Fresh Del Monte Produce Inc.

Annual Report 2000

Del Monte

Quality

FRESHNESS

Fresh Del Monte Produce Inc. is a leading producer, distributor and marketer of fresh and fresh-cut fruit, vegetables and other fresh produce in more than 50 countries around the world. The Company markets bananas, pineapples, melons, deciduous fruit, citrus and specialty vegetables under the Del Monte® name, a globally recognized consumer brand that is synonymous with quality and freshness. The Company employs 19,000 people around the globe. Fresh Del Monte's shares trade on the NYSE under symbol FDP.

NET SALES *(in billions)*

$1.9 $1.7 $1.6

'00 '99 '98

OPERATING INCOME *(in millions)*

$83 $85 $104

'00 '99 '98

CASH FLOW FROM OPERATIONS *(in millions)*

$99 $39 $64

'00 '99 '98

(U.S. dollars in millions, except per share data)	Year ended 2000	1999	1998
SELECTED CONSOLIDATED STATEMENTS OF INCOME DATA			
Net sales	**$1,859.3**	$1,743.2	$1,600.1
Gross profit	**166.9**	150.6	194.7
Operating income	**82.6**	84.5	104.2
Income before extraordinary item	**33.1**	56.9	77.4
Extraordinary charge on early extinguishment of debt	**—**	—	18.1
Net income	**$ 33.1**	$ 56.9	$ 59.3
Basic and diluted per share income:			
Before extraordinary item	**$ 0.62**	$ 1.06	$ 1.44
Extraordinary charge	**—**	—	(0.34)
Net income	**$ 0.62**	$ 1.06	$ 1.10
Weighted average number of ordinary shares outstanding:			
Basic	**53,763,600**	53,763,600	53,632,656
Diluted	**53,764,383**	53,805,237	53,774,831
BALANCE SHEET AND CASH FLOW DATA			
Cash and cash equivalents	**$ 10.6**	$ 31.2	$ 32.8
Working capital	**156.9**	203.7	177.2
Total assets	**1,221.6**	1,216.2	1,034.0
Total debt	**485.5**	504.1	354.2
Shareholders' equity	**457.2**	425.8	382.5
Cash flow from operations	**$ 98.5**	$ 38.9	$ 64.0

To Our Shareholders:

Two thousand was the toughest year I have experienced in more than 30 years in the fresh produce industry. Never have so many uncontrollable factors worked in concert to constrain our performance: a global oversupply of bananas, substantially higher bunker fuel and linerboard costs, unfavorable foreign exchange rates, and rising interest rates all combined to impact Fresh Del Monte's earnings. Net sales for the year rose seven percent to $1.9 billion, compared with $1.7 billion in 1999. Net income declined 42 percent to $33.1 million, or $0.62 per share, compared with $56.9 million, or $1.06 per share in 1999.

Recognizing the market challenges early in the year, we took decisive action to counterbalance the factors we could not control with those that we could. We focused on increasing efficiencies in every segment of our business, from reducing banana production levels to improving ocean freight logistics. We also continued to apply the disciplines of the rigorous cost control program we instituted in 1997, which has already yielded more than $50 million in savings. These efforts drove substantial improvement in operating cash flow in 2000 to $99 million from $39 million in 1999. Furthermore, in spite of lower earnings year-over-year, we reduced bank loans by $30 million during the year, while investing $85 million in our business expansion program. Collectively, these factors helped to position our Company to deliver improved performance when industry conditions rebound.

During the year, we also continued to foster organic growth at Fresh Del Monte. In the last two years, we have made four acquisitions that have allowed us to establish an impressive foothold in the high-growth fresh-cut produce industry in North America—a market presence that is the pride of our Company. In 2000, we worked diligently to integrate these acquisitions and drive their profitability. After personally visiting each of these new facilities and measuring their progress, I am confident that our fresh-cut business will contribute to earnings in the future, as well as become a market leader in the nearly $10 billion North American fresh-cut produce industry.

Our accomplishments in 2000 reflect the profound commitment to excellence that shines through in everything we do at Fresh Del Monte Produce—from delivering the freshest, highest quality products in the marketplace to operating our business at an optimum level.

Another of our key initiatives in 2000 was to continue to pursue the fundamental elements of our business strategy that have been principal contributors to our top-line growth. We continued to diversify our product line to meet the needs of our retail grocery store customers by adding more top-quality, high-margin fresh produce with year-'round availability. We accelerated our global expansion, establishing platforms for growth in a number of areas of the world that are relatively new to Fresh Del Monte, like Brazil, Argentina and Spain. We expanded and fortified our North American distribution network, enabling us to improve margins and draw closer to our customers with the freshest quality, just-in-time products they demand. In addition, we continued to grow our sales organization to market our products directly in the Asia-Pacific region.

We also leveraged today's advanced technology to gain access to new markets and additional distribution channels. Our efforts on this front included the launch of our industry's first e-commerce Web store directed to consumers, a move that marked the initial step in our Company's long-term e-commerce strategy. We also introduced a new, improved Web site that provides visitors with everything from Company information to recipe tips using Fresh Del Monte products. These introductions help to build our business in non-traditional ways and position Fresh Del Monte at the leading edge of innovation in our industry.

These accomplishments, along with all of our Company's year 2000 achievements, reflect the profound commitment to excellence that shines through in everything we do at Fresh Del Monte—from delivering the freshest, highest quality products in the marketplace to operating our business at an optimum level.

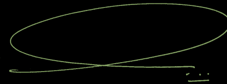
Growing Commitment Integrity Distribution Innovation Excellence Challenges

I am extremely proud of this commitment and prouder still that it remains untarnished by industry conditions—a fact evidenced by our ability to deliver outstanding operating performance even in an extremely difficult year.

Based on our 2000 performance, I'm confident that we're on the right track. Our efforts to enhance our distribution center programs in the U.S. and the U.K. have started to pay off, and will continue to do so as we expand in the Asia-Pacific region. Our stringent cost controls across all of our operations are having a favorable impact. Our lower production costs are generating higher operating profits. And our programs to minimize the use of cash and conserve our resources—while still building the business—set the stage for improved performance in the future.

We believe improved performance is possible if certain external factors improve. In the meantime, our industry is healthy and growing. Consumers are actively seeking to add fresh fruit and vegetables to their diets. The fresh-cut industry is thriving, as consumers seek the ease of ready-to-eat, pre-packaged fresh-cut produce. And with the produce aisle becoming an important growth vehicle and a key differentiator in supermarkets, retail grocery store customers are increasingly seeking to do business with fewer large suppliers that can provide the excellent service and wide range of products they want and need. Quite simply, Fresh Del Monte has the business strategy and the infrastructure in place to leverage these trends.

As we move forward, we will continue to adhere to our strategy and to operate to the very best of our ability. This is a commitment that requires the loyalty and dedication of our 19,000 employees who span Fresh Del Monte's operations around the globe. We owe our solid position today to their deep devotion to this Company. We also value the vast contribution of the members of our Board, who have been uniformly supportive of our strategy and plans for the future, and who have guided us responsibly at a difficult time. Finally, we appreciate the patience and encouragement of our shareholders, as we strive to deliver improved performance. I warmly thank one and all for joining with me in believing in our future.



Mohammad Abu-Ghazaleh
Chairman and Chief Executive Officer
February 2001

Improving Service Marketing Profits Expanding

Dependability Performance Focusing Quality Heritage Dedication

Branding Efficiencies Recognition Variety Strategies Harvest

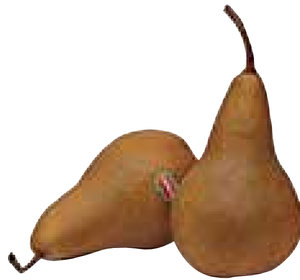
Intensifying competition in the fresh and fresh-cut produce industry is driving Fresh Del Monte's commitment to providing our retail grocery store customers with the highest level of service possible. As one of the few vertically integrated produce companies in this industry, Fresh Del Monte is exceptionally well positioned to deliver a high level of service. Our vertical integration allows us to manage every step in the continuous cold chain of growing, packing, shipping and distributing our fresh and fresh-cut produce. Moreover, our ability to exercise strict control over the production process enables us to deliver superior produce at the very peak of freshness and flavor.

We are leveraging our vertically integrated structure through several key initiatives. One of these is the expansion of our network of state-of-the-art U.S. distribution centers, where we use innovative ways to handle, prepare and package our products to extend product shelf life, protect product integrity and increase consumer appeal. These centers utilize advanced technologies that enable us to provide our retail grocery store customers with high-quality produce precisely when, how and where they want it.

Our distribution centers utilize advanced technologies that enable us to provide our customers with high-quality produce precisely when, how and where they want it.

We are also sharply focused on partnering with these customers to drive their profitability. We do this by offering marketing and merchandising strategies that build traffic, increase average unit sales and enhance their images, as well as by delivering post-sales support geared to improve the bottom line. We also collaborate with our customers to develop high-impact merchandising and promotional programs that increase volume and maximize sales and profits. Above all, we provide them with the power of the Del Monte® brand, which is widely trusted by consumers as a guarantee of quality and freshness.

Our valued customers include some of the world's largest wholesalers and retailers, many of whom require special services such as direct store delivery, ripening or customized quantities. No matter what their needs, all of our customers view Fresh Del Monte as a partner they can rely on to deliver fresh produce from operations that have repeatedly achieved industry recognition for exemplary quality and safety. In 2000, we enhanced this ability by achieving ISO-9002 certification for quality management systems in our Philippines operation, adding yet another location to our growing list of ISO-certified facilities.



The key to our success at Fresh Del Monte Produce is our powerful, vertically integrated infrastructure, which extends from the farm to the customer. This infrastructure has enabled us to pursue a successful strategy of diversification, by permitting us to add new fresh and fresh-cut produce to our product line without incurring substantial incremental costs. It has also allowed us to exert tight control over our extensive supply chain, ensuring the delivery of fresh, high-quality produce to our retail grocery store customers.

The cornerstone of our infrastructure is our network of North American distribution centers, in which we employ advanced technologies and efficient operations. This network allows us to provide a continuous, consistent supply of produce to our customers and a variety of value-added services. Several of these distribution centers also have the capacity to prepare various fresh-cut fruit and vegetables for daily distribution within a 350-mile radius of each facility. During the year, we expanded this capability by tripling the size of our distribution center in Los Angeles and opening new facilities in Kansas City, Philadelphia and New Orleans. As a result, we now have distribution centers in Jacksonville, Fla.; Fort Lauderdale, Fla.; Plant City, Fla.; Kankakee, Ill.; Kansas City, Mo.; New Orleans; Los Angeles; Philadelphia; Phoenix; Atlanta; Columbus, Ohio; Denver; and Chicago. We plan to continue to open other new distribution centers in key strategic markets throughout the Fresh Del Monte network.

Our acquisitions have allowed us to establish superior distribution in the Pacific Northwest, penetrate new regional markets in the Southeast, and expand into select specialty markets.

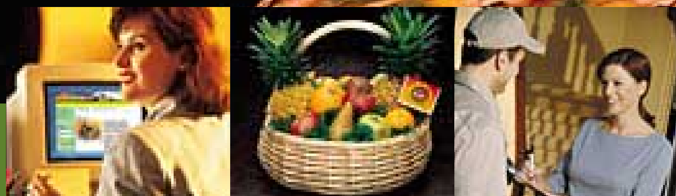
Acquisitions are yet another way through which we leverage our infrastructure. In 2000, we further expanded our distribution network by acquiring a fruit distribution business in the U.K., bringing us unparalleled distribution coverage there and allowing us to expand our citrus and deciduous fruit business throughout Europe. We also acquired a major fresh-cut produce supplier in Portland, Ore., and a vegetable processor in Atlanta. These collective acquisitions enabled us to establish superior distribution capabilities in the Northwest and to penetrate new regional markets in the Southeast, while expanding our product line into select specialty markets.

Improving *Service*

Integrated *Expanding*

Freshness *Growing*

Del Monte Gold
Del Monte Quality
Extra Sweet Pineapple



Integrity

Delivering *Commitment*

Distribution *Success*

Challenges *Excellence*

Selections

Efficiencies

Recognition

Variety

Dependability

Focusing

Performance

Quality

Heritage

Dedication

Technology

As our business becomes increasingly global, we continue to invest in new systems and technologies that enable us to manage our Company more efficiently. Accordingly, we recently invested in a new cutting-edge communications network system, which is the first of its kind in the fresh produce industry. This system has linked our major production units around the world, and has already facilitated global communications, information sharing and more effective management of key Company-wide functions.

