yet appointed

5 Subsidiaries (cont'd)

In the current year, the Group acquired an additional 6.5% in its subsidiary, DMPL India Limited for a cash consideration of US$10,710,000, increasing its ownership from 82.2% to 88.7%. This is initially accounted based on the subsidiary's identifiable assets and liabilities on a provisional basis, which will be adjusted by the Group in the next financial year.

On 5 October 2009, the Group incorporated Dewey Sdn. Bhd., a wholly-owned subsidiary with an initial paid up capital of RM8,085,000 (US$2,382,000).

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.

6 Joint Venture

	Group	
	2009 US$'000	2008 US$'000
Investment in a joint venture	18,232	7,522
Goodwill on acquisition	19,519	19,519
Share of post acquisition reserve	(7,547)	(3,667)
	30,204	23,374

In the current year, the Group's effective interest in FieldFresh Foods Private Limited was increased from 41.1% to 44.4% 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	:	FieldFresh Foods Private Limited (formerly known as Bharti Del Monte India 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	:	44.4% (2008: 41.1%)

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

6 Joint Venture (cont'd)

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

	2009 US$'000	2008 US$'000
Assets and Liabilities		
Non-current assets	8,492	4,955
Current assets	4,258	1,138
Total assets	12,750	6,093
Current liabilities	2,517	651
Non-current liabilities	655	1,987
Total liabilities	3,172	2,638
Net assets	9,578	3,455
Results		
Revenue	5,449	4,160
Expenses	(9,329)	(7,223)
Loss after taxation	(3,880)	(3,063)

The joint venture did not have significant contingent liabilities as at 31 December 2009.

In 2009 and 2008, the Group did not receive dividends from its investment in joint venture.

7 Intangible Assets

	Trademarks US$'000	Distribution network US$'000	Goodwill US$'000	Total US$'000
Cost				
At 1 January 2008	22,480	227	7,178	29,885
Addition	171	-	-	171
Disposal of subsidiaries	(365)	(227)	(7,178)	(7,770)
At 31 December 2008	22,286	-	-	22,286
At 1 January 2009	22,286	-	-	22,286
Addition	24	-	-	24
At 31 December 2009	22,310	-	-	22,310
Accumulated Amortisation				
At 1 January 2008	4,286	161	-	4,447
Amortisation	616	34	-	650
Disposal of subsidiaries	(309)	(195)	-	(504)
At 31 December 2008	4,593	-	-	4,593
At 1 January 2009	4,593	-	-	4,593
Amortisation	572	-	-	572
At 31 December 2009	5,165	-	-	5,165
Carrying Amount				
At 1 January 2008	18,194	66	7,178	25,438
At 31 December 2008	17,693	-	-	17,693
At 31 December 2009	17,145	-	-	17,145

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

	2009 US$'000	2008 US$'000
At 1 January	4,593	4,447
Amortisation during the year		
- Del Monte and Today's trademarks	303	303
- Great Lakes trademark and distribution network	-	89
- S&W trademark and label development costs	269	258
Disposal of subsidiaries	-	(504)
At 31 December	5,165	4,593

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

7 Intangible Assets (cont'd)

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").

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 2009 are US$5,123,000 and 27 years (2008: US$5,313,000 and 28 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 13.2% (2008: 10.8%) 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.

Sensitivity analysis

The cash flow projections are particularly sensitive in the following areas:

- A 10% decrease in forecasted revenue would decrease the recoverable amount by US$25,200,000 (2008: US$21,700,000).

- A 10% decrease in average gross margins would decrease the recoverable amount by US$7,000,000 (2008: US$6,300,000).

- A one percentage point increase in discount rate would decrease the recoverable amount by US$11,500,000 (2008: US$11,000,000).

This analysis assumes that all other variables remain constant.

An increase in the above areas would have the equal but opposite effect on the value-in-use, on the basis that all other variables remain constant.

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.

7 Intangible Assets (cont'd)

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 2009 are US$2,376,000 and 21 years (2008: US$2,489,000 and 22 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.

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 2009 are US$9,494,000 and 38 years (2008: US$9,721,000 and 39 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.

Source of estimation uncertainty

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.

8 Other Assets

	Group	
	2009 US$'000	2008 US$'000
Advances to growers	7,048	6,338
Security deposits	1,011	1,110
Land expansion (development costs of acquired leased areas)	1,457	1,197
Others	956	544
	10,472	9,189

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 on a straight-line basis over the lease periods of 10 years (2008: 10 years).

9 Inventories

	Group	
	2009 US$'000	2008 US$'000
Finished goods		
- at cost	24,278	24,156
- at net realisable value	90	154
Semi-finished goods		
- at cost	2,219	2,229
- at net realisable value	152	12
Raw materials and packaging supplies		
- at cost	41,345	54,494
	68,084	81,045

In 2009 raw materials, consumables and changes in finished goods and semi-finished goods recognized as cost of sales amounted to US$185,371,000 (2008: US$191,830,000).

