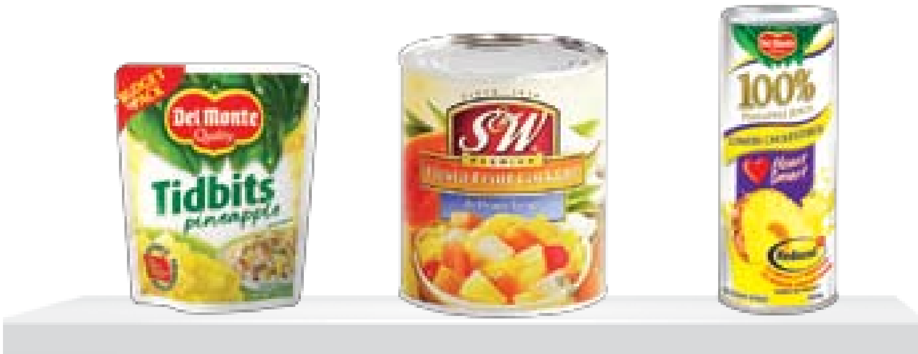
Del Monte Quality

Del Monte Pacific Limited

Annual Report 2011

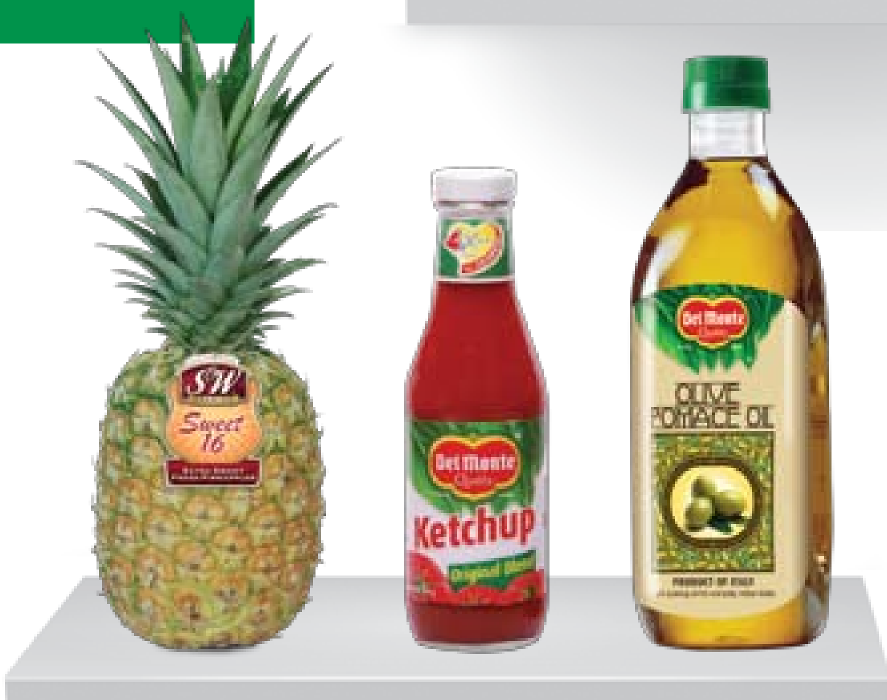


Achieved record sales of US$425 million, 12% higher than prior year

Net profit soared 74% to US$27.4 million from US$15.8 million

Major turnaround of the Europe business post termination in mid 2010 of an unprofitable supply contract

Issued notice of termination of the USA supply contract



Garnered a fourth award - Best Investor Relations - at the Singapore Corporate Awards

Significantly increased S&W branded sales of both processed and fresh products

Our Vision

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

Our Mission

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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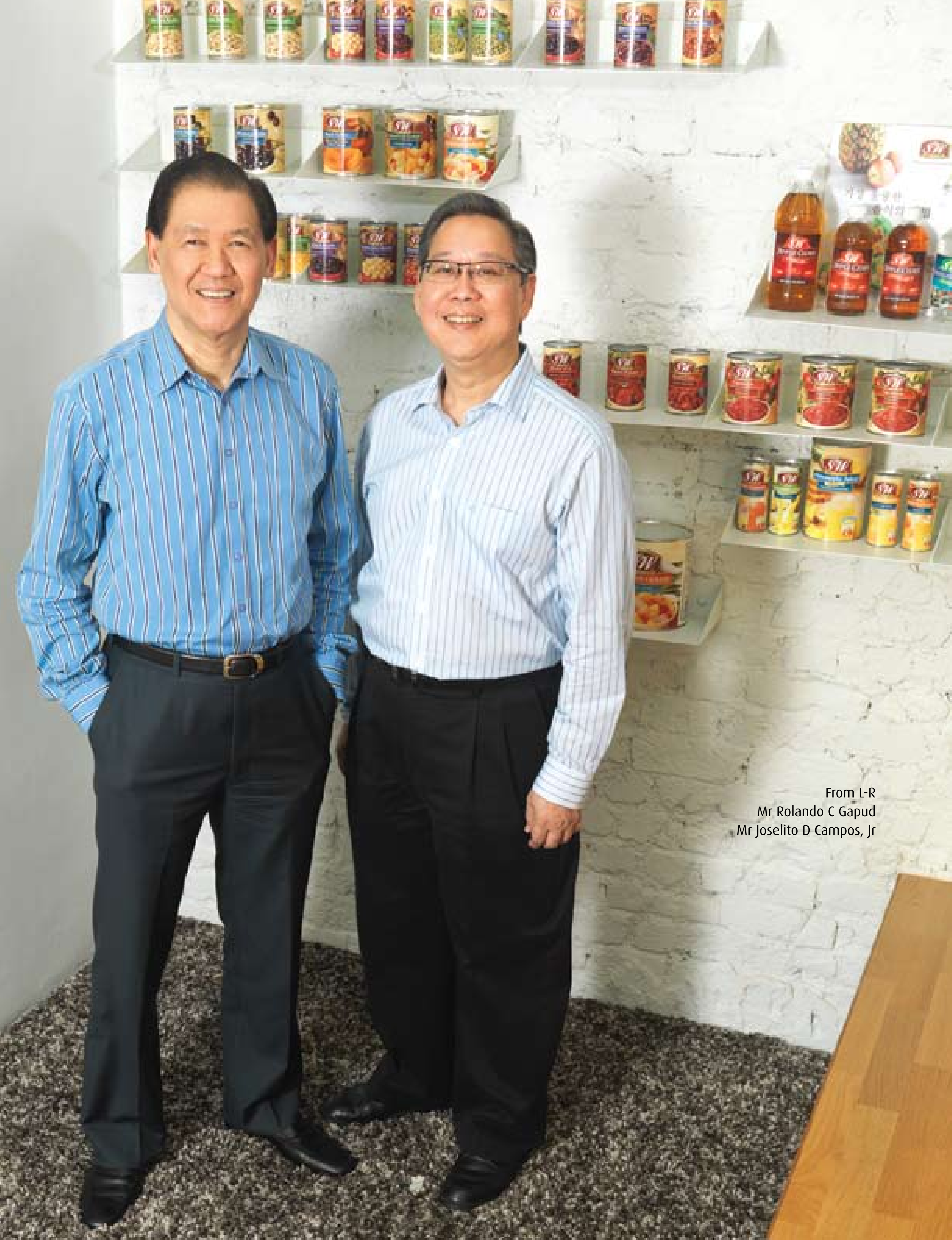
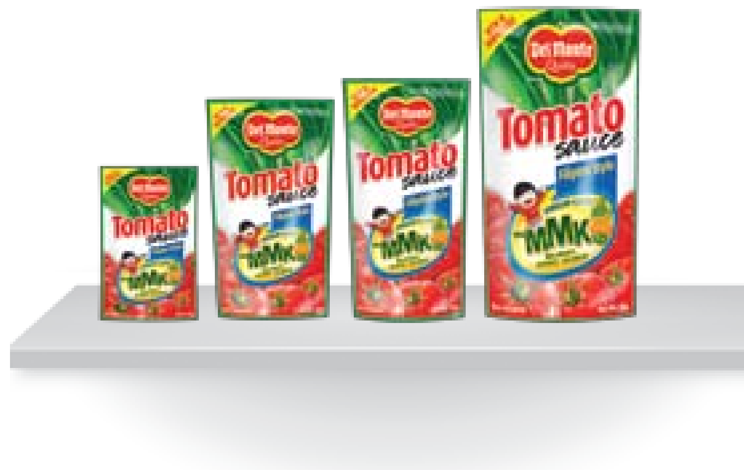


From L-R
Mr Rolando C Gapud
Mr Joselito D Campos, Jr

Letter to Shareholders

The strong 2011 results place the Group on track for further growth as it builds on the gains made in exports and by the greater market penetration of S&W branded processed and fresh business in Asia.



Dear Shareholders,

We sustained in 2011 the growth momentum and recovery we started in 2010. We are pleased to report that your Company achieved record sales of US$425.2 million, 12% higher over prior year. The record revenue was mainly driven by robust exports across all major markets especially Europe. Operating profit rose 46% to US$44.3 million while net profit attributable to owners soared 74% to US$27.4 million from US$15.8 million.

Exports of processed products were a key driver of revenue expansion, growing 25% on the back of better prices and sales mix, and greater volume. Selling prices and margins in Europe improved as the Group sold directly into that market following the termination in mid 2010 of an unprofitable supply contract. As we effectively transitioned the European business to one where we have better market visibility, Europe has now become a major contributor to Group profit.

We have continued working on the profitability of our international markets by dealing with legacy supply contracts that have unfavourable margins and terms. In November 2011, we served notice of termination of another major contract, our supply agreement with the USA. Given the three-year notice period, the termination will become effective in November 2014.

The S&W branded business, both processed and fresh, generated strong results in 2011. Sales rose 54% to US$20.1 million from higher sales of canned tropical fruit and fresh fruit to China and Korea. Sales in China have grown strongly since the Group's entry into that market in the fourth quarter of 2010. The Group also expanded the brand into the Taiwan market in 2011.

Sales in the Philippines grew 2% on higher sales of canned juices and processed fruit. Record sales of canned 100% pineapple juices registered double-digit growth, backed by advertising campaigns promoting the health benefits of immunity, fiber enrichment and cholesterol reduction, offsetting the soft demand of our PET beverage. Meanwhile, growth in the processed fruit segment was primarily driven by cooking campaigns as households were encouraged to use pineapple products for everyday dishes. Sales of pineapple tidbits in pouch performed well while the Group also realised gains from improvements in its supply chain, which included better distribution. In the culinary segment, the important tomato sauce and spaghetti sauce categories maintained their leadership market shares and delivered record sales.

Group gross profit in 2011 rose 24% to US$101.4 million from US$81.8 million and gross margin increased to 23.9% from 21.6% on better prices and sales mix. We also improved pineapple yields by 4%, pineapple supply by 14% and production recovery by 5%. These productivity-driven cost improvements, coupled with lower tomato paste costs, offset increases in tinplate and sugar prices.

Sales at our Indian joint venture, FieldFresh Foods, grew 42% to US$38.0 million in 2011. Del Monte branded sales in India almost doubled to US$28.4 million, accounting for 75% of total affiliate sales. Exports of fresh products from India under the FieldFresh brand also increased by 19%. However, the Group recognised an equity loss of US$9.7 million, higher than prior year's US$6.0 million, as a result of support for the expansion of the branded business through higher marketing, trade promotion, manpower and depreciation costs after the commissioning of the new manufacturing and R&D facility near Bangalore in December 2010.

In addition to higher losses in FieldFresh, our Company's net income was unfavourably impacted by a one off expense of US$4.0 million in relation to the settlement of a supply contract arbitration including legal expenses. Without this one off expense, full year 2011 operating income and net income would have posted higher growths of 59% and 92%, respectively, instead of 46% and 74%.

Letter to Shareholders

Awards and Corporate Governance

Following the three awards that Del Monte Pacific received in 2010 from the Singapore Corporate Awards (SCA):

- Best Managed Board (Gold)
- Best Chief Financial Officer
- Best Annual Report (Bronze)
  for companies with market capitalisation of S$300 million to less than S$1 billion

the Group is honoured to receive a fourth award from the SCA in 2011:

- Best Investor Relations (Gold)

We are humbled and motivated to continuously uphold and advance corporate governance, transparency and best in class practices.

Sustainability

While our Company has been active in caring for the environment and local communities throughout the 85-year history of our Philippine operations, including the outreach of our Del Monte Foundation, we have embarked on a journey towards corporate sustainability in accordance with the Global Reporting Initiative (GRI) framework. Sustainability goes beyond corporate social responsibility and philanthropy, as well as environmental compliance, and sets us on a path towards a more holistic and strategic approach towards social, environmental and economic performance – for the benefit of our people, planet and profit or the Triple Bottomline.

Strategy and Outlook

In line with our vision, our business has expanded and diversified resulting in a larger international market contribution. While the Philippines remains to be a key market, we continuously develop new markets with attractive prospects and maximise profits in existing foreign markets.

The restructuring or termination of supply agreements with key partners continues to be among the many initiatives undertaken by Management to strengthen our Company's profitability. We now have more direct control of our markets leading to better market penetration. The termination of the European supply contract in mid 2010 allowed us to manage that market directly leading to higher volume and improved profitability. We envision the same for the US market once the termination of the supply contract comes into effect in 2014.

Our strong 2011 results place the Group on track for further growth as we build on the gains we made in exports and by the greater market penetration of S&W branded processed and fresh business in Asia.

We continue to be optimistic about our business in India where we have generated higher sales and improved distribution, and are gaining good brand recognition. The higher than expected losses by our joint venture are being addressed. Major initiatives are being undertaken, one of which is the rationalisation of the domestic fresh business.

Barring unforeseen circumstances, we expect to improve earnings in 2012. This will be driven by revenue enhancements from better mix and volume, operational efficiencies coupled with active cost management, and reduced losses in our Indian joint venture company.

Letter to Shareholders

Cash Dividends

Your Board of Directors declared a final dividend per share of US$0.0145. Coupled with the interim dividend per share of US$0.0046, this translates to a total dividend for the year of US$0.0191 per share compared with US$0.011 per share in 2010. This dividend of US$0.0191 per share represents a 75% payout of full year 2011 net profit.

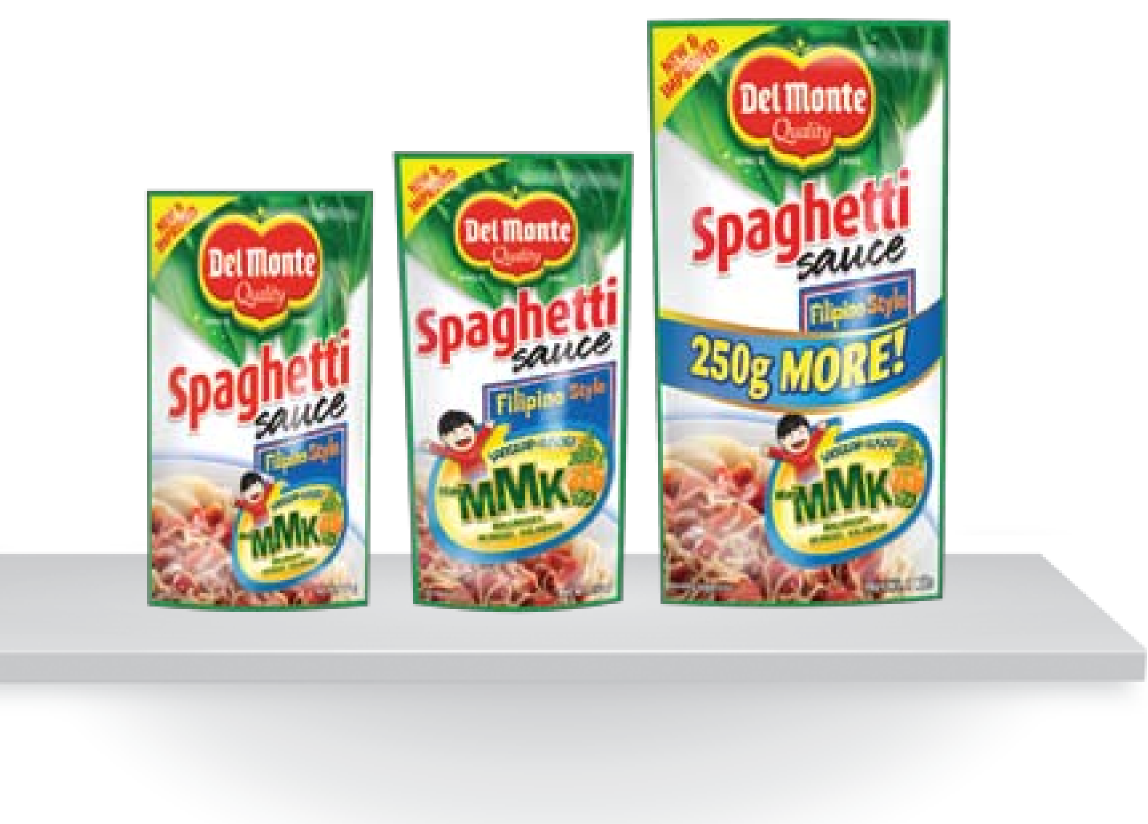
Appreciation

Our continued high performance in 2011 was made possible by our employees' passion, dedication and hard work. We are thankful to them for the good year that we just completed -- while we impel them to an even better 2012. We are grateful to our shareholders, bankers, business partners and customers for their continued support. And finally, we thank the Chairmen of our Board Committees and the rest of the Board members for their invaluable wise counsel.