We are also investing in exciting technologies that will allow us to gain access to new markets and additional distribution channels. During 2000, we launched a new, consumer-oriented Web site designed to enhance brand recognition and generate interest in and use of Fresh Del Monte products. To date, more than a quarter of a million visitors have clicked onto our site, located at www.freshdelmonte.com, to gather everything from Company and school project information, to healthy dietary tips, to recipes utilizing Fresh Del Monte products. We also introduced our new e-store, www.fruits.com in 2000. The produce industry's first e-store, fruits.com offers specially packaged branded produce and all-occasion gift baskets directly to consumers online. Our products extend from our popular Del Monte Gold® Extra Sweet pineapples to decorative baskets filled with premium fresh produce and gourmet snack combinations. We anticipate that Fresh Del Monte's unparalleled quality and diversity will one day make this the leading Web destination for consumers interested in purchasing fresh, branded produce online.

Our technology efforts are just the first steps in a longer-term technology strategy that encompasses a complete business-to-business approach.

Although our new technology efforts to date have primarily focused on appealing to consumers, they are just the first steps in a longer-term technology strategy that we are developing to encompass a complete business-to-business (B2B) approach. Our ultimate goal is the creation of a Web-based B2B platform to provide our retail grocery store partners with an efficient supply chain from field to shelf. Over the long term, we expect this new platform to provide additional revenue streams and sales channels; more opportunities to reach new markets supporting retailer and wholesaler business models; and improved forecasting and planning with supply chain optimization, all centered around the creation of significantly improved operating efficiencies.

For many years, bananas were Fresh Del Monte's primary product. In fact, in 1998, bananas comprised 56 percent of our revenues. In 1996, Fresh Del Monte Produce introduced the first new pineapple variety in more than 15 years, the Del Monte Gold® Extra Sweet pineapple, and we began to expand our melon program to encompass cantaloupe, honeydew and watermelon. Already established as one of the world's largest suppliers of branded bananas, the Company swiftly became the world's leading supplier of pineapples and the world's premier supplier of melons.

We established these leadership positions by leveraging a strategy of diversification, which has enabled us to establish a globally sourced product line consisting of a vast range of fresh produce. Diversification is important to Fresh Del Monte because it reduces our dependence on a single region or product and lessens the impact of the pricing pressures, the seasonality of our business and poor weather conditions. It helps to stabilize our profitability and makes our financial results more predictable. It also allows us to provide our retail grocery store customers with a broader selection from a single top-quality source, which in turn enables them to offer their shoppers greater variety at lower cost. Accordingly, we believe that diversification is fundamental to our growth and ability to enhance shareholder value. Today, as a result of our attention to this issue, Fresh Del Monte offers numerous varieties in our fresh produce line, including apples, grapes, plums, plantains and sweet onions.

We have achieved our leadership positions by leveraging a strategy of diversification, which has allowed us to establish a globally sourced product line consisting of a vast range of fresh produce.

By year-end 2000, bananas comprised 50 percent of our total net sales, a decline of six percent since 1998.

Our recent entry into fresh-cut produce market is another example of our continuing diversification initiative. Sparked by growing consumer demand for quick, healthy meals and snacks that require little or no preparation, the market for fresh-cut produce is expanding rapidly. By capitalizing on our existing infrastructure and the strength of the Del Monte® brand, we are selling fresh-cut prepared fruit and vegetables to food service operators, retailers, supermarkets, wholesalers and fast-food operators. Our goal is to achieve market leadership in this high-margin business and become the nation's leading producer of branded fresh-cut fruit.

Improving

Service

Value

Expanding

Diversification

Leadership

Integrity

Delivering

Challenges

Distribution

Branding

Commitment

Excellence

Fresh Del Monte Produce is intently focused on extending our reach into existing markets and on penetrating new markets as a means of spurring our growth, expanding our product sources and amassing greater market share. A key move in these efforts has been to take greater control of our own product distribution. Direct marketing and selling of our own products is important to Fresh Del Monte Produce because it allows us to achieve better market penetration; gain higher pricing; deliver the freshest, highest quality produce; and provide a superior level of service that is a hallmark of the way Fresh Del Monte Produce does business.

In 1996, when our senior management team first joined the Company, we marketed and sold our own products in only two countries—the U.S. and the U.K.—using third parties to distribute our products in other markets around the world. Since then, we have begun to market our products directly in Korea, Japan, Hong Kong, New Zealand, Belgium, Chile, the Netherlands, Argentina and Brazil.

We have also established a presence for Fresh Del Monte in a number of other markets ripe for expansion, including South Africa, Mainland China, Taiwan, Singapore, Malaysia, and Peru. Our efforts in these regions have bolstered brand recognition and created a platform for our growth. For example, we gained an initial foothold in the New Zealand market, where we expect to import products from the U.S., the Philippines and Chile, and export products to the U.S and key markets in the Asia-Pacific region, such as Japan, Korea and Hong Kong. We are also building distribution centers and banana-ripening facilities in several other markets, including Argentina, Brazil and Hong Kong to accommodate expected expansion. In addition, we extended our reach in South America by establishing new sales operations in Argentina and Peru, and expanding our presence in Brazil. Our plans are to grow fruit for import and export throughout select South American countries, opening an entirely new region of the world for inbound and outbound transport of Fresh Del Monte Produce's products.

We are intently focused on extending our reach into existing markets and on penetrating new markets as a means of spurring our growth, expanding our product sources and amassing greater market share.

Overview

We are a world leader in the production, distribution and marketing of fresh produce. Our products are marketed throughout the world under the DEL MONTE® brand name which has been in existence since 1892 and is a widely recognized symbol of product quality and reliability. Our major product categories include bananas and other fresh produce, which includes primarily pineapples, deciduous fruit and melons. With 2000 sales of over four billion pounds of bananas and over two billion pounds of other fresh produce, we believe we are the third largest marketer of bananas and the largest marketer of fresh pineapples in the world, as well as the largest marketer of cantaloupes and honeydews sold in the United States in the off-season, November to May.

Net Sales

Our net sales are affected by numerous factors including the balance between the supply of and demand for our products and competition from other fresh produce. Our net sales are also dependent on our ability to supply a consistent volume and quality of fresh produce to the markets we serve. For bananas, seasonal variations in demand as a result of increased supply and competition from other fruits are reflected in the seasonal fluctuations in banana prices, with the first six months of the year generally exhibiting stronger demand and higher prices, except in those years where an excess supply exists. Because our operations are conducted in many areas of the world and involve sales denominated in a variety of currencies, net sales as expressed in dollars may also be affected by fluctuations in rates of exchange between currencies.

During 2000, our net sales were negatively impacted by a strong dollar against the euro, partially offset by a weak dollar against the Japanese yen. Late in the fourth quarter of 2000, we began to experience a strengthening of the euro against the dollar which has continued through the early part of 2001. The effect of the strengthening of the euro in early 2001 is being partially offset by a weakening of the Japanese yen versus the dollar.

Our net sales growth in recent years has been achieved primarily through acquisitions, increased sales volume in existing markets of other fresh produce, primarily pineapples and melons, higher pricing on the "*Del Monte Gold® Extra Sweet*" pineapple and expansion of value-added services such as banana ripening. Our net sales growth in recent years is also attributable to a broadening of our product line in the other fresh produce category such as the introduction of fresh-cut and sweet onions. We expect our net sales growth to continue to be driven by increased sales volumes in the other fresh produce category.

Cost of Products Sold

Cost of products sold is principally composed of two elements: product and distribution costs. Product cost for company-grown produce is primarily composed of cultivation (the cost of growing crops), harvesting, packaging, labor, depreciation and farm administration. Product cost for produce obtained from independent growers is composed of produce cost, packaging costs and, in some cases, profit sharing. Distribution costs include ocean freight, inland and air freight and port and warehouse expenses. Ocean freight is the most significant component of distribution costs and is comprised of the cost of chartering refrigerated vessels and vessel operating expenses. Vessel operating expenses include ship operation and maintenance, depreciation, fuel, which is subject to international supply and demand trends, and port charges. Variations in linerboard prices, which affect the cost of boxes and other packaging materials, and fuel prices, can have a significant impact on our product cost and, accordingly, profit margins. Linerboard, plastic, resin and fuel prices have historically been volatile. Linerboard and fuel prices increased significantly in 2000 as compared to 1999. Linerboard and fuel prices on a per ton basis have declined during the first two months of 2001 in comparison to the end of the year 2000.

Historically, we have received subsidies from the Costa Rican government for the production and export of pineapples which we accounted for as a reduction in cost of products sold. These subsidies, which were

$9.3 million for 1999 and $8.2 million for 1998, expired on December 31, 1999.

In general, changes in the volume of the products we sell have a direct impact on our per-box product cost. Within any particular year, a significant portion of our cost of products sold is fixed, both with respect to company-owned operations and with respect to the farms of independent growers from whom we have agreed to purchase all the product they produce. Accordingly, higher volumes directly reduce the average per-box cost, while lower volumes directly increase the average per-box cost. In addition, because the volume that will actually be produced on plantations owned by us and by independent growers in any given year depends on a variety of factors, including weather, that are beyond our control or the control of our independent growers, it is difficult to predict volumes and per-box costs.

In 1998, Guatemalan banana operations were damaged as a result of Hurricane Mitch. The hurricane damage resulted in a one-time charge of $26.5 million for asset write offs and other costs, net of insurance proceeds and reduced banana production by approximately six million and two million boxes in 1999 and 1998, respectively, or approximately 5% and 2%, respectively, of our worldwide banana production.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include primarily the costs associated with selling in North America, Japan, Korea, the United Kingdom, Belgium and the Netherlands, where we have our own sales force, advertising and promotional expenses and general corporate overhead and other related administrative functions, including depreciation associated with these functions.

Interest Expense

Interest expense consists primarily of interest on borrowings under working capital facilities that we maintain and interest on other long-term debt and capital lease obligations. Increases in interest rates during 2000 significantly contributed to the increase in interest expense. Interest rates in the first two months of 2001 have declined in comparison to interest rates at the end of 2000.

Other Income (loss), Net

Other income (loss), net, primarily consists of equity earnings in unconsolidated companies including melon and pineapple and deciduous fruit joint ventures, a box manufacturing facility and a German limited partnership engaged in the distribution of fresh produce in Northern Europe, together with currency exchange gains or losses and other income or expenses. During 1999, we recognized $13.5 million of insurance proceeds in connection with Hurricane Mitch, which is included in other income (loss), net. In 2000, we recognized a loss of $5.2 million due to the permanent decline in market value on available-for-sale securities, which is included in other income (loss), net.

Provision for Income Taxes

Income taxes consist of the consolidation of the tax provisions, computed on a separate entity basis, in each country in which we have operations. Since we are a non-U.S. company with substantial operations outside the United States, a substantial portion of our results of operations is not subject to U.S. taxation. We are subject to U.S. taxation on constructive operating profits of our U.S. distribution company, calculated in accordance with the tax provisions governing related party transactions.

2000 Compared with 1999

Net Sales

In 2000, net sales were $1,859.3 million compared with $1,743.2 million for 1999, an increase of 7%. The increase in net sales of $116.1 million was primarily the result of higher sales volume of other fresh produce, partially offset by lower per unit sales volumes of bananas and the effect of a stronger dollar against the euro.

Net sales of bananas decreased 3% in 2000 compared with 1999, as a result of a planned 4% reduction in sales volumes in Europe and North America and lower per unit sales prices in Europe and Asia-Pacific, partially offset by higher per unit sales prices in North America. The decrease in per unit sales pricing in Europe and Asia-Pacific resulted from an oversupply in these markets.

Net sales of other fresh produce increased by $137.6 million or 20% in 2000 compared with 1999, primarily due to an increase in unit sales volumes of melons, deciduous fruit and fresh-cut operations and higher per unit sales prices of all of the major products. The increase in unit sales volume resulted from better yields from the melon operations and the introduction of the fresh-cut operation in late 1999. The fresh-cut operation contributed $34.9 million to net sales in 2000.

Our net sales in 2000 were negatively impacted by the strengthening of the dollar against the euro, partially offset by the weakening of the dollar against the Japanese yen. The net effect of foreign exchange for the year 2000 compared with 1999 was a decrease of approximately $35.0 million in net sales.

Cost of Products Sold

Cost of products sold was $1,692.4 million for 2000 compared with $1,592.6 million for 1999, an increase of 6%. The increase in cost of products sold was principally attributable to the increased unit sales volume in the other fresh produce category.

