



TRUSTED SINCE 1908
MILK-BONE
BRAND

Del Monte
PREMIUM BRAND QUALITY
Sunbutter



Del Monte Foods

Delivering Products
People Want

2008 Annual Report

Americans Want Healthy Foods— for Their Children, for Themselves, and for Their Pets

When consumers buy food for their families and their pets, they want great taste, of course. But they also want more: they seek healthy nutrition. They look for convenience and ease of use. And they want food that strengthens their ties to their loved ones, from a family meal to a treat for a beloved pet. Our incredibly broad portfolio—including fruit, vegetable and tomato products, broths, and pet snacks and foods—delivers the products people want.





New! TRUSTED QUALITY
MILK-BONE
BRAND
Natural Snacks
100% NATURAL

Del Monte
Fruit Chillers
made with REAL FRUIT
frozen fruit sorbet

Fruit Natarola
Fruit Natarola
Fruit Natarola

New! Del Monte
Quality
Mixed Fruit in
Berry Sauce

Del Monte
Quality
Mixed Fruit in
Berry Sauce





Strengthening the Bonds Uniting Families and Their Pets

The American family is constantly evolving, and one powerful demographic trend is the rise in the number of families that include pets. This dynamic has become a critical part of our business at Del Monte Foods: about 40% of our revenue comes from foods and snacks for dogs and cats. Our focus is always on quality and nutrition, but for so many consumers, our pet products serve an even higher purpose: products like *Milk-Bone* dog biscuits, *Pup-Peroni* soft and chewy dog snacks, and *Pounce* cat snacks deepen the connections between pets and their pet parents.



Providing Healthy and Delicious Snacks in Innovative, Convenient Packaging

Active lifestyles have driven our focus on creating innovative products in convenient packaging to make it easy and fast to add more fruits and vegetables to any diet. Products like *Del Monte Fruit Naturals* packaged produce—now in 10 great flavors, including three introduced in 2008: Apples & Oranges, Hawaiian Medley and No Sugar Added Peaches—and our line of *Del Monte Fruit & Gel* snack packs make it easy for kids to have a healthy fruit snack at school or on the playing field. And parents love giving kids *Del Monte Fruit Chillers* freeze-and-eat fruit desserts.













Focusing on Healthy Foods, Picked Fresh and Packed Fast, to Make Nutritious Eating Easy

If there's one institution that strengthens the bonds connecting American families, it's the dinner table. Our tomato, vegetable, and broth products make a family meal easy, fast, and delicious, including our organic *Del Monte* vegetables and tomatoes and *College Inn* broths. Our canned fruit products, including peaches, pears, and fruit cocktail, as well as *Del Monte Orchard Select* and *SunFresh* products—premium fruit in glass jars available in the produce section—make it simple to add great taste, nutrition, and excitement to any meal.

Delivering a Whole World of Taste and Nutrition to the Four-Legged Members of the Family

People want to eat well, and people want their pets to eat well too. That's why great-tasting and nutritious pet foods have become an integral part of the Del Monte Foods portfolio. Many of our brands are American icons, like *Meow Mix*, *9Lives*, *Kibbles 'n Bits*, and *Milk-Bone*, now celebrating its 100th anniversary. We continue to build these brands and leverage their power with innovative new products, like *Meow Mix Wholesome Goodness* cat food and *Kibbles 'n Bits Wholesome Medley* dog food.





Kibble



High Quality Ingredients
**100% Complete
Nutrition**

It's cats who love it best.





Nourishing Families. Enriching Lives. Every Day.

Del Monte Foods has more than 100 years of history, but our relevance to the needs of today's consumers has never been greater. The demand for healthy, convenient foods, for people and their pets, is on the rise—and we're delivering the products people want. Today, we manage a portfolio with more than 20 great brands and 2,500 great products, all of which help us deliver on our vision: *Nourishing Families. Enriching Lives. Every Day.*



Richard G. Wolford
Chairman of the Board, President
and Chief Executive Officer

Dear Fellow Stockholders:

Our mission at Del Monte Foods is to become a premier consumer packaged food company with all the capabilities it requires: powerful brands, great products, and an ongoing stream of product innovations that resonate with consumers; strong marketing and sales relationships with retail customers; and an efficient and effective infrastructure to get products from the field and into the shopping carts of consumers. Critically, core to our mission is to drive increased stockholder value.