Mr Rolando C Gapud
Chairman

Mr Joselito D Campos, Jr
Managing Director and CEO

30 March 2012



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

Board of Directors

Mr Rolando C Gapud

Chairman and Non-Executive Director
Appointed on 20 January 2006 and last elected on 29 April 2011

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. He is a member of the Asian Executive Board of the Sloan School in MIT.

Mr Joselito D Campos, Jr

Executive Director
Appointed on 20 January 2006 and last 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 Chairman of Ayala-Greenfield Development Corp, two major Philippine property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. 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 the Philippine Eagle Society. Mr Campos holds an MBA from Cornell University.

Mr Edgardo M Cruz, Jr

Executive Director
Appointed on 2 May 2006 and last elected on 27 April 2009

Mr Edgardo M Cruz, Jr is a Certified Public Accountant. He is a member of the Board and Corporate Secretary of the NutriAsia Group of Companies. He is a member of the Board and Chief Financial Officer of Bonifacio Land Corporation. He is a member of the Board of Fort Bonifacio Development Corporation and its subsidiaries. He is also a member of the Board of Trustees of The Mind Museum and the Del Monte Foundation. He is the Chairman of the Board of Bonifacio Gas Corporation. 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 and last elected on 28 April 2010

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.

Board of Directors

Dr Emil Quinto Javier
Independent Director
Appointed on 30 April 2007 and last elected on 28 April 2010

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. 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 Baños.

Mr Benedict Kwek Gim Song
Independent Director
Appointed on 30 April 2007 and last elected on 29 April 2011

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 and last elected on 27 April 2009

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

Awards & Accolades

Marketing Award

Del Monte Philippines' Marketing Senior Product Manager Justine Ferrer and Product Manager Angeline Go bagged Gold for the Philippines and the Company in the Young Marketers Competition of the 58th Cannes (France) Lions International Festival of Creativity.

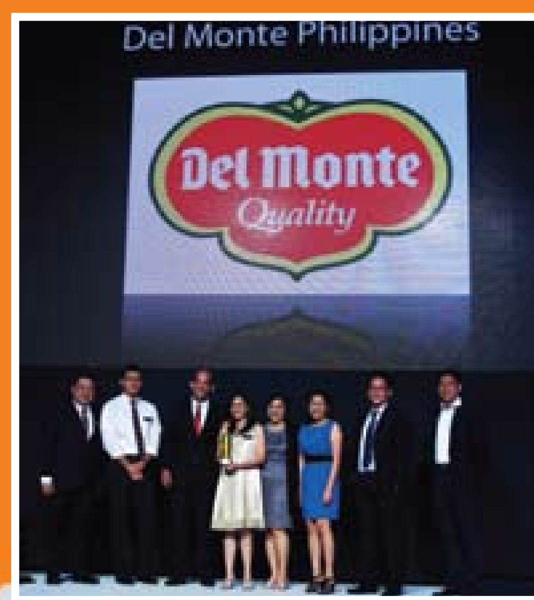
Sustainability Award

The Philippine Enercon Movement and the Department of Energy jointly awarded Del Monte Philippines with the Don Emilio Abello Outstanding Award for Energy Efficiency in 2011. Presenting the award was Department of Energy Secretary Rene D Almendras.

Governance Award

Del Monte Pacific received three awards in 2010 and one award in 2011 from the Singapore Corporate Awards:

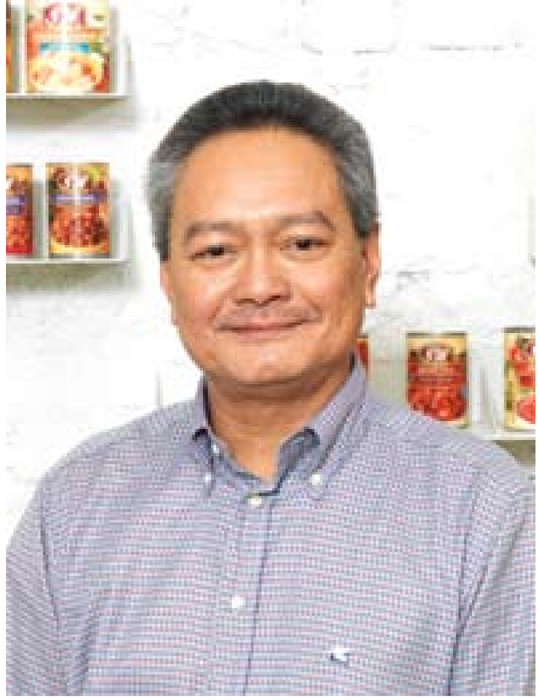
- Best Managed Board (Gold)
- Best Chief Financial Officer
- Best Annual Report (Bronze)
- Best Investor Relations (Gold)



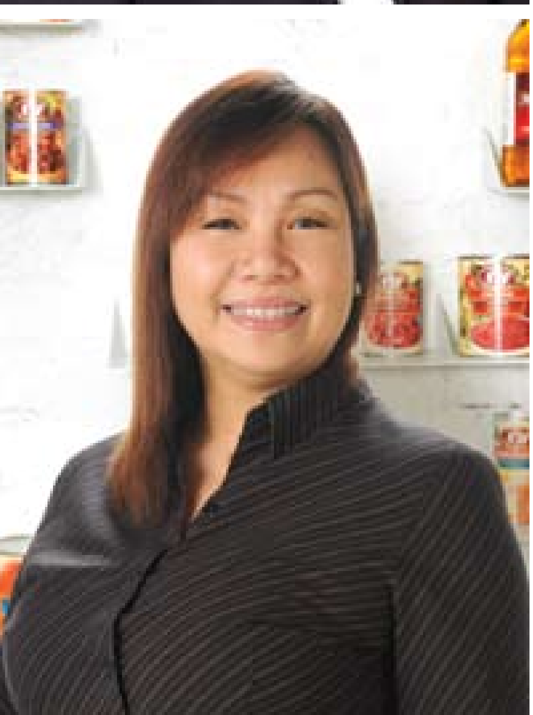
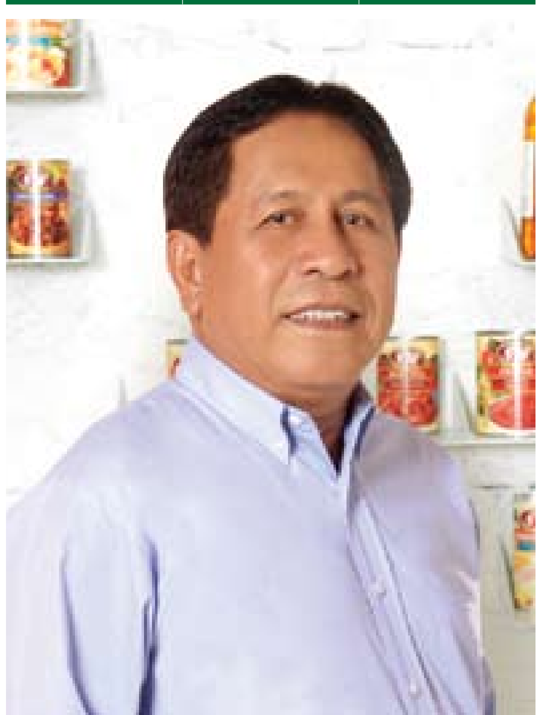
Sales Award

Del Monte Philippines received three awards from 7-11:

- Best Supplier of the Year
- Most Innovative Supplier
- Best in Account Management (for the 3rd consecutive year)

Mr Joselito D Campos, Jr	Mr Luis F Alejandro	Mr Richard W Blossom
Ms Tan Chooi Khim		Mr Ignacio C O Sison
Ms Ma Bella B Javier	Mr Raul C Leonen	Mr Antonio E S Ungson


Senior Management

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 Chairman of Ayala-Greenfield Development Corp, two major Philippine property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. 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 the Philippine Eagle Society. 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.

Senior Management

Mr Ignacio C O Sison
Chief Financial Officer

Mr Ignacio C O Sison has more than 20 years of finance experience spanning treasury, corporate and financial planning, and controllership. He was previously Vice President, Corporate Controller, and Vice President, Treasury and Corporate Development, of Del Monte Philippines, Inc, 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 Ma Bella B Javier
Chief Scientific Officer

Ms Ma Bella B Javier has almost 30 years experience in R&D from leading FMCGs in the food industry. She spent 20 years at Kraft Foods, with her last assignment as the Director for Asia Pacific Beverage Technology and Southeast Asia Development. In her present role, she heads the Consumer Product and Packaging Development and the Quality Assurance functions for the Group. She is driving the Technology Development roadmap for the company, including Plantation Research programmes that impact consumer product development. Ms Javier is a Licensed Chemist with a bachelor's degree in Chemistry from the University of the Philippines (UP). She also 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

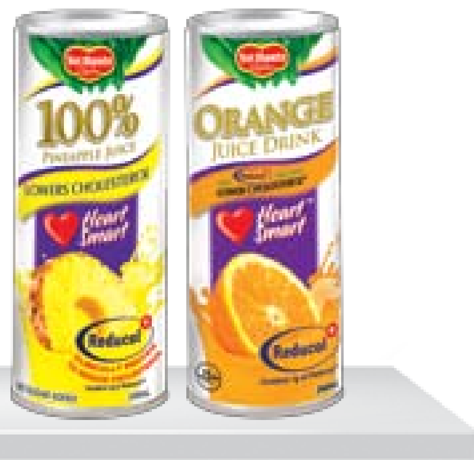
Financial Year ended 31 December (Amounts in US$ million unless otherwise stated)	2011	2010	2009	2008	2007
Profitability					
Turnover	425.2	378.6	330.7	381.5	289.4
Gross Profit	101.4	81.8	68.5	96.2	71.6
EBITDA	47.8	35.7	30.7	63.3	47.3
Profit from Operations	44.3	30.3	25.8	56.9	38.6
Net Profit attributable to owners[1]	27.4	15.8	11.3	37.0	38.6
EPS[1] (US cents)	2.54	1.46	1.05	3.42	3.57
Gross Margin (%)	23.9	21.6	20.7	25.2	24.7
EBITDA Margin (%)	11.2	9.4	9.3	16.6	16.3
Operating Margin (%)	10.4	8.0	7.8	14.9	13.3
Net Margin[1] (%)	6.5	4.2	3.4	9.7	13.3
EPS Growth[1] (%)	74.0	39.0	(69.3)	(4.2)	84.0
Return on Equity[1] (%)	12.2	7.6	5.6	17.4	19.5
Return on Assets[1] (%)	6.7	4.2	3.2	11.1	13.1
Balance Sheet					
Cash	20.9	17.5	59.2	7.9	15.0
Debt	110.0	103.8	95.3	70.6	34.2
Net Debt	89.1	86.3	36.1	62.8	19.2
Fixed Assets	85.4	79.3	73.2	66.5	68.4
Total Assets	423.9	398.6	352.9	345.8	321.9
Shareholders' Equity	229.0	221.3	197.1	204.7	221.1
Net Tangible Asset Per Share (US cents)	19.7	18.9	16.6	17.3	18.1
Net Debt to Equity Ratio (%)	38.9	39.0	18.3	30.7	8.7
Cash Flow					
Cash Flow from Operations	37.5	(17.0)	81.3	10.5	31.4
Capital Expenditure	18.5	14.6	14.6	19.5	6.7
Share Statistics[2]					
Number of Shares (million)	1,082	1,082	1,082	1,082	1,082
Average for period					
Share Price (Singapore cents)	46.4	38.7	50.0	57.2	58.1
Share Price (US cents equivalent)	37.0	28.3	34.3	40.6	38.5
Market Capitalisation (S$ million)	501.9	418.6	540.9	618.8	628.5
Market Capitalisation (US$ million)	400.4	305.7	371.6	438.9	416.2
P&L rate: US$1 : S$	1.25	1.37	1.46	1.41	1.51
Price Earnings Multiple (x)	14.6	19.4	32.7	11.9	10.8
End of period					
Share Price (Singapore cents)	49.5	44.0	40.0	45.0	49.0
Share Price (US cents equivalent)	38.0	34.0	28.5	31.2	33.9
Market Capitalisation (S$ million)	535.5	476.0	432.7	486.8	530.1
Market Capitalisation (US$ million)	411.4	368.2	308.0	337.2	366.3
P&L rate: US$1 : S$	1.30	1.29	1.40	1.44	1.45
Price Earnings Multiple (x)	15.0	23.3	27.1	9.1	9.5
Dividend					
Dividend Per Share (US cents)	1.91	1.10	0.79	2.56	2.68
Dividend Per Share (Singapore cents)[3]	2.37	1.39	1.13	3.83	3.80
Dividend Yield (%)	5.1	3.6	2.3	6.7	6.5
Dividend Payout (%)	75	75	75	75	75

1 Net profit in 2011 included non-recurring items amounting to US$2.9 million on an after tax basis. Without these, net profit in 2011 would have been US$30.3 million, up 92% year on year.

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



The Group ended the year with a net profit attributable to the owners of the company of US$27.4 million, a significant improvement of 74% over last year's US$15.8 million.

Group turnover for the year 2011 grew by 12% to a record US$425.2 million from US$378.6 million driven by improved sales across all major markets, especially Europe.

Export sales significantly increased by 25% with higher volume in all major export markets, better pricing and sales mix. Exports to Europe were a key driver as selling prices and margins in that market improved following the termination in mid 2010 of an unprofitable supply contract. The Group was then able to sell directly into that market.

The S&W branded business also performed strongly, up 54% in both processed and fresh categories, generating sales of US$20.1 million. This was driven by strong sales of S&W processed and fresh products particularly in Korea and China. Sales in China have grown strongly since the Group's entry into that market in the fourth quarter of 2010. The Group also expanded the brand into the Taiwan market in 2011.

Sales in the Philippine market were slightly higher by 2% due to better pricing and mix. Record sales of canned 100% pineapple juices registered double-digit growth, backed by advertising campaigns promoting the health benefits of immunity, fiber enrichment and cholesterol reduction, offsetting the soft demand of PET beverage. Meanwhile, growth in the processed fruit segment was primarily driven by cooking campaigns as households were encouraged to use pineapple products for everyday dishes. The average Philippine peso rate against the US dollar was slightly lower by 3% versus the prior year period and this had a favourable translation impact of US$6.5 million on Philippine market sales.

Group gross profit rose 24% to US$101.4 million due to better pricing, sales mix, and volume improvements. Gross margin increased to 23.9% from 21.6%, mainly due to favourable pricing and sales mix, particularly for the export business. On the cost side, tomato paste costs were lower, coupled with improved pineapple yields and production efficiencies. These lower costs offset increases in tinplate and sugar prices.

Operating income rose 46% to US$44.3 million from US$30.3 million mainly due to increased volume and better margins.

Sales of the Group's affiliate in India, FieldFresh Foods, grew 42% to US$38.0 million in 2011. Del Monte branded sales in India almost doubled to US$28.4 million, accounting for 75% of total affiliate sales. However, the Group recognised a share of loss of US$9.7 million for its 46% stake in the FieldFresh joint venture, higher than prior year's US$6.0 million. This was due to higher marketing, trade promotion, overhead and depreciation costs to support the Del Monte brand expansion in India.

The Group ended the year with a net profit attributable to the owners of the company of US$27.4 million, a significant improvement of 74% over last year's US$15.8 million.

Without the one off expense in relation to the settlement of a supply contract arbitration including legal fees, full year operating profit and net profit attributable to owners of the company would have risen by 59% and 92%, respectively.

Operating cash flow was at positive US$40.3 million compared to negative US$8.7 million in the prior year period mainly due to higher profit and changes in working capital.

Capital expenditures increased to US$18.5 million from US$14.7 million, largely due to replacement and maintenance. The Group also spent for revenue enhancement, cost and operations improvement, as well as for meeting regulatory and sustainability objectives.