Gross Profit

Gross profit was $166.9 million for 2000 compared with $150.6 million for 1999, an increase of $16.3 million or 11%. As a percentage of net sales, gross profit remained relatively constant from 8.6% in 1999 to 8.9% in 2000. Gross profit was favorably impacted by increased sales volumes of other fresh produce and overall improved per unit sales pricing and negatively impacted by the effect of foreign exchange and higher fuel and linerboard prices.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $17.4 million to $80.9 million in 2000 compared with $63.5 million in 1999. This increase is primarily a result of increased sales and marketing expenses related to the expansion in North America, increased selling and marketing activities in the Asia-Pacific region, an increase in bad debt expense in certain European operations and increased sales volumes of other fresh produce.

Interest Expense

Interest expense increased $13.0 million to $43.2 million for 2000 compared with $30.2 million in 1999, as a result of higher effective interest rates during 2000 and a higher average debt balance.

Other Income (loss), Net

Other income (loss), net was a loss of $6.1 million in 2000 compared to income of $14.7 million in 1999. The loss in 2000 was due primarily to foreign exchange losses and recognition of a $5.2 million loss due to a permanent decline in market value on available-for-sale securities, partially offset by equity income in unconsolidated subsidiaries. The income in 1999 was primarily due to Hurricane Mitch insurance recoveries of $13.5 million.

Provision for Income Taxes

Provision for income taxes decreased from $14.7 million in 1999 to $2.9 million in 2000 primarily due to a decrease in taxable income in North America and Europe.

1999 Compared with 1998

Net Sales

In 1999, net sales were $1,743.2 million compared with $1,600.1 million for 1998, an increase of 9%. The increase in net sales of $143.1 million was primarily the result of higher sales volume of our major product categories, bananas and other fresh produce, partially offset by lower per unit sales prices of bananas.

Net sales of bananas increased 6% in 1999 compared with 1998, as a result of increased sales volume in Europe and North America and higher per unit sales prices in the Asia-Pacific region, partially offset by lower per unit sales prices in Europe and North America. Banana unit sales volume increased 11% in 1999 compared with 1998 due primarily to unit sales volume gains in the North American and European markets of 22% and 9%, respectively. The increase in unit sales volume in North America and Europe resulted primarily from incremental purchases from independent growers. The decrease in per unit sales pricing in Europe and North America resulted from an oversupply in these markets.

Net sales of other fresh produce increased 10% in 1999 compared with 1998 primarily due to higher unit sales volume in Europe and North America of 14% and 7%, respectively, partially offset by lower per unit sales prices. The increase in unit sales volume in Europe and North America resulted from the conversion and expansion of an existing pineapple plantation in Costa Rica.

Our net sales in 1999 were positively impacted by the weakening of the dollar versus the Japanese yen, partially offset by the strengthening of the dollar against European currencies for which we receive sales proceeds.

Cost of Products Sold

Cost of products sold was $1,592.6 million for 1999 compared with $1,405.4 million for 1998, an increase of 13%. The increase in cost of products sold was principally attributable to the increased unit sales volume.

Gross Profit

Gross profit was $150.6 million for 1999 compared with $194.7 million for 1998, a decrease of $44.1 million or 23%. As a percentage of net sales, gross profit decreased from 12.2% in 1998 to 8.6% in 1999 and was negatively impacted by lower per unit sales price of bananas in North America and Europe. The negative impact of per unit banana sales prices was partially offset by higher net sales in the other fresh produce combined with reduced cost of ocean freight on a per unit basis.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $5.2 million to $63.5 million in 1999, compared with $58.3 million in 1998. This increase is primarily a result of increased selling and marketing expenses related to the increase in sales volume together with an increase in professional fees.

Interest Expense

Interest expense of $30.2 million in 1999 remained relatively constant compared with 1998.

Other Income, Net

Other income, net of $14.7 million in 1999 was $3.3 million higher than the $11.4 million recorded in 1998. This change represents the proceeds from an insurance claim related to Hurricane Mitch of $13.5 million, partially offset by a decrease in equity earnings in unconsolidated subsidiaries and an increase in currency exchange losses in 1999.

Provision for Income Taxes

Our effective income tax rate increased from 14% in 1998 to 21% in 1999 primarily due to an increase in taxable income for certain subsidiaries in jurisdictions with higher tax rates.

Liquidity and Capital Resources

Net cash provided by operating activities for 2000 was $98.5 million, an increase of $59.6 million from 1999. The increase in net cash provided by operating activities is primarily attributable to lower balances of inventory, prepaid expenses and other current assets and a reduction in the growth of accounts receivable, combined with changes in other noncurrent assets and liabilities.

Net cash provided by operating activities for 1999 was $38.9 million, a decrease of $25.1 million from 1998. The decrease in net cash provided by operating activities is primarily attributed to an increase in inventory, partially offset by an increase in depreciation and amortization.

Net cash used in investing activities was $81.2 million for 2000, $172.3 million for 1999 and $69.1 million for 1998. The use of cash for 2000, 1999 and 1998 was primarily attributable to capital expenditures and purchases of subsidiaries. Capital expenditures were $75.5 million for 2000, $100.8 million for 1999 and $53.8 million for 1998. Capital expenditures in 2000, 1999 and 1998 were primarily for expansion of our production and distribution facilities and the purchase of pre-owned refrigerated vessels.

Purchase of subsidiaries, net of cash acquired, totaled $9.9 million for 2000, $67.7 million for 1999, and $11.4 million for 1998. Purchase of subsidiaries in 2000 was primarily for fresh-cut operations in the U.S. and a fresh produce distribution operation in the U.K., for 1999 it was primarily for the acquisition of BMB, a Belgian marketing company. Purchase of subsidiaries in 1998 was primarily for the acquisition of a 62% interest in National Poultry Company PLC, a Jordanian publicly traded company, engaged in the poultry business.

Net cash used in financing activities for 2000 of $37.7 was primarily for net payments on long-term debt. Net cash provided by financing activities for 1999 of $144.5 million was primarily attributed to borrowing under our revolving credit facility. Net cash used in financing activities for 1998 of $48.2 million was principally attributed to net payments on short-term borrowings, the redemption of the remaining N.V. Notes and the cash payment made as part of the IAT transaction, partially offset by net proceeds from the issue of long-term debt under our revolving credit facility.

On May 19, 1998, FDP N.V. completed a tender offer to purchase $200.0 million of the outstanding N.V. Notes and solicitation of consents to certain proposed amendments to the indenture under which the N.V. Notes were issued. We purchased $196.8 million of the N.V. Notes in the tender offer, which we funded by a drawdown of $207.9 million under a revolving credit facility. This revolving credit facility, which expires on May 19, 2003, replaced our $100 million revolving credit facility. The remaining N.V. Notes were redeemed during June 1998 at a redemption price of $1,050 for each $1,000 principal amount of N.V. Notes being redeemed, plus accrued interest to the date of redemption. Completion of the tender offer and the redemption resulted in an extraordinary charge of $18.1 million.

On December 15, 1998, the revolving credit facility was amended to increase the borrowing level to $389.0 million and on May 20, 1999, the revolving credit facility was amended again to increase the borrowing level to $450.0 million. Outstanding borrowings at December 29, 2000 were $246.3 million, bearing interest at a weighted average interest rate of 9.22%.

On May 10, 2000, we amended the $450.0 million revolving credit facility to include a five-year term loan (Term Loan) of $135.0 million, giving us a total borrowing capacity under this facility of $585.0 million. The Term Loan has similar terms and conditions as the revolving credit facility, is payable in quarterly installments of

$3.4 million which commenced in September 2000, and bears interest based on a spread over LIBOR (9.66% at December 29, 2000). The Term Loan matures on May 10, 2005 with a balloon payment of $70.9 million. We used the total proceeds from the $135.0 million Term Loan to pay-down a portion of the outstanding balance on the $450.0 million five-year revolving credit facility. The unpaid balance at December 29, 2000 of the Term Loan was $128.2 million.

In connection with the revolving credit facility, we entered into an interest rate swap agreement expiring in 2003 with Rabobank International in order to limit the effect of the increase in interest rates on a portion of the revolving credit facility. The nominal amount of the swap decreases over its life from $150 million in the first three months to $53.6 million in the last three months. The cash differentials paid or received on the swap agreement are accrued and recognized as adjustments to interest expense. Interest income related to the swap agreement for 2000 was $0.3 million. Interest expense related to the swap agreement for 1999 and 1998 was $0.9 million and $0.7 million, respectively.

At December 29, 2000, we had $451.0 million in committed working capital facilities, of which $202.1 million was available. The major portion of these facilities is represented by the $450.0 million revolving credit facility. At December 29, 2000, $2.2 million of available credit was applied towards the issuance of letters of credit.

As of December 29, 2000, we had $485.1 million of long-term debt and capital lease obligations, including the current portion, consisting of $246.3 million related to the revolving credit facility, $128.2 million related to the Term Loan, $74.3 million of long-term debt related to refrigerated vessel loans, $12.8 million of other long-term debt and $23.5 million of capital lease obligations.

We believe that cash generated from operations and available borrowings will be adequate to cover our cash needs during 2001. This belief is based primarily on the additional borrowings available under our $450.0 million revolving credit facility and our 2001 operating plans.

Other

We are involved in several legal and environmental matters which, if not resolved in our favor, could require significant cash outlays and could have a material adverse effect on our results of operations, financial condition and liquidity.

Consolidated Balance Sheets

	December 29, 2000	December 31, 1999
	(U.S. dollars in millions, except per share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 10.6	$ 31.2
Trade accounts receivable, net of allowance of $12.5 and $9.9, respectively	142.7	136.4
Advances to growers and other receivables, net of allowance of $4.9 and $4.5, respectively	56.3	52.3
Inventories	188.8	198.9
Prepaid expenses and other current assets	6.5	13.4
Total current assets	404.9	432.2
Investments in unconsolidated companies	51.7	51.9
Property, plant and equipment, net	635.6	590.6
Other noncurrent assets	47.9	62.1
Goodwill, net of accumulated amortization of $9.3 and $5.9, respectively	81.5	79.4
Total assets	$1,221.6	$1,216.2
Liabilities and shareholders' equity		
Current liabilities:		
Notes payable to banks	$ 0.4	$ 3.2
Accounts payable and accrued expenses	187.1	195.2
Current portion of long-term debt and capital lease obligations	51.1	24.9
Income taxes payable	9.4	5.2
Total current liabilities	248.0	228.5
Long-term debt	416.6	467.7
Capital lease obligations	17.4	8.3
Retirement benefits	53.2	53.9
Other noncurrent liabilities	9.6	8.7
Deferred income taxes	8.5	11.3
Total liabilities	753.3	778.4
Minority interest	11.1	12.0
Commitments and contingencies		
Shareholders' equity:		
Preferred shares, $0.01 par value; 50,000,000 shares authorized; none issued or outstanding	—	—
Ordinary shares, $0.01 par value; 200,000,000 shares authorized; 53,763,600 shares issued and outstanding	0.5	0.5
Paid-in capital	327.1	327.1
Retained earnings	140.2	107.1
Accumulated other comprehensive loss	(10.6)	(8.9)
Total shareholders' equity	457.2	425.8
Total liabilities and shareholders' equity	$1,221.6	$1,216.2

See accompanying notes

Consolidated Statements of Income

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
	(U.S. dollars in millions, except per share data)		
Net sales	**$1,859.3**	$1,743.2	$1,600.1
Cost of products sold	**1,692.4**	1,592.6	1,405.4
Gross profit	**166.9**	150.6	194.7
Selling, general and administrative expenses	**80.9**	63.5	58.3
Amortization of goodwill	**3.4**	2.6	1.7
Acquisition related expenses	**—**	—	4.0
Hurricane Mitch charge	**—**	—	26.5
Operating income	**82.6**	84.5	104.2
Interest expense	**43.2**	30.2	30.3
Interest income	**2.7**	2.6	4.3
Other income (loss), net	**(6.1)**	14.7	11.4
Income before provision for income taxes and extraordinary item	**36.0**	71.6	89.6
Provision for income taxes	**2.9**	14.7	12.2
Income before extraordinary item	**33.1**	56.9	77.4
Extraordinary charge on early extinguishment of debt	**—**	—	18.1
Net income	**$ 33.1**	$ 56.9	$ 59.3
Basic and diluted per share income:			
Before extraordinary item	**$ 0.62**	$ 1.06	$ 1.44
Extraordinary charge	**$ —**	$ —	$ (0.34)
Net income	**$ 0.62**	$ 1.06	$ 1.10
Weighted average number of ordinary shares outstanding:			
Basic	**53,763,600**	53,763,600	53,632,656
Diluted	**53,764,383**	53,805,237	53,774,831