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

	Group	
	2009 US$'000	2008 US$'000
At 1 January	1,725	2,589
Allowance for the year (Note 22)	1,923	1,372
Write-off against allowance	(1,827)	(1,719)
Disposal of subsidiaries	-	(68)
Currency realignment	107	(449)
At 31 December	1,928	1,725

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.

10 Biological Assets

	Group	
	2009 US$'000	2008 US$'000
Growing Crops (at cost)		
At 1 January	53,056	52,449
Additions	56,490	44,440
Harvested	(44,225)	(36,979)
Currency realignment	1,384	(6,854)
At 31 December	66,705	53,056
Livestock (at fair value)		
At 1 January	2,028	4,912
Purchases of livestock	3,632	1,883
Changes in fair value attributable to price changes (Note 22)	469	(12)
Sales of livestock	(2,419)	(4,112)
Currency realignment	54	(643)
At 31 December	3,764	2,028
Total biological assets	70,469	55,084

Growing crops

Estimated hectares planted with growing crops are as follows:

	Group	
	2009	2008
Pineapples	15,654	13,802
Papaya	676	961
Passion fruit	72	62

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

	Group	
	2009	2008
Pineapples	582,155	679,607
Papaya	2,496	5,408
Passion fruit	433	193

10 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 profit or loss. 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.

11 Trade and Other Receivables

		Group		Company	
	Note	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Trade receivables	12	10,467	67,604	-	-
Deposits, prepayments and other receivables	13	13,687	17,468	52	71
Amounts due from subsidiaries (non-trade)		-	-	42,475	42,911
Total loans and receivables		24,154	85,072	42,527	42,982

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

12 Trade Receivables

	Group 2009 US$'000	Group 2008 US$'000
Trade receivables	12,408	69,383
Less: Allowance for doubtful receivables (trade)	(1,941)	(1,779)
	10,467	67,604

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

	Group 2009 US$'000	Group 2008 US$'000
Asia Pacific	5,989	37,506
Europe and North America	4,478	30,098
	10,467	67,604

The ageing of trade and other receivables at the reporting date is:

	2009		2008	
	Gross US$'000	Impairment losses US$'000	Gross US$'000	Impairment losses US$'000
Not past due	14,182	-	71,402	(941)
Past due 0 - 30 days	1,004	(2)	2,904	-
Past due 31 - 90 days	125	-	87	-
More than 91 days	2,725	(1,939)	1,113	(838)
	18,036	(1,941)	75,506	(1,779)

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.

Source of estimation uncertainty

Under the supply contracts with Del Monte Corporation and Del Monte Fresh Produce International Inc., the Group is entitled to price adjustments arising from the difference between the actual and initial billing prices. Since the actual billing price cannot be determined at each balance sheet date, a probable price is estimated based on factors which include, but are not limited to, known market factors and preliminary discussions and negotiations.

12 Trade Receivables (cont'd)

The maximum exposure to credit risk from trade receivables at the reporting date by type of counterparty was:

	Group	
	2009 US$'000	2008 US$'000
Processed	9,711	67,019
Fresh	684	435
Others	72	150
Total	10,467	67,604

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

	Group	
	2009 US$'000	2008 US$'000
At 1 January	4,886	3,683
Allowance for the year (net) (Note 22)	2,916	1,454
Write-off against allowance	(50)	(5)
Disposal of subsidiary	-	(47)
Currency realignment	67	(199)
At 31 December	7,819	4,886

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 collectability 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.

13 Deposits, Prepayments and Other Receivables

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Prepayments	6,731	7,030	29	48
Other recoverable	572	3,052	23	23
Deposits	630	568	-	-
Non-trade receivables	5,056	3,747	-	-
Downpayment to contractors	698	3,071	-	-
	13,687	17,468	52	71

14 Cash and Cash Equivalents

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Cash and bank balances	41,953	7,862	9	14
Short-term deposits	17,209	-	-	-
Cash and cash equivalents in the cash flow statements	59,162	7,862	9	14

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 3.95% (2008: 0.01% to 5.20%) per annum. Short-term deposits are made for varying periods of between one day and one month 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 1.89% (2008: 2.58%) per annum.

15 Share Capital

	2009		2008	
	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 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 profit for the year 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.

16 Reserves

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Hedging reserve	-	(619)	-	-
Revaluation reserve	3,368	3,368	-	-
Revenue reserve	162,408	176,931	3,697	2,088
Share premium	68,687	68,687	68,827	68,826
Share option reserve	1,337	486	1,337	486
Translation reserve	(49,527)	(54,989)	-	-
	186,273	193,864	73,861	71,400

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.