Operating and Financial Review

ASIA PACIFIC

For the full year ended 31 December

In US$'000	Processed			Beverage			Total		
	2011	2010	% Chg	2011	2010	% Chg	2011	2010	% Chg
Turnover	168,397	153,025	10.0	92,229	94,582	(2.5)	260,626	247,607	5.3
Gross Profit	51,667	45,008	14.8	20,338	17,834	14.0	72,005	62,842	14.6
Gross Margin (%)	30.7	29.4	1.3 ppt	22.1	18.9	3.2 ppt	27.6	25.4	2.2 ppt
Operating Profit	27,496	22,574	21.8	4,221	1,955	115.9	31,717	24,530	29.3
Op Margin (%)	16.3	14.8	1.6 ppt	4.6	2.1	2.5 ppt	12.2	9.9	2.3 ppt

Reported under the Asia Pacific segment are sales and profit on sales of Del Monte and Today's branded processed products in the Philippines and sales of Del Monte branded processed products to Del Monte trademark licensees in the Asia Pacific region.

Turnover in Asia Pacific, which accounted for 61% of the Group's turnover in 2011, grew 5% to US$260.6 million from US$247.6 million on higher export sales to the Asia Pacific region as well as improved sales in all major categories in the Philippines.

Sales in the Philippines grew 2% with better performance across all major product categories. Canned 100% pineapple juices registered double digit growth due to increased volume on the back of a high profile advertising campaign promoting the health benefits of immunity, fiber enrichment and cholesterol reduction. This offset declines in the PET beverage category.

Growth in the processed fruit segment in the Philippines was primarily driven by cooking campaigns as households were encouraged to use pineapple products for everyday dishes. Sales of pineapple tidbits in pouch performed well. The Group also realised gains from improvements in its supply chain, which included better distribution.

For the culinary line, the Group fortified its tomato-based sauces with nutritious vegetables and launched the new 'Cheese Magic' sauce, an all-in-one cheese sauce good for cooking, dipping and toppings. The Group was able to maintain its leadership shares and deliver record sales in the important tomato sauce and spaghetti sauce categories.

Due to higher volume, improved pricing and mix as well as cost improvements, gross profit improved by 15% to US$72.0 million while gross margin increased to 27.6% from 25.4%. Operating profit increased by 29% to US$31.7 million mainly due to better margins.

EUROPE AND NORTH AMERICA

For the full year ended 31 December

In US$'000	Processed			Beverage			Total		
	2011	2010	% Chg	2011	2010	% Chg	2011	2010	% Chg
Turnover	31,995	15,943	100.7	26,938	15,284	76.2	58,933	31,228	88.7
Gross Profit	4,587	3,236	41.8	8,329	3,320	150.9	12,916	6,555	97.0
Gross Margin (%)	14.3	20.3	(6.0 ppt)	30.9	21.7	9.2 ppt	21.9	21.0	0.9 ppt
Operating Profit	2,866	1,437	99.5	6,980	2,824	147.1	9,846	4,261	131.1
Op Margin (%)	9.0	9.0	(0.1 ppt)	25.9	18.5	7.4 ppt	16.7	13.6	3.1 ppt

Operating and Financial Review

Reported under the Europe and North America segment are sales and profit on sales of Del Monte and buyers' label processed fruits, beverages, pineapple concentrate and other processed products to Del Monte trademark licensee and owner in Europe and North America respectively that are outside the supply contract, as well as non-branded and buyers' label processed fruit and beverage products to new customers in Europe starting 1 June 2010.

Europe and North America accounted for 14% of Group turnover in 2011. Turnover for Europe and North America significantly increased by 89% to US$58.9 million from US$31.2 million due to better sales mix and pricing. This was largely driven by exports to Europe which surged as a result of directly selling into that market post termination in mid-2010 of an unprofitable supply contract.

Gross profit doubled to US$12.9 million from US$6.6 million while operating income leaped to US$9.8 million from US$4.3 million.

OTHERS

For the full year ended 31 December

In US$'000	2011	2010	% Chg
Turnover	105,676	99,788	5.9
Gross Profit	16,505	12,365	33.5
Gross Margin (%)	15.6	12.4	3.2 ppt
Operating Profit	2,722	1,533	77.6
Operating Margin (%)	2.6	1.5	1.0 ppt

Reported under this category are sales and profit on sales of the following segments:

- Other export sales which include:
  - Sales of Del Monte processed products to Del Monte trademark licensee and owner in North America that are covered by the supply contract.
  - Sales of buyers' label processed fruits and pine concentrates to various customers around the world.
  - Sales of Del Monte processed products to distributors in the Indian subcontinent.
- Sales of various Del Monte products such as canned vegetables and deciduous fruits sourced from other Del Monte companies.
- Sales of S&W branded processed products such as canned fruits and vegetables, juices and other food products to various customers in Asia Pacific.
- Sales of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia.
- Sales of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals.

Turnover from 'Others' segment comprised 25% of the Group's total turnover in 2011.

Turnover grew 6% to US$105.7 million from US$99.8 million primarily due to the growth of the S&W branded business. S&W processed business contributed US$12.5 million, up 48% versus the prior year.

Gross profit improved by 34% to US$16.5 million due to better volume and pricing while operating profit increased by 78% to US$2.7 million.

BUSINESS OUTLOOK

The strong 2011 results place the Group on track for further growth as it builds on the gains made in exports and by the greater market penetration of S&W branded processed and fresh business in Asia. The Group continues to be optimistic about its business in India where it has generated higher sales and improved distribution and is gaining good brand recognition. The higher than expected losses by its joint venture are being addressed. Major initiatives are being undertaken, one of which is the rationalisation of the domestic fresh business.

Barring unforeseen circumstances, the Group expects to improve earnings in 2012. This will be driven by revenue enhancements from better mix and volume, operational efficiencies coupled with active cost management, and reduced losses in its Indian joint venture company.

Risk Management

Enterprise-Risk Management Programme

The Group has an established enterprise-wide risk management programme that aims to provide a structured basis for proactively managing financial, operational and compliance risks in all levels of the organisation. Risk reporting is a regular board agenda item. For the year in review, the Group had its risk management framework with respect to financial, operational and compliance risks reviewed by an audit firm.

Group Assets

It is the Group's practice to assess annually with its insurance brokers and insurance companies 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 2011, 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 functional currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations, especially between the Philippine peso and US dollar. To a certain extent, the Group has a natural hedge between the latter two currencies due to its revenue and cost mix. It is the Group's policy to optimise its natural hedge. In the year in review, the Group did not enter into any hedging arrangements with financial institutions.

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 and cost management measures. The Group also considers inflation in pricing adjustments with its market customers.

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 the year in review, approximately 60% of the Group's sales to its international customers were not covered by long-term supply contracts. While the non-supply contract pricing is generally better than supply contract pricing, there is no long-term off-take agreement with the former and this may be subject to a higher volume risk depending on the market. Pricing may also be subject to market conditions.

Operations

As an integrated producer of processed and fresh 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, litigious counterparties, 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, supported by a contingency plan and risk management measures
- 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 on consumption-driven marketing strategies
- 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

Compliance

The Group closely monitors changes in legislation and government regulations affecting the Group's business. It has a compliance programme that aims to monitor and ensure the Group's compliance with laws and regulations. Compliance is a regular board agenda item.

Sustainability

Some 200 employees in the Philippines plant seedlings to launch the "Grow A Tree" project, which urges volunteers to regularly revisit the site, ensure full growth of trees, and bring in other volunteers.

Our Journey

While our Company has been active in caring for the environment and local communities throughout the 85-year history of our Philippine operations, including the outreach of our Del Monte Foundation, we have embarked on a journey towards corporate sustainability in accordance with the Global Reporting Initiative (GRI) framework. Sustainability goes beyond corporate social responsibility and philanthropy, as well as environmental compliance, and sets us on a path towards a more holistic and strategic approach towards social, environmental and economic performance – for the benefit of our people, planet and profit or the Triple Bottomline.

The highlights of our sustainability efforts in 2011 are listed below:

Economic

- Achievement of record revenue of US$425 million
- US$1.7 million (before taxes) of productivity and cost efficiency gains
- US$110,500 donation to Del Monte Foundation, Inc

Environment

- The Philippine Enercon Movement and the Department of Energy jointly awarded the Group's Philippine subsidiary with the Don Emilio Abello Outstanding Award for Energy Efficiency in 2011
- Energy conservation projects implemented and generated savings for the company of 18.8% PECO (Percent Energy Conservation) equivalent to 6.7 million LOE (litres of oil equivalent)
- Approval of a LEED certified building and explored waste-to-energy project to improve our carbon footprint
- Reforestation efforts wherein we planted 2,500 trees with a 97% survival rate and distribution of 6,110 seedlings

Social

- Flood relief operations and community assistance for those affected by tropical storm Sendong (international code name Washi)
- Our main Community Education Centre received official accreditation from the Philippine Technical Education and Skills Development Authority (TESDA), highlighting public-private sector cooperation for community education
- Beneficiaries of our scholarship programme increased by ten percent to 235, the highest scholar enrolment in two decades
- A key international customer, which requires its suppliers to abide by a Code of Ethical Standards, has affirmed our efforts in the area of social accountability
- Second Innovations Day spearheaded by our Consumer Product and Packaging Development team showcasing 150 new product and packaging ideas

A Corporate Sustainability Team was organised to develop strategic plans guided by the GRI framework. For 2012, we have included corporate sustainability as part of the company's strategic plan. Our goal is to "promote sustainability to achieve our business objectives, environmental stewardship and social responsibility". The benefits we envision are to:

- Improve the **business performance** by generating operational efficiency and cost savings through a more sustainable business model;
- Enhance a company's **reputation** with stakeholders, including investors, credit institutions, customers, employees, and business partners through a sustainable economic performance, environmental and social responsibility;

Sustainability

- Boost the **brand** equity of the company; and
- Promote **risk management** and **compliance** and avoid penalties by catching risks early on and taking action to mitigate them.

Our initial steps to embrace sustainability and promote this value within the organisation include the following:

- Making sustainability an important and critical agenda along other business matters and as such discussed in the operating committee and presented quarterly to the board of directors;
- Weekly dissemination of sustainability articles gathered from leading international and local sustainability websites to improve awareness and provide benchmarks and best practices;
- Conducted orientations both in our Mindanao operations and in the Manila office to advocate sustainability in all levels of the company and eventually extend this to our business partners and other stakeholders; and
- Including sustainability as part of the goals of managers and supervisors.

We will take stock of all the corporate-wide sustainability initiatives within the GRI framework to come up with a baseline report and eventually publish a GRI sustainability report. GRI reporting provides common performance measures among enterprises worldwide leading to easier benchmarking.

Part of our strategic plan is to develop long-range goals on:

- Employee welfare, health and safety
- Environment
  - Water usage
  - Waste reduction
  - Reduction in green house gas emissions
  - Renewable energy
- Corporate governance
- Supply chain and procurement
- Corporate social responsibility

To accomplish this, we are developing a sustainability framework within the GRI performance indicators – Economic (9 indicators), Environmental (30) and Social (45) -- (Labour, Human Rights, Society and Product Responsibility).

We have started updating the baseline metrics and performance for 2011 in line with the GRI framework and identified key sustainability action plans. We are building the sustainability organisation and process to develop the long-term goals for the identified focus areas. We are also establishing sustainability and stakeholder engagement processes, while evaluating and reviewing projects with the sustainability teams.

As a leading global food company, we stand by our commitment to grow our business in a manner that sustains a healthy balance among diverse interests of all our stakeholders – our employees and their families, business partners, customers and host communities. To achieve this, we will engage our stakeholders to identify key issues affecting them and the company.

Fully acknowledging that what we do now will greatly impact the future, the Corporate Sustainability Team leads our efforts to increase sustainability advocacy among all our stakeholders. Key leaders across the organisation have been oriented on business sustainability and reporting. Each team within the Group has set goals to formalise commitments to our overall effort and recognise individual share of accountability as we strive to meet varying market demands. We will continue to cascade and communicate sustainability through various workshops and trainings to the rest of the organisation and key business partners.

In line with our sustainability commitment, many initiatives were taken through our business plan, productivity and cost efficiency programme, agricultural enhancement measures, supply chain improvements, capital expenditure and facilities improvement projects, and other key programmes.

We believe that with the formalisation of our sustainability efforts, we, together with our stakeholders, stand to reap greater benefits, both tangible and intangible. The sustainability framework should help the company achieve its business objectives since sustainability benefits not only the environment and society but also the business -- people, planet and profit or the Triple Bottomline.

Economic Sustainability

The economic impact of Del Monte Pacific benefits more than the 4,027 employees of the company. In addition, we have engaged 8,687 service providers in all areas of our operation. Our pineapple plantation encompasses ten municipalities in Bukidnon and seven towns in Misamis Oriental, Mindanao, Southern Philippines. We engage over 50 supplier partners who provide various goods and services to the company. An estimated 15,000 families or approximately 75,000 individuals directly or indirectly depend on the company.

In 2011, the company achieved a new milestone as it surpassed the US$400 million sales mark. Sales of US$425 million reflected a 12% growth compared with 2010, driven by growth in Europe and North America of 23%, Asia Pacific of 5% and other markets of 31%.

Our net income improved by 73% to US$27.4 million. This strong performance is noteworthy given the difficulties experienced in 2009 and 2010. Part of our income included US$1.7 million (before taxes) of productivity and cost efficiency gains. The company continued its investment for future growth with US$18.5 million of capital expenditures in 2011.

Furthermore, Del Monte Philippines, Inc donated US$110,500 to the Del Monte Foundation, Inc to fund various projects such as scholarship grants, various technical training to unemployed community members and relief operations most especially those affected by tropical storm Sendong (international code name Washi).

The economic benefits of the company are explained further through the financials of this annual report.

Environment Sustainability

The success of our business is intertwined with responsible stewardship of nature, the source of our products and profits. As such, we continuously build on our agro knowledge and experience, and communicate our Environmental Policy to our stakeholders as we support resource-efficient processes to enhance our environmental footprint.

Sustainability

The foundation of our sustainable agriculture practices is efficient land use aimed at improving plantation yield through ecologically friendly land preparation, plant disease management and chemical application; efficient water sourcing and drainage; and use of sustainable planting materials.

With better fruit quality and greater operational efficiency, we have initiated programmes to minimise waste, improve efficiencies in electricity and water consumption; increase usage of recycled but viable packaging materials; measure production efficiencies via 5S, Total Productive Maintenance and 6 Sigma; enhance the health and well-being of our workforce and their families; and ensure compliance of our service providers with local labour laws.

Waste Management

Our pineapple pulp waste disposal system, a pioneering effort started in the 1950s, converts a by-product of the cannery into feed for our cattle farm at the plantation. This helps us reduce waste and cut costs.

We operate effluent treatment plants that treat wastewater discharged from our agro-industrial facilities. Our high-filtration extraction system processes excess juice into pineapple concentrate and syrup, significantly reducing volume of wastewater.

Plantation-based families share in our total conservation effort as they segregate domestic solid waste right in their own homes. Recyclable materials collected from households are sold to fund community projects.

Responsible Use of Materials

We work with local government units, suppliers and community organisations to ensure a safe environment for our workers and host communities. We comply with government standards in the use of fertilizers and industrial chemicals, including safe transport and handling, and collection and recovery of packaging materials. We conduct regular safety audits on our fertilizer and chemical storage and work areas. A Supplier Quality Management programme and product traceability measures are in place to respond to customer requirements. Audit results are shared with concerned teams to ensure deficiencies are immediately addressed. Workers handling chemicals are issued protective equipment and undergo regular medical check-ups.

Green Initiatives

Under our new sustainability framework, we have significantly enhanced our stakeholder advocacy programme for environmental conservation. While our carbon footprint remains within global standards, many initiatives were undertaken during the year to reduce process residues, strengthen energy conservation in all worksites and plantation homes, and explore more efficient energy sources.

We intensified pineapple plantings across a wider area, innovative composting, community-based tree planting and reforestation of denuded areas. Over 72,000 seedlings of indigenous tree species from our nursery were distributed free to employees and the community during the year.

We have adopted a mountain close to our farm for re-greening. Another 2,500 seedlings were planted on its slopes during the year. A survival rate of 97 percent is attributed to increased revisits by volunteers and a food-for-work programme whereby farmers help maintain and grow trees to maturity.

A new tradition has taken shape as some 200 new employees from our Philippine company planted trees to mark regularisation of employment with the Group and signify long-term commitment to sustainability. Under our "Grow-A-Tree" programme, each employee volunteers to plant not less than ten trees and care for these trees through one's employment years.

These efforts support the six-year National Greening Programme launched by Philippine President Benigno C Aquino III which calls for the planting of 1.5 billion trees to initially re-green 1.5 million hectares (of the country's eight million hectares of unproductive forest land) into agro-forestry plantations.