See accompanying notes

Consolidated Statements of Cash Flows

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
	(U.S. dollars in millions)		
Operating activities:			
Net income	**$ 33.1**	$ 56.9	$ 59.3
Adjustments to reconcile net income to cash provided by operating activities:			
Goodwill amortization	**3.4**	2.6	1.7
Depreciation and amortization other than goodwill	**54.4**	42.6	34.1
Deferred credit vessel leases	**(2.9)**	(4.8)	(3.9)
Equity in earnings of unconsolidated companies, net of dividends	**(1.4)**	2.1	(3.6)
Extraordinary charge on early extinguishment of debt	**—**	—	18.1
Write-off of fixed assets related to Hurricane Mitch	**—**	—	18.8
Gain on insurance proceeds related to Hurricane Mitch	**—**	(13.5)	—
Unrealized loss on available-for-sale marketable securities	**5.2**	—	—
Deferred income taxes	**(2.8)**	6.4	1.4
Other, net	**2.3**	2.0	0.1
Changes in operating assets and liabilities:			
Receivables	**(10.6)**	(22.9)	(31.6)
Inventories	**7.4**	(40.3)	(22.8)
Accounts payable and accrued expenses	**(2.5)**	(1.6)	17.7
Prepaid expenses and other current assets	**6.9**	21.6	(20.9)
Other noncurrent assets and liabilities	**6.0**	(12.2)	(4.4)
Net cash provided by operating activities	**98.5**	38.9	64.0
Investing activities:			
Capital expenditures	**(75.5)**	(100.8)	(53.8)
Capital expenditures due to Hurricane Mitch, net of insurance proceeds	**(3.1)**	(2.8)	—
Proceeds from sale of assets	**5.9**	0.1	4.6
Purchase of subsidiaries, net of cash acquired	**(9.9)**	(67.7)	(11.4)
Other investing activities, net	**1.4**	(1.1)	(8.5)
Net cash used in investing activities	**(81.2)**	(172.3)	(69.1)
Financing activities:			
Proceeds from issuance of ordinary shares	**—**	—	2.6
Proceeds from long-term debt	**273.5**	321.6	433.5
Payments on long-term debt	**(307.8)**	(181.4)	$(412.7)
Proceeds from short-term borrowings	**5.8**	10.6	211.5
Payments on short-term borrowings	**(8.5)**	(5.9)	(261.8)
Dividend paid in connection with the IAT transaction	**—**	—	(25.0)
Other, net	**(0.7)**	(0.4)	3.7
Net cash provided by (used in) financing activities	**(37.7)**	144.5	(48.2)
Effect of exchange rate changes on cash and cash equivalents	**(0.2)**	(4.5)	0.4
Cash and cash equivalents:			
Net change	**(20.6)**	6.6	(52.9)
Beginning balance	**31.2**	32.8	85.7
Net cash change due to change in year end of subsidiaries	**—**	(8.2)	—
Ending balance	**$ 10.6**	$ 31.2	$ 32.8
Supplemental non-cash activities:			
Capital lease obligations for new assets	**$ 13.9**	$ 2.5	$ 10.3

See accompanying notes

Consolidated Statements of Shareholders' Equity

	Ordinary Shares Outstanding	Ordinary Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
			(U.S. dollars in millions)			
Balance at December 26, 1997	53,600,600	$ 0.5	$311.7	$ 32.3	$ (1.7)	$342.8
Capital contributions	—	—	8.0	—	—	8.0
Issuance of ordinary shares upon exercise of stock options	163,000	—	2.6	—	—	2.6
Dividend	—	—	—	(4.0)	—	(4.0)
Dividend paid in connection with the IAT transaction	—	—	4.8	(29.8)	—	(25.0)
Comprehensive income:						
Net income	—	—	—	59.3	—	59.3
Currency translation adjustment	—	—	—	—	(1.2)	(1.2)
Comprehensive income						58.1
Balance at January 1, 1999	53,763,600	0.5	327.1	57.8	(2.9)	382.5
Net loss of IAT for the three month period ended January 1, 1999	—	—	—	(7.6)	—	(7.6)
Comprehensive income:						
Net income	—	—	—	56.9	—	56.9
Unrealized loss on available-for-sale marketable securities	—	—	—	—	(3.7)	(3.7)
Currency translation adjustment	—	—	—	—	(2.3)	(2.3)
Comprehensive income						50.9
Balance at December 31, 1999	53,763,600	0.5	327.1	107.1	(8.9)	425.8
Comprehensive income:						
Net income	—	—	—	33.1	—	33.1
Unrealized loss on available-for-sale marketable securities, net of reclassification for losses of $5.2 included in net income	—	—	—	—	3.6	3.6
Currency translation adjustment	—	—	—	—	(5.3)	(5.3)
Comprehensive income						31.4
Balance at December 29, 2000	**53,763,600**	**$ 0.5**	**$327.1**	**$140.2**	**$(10.6)**	**$457.2**

See accompanying notes

1. General

Fresh Del Monte Produce Inc. (Fresh Del Monte) was incorporated under the laws of the Cayman Islands on August 29, 1996 and is 57.6% owned by IAT Group Inc., which is 100% beneficially owned by members of the Abu-Ghazaleh family. In addition, members of the Abu-Ghazaleh family directly own 9.3% of the outstanding ordinary shares of Fresh Del Monte.

On September 17, 1998, Fresh Del Monte acquired 14 wholly owned operating companies from IAT Group Inc. and its shareholders (collectively, such companies are known as IAT and their acquisition is known as the IAT transaction). At the time of the IAT transaction, IAT Group Inc. owned approximately 86% of FG Holdings Limited, which in turn owned approximately 63% of Fresh Del Monte. As a result, the IAT transaction has been accounted for as a combination of entities under common control using the as if pooling of interests method of accounting. The consideration given in the IAT transaction consisted of $25.0 million in cash, the assumption of existing debt of approximately $130.0 million and the issuance to companies controlled by the Abu-Ghazaleh family of six million of Fresh Del Monte's ordinary shares. IAT had operations in Chile, the United States, the Netherlands and Uruguay. IAT was a private international grower and exporter of primarily deciduous fresh fruit and vegetables.

Under the as if pooling of interests method of accounting, the historical results of Fresh Del Monte have been restated to combine the operations of Fresh Del Monte and IAT for all periods subsequent to August 29, 1996, the date Fresh Del Monte and IAT came under common control. The recorded assets and liabilities of Fresh Del Monte and IAT have been carried forward to Fresh Del Monte's consolidated financial statements at their historical amounts. Consolidated earnings of Fresh Del Monte include the earnings of Fresh Del Monte and IAT for all periods subsequent to the date Fresh Del Monte and IAT came under common control.

In connection with the IAT transaction, Fresh Del Monte incurred $4.0 million of acquisition expenses, which were expensed in 1998. Acquisition expenses include professional, legal, accounting and other fees.

Prior to January 2, 1999, IAT's fiscal year end was September 30. Effective January 2, 1999, IAT's fiscal year end was changed to conform to Fresh Del Monte's fiscal year end. As a result of this change in fiscal year ends, the years ended December 29, 2000 and December 31, 1999 reflect the operating results of Fresh Del Monte and subsidiaries, including IAT, for the same months. The results of operations for IAT for the period from October 1, 1998 to January 1, 1999 are not included in the consolidated statements of income or cash flows for any of the periods presented, but are reflected as an adjustment to retained earnings as of January 2, 1999. For the period from October 1, 1998 to January 1, 1999, IAT incurred a net loss of $7.6 million.

Fresh Del Monte and its subsidiaries are engaged primarily in the worldwide production, transportation and marketing of fresh produce. Fresh Del Monte and its subsidiaries source their products (bananas and other fresh produce which includes pineapples, deciduous fruit, melons and other fresh produce) from 15 locations in North, Central and South America, the Asia-Pacific region and Africa and distribute their products in North America, Europe, the Asia-Pacific region and South America. Products are sourced from company-owned or leased farms, through joint venture arrangements and through supply contracts with independent growers.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Fresh Del Monte and its majority owned subsidiaries which Fresh Del Monte controls. Fresh Del Monte's fiscal year end is the last Friday of the calendar year or the first Friday subsequent to the end of the calendar year, whichever is closest to the end of the calendar year. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Cash and Cash Equivalents

Fresh Del Monte classifies as cash equivalents all highly liquid investments with a maturity of three months or less at the time of purchase.

Inventories

Inventories are valued at the lower of cost or market. Cost is computed using the weighted average cost method for fresh produce, principally in-transit, and the first-in first-out, actual cost or average cost methods for

raw materials and packaging supplies. Raw materials inventory consists primarily of agricultural supplies, linerboard, packaging materials and spare parts.

Growing Crops

Expenditures on pineapple, deciduous fruit and melon growing crops are valued at the lower of cost or market and are deferred and charged to income when the related crop is harvested and sold. The deferred growing costs consist primarily of land preparation, cultivation, irrigation and fertilization costs. Expenditures related to banana crops are expensed as incurred.

Investments in Unconsolidated Companies

Investments in unconsolidated companies are accounted for under the equity method of accounting for investments in 20% to 50% owned companies and for investments in over 50% owned companies over which Fresh Del Monte does not have control.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is recorded following the straight-line method over the estimated useful lives of the assets, which ranges from 10 to 30 years for buildings, 10 to 20 years for ships and containers, 2 to 20 years for machinery and equipment, 3 to 20 years for furniture, fixtures and office equipment and 2 to 10 years for automotive equipment. Leasehold improvements are amortized over the life of the lease or the related asset, whichever is shorter. When assets are retired or disposed of, the costs and accumulated depreciation or amortization are removed from the respective accounts and any related gain or loss is recognized. Maintenance and repairs are charged to expense when incurred. Significant expenditures, which extend useful lives of assets, are capitalized. Costs related to land improvements for bananas, pineapple, deciduous fruit and other agricultural projects are deferred during the formative stage and are amortized over the estimated life of the project.

Goodwill

Goodwill is amortized on a straight-line basis over its estimated useful life which ranges from 10 to 40 years. Fresh Del Monte continually assesses the carrying value of its goodwill in order to determine whether an impairment has occurred. This assessment takes into account both historical and forecasted results of operations including consideration of a terminal value.

Impairment of Long-Lived Assets

Fresh Del Monte accounts for the impairment of long-lived assets under Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" (SFAS No. 121). SFAS No. 121 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Based on current circumstances, Fresh Del Monte does not believe that a write-down of any of its long-lived assets is necessary.

Revenue Recognition

Revenue is recognized on sales of products when the customer receives title to the goods, generally upon delivery.

Cost of Products Sold

Cost of products sold includes the cost of produce, packaging materials, labor and overhead, ocean and inland freight and other distribution costs, including shipping and handling costs incurred to deliver fresh produce to the customer.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end, based on enacted tax laws and statutory tax rates applicable to the year in which the differences are expected to affect taxable income. Valuation allowances are established when it is deemed more likely than not that future taxable income will not be sufficient to realize income tax benefits. Generally, income tax expense is the tax payable for the year and the net change during the year in deferred tax assets and liabilities.

Environmental Remediation Liabilities

Losses associated with environmental remediation obligations are accrued when such losses are probable and can be reasonably estimated.

Deferred Credit Vessel Leases

Deferred credit vessel leases represents the excess of amounts due under long-term operating leases of six vessels over the estimated fair value of such leases. At December 31, 1999, $2.9 million was included in accrued expenses. This amount was amortized over the remaining life of the leases, which expired during 2000.

Currency Translation

For Fresh Del Monte's operations in countries where the functional currency is other than the U.S. dollar, balance sheet amounts are translated using the exchange rate in effect at the balance sheet date. Income statement amounts are translated at the average exchange rate for the year. The gains and losses resulting from the changes in exchange rates from year to year are recorded as a component of accumulated other comprehensive loss.

For Fresh Del Monte's other operations where the functional currency is the U.S. dollar or where the operations are located in highly inflationary countries, non-monetary assets are translated at historical exchange rates. Other balance sheet amounts are translated at the exchange rates in effect at the balance sheet date. Income statement accounts, excluding depreciation, are translated at the average exchange rate for the year. These translation adjustments are included in the determination of net income.

Other income (loss), net in the accompanying consolidated statements of income includes approximately $4.7 million, $3.6 million and $1.5 million in net losses on foreign exchange for 2000, 1999 and 1998, respectively. These amounts include the effect of foreign currency translation and realized foreign currency gains and losses.