17 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$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to other comprehensive income US$'000	Currency realignment US$'000	At 31 December US$'000
2008					
Deferred tax liabilities					
Revaluation of freehold land	1,658	-	-	(217)	1,441
Accelerated depreciation allowance	1,042	(406)	-	(93)	543
Financial derivative designated as hedging instrument	-	-	(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

GROUP	At 1 January US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to other comprehensive income US$'000	Currency realignment US$'000	At 31 December US$'000
2009					
Deferred tax liabilities					
Revaluation of freehold land	1,441	-	-	38	1,479
Accelerated depreciation allowance	543	473	-	29	1,045
Financial derivative designated as hedging instrument	(265)	-	272	(7)	-
Growing crops	1,429	122	-	41	1,592
	3,148	595	272	101	4,116
Deferred tax assets					
Provisions	(1,398)	(491)	-	(51)	(1,940)
Foreign exchange differences	(56)	(194)	-	(8)	(258)
	(1,454)	(685)	-	(59)	(2,198)
Net deferred tax liabilities/(assets)	1,694	(90)	272	42	1,918

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 2009 of a subsidiary based in the Philippines, is approximately US$10,090,000 (2008: US$8,845,000). 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.

18 Financial Liabilities

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Current liabilities				
Unsecured short-term borrowings	69,274	70,619	-	8,381
Obligations under finance leases	20	161	-	-
Financial derivatives designated as hedging instrument	-	885	-	-
	69,294	71,665	-	8,381
Non-current liabilities				
Unsecured long-term borrowings	26,004	-	-	-
Obligations under finance leases	-	20	-	-
Other long-term lease payables	64	96	-	-
	26,068	116	-	-
	95,362	71,781	-	8,381

Unsecured short-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.8% to 6.8% (2008: 3.8% to 8.9%) per annum which reprice at intervals of 1 month.

Unsecured long-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.1% to 6.5% per annum which reprice at intervals of 1 to 3 months.

18 Financial Liabilities (cont'd)

Terms and debt repayment schedule

The unsecured short-term loans of US$69,274,000 (2008: US$70,619,000) are mainly denominated in Philippine Peso, bear interest rates within a range of 1.80% to 4.20% (2008: 3.80% to 8.05%) and is repayable by January 2010.

Terms and conditions of outstanding long term loans and borrowings are as follows:

Group	Currency	Nominal interest rate %	Year of maturity	2009 Face value US$'000	2009 Carrying amount US$'000	2008 Face value US$'000	2008 Carrying amount US$'000
Unsecured bank loan	PHP	3-Mos PDSTF + .95 / .95 (GRT)	2012	2,154	2,154	-	-
Unsecured bank loan	PHP	3-Mos PDSTF + 1 / .95 (GRT)	2012	4,308	4,308	-	-
Unsecured bank loan	PHP	3-Mos PDSTF + 1.5 / .95 (GRT)	2012	6,462	6,462	-	-
Unsecured bank loan	USD	3-Mos Libor + 0.7 / .9 (On-Shore Tax)	2013	4,699	4,699	-	-
Unsecured bank loan	USD	1-Mo Libor + 2.5% (net rate)	2014	8,381	8,381	-	-
				26,004	26,004	-	-

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

Obligations under finance leases

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

	2009 Principal US$'000	2009 Interest US$'000	2009 Payments US$'000	2008 Principal US$'000	2008 Interest US$'000	2008 Payments US$'000
Repayable:						
Within 1 year	20	-	20	161	11	172
After 1 year but within 5 years	-	-	-	20	-	20
Total	20	-	20	181	11	192

The finance leases bear interest at 12% (2008: 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.

18 Financial Liabilities (cont'd)

Financial derivatives

Financial derivatives comprise foreign exchange contracts used to hedge payments by the Group. The final foreign exchange contract expired in the current financial year.

The following are the expected contractual undiscounted cash inflows / (outflows) of financial liabilities and financial derivatives, including interest payments and excluding the impact of netting agreements:

Group 2009	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'000
Non-derivative financial liabilities at amortised cost					
Finance lease liabilities	20	20	20	-	-
Unsecured bank loans					
- Short-term	69,274	69,419	69,419	-	-
- Long-term	26,004	29,212	1,028	14,703	13,481
Trade and other payables	56,499	56,499	56,499	-	-
	151,797	155,150	126,966	14,703	13,481
2008					
Non-derivative financial liabilities					
Finance lease liabilities	181	192	172	20	-
Unsecured bank loans					
- Short-term	70,619	71,041	71,041	-	-
- Long-term	-	-	-	-	-
Trade and other payables	65,439	65,439	65,439	-	-
	136,239	136,672	136,652	20	-
Derivative financial liabilities					
Financial derivatives designated as hedging instrument	885	853	853	-	-

Fair values

Estimation of fair values

Derivatives

The fair value of foreign exchange contract is based on broker quotes at the balance sheet date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each swap and using market interest rates for similar instruments at the measurement date.