In 2008, we delivered strong progress against many of these goals. Importantly, from both marketing and operational perspectives, the progress realized during the year is key for future growth. From the financial perspective, we grew revenues substantially during fiscal 2008, generating more than \$3.7 billion for the year, up 9.4% over fiscal 2007. However, during this past year, we also faced significant challenges as our input cost environment continued to increase at an accelerated rate. This cost environment created pressure on our margins despite the fact that we took aggressive actions on the pricing and productivity fronts to help mitigate the effects of dramatically rising prices for raw products, commodities and energy. Net income for the year totaled \$133.1 million, or \$0.66 per share.

Turning to cash flow, fiscal 2008 reflected another year of strong performance. Del Monte Foods generated in excess of \$200 million in cash flow (cash from operations less cash from investing) in fiscal 2008, improving our financial flexibility. We put that cash to work in three ways: paying down debt, buying back \$50 million of shares, and paying quarterly dividends to stockholders.

Leveraging Our Platform

I am particularly proud of our revenue performance in fiscal 2008. We continued to introduce innovative new products; in fact, dollar sales attributable to new products set record levels in 2008. Significantly, we were also able to increase overall sales volumes throughout the portfolio by effective execution of both marketing and promotional programs. Finally, our topline also reflected aggressive pricing actions that we took to combat the cost pressures mentioned above.

I believe our revenue performance in 2008 suggests we are winning in the marketplace. It also reflects three underlying strengths of Del Monte Foods:

Brand Strength: We continue to believe that the strength of our Company is directly connected to the strength of our brands, and we have some of the best known and most trusted brands in the consumer packaged food industry. Brand strength supports the innovation process, giving new products instant credibility. As well, in 2008, the effective leveraging of the power of our brands was a key driver, enabling us to grow overall volume, increase market share, and execute successful pricing actions.

Brand-based Innovation: We take a lot of pride in our ability to create innovative new products. At Del Monte Foods, innovation begins with product platforms that address key consumer needs. Supported by the

strength of our brands and our relationships with retailers, these platforms enable us to create and launch new products that add value to consumers in terms of health, convenience, and portability.

A good example of successful innovation is our line of *Del Monte Fruit Naturals* packaged produce. These individual servings of ready-to-eat fruit are picked at the peak of ripeness, packaged in convenient plastic cups, and sold in the produce section of the supermarket; they represent a great growth platform for Del Monte Foods. In 2008, we introduced three new flavors: Hawaiian Medley, Apples & Oranges, and No Sugar Added Peaches.

Innovation is also fundamental to success in our growing pet foods and snacks business. Recent innovations include *9Lives Daily Essentials*, a dry cat food made from real meat and fish and loaded with important nutrients, and *Nature's Recipe Farm Stand Selects*, a premium dry dog food made with real fruit, vegetables, turkey, and hearty grains.

Execution: A commitment to execution is fundamental to Del Monte Foods' foundation, and I believe we executed well in many aspects of our business in fiscal 2008. In particular, our sales and marketing team played a critical role in helping to grow revenues and to execute pricing in a difficult economic environment.

Our ability to execute also played a key role as we worked to mitigate margin pressures by addressing our cost structure. In fiscal 2008, our productivity and transformation initiatives were successful in taking approximately \$85 million in costs out of our system. These savings included results from the implementation of a number of Lean Manufacturing initiatives, including projects that improve yields and efficiencies in our factories and extend our fresh processing season. We also continued to improve our logistical capabilities. To cite just one example: since the start of our

transformation plan, we have cumulatively reduced the aggregate length of our supply chain by 15 million miles, which is the equivalent of approximately 4 million gallons of diesel. Importantly, we expect to benefit from productivity and transformation savings again in fiscal 2009.