Stock Based Compensation

Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123) encourages, but does not require, companies to record stock-based compensation plans at fair value. Fresh Del Monte has chosen, as allowed by the provisions of SFAS No. 123, to account for its stock plans under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25) and related interpretations. Under APB No. 25, because the exercise price of Fresh Del Monte's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recorded. SFAS No. 123 requires disclosure of the estimated fair value of employee stock options granted after 1994 and pro forma financial information assuming compensation expense was recorded using these fair values.

Off Balance Sheet Risk

Fresh Del Monte enters into currency forward contracts as a hedge against certain currency exposures, principally relating to sales made in Europe and in the Asia-Pacific region. Gains and losses on the currency forward contracts are included in other income (loss), net when the contracts are closed.

Reclassifications

Certain amounts from 1999 and 1998 have been reclassified to conform to the 2000 presentation.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133), as amended, which was adopted by Fresh Del Monte for fiscal year 2001. This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Due to Fresh Del Monte's minimal use of derivatives as of December 29, 2000, management believes that the adoption of SFAS No. 133 will not have a significant effect on the earnings or the financial position of the Company.

3. Acquisitions

On January 14, 1999, Fresh Del Monte acquired all of the outstanding shares of Banana Marketing Belgium N.V. (BMB) and executed a long-term banana purchase agreement with a subsidiary of C.I. Banacol S.A. (Banacol). Banacol is a significant producer of bananas and BMB was Banacol's exclusive marketing company in Europe.

The total consideration paid in connection with the acquisition of BMB was $58.7 million. The acquisition was accounted for using the purchase method of accounting and accordingly, the purchase price was allocated to the assets acquired of $36.9 million, consisting primarily of European banana import licenses, based on an appraisal. The value assigned to the banana import licenses is included in other noncurrent assets and is being amortized over their estimated life of five

years. The excess of the purchase price over the fair value of net assets acquired of $21.8 million was classified as goodwill and is being amortized over 20 years.

On November 25, 1998, Fresh Del Monte acquired a 62% majority interest in National Poultry Company PLC (National Poultry), a publicly traded company in Jordan, engaged in the poultry business. The total consideration paid was $11.9 million, of which approximately $6.4 million was used to pay down existing debt. A portion of the acquired shares were purchased from members of the Abu-Ghazaleh family for a total purchase price of $4.5 million in 1998, based on a fairness opinion from an independent party. During 1999 and 2000, Fresh Del Monte acquired an additional 24% interest in National Poultry. The acquisitions were accounted for using the purchase method of accounting and accordingly, the purchase prices were allocated to the assets acquired and liabilities assumed based on estimates of their underlying fair values.

The following unaudited pro forma information presents a summary of 1998 consolidated results of operations of Fresh Del Monte as if the acquisition of National Poultry had occurred on December 27, 1997 (U.S dollars in millions, except per share data):

	1998
Net sales	$1,615.1
Income before extraordinary item	$ 74.2
Net income	$ 56.1
Net income per ordinary share	$ 1.04
Number of ordinary shares used in computation	53,774,831

The unaudited pro forma results do not purport to be indicative of the results of operations which actually would have resulted had the acquisition of National Poultry occurred on December 27, 1997, or of future results of operations of the consolidated entities.

4. Inventories

Inventories consisted of the following (U.S. dollars in millions):

	December 29, 2000	December 31, 1999
Fresh produce, principally in-transit	**$ 52.4**	$ 57.9
Raw materials and packaging supplies	**79.3**	89.0
Growing crops	**57.1**	52.0
	$188.8	$198.9

5. Investments in Unconsolidated Companies

Fresh Del Monte utilizes the equity method of accounting for investments in 20% to 50% owned companies and for investments in over 50% owned companies over which Fresh Del Monte does not have control. Investments in unconsolidated companies accounted for under the equity method amounted to $51.7 million and $51.9 million at December 29, 2000 and December 31, 1999, respectively. At December 29, 2000 and December 31, 1999, net amounts receivable from unconsolidated companies amounted to $13.7 million and $9.6 million, respectively.

These unconsolidated companies are engaged in the manufacturing of corrugated boxes (Compañia Industrial Corrugadora Guatemala, S.A.—50% owned) and the production and distribution of fresh fruit and other produce (Davao Agricultural Ventures Corporation—40% owned; Agricola Villa Alegre, Ltda—50% owned; various melon farms—50% owned; and Internationale Fruchtimport Gesellschaft Weichert & Co. (Interfrucht)—a non-controlling 80% interest).

Purchases from unconsolidated companies were $77.9 million, $58.7 million and $55.5 million for 2000, 1999 and 1998, respectively.

Combined financial data of unconsolidated companies is summarized as follows (U.S. dollars in millions):

	December 29, 2000	December 31, 1999
Current assets	**$ 53.2**	$ 52.4
Noncurrent assets	**83.2**	82.5
Current liabilities	**(37.7)**	(36.5)
Noncurrent liabilities	**(6.6)**	(7.7)
Net worth	**$ 92.1**	$ 90.7

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Net sales	**$206.0**	$228.4	$263.0
Gross profit	**15.9**	14.0	23.6
Net income	**5.8**	6.3	12.4

Fresh Del Monte's portion of earnings in unconsolidated companies amounted to $3.6 million, $3.7 million and $8.9 million in 2000, 1999 and 1998, respectively, and is included in other income (loss), net. Dividends received from unconsolidated subsidiaries amounted to $2.1 million, $5.8 million and $5.3 million in 2000, 1999 and 1998, respectively.

6. Property, Plant and Equipment

Property, plant and equipment consisted of the following (U.S. dollars in millions):

	December 29, 2000	December 31, 1999
Land and land improvements	**$ 228.6**	$ 209.0
Buildings and leasehold improvements	**155.0**	141.3
Maritime equipment (including containers)	**207.2**	182.2
Machinery and equipment	**125.6**	106.4
Furniture, fixtures and office equipment	**50.6**	41.8
Automotive equipment	**15.9**	15.6
Construction-in-progress	**23.2**	26.8
	806.1	723.1
Less accumulated depreciation and amortization	**(170.5)**	(132.5)
	$ 635.6	$ 590.6

Depreciation and amortization expense amounted to $46.2 million, $36.3 million and $33.1 million for 2000, 1999 and 1998, respectively.

Buildings, containers, machinery and equipment and automotive equipment under capital leases totaled $33.6 million and $17.2 million at December 29, 2000 and December 31, 1999, respectively. Accumulated amortization for assets under capital leases was $6.2 million and $2.7 million at December 29, 2000 and December 31, 1999, respectively.

7. Hurricane Mitch

Fresh Del Monte recorded a charge in 1998 of $26.5 million in asset write-offs and other costs, net of insurance proceeds received of $3.0 million, due to damage incurred to its Guatemalan operations as a result of excessive flooding caused by Hurricane Mitch. Additional insurance recoveries related to Hurricane Mitch of $13.5 million during 1999 are included in other income (loss), net for the year ended December 31, 1999.

Fresh Del Monte maintains insurance for both property damage and business interruption applicable to its production facilities, including its operations in Guatemala. The policies providing the coverages for losses caused by Hurricane Mitch were subject to deductibles of $0.1 million for property damage and business interruption. Fresh Del Monte is pursuing additional recoveries under its business interruption coverages related to the damage of its operations in Guatemala caused by Hurricane Mitch. The amount of total recoveries under business interruption coverages cannot be estimated at this time.

8. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following (U.S. dollars in millions):

	December 29, 2000	December 31, 1999
Currency translation adjustment	**$(10.5)**	$(5.2)
Unrealized loss on available-for-sale securities	**(0.1)**	(3.7)
	$(10.6)	$(8.9)

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following (U.S. dollars in millions):

	December 29, 2000	December 31, 1999
Trade payables	**$ 93.2**	$ 90.3
Payroll and employee benefits	**9.7**	10.2
Vessel and port operating expenses	**16.4**	19.6
Accrued interest payable	**3.0**	3.1
Current portion of deferred credit vessel leases	**—**	2.9
Other payables and accrued expenses	**64.8**	69.1
	$187.1	$195.2

10. Provision for Income Taxes

The provision for income taxes consisted of the following (U.S. dollars in millions):

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Current:			
U.S. federal income tax	**$ —**	$ 2.5	$ 4.5
State	**—**	0.3	0.5
Non-U.S.	**5.7**	5.8	4.9
	5.7	8.6	9.9
Deferred:			
U.S.	**(1.0)**	1.7	1.5
Non-U.S.	**(1.8)**	4.4	0.8
	(2.8)	6.1	2.3
Provision for income taxes	**$ 2.9**	$14.7	$12.2

Total income tax payments during 2000, 1999 and 1998 were $3.9 million, $5.9 million, and $7.4 million, respectively.

Income (loss) before provision for income taxes and extraordinary item consisted of the following (U.S. dollars in millions):

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
United States	**$(13.5)**	$ 3.3	$13.8
Non-U.S.	**49.5**	68.3	75.8
	$ 36.0	$71.6	$89.6

The differences between the reported provision for income taxes and income taxes computed at the U.S. statutory federal income tax rate are explained in the following reconciliation (U.S. dollars in millions):

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Income tax provision computed at the U.S. statutory federal income tax rate	**$12.6**	$ 25.1	$ 31.4
Effect of non-U.S. operations and tax rates	**(9.7)**	(10.5)	(19.1)
Other	**—**	0.1	(0.1)
	$ 2.9	$ 14.7	$ 12.2

Deferred income tax assets and liabilities consisted of the following (U.S. dollars in millions):

	December 29, 2000	December 31, 1999
Deferred tax liabilities:		
Inventories	**$ (8.6)**	$ (8.5)
Investments	**—**	(1.8)
Depreciation	**(14.2)**	(12.7)
Equity in earnings of unconsolidated companies	**(4.1)**	(4.0)
Total deferred tax liabilities	**(26.9)**	(27.0)
Deferred tax assets:		
Pension liability	**1.1**	1.4
Post-retirement benefits other than pension	**6.7**	6.7
Net operating loss carryforwards	**29.8**	23.6
Other, net	**8.6**	5.2
Total deferred tax assets	**46.2**	36.9
Valuation allowance	**(27.8)**	(21.2)
Net deferred tax liabilities	**$ (8.5)**	$(11.3)

The valuation allowance established with respect to the deferred tax assets relates primarily to net operating losses and employee benefit accruals in taxing jurisdictions where, due to Fresh Del Monte's current and foreseeable operations within the various jurisdictions, it is deemed more likely than not that future taxable income will not be sufficient within such jurisdictions to realize the related income tax benefits. During 2000, the valuation allowance increased by $6.6 million.

At December 29, 2000, Fresh Del Monte had approximately $127.3 million of tax operating loss carry forwards expiring as follows (U.S. dollars in millions):

Expiration	Amount
2001	$ 36.3
2002	12.1
2003	0.4
2004	1.5
2005 and beyond	13.4
No expiration	63.6
	$127.3

11. Notes Payable to Banks

Fresh Del Monte has a $1.0 million working capital revolving credit facility with a bank in Japan. This facility expires on April 30, 2001 and bears interest, as of December 29, 2000, at 2.5%. As of December 31, 1999, Fresh Del Monte also had working capital revolving credit facilities with various banks in Central America and Europe. These facilities were closed during 2000. At December 29, 2000 and December 31, 1999, there was $0.4 million and $3.2 million, respectively, of borrowings outstanding under these credit facilities.

The weighted average interest rate on borrowings under these short-term credit facilities as of December 29, 2000 and December 31, 1999 was 2.5% and 6.94%, respectively. The cash payments for interest on notes payable to banks and other financial institutions was $0.3 million, $0.2 million and $6.1 million for 2000, 1999 and 1998, respectively.