18 Financial Liabilities (cont'd)

Other financial assets and liabilities

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

19 Trade and Other Payables

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Trade payables	27,556	38,981	-	-
Accrued operating expenses	22,590	19,890	476	333
Accrued payroll expenses	4,242	3,042	-	-
Value-added tax payable	1,105	2,304	-	-
Withheld from employees (taxes and social security cost)	1,001	1,217	-	-
Other payables	5	5	5	5
Amounts due to subsidiaries (non-trade)	-	-	34,083	28,766
	56,499	65,439	34,564	29,104

The accrued payroll expenses of the Group includes retirement benefit obligations of US$1,712,000 (2008: US$838,000) (Note 20).

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

20 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	
	2009 US$'000	2008 US$'000
Present value of funded obligations	36,367	32,891
Fair value of plan assets	(27,055)	(25,535)
	9,312	7,356
Unrecognised past service costs	(2,360)	(2,541)
Unrecognised actuarial (loss)/gain	(5,240)	(3,977)
Net liability recorded under accrued payroll expenses (Note 19)	1,712	838

20 Retirement Benefit Obligations (cont'd)

Present value of funded obligations

	Group	
	2009 US$'000	2008 US$'000
Liability at 1 January	32,891	43,647
Benefits paid by the plan	(3,006)	(4,103)
Current service costs and interests	4,806	4,926
Actuarial loss/(gain)	672	(5,667)
Currency realignment	1,004	(5,912)
Liability at 31 December	36,367	32,891

Fair value of plan assets

	Group	
	2009 US$'000	2008 US$'000
Government bonds and foreign currencies	23,094	21,675
Property occupied by a lessee	3,931	3,831
Property occupied by the Group	30	29
	27,055	25,535

Movement in plan assets:

	Group	
	2009 US$'000	2008 US$'000
Fair value of plan assets at 1 January	25,535	31,527
Contributions paid into the plan	2,044	3,143
Benefits paid by the plan	(3,006)	(4,103)
Expected return on plan assets	2,292	2,570
Actuarial loss	(479)	(3,476)
Currency realignment	669	(4,126)
Fair value of plan assets at 31 December	27,055	25,535

20 Retirement Benefit Obligations (cont'd)

Expenses recognised in the profit or loss

	Group	
	2009 US$'000	2008 US$'000
Current service cost	1,910	1,906
Interest cost	2,896	3,020
Expected return on plan assets	(2,292)	(2,570)
Amortisation for past service cost	241	251
Actuarial loss	57	-
Total pension expense	2,812	2,607
Recognised in:		
Cost of sales	1,917	1,790
Distribution and selling expenses	374	350
General and administrative expenses	521	467
	2,812	2,607

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$3,041,000 in contributions to the pension plan in 2010.

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 2009 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 31 December 2009.

The principal actuarial assumptions used for accounting purposes were:

	Group	
	2009	2008
Discount rate (per annum)	7%	8%
Expected return on plan assets (per annum)	9%	9%
Future salary increases (per annum)	6%	5%
Expected service life for the pension plan	10 years	12 years

20 Retirement Benefit Obligations (cont'd)

Historical information

	2009 $'000	2008 $'000	2007 $'000	2006 $'000
Present value of the defined benefit obligation	36,367	32,891	43,647	28,507
Fair value of plan assets	27,055	25,535	31,527	26,227
Deficit in the plan	9,312	7,356	12,120	2,280
Experience adjustments arising on plan liabilities	651	(1,056)	2,053	(808)
Experience adjustments arising on plan assets	528	3,637	2,111	242

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.

21 Revenue

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Sale of goods	330,656	381,478	-	-
Dividend income received and receivable from subsidiaries	-	-	32,000	40,500
	330,656	381,478	32,000	40,500

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.

22 Profit for the Year

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

	Note	Group		Company	
		2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Allowance for inventory obsolescence	9	1,923	1,372	-	-
Allowance for doubtful receivables					
- trade	12	1,074	535	-	-
- other	12	1,842	919	-	-
Amortisation of intangible assets	7	572	650	-	-
Changes in fair value attributable to price changes of biological assets	10	(469)	12	-	-
Depreciation of property, plant and equipment	4	8,321	8,757	-	-
Gain on disposal of property, plant and equipment		(291)	(78)	-	-
Reversal of impairment loss on property, plant and equipment	4	(84)	(39)	-	-
(Gain)/loss on disposal of subsidiaries		-	(2,326)	-	6,532
Non-audit fees					
- payable to the auditors of the Company		22	2		-
- payable to other auditors		-	28		-
Operating lease rentals		5,489	3,843		-
Research and development expenditure		1,533	1,375	-	-
Staff Costs					
Wages and salaries		46,038	46,185	1,662	1,272
Government grants – Jobs Credit Scheme, offset against staff costs		(30)	-	-	-
Social security costs		1,200	1,610	-	-
Pension costs – provident fund		436	590	-	-
Pension costs – defined benefit pension plan	20	2,812	2,607	-	-
Supplemental Performance Bonus		-	946	-	111
Value of employee services received under share-based incentive plans	28	851	486	851	486
Production profit share (see Note below)		24	25	-	-
		51,331	52,449	2,513	1,869

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.