Delivering Products People Want

At Del Monte Foods, we are focused on “delivering products people want,” the theme for this year’s annual report. People genuinely want our products, and our products connect solidly with two core consumer trends. First, we benefit from the growing desire on the part of Americans to eat healthy, which generally translates into rising demand for fruits and vegetables. Second, we benefit from the growing importance of brands and products that strengthen the bonds between pets and families. Many of our promotions are tied directly to these trends, such as Del Monte Foods’ *JUST ONE MORE* campaign to encourage people to add an additional serving of fruit, vegetables, or tomatoes to their daily diets. In our pet business, our *Power of Paws* program celebrates and promotes the many positive aspects of the relationships between people and their pets (or, possibly more accurately stated, pets and their people). With our broad portfolio of products and strong brands, we believe Del Monte Foods enjoys a very positive position to benefit from the ongoing opportunities these trends will create.

Actions Taken for a Strong Future

Leveraging the benefit of core consumer trends and our brand-based business fundamentals are critical as we address the challenge of driving earnings in a double-digit inflationary cost environment. To deliver enhanced long-term stockholder value, we

have taken specific actions with our portfolio, strategy, and organization to drive improved earnings performance and sustained growth.

Upgrading Our Portfolio: In June 2008, we announced the divestiture of our seafood business, including *StarKist*, a significant step in the realignment of our portfolio toward higher margin, higher growth businesses. This divestiture is expected to improve our margin structure, eliminate a source of earnings volatility, and reduce our debt leverage.

Accelerating Our Growth Plan: We recently announced a sharpened strategy targeted to accelerate margin accretive growth by investing in our faster growing, value-added, higher margin, branded businesses. Packaged produce, where we have a strong beachhead position, and pet products, where we have an extremely strong portfolio of brands, are the targeted key growth engines of our go-forward strategy. In addition, we are focused on unleashing the full potential of our core brands. To support these goals, we have announced a commitment of significant resources in the form of stepped up investments and people.

Strengthening Our Organization: We recently made two key changes to our organizational structure which we believe will be instrumental in achieving our goals. In fiscal 2008, we named Nils Lommerin to a new position, Chief Operating Officer. Our realigned organizational structure with the COO role deepens Del Monte’s leadership capabilities, including enhancing the connection between strategy and day-to-day execution. We also named Bill Pearce to a new position, Chief Marketing Officer, and announced the centralization of our marketing team in San Francisco. Together, these moves will further enhance Del Monte’s commitment to grow as a more marketing-centric, growth-oriented, innovation-driven company and will also build an even stronger talent pool. I am very pleased by the overall strength of our people

at every level of Del Monte Foods; this new organizational alignment should help us continue to strengthen that team.

Meeting the Challenge

We—and the food industry as a whole—recognize that rising costs will continue to be a challenge in fiscal 2009 and beyond. I believe we have the leadership, portfolio, strategy, talent, brands, and products to address this challenge head on. We are sharpening our focus on our higher margin, higher growth branded businesses. We plan to accelerate our investment and our pace of innovation at every level: brands and products, marketing and promotion, and productivity and efficiency. In response to rising costs, we expect to take pricing actions, backed by the strength of our brands and our position in the marketplace. And we will continue to be vigilant about improving our overall productivity and our cost structure.

For all these reasons, we believe the future of Del Monte Foods is strong. Our more than 8,600 full-time and 9,500 seasonal employees are focused on meeting consumer needs, getting our products to market, continuing to work closely with our customers, and, importantly, successfully addressing the challenges of our rising cost environment. Our team has worked very well together as we have responded to the challenges of fiscal 2008, and I am deeply appreciative of their efforts and enthusiasm.

I look forward to updating you on our progress in fiscal 2009 and on our accomplishments to come.