12. Long-Term Debt

The following is a summary of long term-debt (U.S. dollars in millions):

	December 29, 2000	December 31, 1999
$450.0 million five-year syndicated credit facility (see below).	**$246.3**	$397.8
$135.0 million five-year term loan (see below).	**128.2**	—
Term notes bearing interest at various rates ranging from 8.62% to LIBOR plus 1.25% (7.91% at December 29, 2000), payable in quarterly installments of principal and interest maturing in January 2003 and January 2004, secured by mortgages on five of Fresh Del Monte's vessels.	**11.9**	—
Term notes bearing interest at 8.62%, payable in quarterly installments of principal and interest maturing in January 2003, secured by mortgages on five of Fresh Del Monte's vessels.	**17.2**	22.3
Term notes bearing interest at various rates ranging from 6.88% to 7.14% and LIBOR plus 1.25% (8.06% at December 29, 2000), payable in quarterly installments of principal and interest maturing from August 2001 to January 2005, with a balloon payment of $6.9 million due in January 2005, secured by mortgages on five of Fresh Del Monte's vessels.	**22.6**	28.2
Term notes payable to financial institutions, bearing interest at LIBOR plus 1% (7.76% at December 29, 2000) due October 2003, secured by mortgages on five of Fresh Del Monte's vessels.	**22.6**	29.2
Various other notes payable	**12.8**	11.8
Total	**461.6**	489.3
Less current portion	**(45.0)**	(21.6)
	$416.6	$467.7

On May 19, 1998, Fresh Del Monte completed a tender offer to purchase $200.0 million of outstanding 10% notes due 2003 (N.V. Notes). Approximately 98.4%, or $196.8 million, of the N.V. Notes were purchased in the tender offer. The purchase was funded by a drawdown of $207.9 million from the $350.0 million, five-year syndicated credit facility (the Revolving Credit Facility) entered into by Fresh Del Monte, and certain wholly-owned subsidiaries of Fresh Del Monte, with Rabobank International, New York Branch, as agent. The remaining N.V. Notes were redeemed in June 1998 at a redemption price of $1,050 for each $1,000 principal amount of N.V. Notes being redeemed, plus accrued interest to the date of redemption. Completion of the tender offer and the redemption resulted in an extraordinary charge of $18.1 million.

On December 15, 1998, the Revolving Credit Facility was amended to increase the borrowing level to $389.0 million and on May 20, 1999, the Revolving Credit Facility was amended to increase the borrowing level to $450.0 million. The Revolving Credit Facility includes a swing line facility, a letter of credit facility and an exchange contract facility. The Revolving Credit Facility is collateralized directly or indirectly by substantially all of the assets of Fresh Del Monte and its subsidiaries. The facility expires on May 19, 2003, and permits borrowings with an interest rate based on a spread over the London Interbank offered rate (LIBOR). Outstanding borrowings at December 29, 2000 were $246.3 million, bearing interest at an average rate of 9.22%. At December 29, 2000, Fresh Del Monte applied $2.2 million of available credit under this facility towards the issuance of letters of credit.

On May 10, 2000, Fresh Del Monte amended its $450.0 million Revolving Credit Facility to include a five-year term loan (Term Loan) of $135.0 million, giving Fresh Del Monte a total borrowing capacity under this facility of $585.0 million. The Term Loan has similar terms and conditions as the Revolving Credit Facility, is payable in quarterly installments of $3.4 million which commenced in September 2000, and bears interest based on a spread over LIBOR (9.66% at December 29, 2000). The Term Loan matures on May 10, 2005 with a balloon payment of $70.9 million. Fresh Del Monte used the total proceeds from the $135.0 million Term Loan to pay-down a portion of the outstanding balance on the $450.0 million five-year Revolving Credit Facility. The unpaid balance at December 29, 2000 of the Term Loan was $128.2 million.

The Revolving Credit Facility contains covenants, which require Fresh Del Monte to maintain certain minimum financial ratios and limits the payment of future dividends. In connection with the Revolving Credit Facility, Fresh Del Monte entered into an interest rate swap agreement expiring in 2003 with the same bank to limit the effect of increases in interest rates on a portion of the Revolving Credit Facility. The nominal amount of the swap decreases over its life from $150.0 million in the first three months, to $53.6 million in the last three months. The cash differentials paid or received on the swap agreement are accrued and recognized as adjustments to interest expense. Interest income related to the swap agreement for 2000 amounted to $0.3 million. Interest expense related to the swap agreement for 1999 and 1998 amounted to $0.9 million and $0.7 million, respectively.

Cash payments of interest on long-term debt were $39.2 million, $29.4 million and $22.3 million for 2000, 1999 and 1998, respectively.

Maturities on long-term debt during the next five years are (U.S. dollars in millions):

2001	$ 45.0
2002	39.8
2003	276.9
2004	17.0
2005	81.4
Thereafter	1.5
	$461.6

13. Capital Lease Obligations

Fresh Del Monte leases certain buildings, machinery and equipment, and containers under capital leases. These lease obligations are payable in monthly installments. The future minimum lease payments at December 29, 2000 are as follows (U.S. dollars in millions):

2001	$ 7.6
2002	7.2
2003	5.6
2004	3.7
2005	0.8
Thereafter	3.5
Total payments remaining under capital leases	28.4
Less amount representing interest	(4.9)
Present value of capital leases	23.5
Less current portion	(6.1)
Capital lease obligations, net of current portion	$17.4

14. Earnings Per Share

Basic and diluted per share income is calculated as follows (U.S. dollars in millions, except per share data):

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Numerator:			
Income before extraordinary item	**$33.1**	$56.9	$ 77.4
Extraordinary charge on early extinguishment of debt	—	—	18.1
Net income	**$33.1**	$56.9	$ 59.3
Denominator:			
Denominator for basic earnings per share–weighted average number of ordinary shares outstanding	**53,763,600**	53,763,600	53,632,656
Effect of dilutive securities:			
Employee stock options	**783**	41,637	119,152
Shares issuable in connection with an acquisition	—	—	23,023
Denominator for diluted earnings per share	**53,764,383**	53,805,237	53,774,831
Basic and diluted per share income:			
Before extraordinary item	**$0.62**	$1.06	$ 1.44
Extraordinary charge	**$ —**	$ —	$(0.34)
Net income	**$0.62**	$1.06	$ 1.10

The number of outstanding stock options considered antidilutive for either part or all of the fiscal year and not included in the calculation of diluted net income per share for 2000 and 1999 were 3,082,000 and 3,078,000, respectively. There were no antidilutive stock options in 1998.

15. Retirement and Other Employee Benefits

Fresh Del Monte sponsors two non-contributory defined benefit pension plans, which cover substantially all of its U.S. based employees. These plans provide benefits based on the employees' years of service and qualifying compensation. Fresh Del Monte's funding policy for these plans is to contribute amounts sufficient to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as amended, or such additional amounts as determined appropriate to assure that assets of the plans would be adequate to provide benefits. Substantially all of the plans' assets are invested in fixed income and equity funds.

As of July 31, 1997, a subsidiary of Fresh Del Monte "froze" (i.e., ceased accruing benefits under) its cash balance pension plan covering all salaried employees who are U.S. based and work a specified minimum number of hours. The hypothetical account balances under such plan continued to be credited with monthly interest and participants who are not fully vested in such plan continued to earn vesting services after July 31, 1997. Fresh Del Monte adopted an amendment to terminate the cash balance plan effective as of December 31, 1999 and a settlement distribution of $10.1 million was paid during 2000. The loss recognized in 2000 due to the settlement amounted to $1.1 million.

Fresh Del Monte provides contributory health care benefits to its U.S. retirees and their dependents. Fresh Del Monte has recorded a liability equal to the unfunded accumulated benefit obligation as required by the provisions of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" (SFAS No. 106). SFAS No. 106 requires that the cost of these benefits, which are primarily for health care and life insurance, be recognized in the financial statements throughout the employees' active working careers. Claims under the plan are funded by Fresh Del Monte as they are incurred and, accordingly, the plan has no assets.

The weighted average discount rate used in determining the accumulated benefit obligation for postretirement pension benefit obligation was 7.25% and 7.5% at December 29, 2000 and December 31, 1999, respectively. For measuring the liability as of December 29, 2000, a 5.75% annual rate of increase in real medical inflation, declining gradually to 4.75% by the year 2003 and thereafter, were assumed.

The assumptions used in the calculation of the actuarial present value of the projected benefit obligation and expected long-term return on plan assets for Fresh Del Monte's defined benefit pension plans consisted of the following:

	December 29, 2000	December 31, 1999
Weighted average discount rate	**6.00%–7.50%**	6.00%–6.75%
Rate of increase in compensation levels	**4.50%**	4.50%
Expected long-term return on assets	**7.75%–8.75%**	7.75%–8.75%

The following table sets forth a reconciliation of benefit obligations, plan assets and funded status for Fresh Del Monte's defined benefit pension plans and the post retirement pension plan as of December 29, 2000 and December 31, 1999 (U.S. dollars in millions):

	Postretirement Plan		Defined Benefit Plans	
	December 29, 2000	December 31, 1999	**December 29, 2000**	December 31, 1999
Changes in Benefit Obligation:				
Benefit obligation at beginning of period	**$ 12.5**	$ 11.2	**$ 21.2**	$ 33.7
Service cost	**0.5**	0.4	**0.3**	0.4
Interest cost	**0.9**	0.9	**1.4**	2.1
Actuarial (gain)/loss	**0.2**	0.5	**2.0**	(1.0)
Benefits paid	**(0.4)**	(0.5)	**(0.7)**	(2.6)
Settlements	**—**	—	**(10.1)**	(11.0)
Foreign exchange translation	**—**	—	**(0.1)**	(0.4)
Benefit obligation at end of period	**$ 13.7**	$ 12.5	**$ 14.0**	$ 21.2
Change in Plan Assets:				
Fair value of plan assets at beginning of period	**$ —**	$ —	**$ 18.5**	$ 29.6
Actual return on plan assets	**—**	—	**1.2**	1.5
Employer contribution	**0.4**	0.5	**1.9**	1.0
Benefits paid	**(0.4)**	(0.5)	**(0.7)**	(2.6)
Settlements	**—**	—	**(10.1)**	(11.0)
Fair value of plan assets at end of period	**$ —**	$ —	**$ 10.8**	$ 18.5
Reconciliation:				
Funded status	**$(13.7)**	$(12.5)	**$ (3.2)**	$ (2.7)
Unrecognized net (gain)/loss	**(5.6)**	(6.3)	**0.9**	(0.1)
Accrued benefit cost	**$(19.3)**	$(18.8)	**$ (2.3)**	$ (2.8)

The following table sets forth the net periodic pension cost of Fresh Del Monte's defined benefit pension plans for 2000, 1999 and 1998 (U.S. dollars in millions):

	Year Ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Service cost-benefits earned during the period	**$ 0.3**	$ 0.4	$ 0.3
Interest cost on projected benefit obligation	**1.4**	2.1	2.2
Expected return on assets	**(1.3)**	(2.1)	(2.1)
Net periodic pension expense for defined benefit plans	**$ 0.4**	$ 0.4	$ 0.4

The following table sets forth the net periodic cost of Fresh Del Monte's postretirement plan for 2000, 1999 and 1998 (U.S. dollars in millions):

	Year Ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Service cost-benefits earned during the period	**$ 0.5**	$ 0.4	$ 0.3
Interest cost on accumulated postretirement benefit obligation	**0.9**	0.9	0.7
Net amortization of deferred gain	**(0.4)**	(0.3)	(0.6)
Net periodic postretirement benefit cost	**$ 1.0**	$ 1.0	$ 0.4

The cost trend rate assumption has a significant impact on the amounts reported. For example, increasing the cost trend rate 1% each year would increase the accumulated postretirement benefit obligation by $1.9 million as of December 29, 2000 and the total of service cost plus interest cost by $0.2 million for 2000. In addition, decreasing the trend rate by 1% would decrease the accumulated postretirement benefit obligation by $1.6 million as of December 29, 2000 and the total of the service cost plus interest cost by $0.2 million for 2000.

Fresh Del Monte also sponsors a defined contribution plan established pursuant to Section 401(k) of the Internal Revenue Code. Subject to certain dollar limits, employees may contribute a percentage of their salaries to the plan, and Fresh Del Monte will match a portion of each employee's contribution. This plan is in effect for U.S. based employees only. The expense pertaining to this plan was $0.4 million, $0.4 million and $0.3 million for 2000, 1999 and 1998, respectively.

Fresh Del Monte provides retirement benefits to substantially all employees who are not U.S. based. Generally, benefits under these programs are based on an employee's length of service and level of compensation. The majority of these programs are commonly referred to as termination indemnities which provide retirement benefits in accordance with programs mandated by the governments of the countries in which such employees work. The expense pertaining to these programs was $4.5 million, $7.5 million and $6.4 million for 2000, 1999 and 1998, respectively. The decrease in the expense in 2000 was caused primarily by a decrease in the number of employees covered by the program due to terminations during 1999 and 2000.

Funding generally occurs when employees cease active service. The most significant of these programs pertains to one of Fresh Del Monte's subsidiaries in Central America for which a liability of $15.6 million and $15.8 million was recorded at December 29, 2000 and December 31, 1999, respectively. Expenses for this program for 2000, 1999 and 1998 amounted to $1.8 million, $3.3 million and $3.4 million, respectively, including service cost earned of $0.9 million, $1.6 million and $1.7 million, and interest cost of $0.9 million, $1.7 million and $1.7 million, respectively.