22 Profit for the Year (cont'd)

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$24,000 (2008: US$25,000) that the Company believes is in full compliance with the implementation guidelines of the law.

23 Finance Income / (Expenses)

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Recognised in profit or loss				
Finance Income				
Interest income from				
- bank deposits	531	767	-	-
- others	202	584	-	-
	733	1,351	-	-
Finance Expenses				
Interest expenses on				
- bills payable	(4,525)	(2,866)	-	-
- factoring	(651)	(92)	-	-
- others	(398)	(1,137)	-	-
Foreign exchange losses	(673)	(917)	-	-
Realised loss on cash flow hedges	(853)	(6,338)	-	-
	(7,100)	(11,350)	-	-
Net Finance Expense	(6,367)	(9,999)	-	-

23 Finance Income / (Expenses) (cont'd)

The above finance income and finance costs included in the following interest income and expenses in respect of assets / (liabilities) not at fair value through profit or loss:

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Recognised in profit or loss				
Total interest income on financial assets	733	(917)	-	-
Total interest expense on financial liabilities	(5,574)	(4,095)	-	-

Recognised in other comprehensive income

	Group	
	2009 $'000	2008 $'000
Foreign currency translation differences transferred to profit or loss on disposal of subsidiaries	-	539
Effective portion of changes in fair value of cash flow hedges	885	(885)
Foreign currency translation differences for foreign operations	5,462	23,937
Income tax on finance income and finance costs recognised in other comprehensive income	(266)	295

24 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	
	2009 US$'000	2008 US$'000
Current tax		
- current year	4,287	5,749
Deferred tax		
- current year	(90)	1,106
	4,197	6,855
Reconciliation of effective tax rate		
Profit before income tax	15,528	43,882
Taxation on profit at weighted average of the applicable tax rates	4,185	6,933
Non-deductible expenses	12	40
Change in tax rate	-	(118)
	4,197	6,855
Standard tax rates		
- Philippines (non-PEZA)	30%	35%
- Philippines (PEZA)*	5%	5%
- India	34%	34%
- Singapore	17%	18%

*- based on gross profit for the year

24 Income Tax (cont'd)

Income tax recognised in other comprehensive income

	Group					
	<--------2009	--------	-------->	<--------2008	--------	-------->
	Before tax $'000	Tax (expense) benefit $'000	Net of tax $'000	Before tax $'000	Tax (expense) benefit $'000	Net of tax $'000
Foreign currency translation differences transferred to profit or loss on disposal of subsidiaries	-	-	-	539	-	539
Effective portion of changes in fair value of cash flow hedges	885	(266)	619	(885)	266	(619)
Foreign currency translation differences for foreign operations	5,462	-	5,462	(23,937)	-	(23,937)
Net loss on revaluation of property, plant and equipment	-	-	-	(174)	29	(145)
	6,347	(266)	6,081	(24,457)	295	(24,162)

On 22 November 2007, DMPI's core production operations in Cagayan de Oro City, Philippines were 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 30% (2008: 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. 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.

25 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	
	2009	2008
Basic earnings per share is based on:		
Profit for the year (US$'000)	11,331	37,027
Ordinary shares in issue during the year ('000)	1,081,781	1,081,781
Basic earnings per share (in US cents)	1.05	3.42

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	
	2009	2008
Diluted earnings per share is based on:		
Profit for the year (US$'000)	11,331	37,027
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	5,729	2,406
Weighted average number of ordinary issued and potential shares assuming full conversion	1,087,510	1,084,187
Diluted earnings per share (in US cents)	1.04	3.42

26 Dividends

	Group and Company	
	2009	2008
	US$'000	US$'000
Tax-exempt final dividend paid in respect of the previous financial year of 1.76 US cents (2008: 1.95 US cents)	19,039	21,095
Tax-exempt interim dividend paid in respect of the current financial year of 0.63 US cents (2008: 0.80 US cents)	6,815	8,654
	25,854	29,749

Subsequent to the financial year, the directors declared a tax-exempt final dividend of 0.16 US cents per share (2008: 1.76 US cents per share), amounting to US$1,731,000 (2008: US$19,039,000) in respect of the financial year ended 31 December 2009. These dividends have not been provided for in these financial statements.

