

# Total Produce plc

Preliminary Results 2006  
29 March 2007



# Introduction – shareholder value initiatives

- Fyffes believed its market valuation did not reflect the value of its component parts.
- Demerger allows shareholders to attribute value to each business.
- Future performance of Total Produce and Fyffes will not impact on the others' valuation post demerger.
- Demerger enhances focus, allowing the separate companies to pursue distinct growth strategies.

## Shareholder value initiatives cont'd.

- In May 2006, Fyffes demerged its property business into a newly quoted company - Blackrock International Land plc.
- Post demerger, Blackrock has invested substantially in additional properties. Blackrock's market value has increased by 23% to €286m since demerger.
- In December 2006, shareholders approved the demerger of Fyffes General Produce Business to a newly quoted company Total Produce plc, with effect from 30 December 2006.

# Ongoing relationship with Fyffes & Blackrock

- Total Produce and Fyffes are completely separate plcs.
- Long term commercial agreements for the supply of bananas, pineapples and melons for the Irish, Scandinavian, Spanish and Italian markets.
- Royalty free exclusive right to Fyffes brand with 5 years notice after December 2009.
- Properties in Ireland are leased from Blackrock International Land plc.

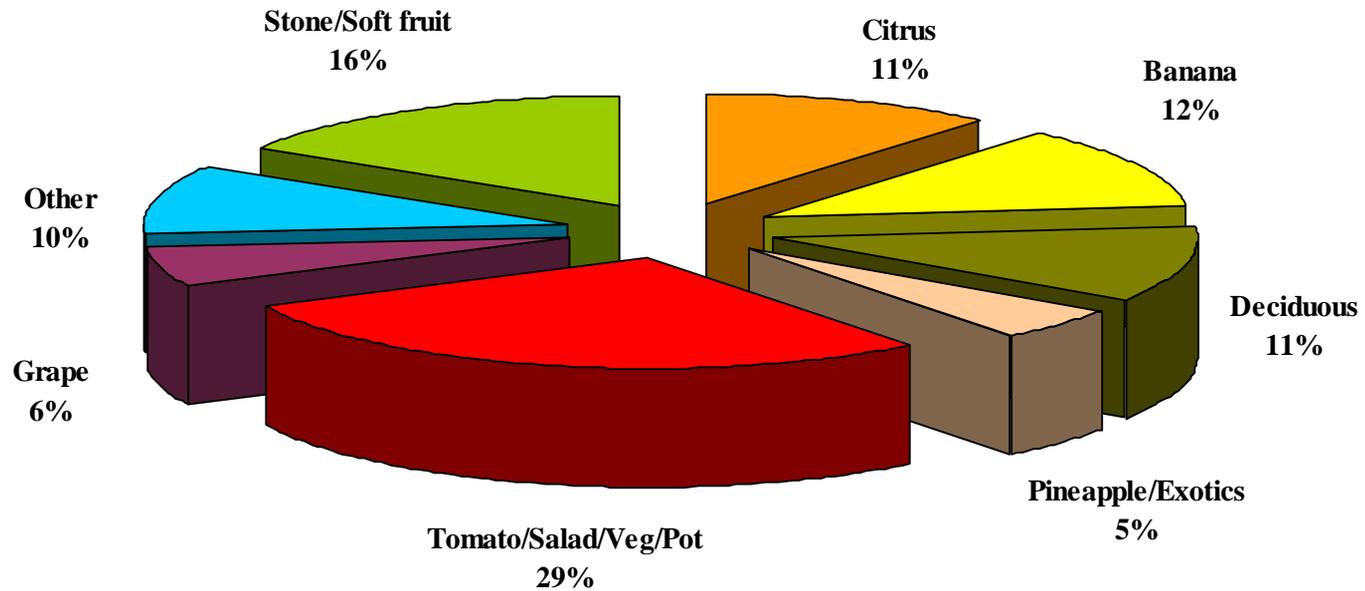
# Total Produce business

- Total Produce plc is a fresh produce company sourcing globally and marketing branded produce.
- Financial highlights 2006:
  - Sales €1.86 billion
  - EBITDA €51.3 million
  - EBITA €38.9 million
  - Adjusted EPS €5.70 cent per share
- Stock Market value €305m (87¢ share price).

# Total Produce business

- One of the leading companies in Europe with annualised sales of €2 billion+.
- The leading fresh produce company in Ireland, Spain, Sweden, Denmark and Czech Republic. Large operations in the Netherlands, UK, Italy and Slovakia.
- Owns 50% of Capespan Europe, the leading South African produce company.
- Provides all key fruit categories to European customers.
- Experienced management team ambitious to grow business.

# Sales by product



# Key brands



# Total Produce business

- Over 80 distribution facilities.
- Operates through subsidiaries, joint ventures and associates.
- One of the largest Banana ripeners.

