TOTAL PRODUCE 2007
ANNUAL REPORT AND ACCOUNTS

grow
source
import
package
distribute
market

TotalProduce
Let's Grow Together

design: www.**form**.ie
print: Colorman (Ireland) Ltd

Let's Grow Together

- grow
-- source
--- import
---- package
----- distribute
------ market

CONTENTS

01. GROUP PROFILE

TOTAL PRODUCE IS ONE OF EUROPE'S LARGEST AND MOST ACCOMPLISHED FRESH PRODUCE COMPANIES, WITH A CONTINENT WIDE INFRASTRUCTURE OF 82 STRATEGICALLY LOCATED FACILITIES OPERATING IN 13 COUNTRIES.

A complete fresh produce solution provider, it grows, sources, imports, packages, distributes and markets over 200 lines of fresh fruit and vegetables to its customers.

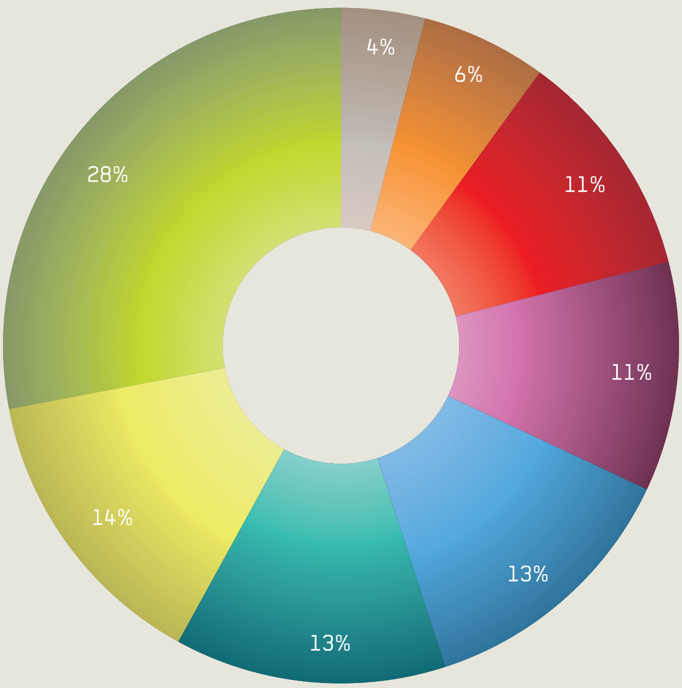
Our mission is to strive to translate our competitive advantages: our people, our sources, our infrastructure and our relationships into value to our customers, delivering to them a superior service and to their consumers produce which exceeds expectations.

The Company extends to all of its stakeholders, trading partners and investors – the same invitation – "Let's Grow Together".

- grow
-- source
--- import
---- package
----- distribute
------ market

02. PRODUCE PORTFOLIO

28%	Tomato / Salad / Vegetable / Potato
14%	Stone / Soft Fruit
13%	Other
13%	Banana
11%	Citrus
11%	Deciduous
6%	Grape
4%	Pineapple / Exotics



03. SHAREHOLDERS INFORMATION

- grow
-- source
--- import
---- package
----- distribute
------ market

MARKET CAPITALISATION

The market capitalisation of Total Produce plc on 31 December 2007 was €208 million.

WEBSITE

Further information on the Total Produce Group is available at www.totalproduce.com.

ANNUAL GENERAL MEETING

The Annual General Meeting of the company will take place at the Radisson SAS Royal Hotel, Golden Lane, Dublin 8 on Wednesday 28 May 2008 at 10.00 a.m. Notice of the meeting is set out on pages 112 to 115 and a personalised proxy form is included in the mailing to shareholders of this annual report.

AMALGAMATION OF ACCOUNTS

Shareholders receiving multiple copies of company mailings as a result of a number of accounts being maintained in their name should write to the company's registrar, at the given address, to request that their accounts be amalgamated.

PAYMENT OF DIVIDENDS

Shareholders may elect to have future dividends paid directly into a nominated bank account by completing the mandate form which accompanies each dividend payment or by writing to the company's registrar at the given address. Dividends are ordinarily paid in Euro; however, for the convenience of shareholders with addresses in the United Kingdom, dividends are paid in Sterling unless requested otherwise.

INVESTOR RELATIONS:

Investors requiring further information on the Group are invited to contact:

Frank Gernon
Total Produce plc
Charles McCann Building
Rampart Road
Dundalk, Co Louth,

Telephone: +353 42 933 5451
Fax: +353 42 933 9470
Email: fgernon@totalproduce.com

REGISTRAR:

Adminstrative queries about holdings of Total Produce plc shares can be directed to the company's registrar:

Computershare Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18, Ireland

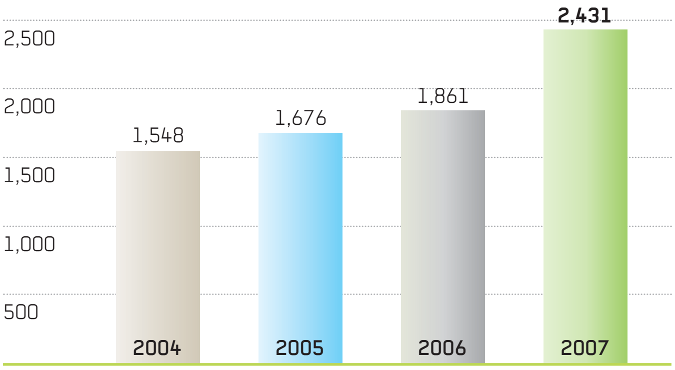
Telephone: +353 1 216 3100
Fax: +353 1 216 3151
Email: web.queries@computershare.ie