27 Operating Segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units is based on the geographical area in which the customers are located, and are managed separately because they require different marketing strategies due to the differing demographics and demand requirements. For each of the strategic business units, the Group's Executive Committee reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Asia Pacific – processed products, beverages and non-processed products
- Europe and North America – processed products

Information regarding the results of each reportable segment is included below. Segment gross profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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 and investment in joint venture. 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.

The Group's operating segment is further divided into processed products, non-processed and beverages. In presenting information on the basis of business segments, segmentation of revenue is based on the product variety. Total assets and capital expenditure are shown by the product variety for which the assets are allocated to.

27 Operating Segments (cont'd)

Information About Reportable Segments

	<------ Asia Pacific						------>		North America & Europe		Others		Total	
	Processed products		Beverages		Non-processed products		Total		Processed products					
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
External revenues	125,992	143,659	93,776	103,563	1,851	16,438	221,619	263,660	75,563	92,067	33,474	25,751	330,656	381,478
Depreciation and amortisation	(2,201)	(2,262)	(1,417)	(1,796)	(37)	(53)	(3,655)	(4,111)	(3,660)	(3,887)	(1,578)	(1,409)	(8,893)	(9,407)
Reportable segment profit before income tax	18,049	30,364	5,215	19,024	841	2	24,105	49,390	265	3,622	1,405	3,932	25,775	56,944
Other material non-cash items: Impairment on property, plant and equipment and intangible assets. Impairment losses on property, plant and equipment and intangible assets reversed	(1202)	(750)	(804)	(566)	(57)	-	(2,063)	(1,316)	(1,692)	(686)	(1,551)	(1,193)	(5,306)	(3,195)
Reportable segment assets	75,039	102,134	38,956	55,370	3,916	2,615	117,911	160,119	96,297	109,164	49,328	45,274	263,536	314,557
Capital expenditure	(2,688)	(4,216)	(2,679)	(4,082)	-	(27)	(5,367)	(8,325)	(6,200)	(8,468)	(3,043)	(2,695)	(14,610)	(19,488)
Reportable segment liabilities	19,401	22,599	21,465	25,328	115	160	40,981	48,087	10,197	12,936	5,387	5,397	56,565	66,420

27 Operating Segments (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	Note	2009 US$'000	2008 US$'000
Revenue			
Total revenue for reportable segments / Consolidated revenue		330,656	381,478
Profit or loss			
Total profit or loss for reportable segments		25,775	56,944
Unallocated amounts: Other corporate expenses		(6,367)	(9,999)
Share of loss of joint venture	6	(3,880)	(3,063)
Consolidated profit before income tax		15,528	43,882
Assets			
Total assets for reportable segments		263,536	314,557
Investments in joint venture	6	30,204	23,374
Other unallocated amounts	14	59,162	7,862
Consolidated total assets		352,902	345,793
Liabilities			
Total liabilities for reportable segments		56,565	66,420
Other unallocated amounts		99,246	74,691
Consolidated total liabilities		155,811	141,111

Other material items 2009

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	1,923	-	1,923
Allowance for doubtful receivables	2,916	-	2,916
Capital expenditure	14,610	-	14,610
Depreciation and amortisation	8,893	-	8,893
Impairment losses on property, plant and equipment and intangible assets reversed	(84)	-	(84)
Operating lease rental	5,489	-	5,489

27 Operating Segments (cont'd)

Other material items 2008

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	1,372	-	1,372
Allowance for doubtful receivables	1,454	-	1,454
Capital expenditure	19,488	-	19,488
Depreciation and amortisation	9,407	-	9,407
Impairment losses on property, plant and equipment and intangible assets reversed	(39)	-	(39)
Operating lease rental	3,843	-	3,843

Segment non-current assets of US $131,033,000 (2008: US$116,730,000) are located within the Asia Pacific region.

Major Customer

Revenues from one customer of the Group's Europe and North America segment represents approximately $50,446,000 (2008: $59,308,000) of the Group's total revenues.

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 ESOP had expired on 24 July 2009.

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

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

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

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

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of 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).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

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

28 Share Option and Incentive Plans (cont'd)

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 2009	2008
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 – 6 March 2018	0.627	1,550,000	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	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 onwards	0.615	1,725,000
20 May 2008	Up to 60%: 20 May 2010 – 19 May 2011 40%: 20 May 2011 onwards	0.680	1,611,000
12 May 2009	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.540	3,749,000
			7,085,000

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.