Social Sustainability

We are a people-driven organisation committed to growing wellness and a high quality of life through healthy working relationships with all stakeholders, including customers, employees, business partners and investors.

Caring for Our People

Our employees are our most valuable resource. Some 4,000 employees work at our plantation, manufacturing facilities, and administrative and marketing offices in the Philippines, India and Singapore.

Healthy Work Environment
Our farm and production facilities employ people from surrounding villages. Workers are paid above average rates in the industry, and are informed of the terms and conditions of employment prior to their appointment. 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, ethnic group, 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 Group and the community. Memorandums of agreement with three key labour unions stipulate wage increases and enhancements in benefits for farm and factory workers from year to year. An LMC Day enjoins plantation union members to celebrate 'wins', including innovations whose benefits have created ripples beyond their own families.

Training and Development
The Group cultivates a culture of excellence as we continue to encourage our people to innovate and strive for continuous improvement.

Training facilities on-site help employees upgrade technical and other skills. At "PineU" (Pineapple University), plantation personnel hone farming expertise through formal sessions and benchmarking trips. "ManU" (Manufacturing University) opened a breakthrough for cannery staff to reorient on processes and adapt to new technologies. ManU also administers two-year supervisory and trade-traineeship programmes for high-potential applicants and long-serving employees. On the faculty are our senior managers, who count among leading experts in their respective fields.

A management succession plan is fully in place, with a deep bench of candidates trained among our ranks to be able to

Sustainability

In remote Philippine communities, school children welcome reference books donated by Del Monte Foundation and partner agencies.

immediately assume responsibilities of key management positions in the event of vacancy.

Innovation, our Way of Life
To highlight the value of Innovation as a key pillar for global competitiveness and recognise the invaluable contributions of our employees, the Group showcases innovations and creative ideas of employees in various forums within and outside the organisation.

Our Consumer Product and Packaging Development Team champions a new tradition with close to 150 ideas for new products and packaging formats presented to Management during the 2nd Innovations Day. Presented proposals undergo further review before commercial production.

Plantation and cannery employees and service providers present process breakthroughs in work through quarterly and annual Innovations Congress and Quality Circle forums. Past winners have brought home honours from regional competitions.

Communication
The Group's strategies and accomplishments as presented to the Operations Committee during the Annual State-of-the-Business Meeting are cascaded to all employee levels through various forms of formal and informal information sharing in divisional, departmental and team assemblies.

Our news magazine called "Tidbits" and a digital edition called "FreshCut" feature key operational goals and programmes, team achievements, environmental initiatives, community outreach efforts, and individual stories that highlight our Core Values. A quarterly wall poster called "Pinikit," written in a Philippine dialect commonly understood in our areas of operations, provides information on our business thrusts and social programmes for the community.

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.

Plantation employees live with their families in Group-owned houses and dormitories (for unmarried employees) within housing camps complete with social hall, chapel, playground and plaza, day care centre, primary and secondary schools, camp clinics and a 100-bed hospital managed by a medical service provider. Employee-organised cooperatives provide our workers with services that enhance economic benefits for their families. Cooperative members enjoy annual dividends and patronage refunds.

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. Children around the region also join the annual Del Monte Football Cup, now on its eighth year with the support of the Philippine and Asian Football Federations.

Children of cannery employees enjoy free year-round weekend tutorials on basketball and, as scheduled, other sports (tennis, swimming, martial arts) and creative skills (photography, theatre arts). Core Values are introduced through learning exposure that help them grow a strong sense of community and family life.

Industrial Relations and Staff Turnover
We employ one of the largest agro-industrial workforces in the Philippines. We have one of the lowest employee turnover rates in the agricultural sector in southern Philippines. The Group is proud to have enjoyed a sustained period of industrial peace, with no notices of strikes and lock-outs for 40 years.

Sustainability

DMPL CEO Joselito D Campos, Jr meets beneficiaries of the Jose Yao Campos Grant-in-Aid Scholarship Programme. Scholars who are all children of Del Monte employees enjoy free tuition and other school fees.

Caring for our Community

Our rich heritage of partnership with host communities inspires us to continue to make a difference in the lives of thousands of families around our worksites and in other areas where insurgency and unrest have hampered growth.

Del Monte Foundation, Inc, a non-stock and non-profit organisation, spearheads our efforts as we expand our reach in the community. Teams fan out daily through close to 100 urban and remote villages to deliver vital community services and help residents face new challenges.

Livelihood Support
We have embarked on a landmark partnership with select local farmers and entrepreneurs who now earn more from underutilised or unproductive farm land. Farmers learn eco-friendly ways to grow high-volume pineapple and papaya for processing at our cannery.

Technical Education
We promote short-term technical skills courses as an alternative to college education as we introduce community leaders, family heads, women and out-of-school youth and families of employees to agro-technical skills.

Our main Community Education Centre received official accreditation from the Philippine Technical Education and Skills Development Authority (TESDA), highlighting public-private sector cooperation for community education. The Group has channelled funds for enhanced learning in five centres, all satellite training centres of the government. Fully-equipped workshops welcome students in food processing, commercial cooking, baking, electronics, welding and woodworking. A computer centre, with 15 computer units and internet access, also serves the community. Continuing partnership with TESDA ensures that training standards comply with government requirements. Local governments help us select training participants, identify skills needed by the community, and find jobs for graduates.

A total of 613 men, women and youth received free training during the year. New courses (housekeeping services, massage therapy, fish processing) were offered to respond to the community's training needs. Graduates fill in a growing demand for skilled manpower in the region's industry and service sectors.

Scholarships and Education
Gifted children earn quality education from pre-school and primary levels up to post-graduate studies through our academic scholarships, grants-in-aid and sports scholarships. The Jose Yao Campos College Grants-in-Aid Scholarships, launched in 2008, is funded through the personal contribution of Group CEO Joselito D Campos, Jr.

Our scholarship programme was extended for the first time to students in the Group's new areas of operations. Beneficiaries increased by ten percent, from 214 in previous school year to 235, the highest scholar enrolment in two decades. Ten scholar-graduates are now gainfully employed. Under partnership programmes, public and private schools near worksites receive support in the form of supplemental books, teaching aides, and teachers' training.

Over 1,000 alumni of Del Monte's college scholarship programme started in 1956 are now key contributors to community growth in the Philippines. Among Del Monte's former scholars are:

- Cayetano Paderanga, Jr who serves in the Cabinet of Philippine President Benigno C Aquino III as Secretary for Economic Planning and concurrently, as Director-General of the National Economic and Development Authority;
- Attorney Rufus Rodriquez, a prominent member of the Philippine House of Representatives representing Cagayan de Oro City, who initiates and supports legislative proposals for enhanced government support to community education;
- Engineer Elpidio Paras, an inventor and pioneer in the telecommunications industry in Southern Philippines, who

now serves as Chairman of the Board of Trustees of Xavier University-Ateneo de Cagayan, and a leading proponent of quality education in the Philippines;

- Dr Lampa Pandi, former Undersecretary of Health for the Autonomous Region of Muslim Mindanao, who continues to serve the region's Muslim community as municipal mayor of his hometown Poona Bayabao, Lanao del Sur. He also served as resident doctor of Phillips Memorial Hospital.

- Dr Glenn Gregorio counts among the leading plant geneticists in Asia. For his pioneering work in rice genetics and outstanding contributions to enhanced rice production in the Philippines, he was named one of the Ten Outstanding Young Men of the Philippines in 2004.

Youth Development
We work closely with the community to harness the potential of the youth to lead and transform their communities into self-sufficient units for nation-building.

To mark Philippine National Heroes' Day and the 150th birth anniversary of Philippine national hero Jose Rizal, close to 100 village-based youth leaders and Del Monte scholars took the challenge to "Growing the Hero Within" during the Annual Youth Congress. Delegates are expected to harness resources of their respective youth organisations to attain both medium- and long-term development goals of their communities.

Community Health
As a company with a mission to raise the level of global health and wellness, we help bring greater awareness on health, nutrition and food safety to our host communities. Under our Home Care Education Programme, close to 270 unemployed rural mothers were trained on responsible family care, emergency and disaster handling, solid waste management and other eco-practices.

Through monthly training sessions that we fund, some 200 community health workers based in four municipalities honed skills in emergency response and medical treatment. In areas where medical services are not readily available, rural midwives administer close to 70 percent of childbirths.

With the Del Monte Ladies' Civic Association and the Phillips Memorial Hospital, we conducted medical missions or free clinics in 15 remote villages where families rarely see a doctor in their lifetime. Some 6,000 patients received free medical and dental services and medicines, surpassing 2010 record ten-fold.

In coordination with the Philippine Department of Education, a breakthrough was made in implementing a highly-effective and low-cost public health intervention for rural children. Deworming was conducted for 661 schoolchildren in areas with inadequate access to clean water. A local chapter of Rotary Club International provided the deworming (Mebendazole) tablets. Some 140 pre-teen boys also availed of free and elective circumcision surgery.

Building on Community Traditions
As an active member of the community, our teams participate and support activities that strengthen community traditions and values. In the Philippines, the Group supports the celebration of religious festivals, ethnic rituals and key socio-cultural and economic activities of communities within and around our worksites.

Calamity Assistance
As the year closed, tropical storm Sendong (international code name Washi) battered through Cagayan de Oro in Southern Philippines, near the Group's key manufacturing site, leaving thousands of residents homeless, dead or missing, and key infrastructure destroyed.

Honouring a cherished tradition of community assistance during emergencies, over 500 volunteers joined hands with Del Monte Foundation to help our own employees and 7,000 families temporarily housed in public schools, recreational facilities and church grounds.

Cannery LMCs delivered relief goods and services in hard-hit communities. Following an extreme water shortage in a city of 750,000, water was delivered daily for close to 30 days. As the incidence of disease continued to rise, free clinics conducted twice a week served a total of 4,500 patients in 13 areas.

DMPL CEO Joselito D Campos, Jr and COO Luis F Alejandro visit one of several cannery employees affected by Typhoon Sendong and assure company's help.

Sustainability

Employees in Manila (Philippines) spread Christmas cheer to needy families during visits to ten charitable institutions.

Plantation youth volunteers, some of whom are members of "eco-brigades" that plant trees and clean caves, helped employees clean flooded homes. A mechanised clean-up team with backhoes and dumptrucks rehabilitated key areas.

Through Oplan Feed 5000, plantation employees (after winding up a day's regular work) prepared meals for evacuees daily until they were equipped to prepare their own meals. We served a total of 23,500 individuals in ten evacuation sites. A breakthrough in efforts to raise the quality of life among evacuees was reached with onsite construction of 17 communal kitchens using recyclable materials. Representative Rufus Rodriguez, who spearheaded the establishment of evacuation centres, worked with us on this project.

Product Integrity

Drawing strength from our heritage of quality and reliability, we produce globally competitive food products in the most sustainable way possible.

Our agro-industrial processes are accredited by the world's leading certifying bodies, with at least 20 quality audits performed during the year by reputable, independent international auditors, business partners and customers. Audit results confirm that our processes meet or often exceed standards for the purchase or importation of food products to certain countries.

These certifications include ISO 9001:2008, HACCP (Hazards Analysis and Critical Control Points) and Food Hygiene - Good Manufacturing Practices (certified by Société Générale de Surveillance), Kosher (certified by Kashrus and Triangle K), British Retail Consortium (BRC-Grade: A), HALAL (certified by the Ulamah Conference of the Philippines), Sure – Global – Fair (certified under the Voluntary Control System of the SGF of the European Union); and the respective Food and Drug Administration of the United States, Republic of South Korea and the Philippines.

Key international customers have issued quality certifications on products they import from the Group. One key retailer customer, which requires its suppliers to abide by a Code of Ethical Standards now considered a global benchmark, has affirmed significant strides we have made in the area of social accountability.

A certificate for Good Agricultural Practices issued by the Department of Agriculture in the Philippines attests that our farms grow, pack and distribute fresh produce in conformance with international standards on food safety and quality.

Awards and Citations

Recognising the continuing excellence of our programmes, leading organisations have bestowed their highest awards on the Group.

The Singapore Corporate Awards honoured Del Monte Pacific with the Best Investor Relations Award (mid-capitalisation category, S$300 million to less than S$1 billion) in 2011. This prestigious award complemented the 2010 triple awards for Best Managed Board Award (Gold), Best Chief Financial Officer and Best Annual Report (Bronze). The Singapore Corporate Awards recognises listed companies and officers instrumental in raising corporate governance, transparency and disclosure standards.

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 active employees and retirees, with a full range of social security benefits, including worker coverage, advance payment of sickness, maternity and employee compensation benefits.

The Philippine Enercon Movement and the Department of Energy jointly awarded the Group's Philippine subsidiary with the Don Emilio Abello Outstanding Award for Energy Efficiency in 2011. The award, the fifth received by the Group from this multi-sectoral group, cited the cannery's energy conservation record of 18.80 % PECO (Percent Energy Conservation) energy savings equivalent to 6.7 million LOE (litres of oil equivalent) achieved through team effort, innovative energy conservation practices and capital investments.

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 as well as the SGX Enhanced Listing Rules to Strengthen Corporate Governance Practice issued in September 2011.

BOARD MATTERS

Principle 1
The Board's Conduct of Affairs

The Board of Directors ("Board") oversees Management and ensures that 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.

In 2011, the Company formulated guidelines setting forth matters reserved for the Board's decision. Management was also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval.

Certain material corporate actions that require the Board's approval are 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 its 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 five meetings. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management.

Corporate Governance

Attendance at Board and Board Committee Meetings in 2011

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	5	5	4	4	4	4	2	2
Mr Joselito D Campos, Jr	5	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr Edgardo M Cruz, Jr	5	4	4	3	4	3	2	2
Mr Patrick L Go	5	4	4	4	4	4	2	2
Dr Emil Quinto Javier	5	4	N.A.	N.A.	N.A.	N.A.	2	2
Mr Benedict Kwek Gim Song	5	4	4	3	4	3	2	2
Mr Godfrey E Scotchbrook	5	5	4	4	4	4	2	2

New Directors undergo an orientation programme whereby they are briefed by the Company Secretary on their obligations as Directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They are also briefed by Management on the Group's industry and business operations. Ongoing orientation includes 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, two of whom are executive Directors. Of the five 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 7-8 of this Report.

A strong element of independence is present in the Board with independent Directors making up more than half of the Board. The Board exercises objective and independent judgment on the Group's corporate affairs. 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 exercise independent judgment and discretion on 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.

Corporate Governance

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.

Our Board of Directors was honoured to receive the "Best Managed Board" award from the Singapore Corporate Awards *(Gold, for companies with a market capitalisation of between S$300 million to less than S$1 billion)* in May 2010, and will continue to uphold 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, a majority of whom including the Chairman, are independent Directors:

Mr Godfrey E Scotchbrook	*Chairman & Independent Director*
Mr Edgardo M Cruz, Jr	*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 7-8 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.

Corporate Governance

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 Godfrey E Scotchbrook
Independent Director
Appointed on 28 December 2000 and
re-elected on 27 April 2007 and 27 April 2009

Mr Edgardo M Cruz, Jr
Executive Director
Appointed on 2 June 2006 and
re-elected on 27 April 2007 and 27 April 2009

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 Directors to provide 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 the completed questionnaires was discussed, and where there are recommendations, these would be reviewed by 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.

Corporate Governance

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, a majority of whom including the Chairman, are independent Directors:

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

The Board is of the view that the inclusion of an executive Director in the RSOC would facilitate discussions at the RSOC meetings.

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 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 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 executives has been formulated to attract, retain and motivate these executives to run the Company successfully.

Where appropriate, the RSOC reviews the service contracts of the Company's executive Directors and key Management. The compensation commitments in service contracts are reviewed periodically and notice periods for termination are also reviewed to ensure that they are not excessively long.

In reviewing the recommendation for non-executive Directors' remuneration for 2012, the RSOC had continued to adopt a framework, based on guidelines of 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 key 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 had participated 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, which had a 10-year duration, ended in July 2009.

Corporate Governance

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 the interest of these executives with those of shareholders.

Under 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 Share Plans should not exceed 10% of the Company's total issued capital. The terms of 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 given the confidentiality of and commercial sensitivity attached to remuneration matters, the top 5 key executives have not been disclosed.