As of August 31, 1997, a subsidiary of the Fresh Del Monte "froze" (i.e., ceased accruing benefits under) its salary continuation plan covering all Central American management personnel. At December 29, 2000 and December 31, 1999, Fresh Del Monte had $8.7 million and $8.2 million, respectively, accrued for this plan.

16. Stock Based Compensation

Effective upon the completion of its Initial Public Offering in October 1997, Fresh Del Monte established a share option plan pursuant to which options to purchase ordinary shares may be granted to certain directors, officers and key employees of Fresh Del Monte chosen by the Board of Directors (the 1997 Plan). Under the 1997 Plan, the Board of Directors is authorized to grant options to purchase an aggregate of 2,380,030 ordinary shares. Under this plan, options have been granted to directors, officers and other key employees to purchase ordinary shares of Fresh Del Monte at the fair market value of the ordinary shares at the date of grant.

On May 11, 1999, Fresh Del Monte's shareholders approved and ratified the 1999 Share Incentive Plan (the 1999 Plan). Under the 1999 Plan, the Board of Directors is authorized to grant options to purchase an aggregate of 2,000,000 ordinary shares. Under this plan, options have been granted to directors, officers and other key employees to purchase ordinary shares of Fresh Del Monte at the fair market value of the ordinary shares at the date of grant.

Under the plans, twenty percent of the options vest immediately and the remaining options vest in equal installments over the next four years and may be exercised over a period not in excess of ten years. During 2000, the vesting schedule for 120,000 options granted during the year was accelerated so that 100% of the options vested within six months.

A summary of Fresh Del Monte's stock option activity and related information is as follows:

	Number of Shares	Weighted Average Exercise Price
Options Outstanding at December 26, 1997	1,355,000	$16.00
Granted	60,000	$14.22
Exercised	(163,000)	$16.00
Canceled	(25,000)	$16.00
Options Outstanding at January 1, 1999	1,227,000	$15.91
Granted	1,960,000	$10.89
Canceled	(79,000)	$15.32
Options Outstanding at December 31, 1999	3,108,000	$12.08
Granted	150,000	$ 9.14
Canceled	(176,000)	$13.90
Options Outstanding at December 29, 2000	3,082,000	$12.52
Exercisable at January 1, 1999	390,000	$15.95
Exercisable at December 31, 1999	1,155,000	$14.10
Exercisable at December 29, 2000	1,698,000	$13.10

Options outstanding at December 29, 2000 have a range of exercise prices from $7.88 to $16.00. Their weighted average remaining contractual life at December 29, 2000 is approximately eight years.

SFAS No. 123 requires pro forma information regarding net income and earnings per share determined as if Fresh Del Monte had accounted for its employee stock options under the fair value method of SFAS No. 123. The fair value for the outstanding options was estimated at the date of grant using a Black-Scholes option pricing model. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility.

The weighted-average fair value of each option granted during 2000, 1999 and 1998 is estimated at $1.37, $5.18 and $9.25, respectively, on the date of grant using the Black-Scholes option-pricing model using the following assumptions: dividend yield of 0%, expected volatility of 0.53, 0.45 and 0.766 in 2000, 1999 and 1998, respectively, risk free interest rate of 5.02%, 6.13% and 4.53% in 2000, 1999 and 1998, respectively, and expected lives of two to five years.

For purposes of pro forma disclosures required by SFAS No. 123, the estimated fair value of the options is amortized to expense over the options' vesting period. Fresh Del Monte's 2000, 1999 and 1998 pro forma information follows (U.S. dollars in millions, except per share data):

	Year ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Net income	**$27.8**	$52.4	$56.9
Net income per ordinary share	**$0.52**	$0.97	$1.06

In accordance with APB No. 25, because the exercise price of Fresh Del Monte's employee stock options equaled the market price of the underlying stock on the date of grant, no compensation expense was recorded for 2000, 1999 or 1998 in connection with the 1997 Plan and the 1999 Plan.

17. Commitments and Contingencies

Fresh Del Monte leases agricultural land and certain property, plant and equipment, including office facilities and vessels, under operating leases. The aggregate minimum rental payments under all operating leases with initial terms of one year or more at December 29, 2000 are as follows (U.S. dollars in millions):

2001	$10.5
2002	10.5
2003	8.1
2004	6.4
2005	5.8
Thereafter	14.2
	$55.5

Total rent expense for all operating leases amounted to $39.0 million, $55.2 million and $59.7 million for 2000, 1999 and 1998, respectively, of which $22.1 million, $40.9 million and $43.4 million pertained to vessel charter lease commitments in 2000, 1999 and 1998, respectively.

Fresh Del Monte also has agreements to purchase substantially all of the production of certain independent growers in Costa Rica, Guatemala, Ecuador, Cameroon, Colombia, Chile, Panama, South Africa and the Philippines. Total purchases under these agreements amounted to $494.8 million, $560.9 million and $481.2 million for 2000, 1999 and 1998, respectively.

Two of Fresh Del Monte's subsidiaries guarantee the debt on a vessel owned by Interfrucht, an unconsolidated subsidiary of Fresh Del Monte. The debt totaled $0.6 million and $1.9 million at December 29, 2000 and December 31, 1999, respectively.

Fresh Del Monte is waiting for the clarification as to whether the European Union will implement a new banana import system or continue with the current system. If the European Union implements a new import system that does not require banana import licenses as used in the current system, Fresh Del Monte may have to record a non-cash charge due to the write-off of the unamortized value assigned to European banana import licenses acquired in connection with the Belgian Acquisition (See Note 3).

18. Litigation

Starting in December 1993, two of Fresh Del Monte's U.S. subsidiaries were named among the defendants in a number of actions in courts in Texas, Louisiana, Mississippi, Hawaii, Costa Rica and the Philippines involving allegations by numerous foreign plaintiffs that they were injured as a result of exposure to a nematocide containing the chemical dibromochloropropane (DBCP) during the period 1965 to 1990.

In December 1998, these subsidiaries entered into a settlement in the amount of $4.6 million with counsel representing approximately 25,000 individuals. Of the six principal defendants in these DBCP cases, Dow Chemical Company, Shell Oil Company, Occidental Chemical Corporation and Chiquita Brands, Inc. have also settled these claims. Under the terms of our settlement, approximately 22,000 of these claimants dismissed their claims with prejudice and without payment. The 2,643 claimants who allege employment on a company-related farm in Costa Rica and the Philippines and who demonstrated some injury were offered a share of the settlement funds upon execution of a release. Over 98% of these claimants accepted the terms of our settlement, the majority of which has been recovered from our insurance carriers. The remaining claimants did not accept the settlement proceeds and approximately $268,000 was returned to the Company's subsidiaries.

On February 16, 1999, two of Fresh Del Monte's U.S. subsidiaries were purportedly served in the Philippines in an action entitled Davao Banana Plantation Workers' Association of Tiburcia, Inc. v. Shell Oil Co., et al. The action is brought by a Banana Workers' Association purportedly on behalf of its 34,852 members for injuries they allege to have incurred as a result of DBCP exposure. At this time, it is not known how many, if any, of the Association's members are claiming against the Fresh Del Monte's subsidiaries and whether these are the same individuals who have already settled their claims against the Company's subsidiaries.

Fresh Del Monte's subsidiaries filed motions to dismiss and for reconsideration on jurisdictional grounds, which were denied. Accordingly, Fresh Del Monte's subsidiaries answered the complaint denying all of plaintiff's allegations.

Fresh Del Monte's U.S. subsidiaries have not settled the DBCP claims of approximately 3,500 claimants represented by different counsel who filed actions in Mississippi in 1996 and Hawaii in 1997. Each of those actions was dismissed by a federal district court on grounds of forum non conveniens in favor of the courts of the plaintiffs' home countries and appealed by the plaintiffs. On January 19, 2001, the Court of Appeals for the Fifth Circuit affirmed the dismissal of Fresh Del Monte's subsidiary for forum non conveniens and lack of personal jurisdiction for the Mississippi actions. The Hawaiian plaintiffs' appeal of the dismissal remains pending.

On October 19, 2000, the Court of Appeals for the Fifth Circuit affirmed the dismissal of 23 non settling defendants who had filed actions in the United States District Court in Houston, Texas. As a result, the 23 plaintiffs who did not accept the settlement are precluded from filing any new DBCP actions in the United States.

On June 19, 1995, a group of several thousand plaintiffs in an action entitled Lucas Pastor Canales Martinez, et al. v. Dow Chemical Co. et al. sued one of the Fresh Del Monte's subsidiaries along with several other defendants in the District Court for the Parish of St. Charles, Louisiana asserting claims similar to those arising in the Texas cases due from the alleged exposure to DBCP. That action was removed to the United States District Court in New Orleans and was subsequently remanded in September 1996. Fresh Del Monte's subsidiary has answered the complaint and asserted substantial defenses. Following the decision of the United States Court of Appeals for the Fifth Circuit in the Texas actions, this action was re-removed to federal court in November 2000.

On November 15, 1999, one of Fresh Del Monte's U.S. subsidiaries was served in two actions entitled, Godoy Rodriguez, et al. v. AMVAC Chemical Corp., et al and Martinez Puerto, et al. v. AMVAC Chemical Corp., et al., in the 29th Judicial District Court for the Parish of St. Charles, Louisiana. These actions were removed to federal court, where they have been consolidated. These actions are brought on behalf of claimants represented by the same counsel who filed the Mississippi and Hawaii actions as well as a number of the claimants who have not accepted the settlement offer. Fresh Del Monte's subsidiary has been given an indefinite extension of time to respond to the complaints. At this time, it is not known how many of the 2,962 Godoy Rodriguez and Martinez Puerto plaintiffs are claiming against the Fresh Del Monte's subsidiary and it is premature to evaluate the likelihood of a favorable or unfavorable outcome with respect to any of the non-settled DBCP claims.

On December 4, 2000, the Honolulu Board of Water Supply (Board) amended its complaint (the original complaint did not include Fresh Del Monte as a defendant) in state court to include one of Fresh Del Monte's subsidiaries as one of several defendants for alleged

contamination of certain water wells in Honolulu, Hawaii. In January 2001, the Board agreed to dismiss Fresh Del Monte's subsidiary without prejudice. The parties are in the process of filing the dismissal.

On January 8, 2001, local residents of Honolulu, Hawaii amended their complaint (the original complaint did not include Fresh Del Monte as a defendant) in federal court to include one of Fresh Del Monte's subsidiaries as one of several defendants for injuries allegedly caused by consuming contaminated water. Fresh Del Monte's subsidiary is in the process of filing its denial of all the Plaintiffs' claims and asserting substantial defenses.

Fresh Del Monte's subsidiaries intend to vigorously defend themselves in all of these matters. At this time, management is not able to evaluate the likelihood of a favorable or unfavorable outcome in any of the above-described matters. Accordingly, management is not able to estimate the range or amount of loss, if any, on any of the above-described matters and no accruals have been recorded as of December 29, 2000.

In 1980, elevated levels of certain chemicals were detected in the soil and ground water at a plantation leased by one of Fresh Del Monte's subsidiaries in Honolulu, Hawaii (Kunia Well Site). Shortly thereafter, Fresh Del Monte's subsidiary discontinued the use of the Kunia Well site and provided an alternate water source to area well users and the subsidiary commenced its own voluntary cleanup operation. In 1993, the Environmental Protection Agency (EPA) identified the Kunia Well Site for potential listing on the National Priorities List (NPL) under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended. On December 16, 1994, the EPA issued a final rule adding the Kunia Well Site to the NPL. On September 28, 1995, Fresh Del Monte's subsidiary entered into an order (Order) with the EPA to conduct the remedial investigation and the feasibility study of the Kunia Well Site. Under the terms of the Order, Fresh Del Monte's subsidiary submitted a remedial investigation report in November 1998 for review by the EPA. The EPA approved the remedial investigation report in February 1999. A final draft feasibility study was submitted for EPA review in December 1999, and it is expected that the feasibility study will be finalized by the first half of 2001.

Based on the draft feasibility study submitted to the EPA in December 1999, the estimated remediation costs associated with this matter are expected to be between $4.2 million and $28.1 million. Certain portions of these estimates have been discounted using a 5% interest rate. The undiscounted estimates are between $5.0 million and $30.0 million. An accrual of $4.2 million is included in other noncurrent liabilities in the accompanying balance sheets.

In addition to the foregoing, Fresh Del Monte's subsidiaries are involved from time to time in various claims and legal actions incident to their operations, both as plaintiff and defendant. In the opinion of management, after consulting with legal counsel, none of these other claims are currently expected to have a material adverse effect on Fresh Del Monte.