28 Share Option and Incentive Plans (cont'd)

Fair value of share options and assumptions

Date of grant of options	7 March 2008	7 March 2008	20 May 2008	12 May 2009
	ESOP	**<-------- Del Monte Pacific RSP --------->**		
Fair value at measurement date	US$0.12	US$0.44	US$0.50	US$0.37
Share price (Singapore dollars) at grant date	0.615	0.615	0.680	0.540
Exercise price (Singapore dollars)	0.627	-	-	-
Expected volatility	5.00%	5.00%	5.00%	2.00%
Time to maturity	9 years	2 years	2 years	3 years
Risk-free interest rate	3.31%	3.31%	3.31%	2.30%

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.

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.

29 Financial Risk Management (cont'd)

	Group Profit or Loss 2009 US$'000	Group Profit or Loss 2008 US$'000
Short-term deposits	172	-
Unsecured short-term and long-term borrowings	(953)	(706)
Obligations under finance leases	-	(2)
	(781)	(708)

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$255.0 million in credit lines, of which only 45% is availed. The lines are mostly for short term financing requirements, with US$26.0 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.

Foreign exchange risk

The 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 2009 US$'000	Group 2008 US$'000
Trade and other receivables	692	2,358
Cash and cash equivalents	29,368	624
Financial liabilities	(41,780)	(4,701)
Trade and other payables	(2,469)	(22,688)
	(14,189)	(24,407)

29 Financial Risk Management (cont'd)

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 nil (2008: US$89,000) and US$1,419,000 (2008: US$2,352,000) 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 2009, the Group's major customers collectively accounted for 24% (2008: 26%) 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. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

The percentages of cash and bank balances held in the following regions are:

	Group	
	2009	2008
	%	%
Philippines	96	58
Hong Kong	4	41
India	-	1

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.

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.

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.

29 Financial Risk Management (cont'd)

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.

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	
	2009 US$'000	2008 US$'000
Within one year	3,517	3,357
Between one to five years	31,792	30,337
More than five years	25,953	23,915
	61,262	57,609

Included in the above are commitments denominated in Philippine Peso of PHP2,791 million, equivalent to US$60,124,000 (2008: PHP2,699 million, equivalent to US$56,662,000).

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.

Future capital expenditure

	Group	
	2009 US$'000	2008 US$'000
Capital expenditure not provided for in the financial statements		
- approved by directors and contracted for	3,431	4,238
- approved by directors but not contracted for	17,501	14,664
	20,932	18,902

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 Caribbean, 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 2009, 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.

In February 2010, the Court dismissed FDM's claim for punitive damages and its cause of action relating to the shipment of pineapple juice concentrate to the Netherlands, which shipment was actually covered by the parties' previous settlement. However, the Court did not dismiss FDM's cause of action relating to a questioned parallel shipment by a third party to Italy for being premature. The Court suggested, however, that the Company may move to dismiss again after discovery proceedings.

In October 2009, FDM commenced a new action against the Company for the alleged breach of contract on account of the Company's sales to third parties of mill juice and issuance of a price quote for water white fruit syrup. The new complaint seeks a claim of US$100 million in damages. As the products in question fall outside the scope of the contract, the Group believes that the claims are without merit.

The Company will contest these claims vigorously without prejudice to actions it may take against FDM. The Company is also confident that it will prevail in these cases.

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.

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	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Expenses				
Management fees to a subsidiary, DMS	-	-	458	405
Rental paid to DMPI Retirement Fund	8	210	-	-
Rental paid to DMPI Provident Fund	165	366	-	-
	173	576	458	405

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.

The aggregate value of the sales, purchases and other transactions between the Group and trustee administered funds for the financial year 2009 amounted to US$0.2 million (2008: US$0.6 million).

32 Related Parties (cont'd)

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	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Directors:				
Fees and remuneration	2,592	2,273	1,089	895
Share-based payments	221	247	221	247
Key executive officers (excluding directors):				
Short-term employee benefits	1,900	1,613	-	-
Post-employment benefits	181	181	-	-
Share-based payments	630	239	630	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 20).

Statistics of Shareholdings
As at 15 March 2010

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	934	0.00
1,000 - 10,000	7,845	94.12	14,947,798	1.38
10,001 - 1,000,000	468	5.61	20,994,400	1.94
1,000,001 and above	13	0.16	1,045,838,062	96.68
Total	8,335	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	82,090,690	7.59
3	Lee Pineapple Company Pte Ltd	43,089,000	3.98
4	United Overseas Bank Nominees Pte Ltd	22,678,000	2.10
5	DBS Nominees Pte Ltd	22,062,000	2.04
6	Pineapples of Malaya Private Limited	5,360,000	0.50
7	Citibank Nominees Singapore Pte Ltd	5,165,000	0.48
8	Air Alliance Pte Ltd	5,000,000	0.46
9	DBS Vickers Securities (S) Pte Ltd	2,759,000	0.26
10	Citibank Consumer Nominees Pte Ltd	2,141,000	0.20
11	Mayban Nominees (S) Pte Ltd	2,030,000	0.19
12	Royal Bank of Canada (Asia) Ltd	2,020,000	0.19
13	Lee Wee Heng Richard	2,014,000	0.19
14	Raffles Nominees (Pte) Ltd	948,000	0.09
15	Ng Keng Kwee	721,000	0.07
16	Go Kee Tee Ochura	592,000	0.05
17	Yap Hock Beng	519,000	0.05
18	Luis Francisco Alejandro	500,000	0.05
19	Morgan Stanley Asia (Singapore) Securities Pte Ltd	500,000	0.05
20	Kim Eng Securities Pte. Ltd.	369,000	0.03
	Total	**1,049,987,062**	**97.09**