# Key operations (including recent acquisitions)

<b>Country</b>	<b>No of Locations</b>
Ireland & UK	47
Continental Europe	
- Netherlands	6
- Spain	10
- Scandinavia	6
- Italy	3
- Czech Republic & Slovakia	5
- Capespan Europe	3
	—
<b>Group</b>	<b><u>80</u></b>

# Key management team



<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Years in Company</b>
Carl McCann	Chairman	53	26 years
Rory Byrne	CEO	46	18 years
Frank Gernon	Finance Director	53	33 years
Frank Davis	CFO / Company Secretary	47	23 years

# Key management team contd.

- Total Produce operations are managed by a young, dynamic, highly experienced and motivated team, mainly in their late 30's and early 40's.

## Division

## Managing Director

Allegro Limited

David Fox

Capespan International

Louis Kriel

Czech Republic

Zdenek Hort

Denmark

Lars Lembcke

Ireland

Francis McKernan

Italy

Pino Peviani

Netherlands

Charles Shaughnessy

Spain

Donal O'Driscoll & Angel Rey

Sweden

Bengt Nielsen

United Kingdom

Seamus Mulvenna

# Corporate governance

## Non-Executive Directors

Rose Hynes

Former Non-Executive Director of Fyffes plc and Aer Lingus and Director of various companies

Jerome Kennedy

Former Managing Partner of KPMG Ireland  
Director of various companies

- Total Produce plc applies the policies and procedures of the Combined Code appropriate to its listing status on AIM / IEX.
- Total Produce plc is fully IFRS compliant.

# Three Year Summary

	06	05	04
	€	€	€
Sales	1,861	1,676	1,547
EBITDA	51.2	48.4	44.7
Adjusted EBITA	38.9	37.8	34.8
Interest	(2.9)	(2.7)	(2.5)
Taxation	(9.7)	(11.2)	(9.3)
Minority interests	(6.2)	(7.0)	(6.2)
Adjusted earnings attributable	20.2	16.8	16.8
Adjusted earnings per share	5.70	4.76	4.76

*2006 after Blackrock rent of €1.5 million*

# Pro-forma balance sheet – 30 December 2006

	€M
Fixed assets	121
Investments	38
Intangibles	96
Working capital	23
Debt	(10)
Pension Surplus/Deficit	-
Corporation tax	(10)
Deferred consideration	(51)
Deferred taxation	<u>(11)</u>
	<b>196</b>
Shareholders funds	148
Minorities	<u>48</u>
	<b><u>196</u></b>

# Financing for acquisitions

- Initial bank facilities of €200m.
- Strong financial position permits active acquisition policy.
- IEX / AIM listing gives greater flexibility in making acquisitions.

# 2007 Targets and Dividend Policy



<b>Targets for 2007</b>		<b>07</b>
		€
Adjusted EPS	Mid single digit increase	
Dividend per share	1.50 to 1.75 ¢	

# Recent acquisitions

- **March 2006** Joint venture with Suri Agro Fresh Pvt Ltd. India
- **July 2006** Joint venture with Medi Citrus SL, initial investment €1.3m with €5 million deferred until 2008/10
- **August 2006** Acquisition of second 50% of Lembcke Group in Denmark for €22.8 m.
- **January 2007** Acquisition of Redbridge Holding Ltd. Consideration €23 million (including deferred consideration of €4.5m and pension deficit of €5.5m).
- **February 2007** Joint Venture with Tata to create state-of-the-art distribution facilities for fresh fruit and vegetables across India. Initial investment by Total Produce €2.25 million.

# Redbridge acquisition



		€m
<b>Consideration</b>	Initial	13.0
	Deferred	4.5
	Pension Deficit	<u>5.5</u>
		<u>23.0</u>



<b>Key Financial Data</b>	Sales	352.0
	Profit before Tax	3.6
	Net Assets ex. Pension Deficit	7.2

# Key drivers of short term performance

Five key drivers of Total Produce's short term performance:

## 1. Revenues

The absolute amount of sales revenue is the key driver of returns. In turn, this is led by volume growth, and the Group's ability to maintain, develop and increase its customer relationships.

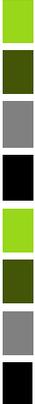
## 2. Costs and Overhead costs

Cost of all inputs is important along with the control of operating costs. Currency exposures are short-term in nature.

## 3. Acquisitions

As pure organic growth is relatively low, growth through acquisition is a key driver of performance.

# Key drivers of short term performance (cont'd)



## 4. People

The ability of people to manage the business, including the complex cost, quality trading and logistics issues is very important.

## 5. Weather

Weather at source can affect returns, along with weather extremes in the marketplace.



## Conclusion

The successful management of these key variables means that there should be less volatility in the business.

Total Produce, with a stable profit base and growth potential through acquisitions, could attract a higher valuation.

# Strategy and targets

Total Produce is ambitious to continue to expand by:

- Pursuing a focused strategy.
- Seeking growth in the fresh produce sector.
- Medium and larger acquisitions to expand the Group's existing operations.
- Acquisitions in new markets and in other countries, mainly in Europe.
- Alliances and investments with producers worldwide giving them access to the leading produce company in the E.U.
- Five-year goal is to double sales to €4.0 bn.

# Contact



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