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

Disclosure on Remuneration of Directors for 2011

Remuneration Bands and Names of Directors	Fixed Salary/ Consultancy Fees %	Director Fees %	Variable Income/ Bonus %	Benefits in Kind %
Executive Directors				
Above S$500,000				
Mr Joselito D Campos, Jr	68	4	28	-
S$250,000 to below S$500,000				
Mr Edgardo M Cruz, Jr	82	16	1	1
Non-Executive Directors				
Below S$250,000				
Mr Rolando C Gapud	-	100	-	-
Mr Patrick L Go	-	100	-	-
Dr Emil Quinto Javier	48[1]	36	16	-
Mr Benedict Kwek Gim Song	-	100	-	-
Mr Godfrey E Scotchbrook	-	100	-	-

Notes:
[1] Refers to consultancy fees
[2] Details of the share options and share awards granted to each Director are shown in the Directors' Report

Corporate Governance

Disclosure on Remuneration of Top Five Key Executives[1] for 2011

Remuneration Bands and Number of Key Executives	Fixed Salary %	Variable Income/ Bonus %	Benefits In Kind %
Above S$500,000			
1	35	64	1
1	71	24	6
S$250,000 to below S$500,000			
1	84	14	2
1	97	2	1
Below S$250,000			
1	70	26	4

Notes:

[1] Key Executives who are not Directors

[2] Details of the share awards granted to each key executive are shown in the Directors' Report

ACCOUNTABILITY AND AUDIT

Principle 10
Accountability

There are in place comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company policies and Board decisions, including the day-to-day management of the Group's operating units.

For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board. Information such as disclosure documents, quarterly results, profit and loss statements, cash flow statements, working capital requirements and borrowing levels are presented using comparative figures between actual results, budgeted levels and prior year's results.

The Group's annual budget is reviewed and approved by the Board. A strategic plan, which defines business development goals and overall business objectives, is prepared and updated periodically.

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

Principle 11
Audit Committee

The Audit Committee ("AC") was set up on 9 July 1999 and currently comprises the following members, a majority of whom including the Chairman, are independent Directors:

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

The Board is of the view that the inclusion of an executive Director in the AC would facilitate discussions at the AC meetings.

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

In the year under review, the AC had implemented an evaluation process to assess the effectiveness of the AC as a whole. The evaluation process is undertaken as an internal exercise and involves AC members completing a questionnaire covering areas relating to:

- Memberships & appointments
- Conduct of AC meetings
- Trainings and resources available
- Financial reporting processes

- Financial & operational internal controls
- Risk management systems
- Internal & external audits processes
- Whistle-blowing reporting processes
- AC's relationship with the Board

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

The evaluation exercise would continue to be carried out by the AC on an annual basis.

Led by the AC Chairman, a summary of findings prepared based on responses from the completed questionnaires was discussed with feedback noted.

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 2011, the AC had reviewed the audit and non-audit services of the external auditors and was satisfied with their independence.

The AC also reviews 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 interested persons 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 Internal Audit 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 has been in place since 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 auditors including the remuneration and terms of engagement of the external auditors.

The AC meets with the Group's external auditors and with the head of the Internal Audit department without the presence of Management at least once a year. During the year in review, the AC held four meetings.

Principle 12
Internal Controls

The Group maintains internal controls designed to provide reasonable assurance as to the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. These internal controls are designed to manage financial, operational and compliance risks.

The effectiveness of these controls is subject to review of the Group's Internal Audit 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. Any material non-compliance in internal controls, together with recommendation for improvement, is reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action.

Based on the reports submitted by the external and internal auditors and the various management controls put in place, the Board with the concurrence of the AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded and that proper accounting records are maintained and financial statements are reliable.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board will, on a continuing basis, endeavour to further enhance and improve the Company's system of internal controls and risk management policies.

Risk assessment and evaluation takes place as an integral part of the annual operating plan (AOP). Having identified key risks to the achievement of the Group's AOP, mitigating actions were formulated in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up. The approach to risk management is set out in the Risk Management section on page 17 of this Annual Report.

Corporate Governance

Principle 13
Internal Audit

The Group's Internal Audit department is staffed by trained personnel with appropriate segregation of duties. The head of Internal Audit reports functionally to the AC and administratively to the CEO. A majority of the Group's auditors are Certified Public Accountants and are members of the Institute of Internal Auditors-Philippines. One is a Certified Internal Auditor who ranked among the 25 global topnotchers in the certification examination.

This department commands a respectable standing within the Company and is responsible for reviewing the risk management, control and governance processes to determine whether these are adequate and effectively implemented.

It is the Group's policy to support the Internal Audit department in complying with the International Professional Practices Framework 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 is pleased to share that it received the Best Investor Relations (Gold) award from the Singapore Corporate Awards (SCA) in 2011, while in the prior year the Company received the Best Annual Report (Bronze).

The Company participates actively in conferences, forums and road shows organised by stock broking companies. In 2011, the Group participated in three conferences organised by Standard Chartered, CLSA and Nomura Securities in Singapore. The Company had a total of 65 investor and brokers meetings in 2011 comprising organised conferences and adhoc requests.

The Company has in the past organised 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 holds meetings and joint briefings with investors, analysts and 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 out to investors on a regular basis. Such information 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 to govern dealings by Directors, officers and staff in the Company's securities. 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. The officers are also discouraged from dealing in the Company's securities on short-term considerations.

The Board and the Company's officers and staff regulated by the Guide 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.

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 statements of financial position, 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 2011.

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 2011	At 31 December 2011	At 21 January 2012	At 1 January 2011	At 31 December 2011	At 21 January 2012
The Company						
Ordinary shares of US$0.01 each						
Mr Joselito D Campos, Jr	-	-	-	849,429,372	849,429,372	849,429,372

Directors' Report

(Amounts in United States Dollar unless otherwise stated)

	Direct interest			Deemed interest		
	At 1 January 2011	At 31 December 2011	At 21 January 2012	At 1 January 2011	At 31 December 2011	At 21 January 2012
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	-	-	-

* Up to 60% of options granted may be exercised from 7 March 2010 onwards.
Remaining 40% of options granted may be exercised from 7 March 2011 onwards.

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	644,400	644,400	-	-	-

** Up to 60% of share awards granted was released on 20 May 2011.
Remaining 40% of share awards granted would be released after 19 May 2012.

Grant of share awards at S$0.485 per share with vesting period from 12/05/2011 onwards***						
Mr Joselito D Campos, Jr	-	2,643,000	2,643,000	-	-	-

*** Up to 60% of share awards granted would be released after 11 May 2012.
Remaining 40% of share awards granted would be released after 11 May 2013.

Grant of share awards at S$0.455 per share with no vesting period imposed****						
Dr Emil Quinto Javier	-	67,700	67,700	-	-	-

**** Shares were released to the grantee on 12 December 2011.

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 33 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.

Directors' Report

(Amounts in United States Dollar unless otherwise stated)

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. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

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.

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	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
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.

Directors' Report

(Amounts in United States Dollar unless otherwise stated)

Share option and incentive plans (cont'd)

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

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

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

(a) No minimum vesting periods are prescribed.

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

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

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

On 20 May 2008, 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.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 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 29 April 2011.

On 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 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.

(Amounts in United States Dollar unless otherwise stated)

Share option and incentive plans (cont'd)

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

Date of Grant	Exercise Price S$	Number of options outstanding at 1 January 2011	Options Granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 31 December 2011	Number of option holders at 31 December 2011	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 December 2011	Number of share award holders at 31 December 2011	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	9	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
29/04/2011	0.485	2,643,000	1	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
21/11/2011	0.455	67,700	1	No vesting period imposed, shares were released to the grantee on 12 December 2012
		9,795,700		

Directors' Report

(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 2011	*Aggregate options granted since commencement of ESOP to 31 December 2011	*Aggregate options exercised since commencement of ESOP to 31 December 2011	Aggregate options outstanding as at 31 December 2011
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 2011	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards outstanding as at 31 December 2011
Mr Joselito D Campos, Jr	2,643,000	4,254,000	3,287,400
Dr Emil Quinto Javier	67,700	67,700	-

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.

Directors' Report

(Amounts in United States Dollar unless otherwise stated)

Audit Committee

The Audit Committee ("AC") comprises five board members, four 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	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
Mr Patrick L Go	(Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)

The AC held four 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 2011 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

3 April 2012

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 43 to 104 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 2011 and of the results, changes in equity and cash flows of the Group and 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

3 April 2012

Independent Auditors' Report

Members of the Company Del Monte Pacific Limited

Report on the financial statements

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 2011, the income statements, the statements of comprehensive income, changes in equity and cash flows of the Group and the Company for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 104.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 our 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, we consider 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 financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of the financial performance 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.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
3 April 2012

Statements of Financial Position

As at 31 December 2011

	Note	Group 2011 US$'000	Group 2010 US$'000	Company 2011 US$'000	Company 2010 US$'000
Non-current assets					
Property, plant and equipment	4	85,412	79,342	-	-
Subsidiaries	5	-	-	85,442	85,442
Joint venture	6	24,022	33,495	-	-
Intangible assets	7	16,004	16,575	-	-
Deferred tax assets	8	1,259	326	-	-
Other assets	9	12,219	12,069	-	-
		138,916	141,807	85,442	85,442
Current assets					
Inventories	10	89,381	77,498	-	-
Biological assets	11	91,791	81,860	-	-
Trade and other receivables	12	82,926	79,953	45,048	19,846
Cash and cash equivalents	15	20,877	17,506	211	211
		284,975	256,817	45,259	20,057
Total assets		423,891	398,624	130,701	105,499
Equity					
Share capital	16	10,818	10,818	10,818	10,818
Reserves	17	219,698	211,100	93,540	92,077
Equity attributable to owners of the Company		230,516	221,918	104,358	102,895
Non-controlling interest		(1,474)	(624)	-	-
Total equity		229,042	221,294	104,358	102,895
Non-current liabilities					
Financial liabilities	18	5,916	18,016	-	-
		5,916	18,016	-	-
Current liabilities					
Trade and other payables	19	81,332	70,091	26,343	2,604
Financial liabilities	18	105,006	85,787	-	-
Current tax liabilities		2,595	3,436	-	-
		188,933	159,314	26,343	2,604
Total liabilities		194,849	177,330	26,343	2,604
Total equity and liabilities		423,891	398,624	130,701	105,499

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

Income Statements

Year ended 31 December 2011

		Group		Company	
	Note	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Revenue	21	425,235	378,623	25,000	25,000
Cost of sales		(323,810)	(296,862)	-	-
Gross profit		101,425	81,761	25,000	25,000
Distribution and selling expenses		(25,113)	(23,147)	-	-
General and administrative expenses		(26,627)	(23,842)	(5,505)	(4,387)
Other expenses		(5,400)	(4,454)	(633)	(581)
Results from operating activities		44,285	30,318	18,862	20,032
Finance income		1,460	636	-	-
Finance expenses		(3,057)	(5,152)	-	-
Net finance expenses	23	(1,597)	(4,516)	-	-
Share of loss of joint venture, net of tax		(10,589)	(6,634)	-	-
Profit before taxation		32,099	19,168	18,862	20,032
Income tax	24	(5,508)	(3,983)	-	-
Profit for the year	22	26,591	15,185	18,862	20,032
Profit attributable to:					
Non-controlling interests		(850)	(624)	-	-
Owners of the Company		27,441	15,809	18,862	20,032
Earnings per share					
Basic earnings per share (US cents)	25	2.54	1.46		
Diluted earnings per share (US cents)	25	2.53	1.45		

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

Statements of Comprehensive Income

Year ended 31 December 2011

	Group		Company	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Profit for the year	26,591	15,185	18,862	20,032
Other comprehensive income				
Currency translation differences	(1,670)	10,834	-	-
Net loss on revaluation of property, plant and equipment, net of tax	226	-	-	-
Other comprehensive income/(loss) for the year, net of tax	(1,444)	10,834	-	-
Total comprehensive income for the year	25,147	26,019	18,862	20,032
Total comprehensive income attributable to:				
Non-controlling interests	(850)	(624)	-	-
Owners of the Company	25,997	26,643	18,862	20,032

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2011

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<— Attributable to owners of the Company							—>		
2010											
At 1 January 2010		10,818	68,687	(49,527)	3,368	1,337	-	162,408	197,091	-	197,091
Total comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	15,809	15,809	(624)	15,185
Other comprehensive income											
Currency translation differences		-	-	10,834	-	-	-	-	10,834	-	10,834
Total other comprehensive income		-	-	10,834	-	-	-	-	10,834	-	10,834
Total comprehensive income for the year		-	-	10,834	-	-	-	15,809	26,643	(624)	26,019
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	26	-	-	-	-	-	-	(1,731)	(1,731)	-	(1,731)
Acquisition of treasury shares		-	-	-	-	-	(824)	-	(824)	-	(824)
Value of employee services received for issue of share options	28	-	-	-	-	739	-	-	739	-	739
Total contributions by and distributions to owners		-	-	-	-	739	(824)	(1,731)	(1,816)	-	(1,816)
At 31 December 2010		10,818	68,687	(38,693)	3,368	2,076	(824)	176,486	221,918	(624)	221,294

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

Consolidated Statement of Changes in Equity (cont'd)

Year ended 31 December 2011

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<— Attributable to owners of the Company							—>		
2011											
At 1 January 2011		10,818	68,687	(38,693)	3,368	2,076	(824)	176,486	221,918	(624)	221,294
Total comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	27,441	27,441	(850)	26,591
Other comprehensive income											
Currency translation differences		-	-	(1,670)	-	-	-	-	(1,670)	-	(1,670)
Net loss on revaluation of property, plant and equipment, net of tax		-	-	-	226	-	-	-	226	-	226
Total other comprehensive income		-	-	(1,670)	226	-	-	-	(1,444)	-	(1,444)
Total comprehensive income for the year		-	-	(1,670)	226	-	-	27,441	25,997	(850)	25,147
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	26	-	-	-	-	-	-	(16,846)	(16,846)	-	(16,846)
Acquisition of treasury shares		-	-	-	-	-	(1,797)	-	(1,797)	-	(1,797)
Share-based payment transactions		-	386	-	-	(953)	567	-	-	-	-
Value of employee services received for issue of share options	28	-	-	-	-	1,244	-	-	1,244	-	1,244
Total contributions by and distributions to owners		-	386	-	-	291	(1,230)	(16,846)	(17,399)	-	(17,399)
At 31 December 2011		10,818	69,073	(40,363)	3,594	2,367	(2,054)	187,081	230,516	(1,474)	229,042

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

Statement of Changes in Equity

Year ended 31 December 2011

Company	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
2010						
At 1 January 2010	10,818	68,826	1,337	-	3,698	84,679
Profit for the year/Total comprehensive income for the year	-	-	-	-	20,032	20,032
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners						
Value of employee services received for issue of share options (note 28)	-	-	739	-	-	739
Acquisition of treasury shares	-	-	-	(824)	-	(824)
Dividends (note 26)	-	-	-	-	(1,731)	(1,731)
Total contributions by and distributions to owners of the Company	-	-	739	(824)	(1,731)	(1,816)
At 31 December 2010	10,818	68,826	2,076	(824)	21,999	102,895
2011						
At 1 January 2011	10,818	68,826	2,076	(824)	21,999	102,895
Profit for the year/Total comprehensive income for the year	-	-	-	-	18,862	18,862
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners						
Value of employee services received for issue of share options (note 28)	-	-	1,244	-	-	1,244
Acquisition of treasury shares	-	-	-	(1,797)	-	(1,797)
Share-based payment transactions	-	386	(953)	567	-	-
Dividends (note 26)	-	-	-	-	(16,846)	(16,846)
Total contributions by and distributions to owners of the Company	-	386	291	(1,230)	(16,846)	(17,399)
At 31 December 2011	10,818	69,212	2,367	(2,054)	24,015	104,358

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

Cash Flow Statements

Year ended 31 December 2011

	Group		Company	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Cash flows from operating activities				
Profit for the year	26,591	15,185	18,862	20,032
Adjustments for:				
Amortisation of intangible assets	571	570	-	-
Depreciation of property, plant and equipment	12,957	11,073	-	-
Allowance for doubtful receivables	(35)	453	-	-
Allowance for inventory obsolescence	5,134	6,973	-	-
(Reversal of)/ impairment loss on property, plant and equipment	(283)	1,062	-	-
Loss on disposal of property, plant and equipment	26	63	-	-
Equity-settled share-based payment transactions	677	739	677	739
Share of profit of joint venture, net of tax	10,589	6,634	-	-
Finance income	(1,460)	(636)	-	-
Finance expense	3,057	5,152	-	-
Income tax expense	5,508	3,983	-	-
	63,332	51,251	19,539	20,771
Changes in:				
Other assets	(118)	(938)	-	-
Inventories	(17,080)	(12,133)	-	-
Biological assets	(10,145)	(6,932)	-	-
Trade and other receivables	(3,527)	(50,992)	13	37
Trade and other payables	12,260	7,746	-	215
Operating cash flows	44,722	(11,998)	19,552	21,023
Income taxes paid	(7,189)	(5,023)	-	-
Net cash flows from/(used in) operating activities	37,533	(17,021)	19,552	21,023
Cash flows from investing activities				
Amounts due from subsidiaries (non-trade)	-	-	(25,215)	13,909
Interest received	498	565	-	-
Proceeds from disposal of property, plant and equipment	72	355	-	-
Purchase of property, plant and equipment	(18,478)	(14,659)	-	-
Additional investment in joint venture	(1,116)	(9,925)	-	-
Net cash flows used in investing activities	(19,024)	(23,664)	(25,215)	13,909
Cash flows from financing activities				
Amounts due to subsidiaries (non-trade)	-	-	23,739	(32,175)
Interest paid	(4,077)	(3,122)	-	-
Repayment of finance lease liabilities	-	(20)	-	-
Proceeds from borrowings	533,567	446,687	-	-
Repayment of borrowings	(526,511)	(444,028)	-	-
Acquisition of treasury shares	(1,230)	(824)	(1,230)	(824)
Dividends paid	(16,846)	(1,731)	(16,846)	(1,731)
Net cash flows used in financing activities	(15,097)	(3,038)	5,663	(34,730)
Net increase/(decrease) in cash and cash equivalents	3,412	(43,723)	-	202
Cash and cash equivalents at beginning of year	17,506	59,162	211	9
Effect of exchange rate changes on balances held in foreign currency	(41)	2,067	-	-
Cash and cash equivalents at end of year (note 14)	20,877	17,506	211	211

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

Notes to the Financial Statements

Year ended 31 December 2011

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 April 2012.