Substantial Shareholders

As recorded in the Register of Substantial Shareholders

Group	Direct Interest No. of shares	%[1]	Deemed Interest 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") and is deemed to have an interest in 42.2% of NHL by virtue of the share purchase agreement entered into between WGL and San Miguel Foods Asia Limited ("SMFAL") dated 12 April 2007 pursuant to which WGL purchased the entire 42.2% equity interest in NutriAsia San Miguel Holdings Limited (currently known as NutriAsia Holdings Limited) held by SMFAL. NHL 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 2009

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 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 2009 (Amount In Singapore Dollars)

	Group	
	2009 S$'000	2008 S$'000
Revenue	482,758	537,884
Cost of sales	(382,724)	(402,181)
Gross Profit	100,034	135,703
Distribution and selling expenses	(29,277)	(29,761)
General and administrative expenses	(28,041)	(26,333)
Other expenses	(5,084)	682
Results from operating activities	37,632	80,291
Finance income	1,070	1,905
Finance expenses	(10,366)	(16,003)
Net finance expenses	(9,296)	(14,098)
Share of loss of joint venture, net of tax	(5,665)	(4,319)
Profit before taxation	22,671	61,874
Income tax	(6,128)	(9,666)
Profit for the year	16,543	52,208

* 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 2009 and 2008 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.46 and S$1.41, 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.

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Corporate Information

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
Chief Operating Officer
Mr Richard W Blossom
Senior Vice President
Ms Tan Chooi Khim
General Manager, S&W Fine Foods International Ltd
Mr Ignacio C O Sison
Chief Financial Officer
Ms Angie G Flaminiano
Chief Marketing Officer
Ms Ma Bella B Javier
Chief Scientific Officer
Mr Raul C Leonen
Chief Manufacturing Officer
Mr Antonio Eugenio S Ungson
Chief Legal Counsel and Chief Compliance Officer

Company Secretary

Ms Yvonne Choo
(Mrs Yvonne Goh)
KCS Corporate Services Pte Ltd
36 Robinson Road #17-01
City House, Singapore 068877
Tel : +65 6311 3233
Fax: +65 6311 3256
yvonne.goh@kcs.com

Auditors

KPMG LLP
Certified Public Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Audit Partner:
Ms Bay Choon Huay Esther
Audit partner appointed wef 1 Oct 2009
Audit firm appointed wef 28 April 2006

Principal Bankers

BDO Universal Bank, Inc
Bank of the Philippine Islands
Development Bank of the Philippines
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
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

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

For further enquiries please contact:

Investor Relations and Business Office

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Trademarks

Del Monte, Del Monte Quality and Shield in Colour are principal registered trademarks of the Group in the Philippines and Indian subcontinent 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.

Corporate Profile

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

The DMPL Group owns the Del Monte brand in the Philippines and enjoys leading market shares for canned pineapple juice and juice drinks, canned pineapple and tropical mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup.

The Del Monte Pacific Group also owns another premium brand, S&W, globally except the Americas, Australia and New Zealand. As with the Del Monte brand, the S&W brand originated in the USA in the 1890s as a producer and marketer of premium quality processed fruit and vegetable products.

In India, the DMPL Group owns 45% of FieldFresh Foods Private Limited, which has exclusive rights to the Del Monte brand for processed food and beverage products. FieldFresh markets Del Monte-branded processed products in the domestic market and Fieldfresh-branded fresh fruits and vegetables globally and in the domestic market. Del Monte Pacific's partners in Fieldfresh Foods are the well-respected Bharti Enterprises and EL Rothschild Limited.

Del Monte Pacific holds the exclusive rights to produce and distribute food and beverage products under the Del Monte brand in the rest of the Indian subcontinent.

With its 20,000-hectare contiguous pineapple plantation in the Philippines, 700,000-ton processing capacity and a port beside its 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 such as Del Monte Foods Co, Fresh Del Monte Produce Inc, Del Monte Asia Pte Ltd and these companies' parents and 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 liquid condiments, specialty sauces and cooking oil market in the Philippines.

Staying on course

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