19. Financial Instruments and Concentration of Credit Risk

Financial instruments that potentially subject Fresh Del Monte to concentrations of credit risk consist principally of temporary cash investments and trade receivables. Fresh Del Monte places its temporary cash investments with highly-rated financial institutions. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising Fresh Del Monte's customer base, and their dispersion across many different geographical regions. Generally, Fresh Del Monte does not require collateral or other security to support customer receivables.

Fresh Del Monte enters into currency forward contracts as a hedge against certain currency exposures, principally relating to sales made in Europe and the Asia-Pacific region. Gains and losses on these contracts are included in other income (loss), net when the contracts are closed. At December 29, 2000, Fresh Del Monte had $15.2 million (notional amount) of currency forward contracts outstanding for the euro with an unrealized loss of $0.8 million and $8.7 million (notional amount) of currency forward contracts outstanding for Japanese yen with an unrealized gain of $0.1 million. At December 31, 1999, there was $10.8 million (notional amount) of currency forward contracts outstanding for Japanese yen with an unrealized gain of $0.2 million.

Counterparties expose Fresh Del Monte to credit loss in the event of non-performance on currency forward contracts. However, because the contracts are entered into with highly-rated financial institutions, Fresh Del Monte does not anticipate non-performance by any of these counterparties. The exposure is usually the amount of the unrealized gains, if any, in such contracts.
Fresh Del Monte, in estimating its fair value disclosures for financial instruments, used the following methods and assumptions:

Cash and cash equivalents, accounts receivable, advances to growers, and accounts payable: The carrying value reported in the balance sheet for these items approximates their fair value.

Capital lease obligations. The carrying value of Fresh Del Monte's capital lease obligations approximate their fair value based on current interest rates for similar instruments.

Notes payable and long-term debt: The carrying value of Fresh Del Monte's notes payable and long-term debt approximate their fair value since they bear interest at variable rates or fixed rates which approximate market.

The carrying amounts and fair values of Fresh Del Monte's financial instruments are as follows (U.S. dollars in millions):

	December 29, 2000		December 31, 1999	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Cash and cash equivalents	**$ 10.6**	**$ 10.6**	$ 31.2	$ 31.2
Accounts receivables	**142.7**	**142.7**	136.4	136.4
Accounts payable	**(93.2)**	**(93.2)**	(90.3)	(90.3)
Long-term debt	**(461.6)**	**(461.6)**	(489.3)	(489.3)
Capital lease obligations	**(23.5)**	**(23.5)**	(11.6)	(11.6)
Forward contracts	**—**	**(0.7)**	—	(0.2)
Swap agreement	**—**	**(0.3)**	—	1.5

20. Related Party Transactions

Fresh Del Monte's products are distributed in Northern Europe by Interfrucht, an unconsolidated subsidiary. Receivables from Interfrucht, included in accounts receivable, were $2.8 million and $4.5 million at December 29, 2000 and December 31, 1999, respectively. Sales to this distributor amounted to $85.8 million, $112.5 million and $131.2 million for 2000, 1999 and 1998, respectively.

Sales to Ahmed Abu-Ghazaleh & Sons Company, a related party through common ownership, were $17.3 million, $8.7 million and $1.9 million in 2000, 1999 and 1998, respectively. At December 29, 2000 and December 31, 1999 there were $1.2 million and $0.7 million, respectively, of receivables from this related party, which are included in trade accounts receivable.

21. Unaudited Quarterly Financial Information

The following summarizes certain quarterly operating data (U.S. dollars in millions, except per share data):

	Quarter ended			
	March 31, 2000	**June 30, 2000**	**September 29, 2000**	**December 29, 2000**
Net sales	**$536.1**	**$516.2**	**$395.8**	**$411.2**
Gross profit	**71.3**	**48.3**	**21.9**	**25.4**
Net income (loss)	**$ 38.5**	**$ 17.2**	**$ (14.1)**	**$ (8.5)**
Net income (loss) per share	**$ 0.72**	**$ 0.32**	**$ (0.26)**	**$ (0.16)**

	Quarter ended			
	April 2, 1999	July 2, 1999	October 1, 1999	December 31, 1999
Net sales	$493.4	$476.2	$369.1	$404.5
Gross profit	64.9	54.2	26.2	5.3
Net income (loss)	$ 35.4	$ 33.5	$ 6.6	$ (18.6)
Net income (loss) per share	$ 0.66	$ 0.62	$ 0.12	$ (0.35)

22. Business Segment Data

Fresh Del Monte is principally engaged in one major line of business, the production, distribution and marketing of bananas and other fresh produce. Fresh Del Monte's products are sold in markets throughout the world, with its major producing operations located in North, Central and South America, the Asia-Pacific region and Africa.

Fresh Del Monte's operations have been aggregated on the basis of products; bananas, other fresh produce and non-produce.

Fresh Del Monte evaluates performance based on several factors, of which gross profit by product and total assets by geographic region are the primary financial measures (U.S. dollars in millions):

	Year Ended					
	December 29, 2000		December 31, 1999		January 1, 1999	
	Net Sales	**Gross Profit**	Net Sales	Gross Profit	Net Sales	Gross Profit
Bananas	**$ 921.0**	**$ 6.3**	$ 951.3	$ (4.0)	$ 897.5	$ 32.7
Other fresh produce	**838.9**	**162.1**	701.3	155.5	638.2	160.6
Non-produce	**99.4**	**(1.5)**	90.6	(0.9)	64.4	1.4
Total	**$1,859.3**	**$166.9**	$1,743.2	$150.6	$1,600.1	$194.7

	Year Ended		
	December 29, 2000	December 31, 1999	January 1, 1999
Net sales by geographic region:			
North America	**$ 922.2**	$ 830.4	$ 781.0
Europe	**572.7**	601.5	522.8
Asia-Pacific	**324.5**	280.7	237.7
Other	**39.9**	30.6	58.6
Total net sales	**$1,859.3**	$1,743.2	$1,600.1

	December 29, 2000	December 31, 1999
Property plant and equipment:		
North America	**$ 55.9**	$ 40.3
Europe	**49.0**	42.2
Asia-Pacific	**2.3**	1.7
Central and South America	**345.9**	340.9
Maritime equipment (including containers)	**159.4**	146.7
Corporate	**23.1**	18.8
Total property, plant and equipment	**$635.6**	$590.6

	December 29, 2000	December 31, 1999
Identifiable assets:		
North America	**$ 213.7**	$ 184.2
Europe	**220.8**	234.6
Asia-Pacific	**34.3**	38.2
Central and South America	**507.0**	529.2
Maritime equipment (including containers)	**159.4**	146.7
Corporate	**86.4**	83.3
Total assets	**$1,221.6**	$1,216.2

Fresh Del Monte's earnings are heavily dependent on operations located worldwide. These operations are a significant factor in the economies of some of the countries in which Fresh Del Monte operates and are subject to the risks that are inherent in operating in such countries, including government regulations, currency and ownership restrictions and risk of expropriation.

Fresh Del Monte has three principal sales agreements for the distribution of its fresh produce, which principally cover sales in the European and Japanese markets. Sales made through these agreements approximated 17%, 21% and 21% of total net sales for 2000, 1999 and 1998, respectively.

Identifiable assets by geographic area represent those assets used in the operations of each geographic area. Corporate assets consist of an allocation of goodwill, leasehold improvements and furniture and fixtures.

Report of Independent Certified Public Accountants

Board of Directors and Shareholders
Fresh Del Monte Produce Inc.

We have audited the accompanying consolidated balance sheets of Fresh Del Monte Produce Inc. and subsidiaries as of December 29, 2000 and December 31, 1999, and the related consolidated statements of income, cash flows and shareholders' equity for each of the three years in the period ended December 29, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fresh Del Monte Produce Inc. and subsidiaries at December 29, 2000 and December 31, 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 29, 2000, in conformity with accounting principles generally accepted in the United States of America.

Ernst & Young LLP

Miami, Florida
February 14, 2001

Ordinary Share Prices and Related Matters

The Company's ordinary shares are traded solely on the New York Stock Exchange, under the symbol FDP, and commenced trading on October 24, 1997.

The following table presents the high and low sales prices of the ordinary shares for the periods indicated as reported on the New York Stock Exchange Composite Tape:

	High	Low
Five most recent financial years		
Year ended December 26, 1997 (commencing October 24, 1997)	$18.00	$13.13
Year ended January 1, 1999	$23.63	$10.50
Year ended December 31, 1999	$21.00	$ 6.31
Year ended December 29, 2000	$ 9.94	$ 3.38
1999		
First quarter	$21.00	$15.25
Second quarter	$18.44	$13.00
Third quarter	$15.69	$10.56
Fourth quarter	$11.38	$ 6.31
2000		
First quarter	$ 9.75	$ 6.75
Second quarter	$ 9.94	$ 6.06
Third quarter	$ 7.06	$ 5.38
Fourth quarter	$ 6.48	$ 3.38
Most recent six months		
September 2000	$ 6.56	$ 5.38
October 2000	$ 6.44	$ 3.38
November 2000	$ 5.56	$ 3.94
December 2000	$ 4.63	$ 3.75
January 2001	$ 6.50	$ 4.56
February 2001	$ 8.89	$ 6.13

As of December 29, 2000, there were 53,763,600 ordinary shares outstanding.

Stock Information
New York Stock Exchange
Symbol: FDP

Dividend Information
The Company has not paid cash dividends on its ordinary shares. Certain loan provisions restrict the amount of dividends that the Company may pay.

Shareholders of Record
As of December 29, 2000, there were 53,763,600 ordinary shares outstanding. We believe that approximately 30 percent of the outstanding ordinary shares were held by shareholders in the United States.

Forward-Looking Information
Our Annual Report may discuss future performance of the Company. Comments about expectations, plans and prospects constitute forward-looking statements for purposes of the Safe Harbor provisions of the Private Securities Litigation Reform Act. Actual results may differ materially from those contemplated in any forward-looking statements, and the Company undertakes no obligation to update any such statements. Risk factors are identified in the Company's December 29, 2000 Form 20-F on file at the Securities and Exchange Commission.

Corporate and Shareholder Information
Corporate and shareholder information and a copy of the Company's Annual Report on Form 20-F, as filed with the Securities and Exchange Commission, may be obtained free of charge by contacting Christine Cannella, Director of Investor Relations, at Fresh Del Monte Produce Inc., U.S. Executive Offices, 800 Douglas Road, North Tower, Coral Gables, FL 33134, 305-520-8400 or by visiting the Company's Web site at www.freshdelmonte.com.

Transfer Agent and Registrar
Mellon Investor Services LLC
85 Challenger Road
Overpeck Center
Richfield Park, NJ 07660
800-851-9677

Auditors
Ernst & Young LLP
200 South Biscayne Blvd.
Suite 3900
Miami, FL 33131

Annual Meeting
May 8, 2001, at 11a.m.
Hyatt Regency Coral Gables
50 Alhambra Plaza
Coral Gables, FL 33134

Executive Officers
Mohammad Abu-Ghazaleh
Chairman and Chief Executive Officer

Hani El-Naffy
President and Chief Operating Officer

John F. Inserra
Executive Vice President and Chief Financial Officer

M. Bryce Edmonson
Senior Vice President—North America

Jean-Pierre Bartoli
Senior Vice President—Europe and Africa

Randolph Breschini
Vice President—Asia-Pacific

José Antonio Yock
Senior Vice President—Central America

Jose Luis Bendicho
Vice President—South America

Sergio Mancilla
Senior Vice President—Shipping Operations

Thomas R. Young, Ph.D.
Vice President—Research, Development and Agricultural Services

Zoltan Pinter
Vice President—General Counsel and Secretary

Marissa R. Tenazas
Vice President—Human Resources

Antolin D. Saiz
Vice President—Internal Audit

Directors
Mohammad Abu-Ghazaleh
Chairman and Chief Executive Officer
Fresh Del Monte Produce Inc.

Maher Abu-Ghazaleh
Managing Director
Suma International General Trading and Contracting Company

Amir Abu-Ghazaleh
General Manager
Abu-Ghazaleh International Company

Hani El-Naffy
President and Chief Operating Officer
Fresh Del Monte Produce Inc.

Marvin P. Bush[(1)(2)]
Co-Founder and Managing Director
Winston Partners Group

Stephen L. Way[(2)(3)]
Chairman and Chief Executive Officer
HCC Insurance Holdings, Inc.

John H. Dalton[(1)]
Chairman and Chief Executive Officer
Metal Technology, Inc.

Edward L. Boykin[(1)(3)]
Retired Partner, Deloitte & Touche LLP

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Committee Chairman

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Del Monte

Quality

Annual Report 2000

Fresh Del Monte Produce Inc.

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