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 2011 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

(a) Statement of compliance

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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- 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

(c) 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. Basis of preparation (cont'd)

(d) 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.

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 in applying accounting policies that have the most significant effect on the amounts 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 10 – Net realisable values of inventories
- Note 11 – 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

(e) Changes in accounting policies

Identification of related party relationships and related party disclosures

From 1 January 2011, the Group has applied the revised IAS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. IAS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

There is no change in the disclosure and financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of IAS 24 (2010) has 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 which addresses changes in accounting policies.

(a) Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

3. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(i) Business combination **(cont'd)**

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) 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.

(iv) 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.

3. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(v) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(vi) Transactions eliminated on consolidation

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

(b) Foreign currency

(i) 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 that 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 that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes on only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

3. Significant accounting policies (cont'd)

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets as 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 12) and cash and cash equivalents (see note 15).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

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

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

3. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(iii) Share capital

Ordinary shares

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.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated 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 profit or loss. A decrease in value is recognised in 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, the cost of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. 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 gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3. Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing a component 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 carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

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 is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

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

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

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

(e) Intangible assets

(i) 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.

Subsequent measurement

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

3. Significant accounting policies (cont'd)

(e) Intangible assets (cont'd)

(i) Goodwill (cont'd)

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(i)(ii).

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

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

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

(f) 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 expenditures on growing crops are deferred and taken into inventories based on the estimated total yield during the estimated growth cycle of three years.

The cost method of valuation was used since fair value cannot be measured reliably. The growing crops have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result to a reliable basis for determining the fair value. Growing crops are classified as current assets in the balance sheets.

3. Significant accounting policies (cont'd)

(f) Biological assets (cont'd)

At the point of harvest, the fair value of the agricultural produce can be determined and the harvested crop are measured at fair value less cost to sell. The difference between estimated cost of the harvested agricultural produce and fair value less cost to sell is recorded in profit or loss in the period in which they arise. The fair value of the harvested agricultural produce is determined based on the market value of the agricultural produce at the point of harvest.

Biological assets (livestock) are measured at fair value less costs to sell, with any changes therein recognised in 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 profit or loss in the period in which they arise.

(g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to 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.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

(h) Inventories

Inventories are measured 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.

(i) Impairment

(i) Non-derivative financial assets

A financial asset not classified 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 a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3. Significant accounting policies (cont'd)

(i) Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

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 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 profit or loss.

(ii) 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. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. 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 CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3. Significant accounting policies (cont'd)

(i) Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

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.

(j) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) 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 present value 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 in profit or loss.

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.

3. Significant accounting policies (cont'd)

(j) Employee benefits (cont'd)

(ii) Defined benefit pension plan (cont'd)

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.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, 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.

(iv) Short-term employee benefits

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

(v) Share-based payment transactions

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.

3. Significant accounting policies (cont'd)

(j) Employee benefits (cont'd)

(v) Share-based payment transactions (cont'd)

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.

(k) 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.

(l) Revenue recognition

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities 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 customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measure reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of transfers of risks and rewards varies depending on the individual terms of the contract of sale but usually occurs when the customer receives the product.

(ii) Dividend income

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

(m) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so at to produce a constant periodic rate of interest on the remaining balance of the liability.

3. Significant accounting policies (cont'd)

(n) Finance income and finance costs

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues in profit or loss, 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.

(o) Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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 in respect of 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:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to 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 for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(p) Dividends

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

3. Significant accounting policies (cont'd)

(q) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share 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 year, adjusted for own shares held. Diluted earnings per share 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.

(r) 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.

(s) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011, and have not been applied in preparing these financial statements. None of these are expected to 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 2010	14,367	7,151	116,482	220	9,085	7,807	155,112
Additions	423	69	4,206	-	9,961	-	14,659
Disposals	(570)	(663)	(10,365)	-	-	-	(11,598)
Reclassifications	1,404	90	6,082	-	(7,576)	-	-
Currency realignment	860	769	6,968	13	544	137	9,291
At 31 December 2010	16,484	7,416	123,373	233	12,014	7,944	167,464
At 1 January 2011	16,484	7,416	123,373	233	12,014	7,944	167,464
Additions	271	472	3,196	-	14,539	-	18,478
Disposals	-	-	(434)	-	-	-	(434)
Reclassifications	2,297	1,019	7,382	-	(10,664)	346	380
Currency realignment	(40)	(44)	(325)	-	(32)	-	(441)
At 31 December 2011	19,012	8,863	133,192	233	15,857	8,290	185,447

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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 2010	3,838	2,985	74,886	191	-	-	81,900
Charge for the year	1,018	440	9,614	1	-	-	11,073
Impairment loss	-	197	865	-	-	-	1,062
Disposals	(489)	(636)	(10,055)	-	-	-	(11,180)
Currency realignment	264	204	4,788	11	-	-	5,267
At 31 December 2010	4,631	3,190	80,098	203	-	-	88,122
At 1 January 2011	4,631	3,190	80,098	203	-	-	88,122
Charge for the year	748	695	11,483	31	-	-	12,957
Impairment loss	-	(23)	(260)	-	-	-	(283)
Disposals	-	-	(336)	-	-	-	(336)
Currency realignment	(23)	(19)	(382)	(1)	-	-	(425)
At 31 December 2011	5,356	3,843	90,603	233	-	-	100,035
Carrying amount							
At 1 January 2010	10,529	4,166	41,596	29	9,085	7,807	73,212
At 31 December 2010	11,853	4,226	43,275	30	12,014	7,944	79,342
At 31 December 2011	13,656	5,020	42,589	-	15,857	8,290	85,412

As at 31 December 2011, the net carrying amount of leased property, plant and equipment was US$432,000 (2010: US$537,000).

Impairment loss relating to machinery and equipment are realised/(reversed) in "Other expenses" in the income statement during the year.

At 31 December 2011, 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.

Freehold land of the Group located in the Philippines at 31 December 2011 is stated at fair value of US$5,558,000 (2010: US$5,527,000) based on prior year independent valuation by LCH 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 2011. In respect of the freehold land in Singapore stated at fair value of US$3,537,000 (2010: US$2,417,000), the Group had engaged CB Richard Ellis to perform an independent valuation on an existing use basis.

The carrying amount of the freehold land would have been US$2,282,000 (2010: US$2,282,000) had the freehold land been carried at cost less impairment losses.

4. Property, plant and equipment (cont'd)

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	
	2011	2010
	US$'000	US$'000
Unquoted equity shares, at cost	10,199	10,199
Amounts due from subsidiaries (non-trade)	75,243	75,243
	85,442	85,442

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

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2011 %	2010 %
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 ("DMS") [1]	Providing administrative support and liaison services to the Group	Singapore	100	100
GTL Limited ("GTL") [1]	Trading food products mainly under the brand names, "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100	100
S&W Fine Foods International Limited ("S&W") [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

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Year ended 31 December 2011

5. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2011 %	2010 %
Held by DMPRL				
Central American Resources, Inc ("CARI") [1]	Investment holding	Panama	100	100
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") [4]	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	92	92
Held by DMPI				
Philippines Packing Management Services Corporation [2]	Management, logistics and support services	Philippines	100	100
Held by Dewey				
Dewey Sdn. Bhd. [2]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Malaysia	100	100

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

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

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

Name of company	:	FieldFresh Foods Private Limited *
Principal activities	:	Production and sale of fresh and processed fruits and vegetables food products
Country of incorporation/business	:	India
Effective equity held by the Group	:	46% (2010: 46%)

* Audited by Deloitte Haskins & Sells, Gurgaon, India.

The summarised financial information of the joint venture, not adjusted for the percentage ownership held by the Group, is as follows:

	2011 US$'000	2010 US$'000
Assets and liabilities		
Non-current assets	29,302	36,568
Current assets	12,694	20,330
Total assets	41,996	56,898
Current liabilities	7,326	16,759
Non-current liabilities	26,538	11,407
Total liabilities	33,864	28,166
Net assets	8,132	28,732
Results		
Revenue	37,959	26,513
Expenses	(59,137)	(39,770)
Loss after taxation	(21,178)	(13,257)

Deferred tax assets have not been recognised in respect of the following items:

	2011 US$'000	2010 US$'000
Deductible temporary differences	(909)	236
Tax losses	61,010	42,918
	61,101	43,154

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Management has not recognised the deferred tax assets because a trend of profitable growth in the joint venture is not yet established. Once profitable growth can be clearly determined, the unrecognised deferred tax asset will be recognised by the Group, resulting in the Group's share of tax income of US$9,286,000 (2010: US$6,667,000).

The joint venture has commitments of US$3,162,000 (2010: US$1,789,000). As at 31 December 2011, the joint venture has outstanding liability in respect of a claim from Dole Fresh Fruit Europe OHG ("Dole") amounting to US$478,469 (2010: US$488,971) due to price variance arising from decline market price of grapes in Europe. The joint venture is confident that this claim is without merit.

6. Joint venture (cont'd)

Source of estimation uncertainty

When the joint venture has suffered operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgement. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

The recoverable amount of the joint venture was determined using value-in-use of the joint venture, based on six-year cashflows projections approved by the joint venture's Board of Directors. Key assumptions applied are:

- Revenue growth rate of 19% - 45%
- Discount rate of 11.1%
- Terminal value growth rate of 2%

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 26% (2010: 10%).
- A one percentage point increase in discount rate would decrease the recoverable amount by 15.7% (2010: 14.8%).

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.

7. Intangible asset

	Trademarks US$'000
Cost	
At 1 January 2010	22,310
At 31 December 2010	22,310
At 1 January 2011	22,310
At 31 December 2011	22,310
Accumulated Amortisation	
At 1 January 2010	5,165
Amortisation	570
At 31 December 2010	5,735
At 1 January 2011	5,735
Amortisation	571
At 31 December 2011	6,306
Carrying Amount	
At 1 January 2010	17,145
At 31 December 2010	16,575
At 31 December 2011	16,004

7. Intangible asset (cont'd)

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

	2011 US$'000	2010 US$'000
At 1 January	5,735	5,165
Amortisation during the year		
-Del Monte and Today's trademarks	303	302
-S&W trademark and label development costs	268	268
At 31 December	6,306	5,735

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

Trademarks

Indian sub-continent trademark

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

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 2011 are US$4,743,000 and 25 years (2010: US$4,933,000 and 26 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 six-year period. The cash flow projection for the first year is based on financial budgets prepared by management while the following five 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 sixth year. The pre-tax discount rate of 11.1% (2010: 9.9%) 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.

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Year ended 31 December 2011

7. Intangible asset (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 2011 are US$2,151,000 and 19 years (2010: US$2,264,000 and 20 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, 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 2011 are US$8,994,000 and 36 years (2010: US$9,244,000 and 37 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. The impairment assessment requires an estimation of the value-in-use of the cash-generating units to which the 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. Deferred tax assets

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.

8. Deferred tax assets (cont'd)

Movements in deferred tax assets and liabilities of the Group during the year are 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
2011					
Deferred tax liabilities					
Revaluation of freehold land	1,568	18	-	(23)	1,563
Accelerated depreciation allowance	605	102	105	(5)	807
Growing crops	1,893	241	-	(13)	2,121
	4,066	361	105	(41)	4,491
Deferred tax assets					
Provisions	(3,742)	(876)	-	40	(4,578)
Foreign exchange differences	(650)	(542)	-	20	(1,172)
	(4,392)	(1,418)	-	60	(5,750)
Net deferred tax assets	(326)	(1,057)	105	19	(1,259)
2010					
Deferred tax liabilities					
Revaluation of freehold land	1,479	27	-	62	1,568
Accelerated depreciation allowance	1,045	(486)	2	44	605
Growing crops	1,592	198	-	103	1,893
	4,116	(261)	2	209	4,066
Deferred tax assets					
Provisions	(1,940)	(1,624)	-	(178)	(3,742)
Foreign exchange differences	(258)	(363)	-	(29)	(650)
	(2,198)	(1,987)	-	(207)	(4,392)
Net deferred tax liabilities/(assets)	1,918	(2,248)	2	2	(326)

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 2011 of a subsidiary based in the Philippines, is approximately US$12,865,000 (2010: US$17,945,000). 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.

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Year ended 31 December 2011

9. Other assets

	Group	
	2011	2010
	US$'000	US$'000
Advances to growers	7,507	8,050
Security deposits	1,164	949
Land expansion (development costs of acquired leased areas)	2,974	2,290
Others	574	780
	12,219	12,069

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 (2010: 10 years).

10. Inventories

	Group	
	2011	2010
	US$'000	US$'000
Finished goods		
- at cost	23,051	30,036
- at net realisable value	26	92
Semi-finished goods		
- at cost	14,258	4,816
- at net realisable value	3,269	115
Raw materials and packaging supplies		
- at cost	48,777	42,439
	89,381	77,498

In 2011, raw materials, consumables and changes in finished goods and semi-finished goods recognised as cost of sales amounted to US$252,957,000 (2010: US$211,006,000).

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

	Group	
	2011	2010
	US$'000	US$'000
At 1 January	6,520	1,928
Allowance for the year (note 22)	5,134	6,973
Write-off against allowance	(2,803)	(2,695)
Currency realignment	(63)	314
At 31 December	8,788	6,520

10. Inventories (cont'd)

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.

11. Biological assets

	Group	
	2011	2010
	US$'000	US$'000
Growing crops (at cost)		
At 1 January	80,048	66,705
Additions	75,203	62,954
Harvested	(64,512)	(53,606)
Currency realignment	(210)	3,995
At 31 December	90,529	80,048
Livestock (at fair value)		
At 1 January	1,812	3,764
Purchases of livestock	1,492	1,506
Changes in fair value attributable to price changes (note 22)	(57)	(845)
Sales of livestock	(1,981)	(3,077)
Currency realignment	(4)	464
At 31 December	1,262	1,812
Total biological assets	91,791	81,860

The fair value of agricultural produce harvested during the year amounted to US$72,218,000 (2010: US$63,625,000).

Growing crops

Estimated hectares planted with growing crops are as follows:

	Group	
	2011	2010
Pineapples	14,236	14,526
Papaya	346	505
Passion fruit	5	5

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Year ended 31 December 2011

11. Biological assets (cont'd)

Growing crops (cont'd)

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

	Group 2011	Group 2010
Pineapples	727,039	624,291
Papaya	14,885	6,539
Passion fruit	22	470

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.

12. Trade and other receivables

		Group		Company	
	Note	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Trade receivables	13	66,892	62,597	-	-
Deposits, prepayments and other receivables	14	16,034	17,356	2	15
Amounts due from subsidiaries (non-trade)		-	-	45,046	19,831
Trade and other receivables		82,926	79,953	45,048	19,846
Prepayments		(7,907)	(7,715)	-	(15)
Downpayment to contractors		(7,032)	(6,646)	-	-
Loans and receivables		67,987	65,592	45,048	19,831

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

13. Trade receivables

	Group	
	2011	2010
	US$'000	US$'000
Trade receivables	68,763	65,076
Less: Allowance for doubtful receivables (trade)	(1,871)	(2,479)
	66,892	62,597

Source of estimation uncertainty

Under the supply contracts with Del Monte Corporation and Del Monte Fresh Produce International Inc. (which was terminated effective 31 May 2010), 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.