Financial Highlights

Fiscal 2008

Results of Operations
(In millions, except per share data)

Net Sales
\$3,736.8

Operating Income
\$349.1

Net Income*
\$133.1

**Diluted Earnings per
Common Share***
\$0.66

**Includes discontinued operations*

Directors and Executive Officers

Directors

Richard G. Wolford

Chairman of the Board, President
and Chief Executive Officer;
Director

Samuel H. Armacost

Director

Timothy G. Bruer

Director

Mary R. Henderson

Lead Director

Victor L. Lund

Director

Terence D. Martin

Director

Sharon L. McCollam

Director

Joe L. Morgan

Director

David R. Williams

Director

Executive Officers

Richard G. Wolford

Chairman of the Board, President
and Chief Executive Officer;
Director

Nils Lommerin

Chief Operating Officer

David L. Meyers

Executive Vice President,
Administration and Chief Financial Officer

Timothy A. Cole

Executive Vice President,
Sales

David W. Allen

Senior Vice President,
Operations and Supply Chain

Richard L. French

Senior Vice President, Treasurer,
Chief Accounting Officer and Controller

Richard W. Muto

Senior Vice President and
Chief Human Resources Officer

William D. Pearce

Senior Vice President,
Chief Marketing Officer

James G. Potter

Senior Vice President,
General Counsel and Secretary

Corporate and Stockholder Information

Corporate Headquarters

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415 247 3000
www.delmonte.com

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Annual Meeting

The annual meeting of stockholders will be held Thursday, September 25, 2008, at 10:00 a.m. Hyatt Regency San Francisco Five Embarcadero Center San Francisco, CA 94111 415 788 1234

Investor Relations

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Trustees and Paying Agents

Del Monte Corporation's Trustee and Paying Agent for its \$250 million 6.75% Senior Subordinated Notes due 2015 is: Deutsche Bank Trust Company Americas Trust & Securities Services 60 Wall Street, 27th Floor New York, NY 10005

Del Monte Corporation's Trustee and Paying Agent for its \$450 million 8.625% Senior Subordinated Notes due 2012 is: The Bank of New York Trust Company, N.A. 700 S. Flower Street, Suite 500 Los Angeles, CA 90017

Independent Auditors

KPMG LLP
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San Francisco, CA 94105

Transfer Agent and Registrar

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Send certificates for transfer and address changes to:
BNY Mellon Shareowner Services
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Pittsburgh, PA 15252-8015

Stock Exchange Listing and Market Price

Del Monte Foods Company's common stock is listed on the New York Stock Exchange under the symbol DLM.

The certification of the Chief Executive Officer required by the NYSE Listing Standards, Section 303A.12(a), relating to Del Monte Foods Company's compliance with the NYSE Corporate Governance Listing Standards, was submitted to the NYSE on October 24, 2007. The certification indicated that the Chief Executive Officer was not aware of any violations of the Listing Standards by the Company.

The following table sets forth the high and low sale prices for Del Monte Foods Company common stock as reported by the NYSE for the periods indicated.

	High	Low
Fiscal 2008		
First Quarter	\$ 12.94	11.21
Second Quarter	11.90	10.09
Third Quarter	10.55	8.38
Fourth Quarter	9.83	7.57
Fiscal 2007		
First Quarter	\$ 12.17	10.03
Second Quarter	11.10	9.90
Third Quarter	11.57	10.63
Fourth Quarter	11.98	10.93

At April 25, 2008, the closing price per share for our common stock, as reported by the NYSE, was \$8.79.

About Del Monte Foods

Del Monte Foods is one of the country's largest and most well-known producers, distributors and marketers of premium quality, branded food and pet products for the U.S. retail market, generating more than \$3.7 billion in net sales in fiscal 2008. With a powerful portfolio of brands including *Del Monte*®, *StarKist*®, *S&W*®, *Contadina*®, *College Inn*®, *Meow Mix*®, *Kibbles 'n Bits*®, *9Lives*®, *Milk-Bone*®, *Pup-Peroni*®, *Meaty Bone*®, *Snausages*® and *Pounce*®, Del Monte products are found in nine out of ten U.S. households. The Company also produces, distributes and markets private label food and pet products.

**Del Monte.
Nourishing Families.
Enriching Lives.
Every Day.™**



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