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

	Group	
	2011	2010
	US$'000	US$'000
Asia Pacific	47,059	39,419
Europe and North America	19,833	23,178
	66,892	62,597

The ageing of loans and receivables (excluding prepayments and downpayment to contractors) at the reporting date is:

	2011		2010	
	Gross	Impairment losses	Gross	Impairment losses
	US$'000	US$'000	US$'000	US$'000
Not past due	52,900	-	55,448	-
Past due 0 - 30 days	8,165	-	6,074	-
Past due 31 - 90 days	1,747	-	1,655	-
More than 91 days	7,046	(1,871)	4,894	(2,479)
	69,858	(1,871)	68,071	(2,479)

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.

13. Trade receivables (cont'd)

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

	Group	
	2011 US$'000	2010 US$'000
At 1 January	2,479	1,941
Allowance (reversed)/recognised for the year (trade) (note 22)	(35)	453
Write-off against allowance	(26)	(44)
Currency realignment	(547)	129
At 31 December	1,871	2,479

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.

14. Deposits, prepayments and other receivables

	Group		Company	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Prepayments	7,907	7,715	-	15
Other recoverable	391	2,347	2	-
Deposits	704	648	-	-
Downpayment to contractors	7,032	6,646	-	-
	16,034	17,356	2	15

15. Cash and cash equivalents

	Group		Company	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Cash and bank balances	19,374	12,052	211	211
Short-term deposits	1,503	5,454	-	-
Cash and cash equivalents	20,877	17,506	211	211

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.10% to 3.95% (2010: 0.10% to 3.55%) 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 3.4% (2010: 1.54%) per annum.

16. Share capital

	2011		2010	
	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.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

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 Group's capital comprises its share capital and reserves. 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.

17. Reserves

	Group		Company	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Revaluation reserve	3,594	3,368	-	-
Retained earnings	187,081	176,486	24,015	21,999
Reserve for own shares	(2,054)	(824)	(2,054)	(824)
Share premium	69,073	68,687	69,212	68,826
Share option reserve	2,367	2,076	2,367	2,076
Translation reserve	(40,363)	(38,693)	-	-
	219,698	211,100	93,540	92,077

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

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2011, the Group held 6,545,000 of the Company's shares (2010: 3,000,000).

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.

18. Financial liabilities

	Group	
	2011	2010
	US$'000	US$'000
Current liabilities		
Unsecured short-term borrowings	93,621	85,787
Current portion of unsecured long-term borrowings	11,385	-
	105,006	85,787
Non-current liabilities		
Unsecured long-term borrowings	5,019	18,007
Other long-term lease payables	897	9
	5,916	18,016
	110,922	103,803

Unsecured short-term borrowings

The amounts are unsecured with weighted average effective interest rates of 0.9% to 3.5% (2010: 1.1% to 5.0%) per annum which reprice at intervals of 1 month.

Unsecured long-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.2% to 5.7% (2010: 1.1% to 6.5%) per annum which reprice at intervals of 3 months.

Terms and debt repayment schedule

The unsecured short-term loans of US$93,621,000 (2010: US$85,787,000) are mainly denominated in US dollar, bear interest rates within a range of 1.1% to 3.5% (2010: 1.1% to 3.2%) and is repayable between January 2012 and July 2012.

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

Group	Currency	Nominal interest rate %	Year of maturity	2011 Face value US$'000	2011 Carrying amount US$'000	2010 Face value US$'000	2010 Carrying amount US$'000
Unsecured bank loan	PHP	3-Mos PDSTF + 1.5 / .95 (GRT)	2012	6,831	6,831	6,849	6,849
Unsecured bank loan	PHP	3-Mos PDSTF + 1 / .95 (GRT)	2012	4,554	4,554	4,566	4,566
Unsecured bank loan	PHP	3-Y PDSTF + .95 / .25 (GRT)	2014	2,277	2,277	2,283	2,283
Unsecured bank loan	USD	3-Mos Libor + 0.7 / .9 (On-Shore Tax)	2013	2,742	2,742	4,309	4,309
				16,404	16,404	18,007	18,007

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

Notes to the Financial Statements

Year ended 31 December 2011

18. Financial liabilities (cont'd)

Financial derivatives

Financial derivatives comprise foreign exchange contracts used to hedge payments by the Group. There was no foreign exchange contract in the current financial year.

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

	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-2 years US$'000	2-5 years US$'000
Group					
2011					
Non-derivative financial liabilities at amortised cost					
Unsecured bank loans					
- Short-term	93,621	93,621	93,621	-	-
- Long-term	16,404	16,404	11,385	2,742	2,277
Other long-term lease payables	897	897	897	-	-
Trade and other payables	81,332	81,332	81,332	-	-
	192,254	192,254	187,235	2,742	2,277
2010					
Non-derivative financial liabilities at amortised cost					
Unsecured bank loans					
- Short-term	85,787	85,965	85,965	-	-
- Long-term	18,007	18,776	471	18,305	-
Trade and other payables	70,091	70,091	70,091	-	-
	173,885	174,832	156,527	18,305	-
Company					
2011					
Non-derivative financial liabilities at amortised cost					
Trade and other payables	26,343	26,343	26,343	-	-
	26,343	26,343	26,343	-	-
2010					
Non-derivative financial liabilities at amortised cost					
Trade and other payables	2,604	2,604	2,604	-	-
	2,604	2,604	2,604	-	-

18. Financial liabilities (cont'd)

Fair values

Estimation of fair values

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	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Trade payables	49,660	34,260	-	-
Accrued operating expenses	27,381	31,317	762	691
Accrued payroll expenses	2,961	3,167	-	-
Value-added tax payable	127	168	-	-
Withheld from employees (taxes and social security cost)	1,198	1,174	-	-
Other payables	5	5	5	5
Amounts due to subsidiaries (non-trade)	-	-	25,576	1,908
	81,332	70,091	26,343	2,604

The accrued payroll expenses of the Group includes retirement benefit obligations of US$1,032,000 (2010: US$2,845,000) (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.

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

	Group	
	2011	**2010**
	US$'000	**US$'000**
Present value of funded obligations	39,147	38,215
Fair value of plan assets	(32,864)	(29,423)
	6,283	8,792
Unrecognised past service costs	(1,969)	(2,237)
Unrecognised actuarial loss	(3,282)	(3,710)
Net liability recorded under accrued payroll expenses (note 19)	1,032	2,845

Present value of funded obligations

	Group	
	2011	**2010**
	US$'000	**US$'000**
Liability at 1 January	38,215	36,367
Benefits paid by the plan	(3,770)	(3,893)
Current service costs and interests	5,560	5,550
Actuarial gain	(765)	(1,979)
Currency realignment	(93)	2,170
Liability at 31 December	39,147	38,215

Fair value of plan assets

	Group	
	2011	**2010**
	US$'000	**US$'000**
Government bonds and foreign currencies	28,903	25,462
Property occupied by a lessee	3,931	3,931
Property occupied by the Group	30	30
	32,864	29,423

Notes to the Financial Statements

Year ended 31 December 2011

20. Retirement benefit obligations (cont'd)

Movement in plan assets:

	Group	
	2011 US$'000	2010 US$'000
Fair value of plan assets at 1 January	29,423	27,055
Contributions paid into the plan	4,907	2,302
Benefits paid by the plan	(3,770)	(3,893)
Expected return on plan assets	2,721	2,645
Actuarial loss	(346)	(306)
Currency realignment	(71)	1,620
Fair value of plan assets at 31 December	32,864	29,423

Expenses recognised in the profit or loss

	Group	
	2011 US$'000	2010 US$'000
Current service cost	2,303	2,151
Interest cost	3,411	3,386
Expected return on plan assets	(2,797)	(2,645)
Amortisation for past service cost	271	263
Actuarial loss	-	170
Total pension expense	3,188	3,325
Recognised in:		
Cost of sales	2,171	2,294
Distribution and selling expenses	422	428
General and administrative expenses	595	603
	3,188	3,325

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$3,129,000 in contributions to the pension plan in 2012.

20. Retirement benefit obligations (cont'd)

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 2011 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 31 December 2011.

The principal actuarial assumptions used for accounting purposes were:

	Group	
	2011	2010
Discount rate (per annum)	6%	7%
Expected return on plan assets (per annum)	9%	9%
Future salary increases (per annum)	6%	6% - 7%
Expected service life for the pension plan	10 years	10 years

Historical information

	2011 US$'000	2010 US$'000	2009 US$'000	2008 US$'000
Present value of the defined benefit obligation	39,147	38,215	36,367	32,891
Fair value of plan assets	32,864	29,423	27,055	25,535
Deficit in the plan	6,283	8,792	9,312	7,356
Experience adjustments arising on plan liabilities	(1,258)	(2,695)	651	(1,056)
Experience adjustments arising on plan assets	(346)	(306)	528	3,637

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	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Sale of goods	425,235	378,623	-	-
Dividend income received and receivable from subsidiaries	-	-	25,000	25,000
	425,235	378,623	25,000	25,000

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

Notes to the Financial Statements

Year ended 31 December 2011

22. Profit for the year

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

	Note	Group 2011 US$'000	Group 2010 US$'000	Company 2011 US$'000	Company 2010 US$'000
Allowance for inventory obsolescence	10	5,134	6,973	-	-
(Reversal of)/allowance for doubtful receivables					
- trade	13	(35)	453	-	-
Amortisation of intangible assets	7	571	570	-	-
Changes in fair value attributable to price changes of biological assets	11	(57)	(845)	-	-
Changes in fair value agricultural produce harvested		7,706	(10,019)	-	-
Depreciation of property, plant and equipment	4	12,957	11,073	-	-
Loss on disposal of property, plant and equipment		26	63	-	-
Impairment loss (reversed)/made on property, plant and equipment	4	(283)	1,062	-	-
Legal expenses		3,967	974	-	-
Audit fees					
- paid to the auditors of the Company		209	175	180	167
- paid to other auditors		124	110	-	-
Non-audit fees					
- paid to the auditors of the Company		49	27	49	-
- paid to other auditors		20	18	-	-
Operating lease rentals		8,312	7,015	-	-
Research and development expenditure		2,059	2,031	-	-
Staff costs					
Wages and salaries		77,667	54,528	2,106	1,938
Social security costs		1,552	1,492	-	-
Pension costs – provident fund		559	500	-	-
Pension costs – defined benefit pension plan	20	3,188	3,325	-	-
Value of employee services received under share-based incentive plans		1,244	739	1,244	739
		84,210	60,584	3,350	2,677

Included in legal expenses for 2011 was the litigation settlement of US$3,000,000 in respect of the arbitration case filed by Del Monte International Gmbh against the Company's subsidiaries, DMPI and GTL (collectively "DMP") for alleged breaches by DMP of the fresh pineapple supply agreement between these parties.

23. Finance income/(expenses)

	Group	
	2011	2010
Recognised in profit or loss	US$'000	US$'000
Finance income		
Interest income from		
- bank deposits	531	403
- others	15	233
Foreign exchange gains	914	-
	1,460	636
Finance expenses		
Interest expenses on		
- bills payable	(2,993)	(3,311)
- factoring	(64)	(704)
- others	-	(455)
Foreign exchange losses	-	(682)
	(3,057)	(5,152)
Net finance expense	(1,597)	(4,516)

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	
	2011	2010
Recognised in profit or loss	US$'000	US$'000
Total interest income on financial assets	546	636
Total interest expense on financial liabilities	(3,057)	(4,470)

Recognised in other comprehensive income

	Group	
	2011	2010
	US$'000	US$'000
Foreign currency translation differences for foreign operations	(1,670)	10,834

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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	
	2011	**2010**
	US$'000	**US$'000**
Current tax		
- current year	6,575	6,045
Deferred tax		
- current year	(1,067)	(2,062)
	5,508	3,983

Reconciliation of effective tax rate

Profit before income tax	32,948	19,168
Taxation on profit at weighted average of the applicable tax rates	5,439	3,957
Non-deductible expenses	69	26
	5,508	3,983

	Group	
	2011	**2010**
Standard tax rates		
- Philippines (non-PEZA)	30%	30%
- Philippines (PEZA)*	5%	5%
- India	31%	33%
- Singapore	17%	17%

* *based on gross profit for the year*

24. Income tax (cont'd)

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 enjoys certain fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the current 30% (2010: 30%) 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. 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 and renewed on 23 December 2011.

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	
	2011	**2010**
Basic earnings per share is based on:		
Profit for the year (US$'000)	27,441	15,809
Ordinary shares in issue during the year ('000)	1,078,422	1,079,817
Basic earnings per share (in US cents)	2.54	1.46

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.

25. Earnings per share (cont'd)

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

	Group	
	2011	2010
Diluted earnings per share is based on:		
Profit for the year (US$'000)	27,441	15,809
Adjusted weighted average number of shares ('000):		
Ordinary shares used in the calculation of basic earnings per share	1,078,422	1,079,817
Potential ordinary shares issuable under share options	7,726	7,085
Weighted average number of ordinary issued and potential shares assuming full conversion	1,086,148	1,086,902
Diluted earnings per share (in US cents)	2.53	1.45

26. Dividends

	Group and Company	
	2011	2010
	US$'000	US$'000
Tax-exempt final dividend paid in respect of the previous financial year of 1.10 US cents (2010: 0.16 US cents)	11,878	1,731
Tax-exempt interim dividend paid in respect of the current financial year of 0.46 US cents (2010: NIL)	4,968	-
	16,846	1,731

Subsequent to the financial year, the directors declared a tax-exempt final dividend of 1.45 US cents per share (2010: 1.10 US cents per share), amounting to US$15,637,000 (2010: US$11,878,000) in respect of the financial year ended 31 December 2011. These dividends have not been provided for in these financial statements.

27. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units are based on the geographical area in which the customers are located and on the product variety. They 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 (the chief operating decision maker) 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 - Includes manufacture and sale of tomato-based products, mixed fruits and pineapple solids in Asia Pacific.
  - Beverages - Includes manufacture and sale of juice drinks in Asia Pacific.

- Europe and North America – processed products. Includes manufacture and sale of pineapple concentrate in Europe and North America.

27. Operating segments (cont'd)

Other operations include the sale of cattle, the cultivation and sale of fresh pineapples and the manufacture and sale of processed products to various customers in other parts of the world. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2011 or 2010.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Executive Committee. Segment 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. The segment assets reviewed by the Group's Executive Committee relate to the trade receivables arising from the operations of the segment business.

Information about reportable segments

	<---------- Asia Pacific					---------->	Europe and North America		Others		Total	
	Processed products		Beverages		Total		Processed products					
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	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	168,397	153,025	92,229	94,582	260,626	247,607	58,933	31,228	105,676	99,788	425,235	378,623
Depreciation and amortisation	(3,108)	(3,422)	(2,911)	(3,015)	(6,019)	(6,437)	(3,975)	(2,285)	(3,534)	(2,921)	(13,528)	(11,643)
Reportable segment profit before income tax	27,496	22,566	4,221	1,958	31,717	24,524	9,845	4,262	2,723	1,532	44,285	30,318
Other material non-cash items:												
- Allowance for doubtful receivables	(90)	144	(59)	166	(149)	310	35	-	79	143	(35)	453
- Allowance for inventory obsolescence	2,370	2,035	1,314	1,934	3,684	3,969	1,226	3,004	224	-	5,134	6,973
- Impairment on property, plant and equipment	(131)	397	(72)	451	(203)	848	(68)	214	(12)	-	(283)	1,062
Reportable segment assets	25,217	21,196	14,450	14,154	39,667	35,350	14,274	9,975	12,951	17,272	66,892	62,597
Capital expenditure	(3,630)	(3,351)	(3,655)	(3,134)	(7,285)	(6,485)	(4,571)	(2,408)	(6,622)	(5,766)	(18,478)	(14,659)

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27. Operating segments (cont'd)

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

	Note	2011 US$'000	2010 US$'000
Revenue			
Total revenue for reportable segments/Consolidated revenue		425,235	378,623
Profit or loss			
Total profit or loss for reportable segments		44,285	30,318
Unallocated amounts: Other corporate expenses	23	(1,597)	(4,516)
Share of loss of joint venture	6	(10,589)	(6,634)
Consolidated profit before income tax		32,099	19,168
Assets			
Total assets for reportable segments	13	66,892	62,597
Investments in joint venture	6	24,022	33,495
Other unallocated amounts		332,977	302,532
Consolidated total assets		423,891	398,624

Other material items 2011

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	5,134	-	5,134
Reversal of allowance for doubtful receivables	(35)	-	(35)
Capital expenditure	18,478	-	18,478
Depreciation and amortisation	13,528	-	13,528
Reversal of impairment losses on property, plant and equipment and intangible assets	(283)	-	(283)
Operating lease rental	8,312	-	8,312

Other material items 2010

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	6,973	-	6,973
Allowance for doubtful receivables	453	-	453
Capital expenditure	14,659	-	14,659
Depreciation and amortisation	11,643	-	11,643
Impairment losses on property, plant and equipment and intangible assets	1,062	-	1,062
Operating lease rental	7,015	-	7,015

27. Operating segments (cont'd)

Geographical information

The Group's segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Philippines, Singapore and India.

In presenting information on the basis of geographical segments, segment assets are based on the geographical location of the assets.

Non-current assets

	2011 US$'000	2010 US$'000
Philippines	79,611	76,939
Singapore	17,062	14,045
India	4,743	4,933
	101,416	95,917

Non-current assets presented consist of property, plant and equipment and intangible assets.

Major customer

Revenue from one customer of the Group's "Others" segment amounted to approximately US$43,907,000 (2010: US$43,522,000), representing 10% (2010: 11%) of the Group's total revenue.

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. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

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).

28. Share option and incentive plans (cont'd)

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.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 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 29 April 2011.

On 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 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.

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	Options outstanding	
		S$	2011	2010
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

28. Share option and incentive plans (cont'd)

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted	Share awards outstanding
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 onwards	0.615	1,725,000	690,000
20 May 2008	Up to 60%: 20 May 2010 – 19 May 2011 40%: 20 May 2011 onwards	0.680	1,611,000	644,400
12 May 2009	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.540	3,749,000	3,749,000
29 April 2011	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.485	2,643,000	2,643,000
21 November 2011	No vesting period imposed, shares were released to the grantee on 12 December 2012	0.455	67,700	-
			9,795,700	7,726,400

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

Fair value of share options and assumptions

Date of grant of options	7 Mar 2008	7 Mar 2008	20 May 2008	12 May 2009	29 Apr 2011	21 Nov 2011
	ESOP	<—— *Del Monte Pacific RSP*				——>
Fair value at measurement date	US$0.12	US$0.44	US$0.50	US$0.37	US$0.40	US$0.35
Share price (Singapore dollars) at grant date	0.615	0.615	0.680	0.540	0.485	0.455
Exercise price (Singapore dollars)	0.627	-	-	-	-	-
Expected volatility	5.00%	5.00%	5.00%	2.00%	2.00%	-
Time to maturity	8 years	1 year	1 year	2 years	2 years	-
Risk-free interest rate	3.31%	3.31%	3.31%	2.30%	2.19%	-

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.

28. Share option and incentive plans (cont'd)

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 instruments

The Group has exposure to the following risks from its use of financial instruments:
- credit risk
- cash and interest rate risk
- liquidity risk
- market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Financial risk management objectives and policies

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

29. Financial instruments (cont'd)

Credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Approximately 15% (2010: 16%) of the Group's revenue is attributable to sales transactions with a single international customer. However, geographically, there is no concentration of credit risk.

The Audit Committee has approved a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Group	
	2011	**2010**
	US$'000	**US$'000**
North America	8,684	15,026
Europe	11,164	7,831
Asia Pacific	47,757	44,983
Others	7,414	4,398
	75,019	72,238

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The ageing of trade and other receivables that were not impaired at the reporting date was:

	Group	
	2011	**2010**
	US$'000	**US$'000**
Not past due	59,932	61,859
Past due 0 - 30 days	8,165	5,805
Past due 31 - 90 days	1,747	1,624
More than 91 days	5,175	2,950
	75,019	72,238

29. Financial instruments (cont'd)

Cash and interest rate risk

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

Sensitivity analysis

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

	Group Profit or Loss	
	2011 US$'000	2010 US$'000
Short-term deposits	15	55
Unsecured short-term and long-term borrowings	(1,109)	(1,038)
	(1,094)	(983)

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$287 million (2010: US$283 million) in credit lines, of which only 38% (2010: 36%) is availed. The lines are mostly for short term financing requirements, with US$19 million (2010: US$18 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 Philippine Peso.

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, especially between the Philippine peso and US dollar. To a certain extent, the Group has a natural hedge between the latter two currencies due to its revenue and cost mix. It is the Group's policy to optimise its natural hedge.

29. Financial instruments (cont'd)

Foreign exchange risk (cont'd)

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

	Group	
	2011 US$'000	2010 US$'000
Trade and other receivables	3,270	411
Cash and cash equivalents	(4,373)	6,697
Financial liabilities	(72,717)	(51,808)
Trade and other payables	(9,598)	(5,764)
	(83,418)	(50,464)

Sensitivity analysis

A 10% strengthening of the subsidiaries' foreign currency against the US dollar at the reporting date would decrease profit or loss by US$8,342,000 (2010: US$5,046,000). 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 2011, the Group's major customers collectively accounted for 19% (2010: 24%) 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	
	2011 %	2010 %
Philippines	67	65
Hong Kong	32	28
Mauritius	1	7

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.

29. Financial instruments (cont'd)

Commodity price risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk related to tinplates and fuel. The Group ensures future supply of tinplates while minimising the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group. There are no outstanding purchase contracts as at December 31, 2011 and 2010.

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 relationships with them.

Risk related to agricultural activities

The Group is exposed to financial risks arising from changes in cost and volume of fruits harvested from the growing crops which are influenced by natural phenomena such as weather patterns, volume of rainfall and field performance. 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, which impact sales.

The Company secures favourable harvest of pineapples and other agricultural produce from biological assets by continuously assessing factors that could affect harvest and responding to them in a timely manner. The Company is equipped with necessary technical manpower, farm inputs, such as fertilizer, chemicals and equipment to respond to any changes brought about by the factors as mentioned above.

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. 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 the year in review, approximately 66% (2010: 60%) of the Group's sales to its international customers were not covered by long-term supply contracts. While the non-supply contract pricing is generally better than supply contract pricing, there is no long-term off-take agreement with the former and this may be subject to a higher volume risk depending on the market. Pricing may also be subject to market conditions.

29. Financial instruments (cont'd)

Operational risk

As an integrated producer of processed and fresh 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, litigious counterparties, and changes in government regulations, including, without limitation, environmental regulations.

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;
- Compliance with proven agricultural practices in the pineapple growing operations
- Focus on consumption-driven marketing strategies;
- 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; and
- Building on closer working relationships with business partners.

Compliance

The Group closely monitors changes in legislation and government regulations affecting the Group's business. It has a compliance program that aims to monitor and ensure the Group's compliance with laws and regulations. Compliance is a regular board agenda item.

30. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

Group	Note	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2011					
Cash and cash equivalents	15	20,877	–	20,877	20,877
Loans and receivables	12	67,987	–	67,987	67,987
		88,864	–	88,864	88,864
Unsecured bank loans	18	–	110,025	110,025	110,025
Trade and other payables	19	–	81,332	81,332	81,332
		–	191,357	191,357	191,357
2010					
Cash and cash equivalents	15	17,506	–	17,506	17,506
Loans and receivables	12	65,592	–	65,592	65,592
		83,098	–	83,098	83,098
Unsecured bank loans	18	–	103,794	103,794	103,794
Trade and other payables	19	–	70,091	70,091	70,091
		–	173,885	173,885	173,885

30. Accounting classification and fair values (cont'd)

Company	Note	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2011					
Cash and cash equivalents	15	211	–	211	211
Loans and receivables	12	45,048	–	45,048	45,048
		45,259	–	45,259	45,259
Trade and other payables	19	–	26,343	26,343	26,343
		–	26,343	26,343	26,343
2010					
Cash and cash equivalents	15	211	–	211	211
Loans and receivables	12	19,831	–	19,831	19,831
		20,042	–	20,042	20,042
Trade and other payables	19	–	2,604	2,604	2,604
		–	2,604	2,604	2,604

31. 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 National Development Corporation (NDC) and submitted for land distribution in compliance with the Comprehensive Agrarian Reform Law (CARL)) are as follows:

	Group 2011 US$'000	Group 2010 US$'000
Within one year	6,993	3,869
Between one to five years	30,327	32,778
More than five years	58,865	28,194
	96,185	64,841

Included in the above are commitments denominated in Philippine Peso of PHP4,155 million, equivalent to US$94,606,000 (2010: PHP2,778 million, equivalent to US$63,427,000).

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.

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31. Commitments (cont'd)

Future capital expenditure

	Group	
	2011	**2010**
	US$'000	**US$'000**
Capital expenditure not provided for in the financial statements		
- approved by directors and contracted for	4,580	2,593
- approved by directors but not contracted for	24,826	17,429
	29,406	20,022

Supply contracts

The Group currently has international supply contracts with 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 (three-year notice of termination was served by the Group in November 2011) in North America (except Canada), Mexico and the Caribbean, and Del Monte Asia Pte Ltd in certain Asia Pacific countries (excluding the Philippines, the Indian subcontinent, Myanmar and Japan). The Group also has a supply contract for fresh pineapples with Del Monte Fresh Produce International Inc. which will expire on 31 December 2017. These supply contracts are generally terminable by prior written notice with periods ranging between 18 to 36 months (from certain pre-agreed dates onwards).

32. Contingencies

As at 31 December 2011, a subsidiary, Del Monte Philippines, Inc. had a contingent liability amounting to INR17.5 million (US$400,000) in the form of a guarantee in favour of Citibank. Such corporate guarantee supported a bank guarantee which secured certain obligations of another subsidiary, Del Monte Foods India Private Limited, under an asset sale agreement in India. Both guarantees expired in February 2012.

33. 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.

33. Related parties (cont'd)

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

	Group		Company	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Income				
Sales to Nutri-Asia, Inc.	-	1	-	-
Expenses				
Management fees to a subsidiary, DMS	-	-	581	552
Purchases from Nutri-Asia, Inc.	28	13	-	-
Management fees from DMPI Retirement Fund	(5)	(3)	-	-
Rental paid to DMPI Provident Fund	-	20	-	-
	23	30	581	552

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.

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	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Directors:				
Fees and remuneration	2,904	2,725	1,942	1,870
Share-based payments	725	96	725	96
Key executive officers (excluding directors):				
Short-term employee benefits	2,379	1,907	-	-
Post-employment benefits	235	200	-	-
Share-based payments	518	643	518	643

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 13 March 2012

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	5	0.07	594	0.00
1,000	-	10,000	7,345	94.76	13,954,138	1.30
10,001	-	1,000,000	390	5.03	21,122,700	1.96
1,000,001	and above		11	0.14	1,040,849,062	96.74
TOTAL			7,751	100.00	1,075,926,494	100.00

Twenty largest shareholders

	Name	No. of shares	%
1.	NutriAsia Pacific Limited	849,429,372	78.95
2.	Lee Pineapple Company Pte Ltd	83,685,000	7.78
3.	DBS Nominees Pte Ltd	33,498,000	3.11
4.	HSBC (Singapore) Nominees Pte Ltd	24,654,690	2.29
5.	United Overseas Bank Nominees Pte Ltd	16,163,000	1.50
6.	Wee Poh Chan Phyllis	12,915,000	1.20
7.	Representations International (Hk) Ltd	7,000,000	0.65
8.	Pineapples Of Malaya Private Limited	5,360,000	0.50
9.	Citibank Nominees Singapore Pte Ltd	4,016,000	0.37
10.	DBS Vickers Securities (S) Pte Ltd	2,823,000	0.26
11.	Luis Francisco Alejandro	1,305,000	0.12
12.	Lee Mui Lee Rosalind	1,000,000	0.09
13.	Joselito Jr Dee Campos	966,600	0.09
14.	Ng Keng Kwee	721,000	0.07
15.	Richard Warren Blossom	690,000	0.06
16.	Florence Yuniwati Suryawan	609,000	0.06
17.	Go Kee Tee Ochura	592,000	0.06
18.	BNP Paribas Nominees Singapore Pte Ltd	584,000	0.05
19.	Raffles Nominees (Pte) Ltd	514,000	0.05
20.	CIMB Securities (Singapore) Pte Ltd	368,000	0.03
Total		1,046,893,662	97.29

Substantial Shareholders

As recorded in the Register of Substantial Shareholders as of 31 December 2011

Name of Shareholder	Direct Interest No. of shares	%(1)	Deemed Interest No. of shares	%(1)
NutriAsia Pacific Limited	849,429,372	79.00	-	-
NutriAsia Holdings Limited(2)	-	-	849,429,372	79.00
NutriAsia Inc.(2)	-	-	849,429,372	79.00
Golden Chamber Investment Limited(3)	-	-	849,429,372	79.00
HSBC International Trustee Limited(3)	-	-	849,429,372	79.00
HSBC Trustee (Hong Kong) Limited(3)	-	-	849,429,372	79.00
HSBC Holdings plc(3)	-	-	849,429,372	79.00
HSBC Bank plc(3)			849,429,372	79.00
HSBC Europe (Netherlands) BV(3)			849,429,372	79.00
HSBC Private Banking Holding (Suisse) SA(3)			849,429,372	79.00
Well Grounded Limited(4)	-	-	849,429,372	79.00
Star Orchid Limited(4)	-	-	849,429,372	79.00

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 21.00% 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.

HSBC Trustee, as trustee of a trust, indirectly holds 37.8% issued shares of NPL which in turn holds the Company shares directly. As HSBC Trustee is owned by HSBC International, HSBC International is thus deemed to have an indirect interest in the shares. As a result of a transfer by HSBC Bank Bermuda Limited of all its shares in HSBC International to HSBC Private Banking Holdings (Suisse) SA ("HPBH"), HSBC Bank plc is now deemed to be a substantial shareholder of the Company. HPBH is a wholly-owned subsidiary of HSBC Europe (Netherlands) BV, which is substantially owned (94.9%) by HSBC Bank plc which is a wholly-owned subsidiary of HSBC Holdings.

(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 2011

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

Proforma Group Financial Information*

For the Year Ended 31 December 2011
(Amounts in Singapore Dollars)

	GROUP	
	2011	2010
	S$'000	S$'000
Revenue	531,544	518,714
Cost of sales	(404,763)	(406,701)
Gross Profit	126,781	112,013
Distribution and selling expenses	(31,391)	(31,711)
General and administrative expenses	(33,284)	(32,664)
Other expenses	(6,750)	(6,102)
Results from operating activities	55,356	41,536
Finance income	1,825	871
Finance expenses	(3,821)	(7,058)
Net finance expenses	(1,996)	(6,187)
Share of loss of joint venture, net of tax	(13,236)	(9,089)
Profit before taxation	40,124	26,260
Income tax	(6,885)	(5,457)
Profit for the year	33,239	20,803
Profit attributable to:		
Non-controlling interests	(1,063)	(855)
Owners of the Company	34,302	21,658

* 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 2011 and 2010 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.25 and S$1.37, respectively.

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

Corporate Profile

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

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

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

In India, the Group owns approximately 46% of FieldFresh Foods Private Limited (www.fieldfreshfoods.in). FieldFresh markets Del Monte-branded processed products in the domestic market and FieldFresh-branded fresh fruits and vegetables. Del Monte Pacific's partner in FieldFresh India is the well-respected Bharti Enterprises, which owns one of the largest conglomerates in India.

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

With a 23,000-hectare pineapple plantation in the Philippines, 700,000-ton processing capacity and a port beside the Cannery, Del Monte Pacific's subsidiary, Del Monte Philippines, operates the world's largest fully-integrated pineapple operation. It is proud of its long heritage of 85 years of pineapple growing and processing. It has long-term supply agreements with some of the 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, including Del Monte Foods Co (USA), Fresh Del Monte Produce Inc, Del Monte Canada, Del Monte Asia Pte Ltd and these companies' affiliates.

Del Monte Pacific is 79%-owned by NutriAsia Pacific Ltd. (NPL). NPL is owned by the NutriAsia Group of Companies which is in turn majority-owned by the Campos family of the Philippines. The NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

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
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
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
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
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 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 Ong Chai Yan
Audit partner appointed for the financial year ended
31 December 2010
Audit firm appointed wef
28 April 2006

Bankers

Allied Banking Corporation
Australia and New Zealand Banking Group Ltd
BDO Universal Bank, Inc
Bank of the Philippines Islands
Bank of Tokyo Mitsubishi – UFJ Ltd
Deutsche Bank AG
Hongkong and Shanghai Banking Corp Ltd
Metropolitan Bank and Trust Co
Rizal Commercial Banking Corp
Standard Chartered Bank
Union Bank of the Philippines

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

Listing & Trading Symbols

Listed on 2 August 1999 on the
Singapore Exchange
Bloomberg: DELM SP
Reuters: DMPL.SI

Trademarks

Del Monte, Del Monte Quality and Shield in Colour are principal registered trademarks of the Group in the Philippines and Indian subcontinent territories. The Group owns the S&W trademarks worldwide except for the Americas, Australia and New Zealand. The Group's other trademarks include, among others, Today's, Fiesta, 202, Fit 'n Right and Del Monte Quick 'N Easy in the Philippines.

For further enquiries
please contact:

Investor Relations and Business Office

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