SHARE PRICE (EURO CENT)

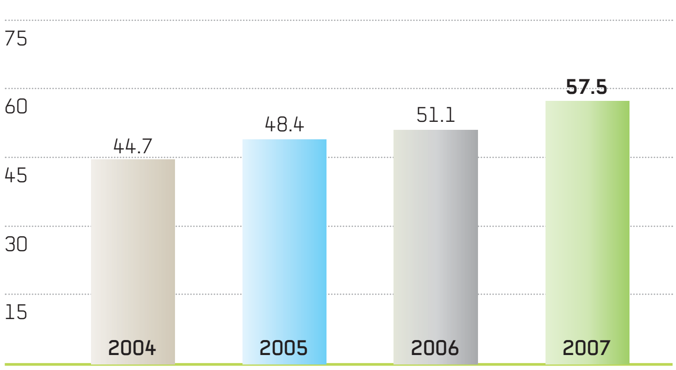
Year	High	Low	31 December
2007	88	58.5	59

04. FINANCIAL HIGHLIGHTS

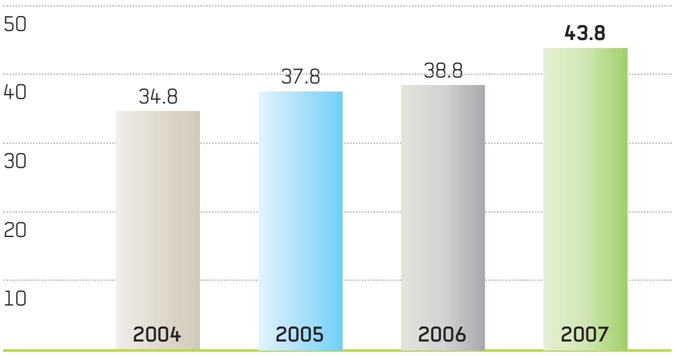
REVENUE (€'M)



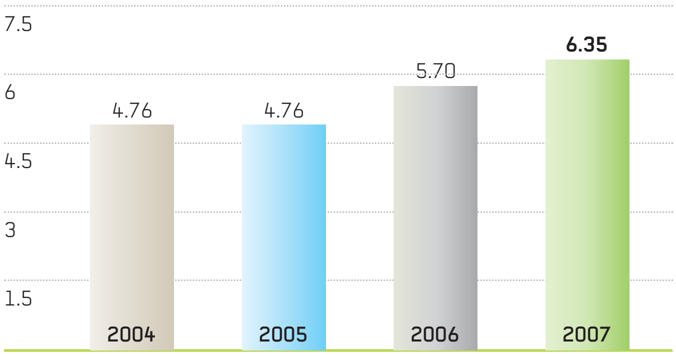
EBITDA (€'M)



ADJUSTED EBITA (€'M)



ADJUSTED FULLY DILUTED EPS (€ CENT)



Information in respect of the years ended December 2004, 2005 and 2006 is presented based on the performance of Total Produce businesses reported as a separate business segment within Fyffes plc prior to the demerger on 30 December 2006 and consequently may not be directly comparable to the information presented in respect of the year ended 31 December 2007.

- grow
-- source
--- import
---- package
----- distribute
------ market

FINANCIAL HIGHLIGHTS	2007 €	2006 €	Change %
Revenue (incl. share of joint ventures/associates)	2,431 m	1,861 m	+30.6
Group revenue	2,151 m	1,577 m	+36.4
EBITDA	57.5m	51.1m	+12.5
Adjusted EBITA*	43.8 m	38.8 m	+12.7
Profit before tax	33.2 m	18.9 m	+75.3
Adjusted fully diluted earnings per share**	6.35 cent	5.70 cent	+11.4
Basic earnings per share	5.43 cent	2.02 cent	+168.8

FOUR YEAR SUMMARY	2007 €	2006 €	2005 €	2004 €
Revenue (incl. share of joint ventures/associates)	2,431 m	1,861 m	1,676 m	1,548 m
Group revenue	2,151 m	1,577 m	1,356 m	1,187 m
EBITDA	57.5m	51.1m	48.4m	44.7m
Adjusted EBITA*	43.8 m	38.8 m	37.8 m	34.8 m
Profit before tax	33.2 m	18.9 m	29.7 m	27.2 m
Profit after tax	24.2 m	13.6 m	20.4 m	19.9 m
Adjusted fully diluted earnings per share**	6.35 cent	5.70 cent	4.76 cent	4.76 cent
Basic earnings per share	5.43 cent	2.02 cent	3.83 cent	3.95 cent

* *Operating profit before fair value movements on investment properties, exceptional items, amortisation, interest and tax (including the equivalent share of joint ventures and associates).*

** *Before fair value movements on investment properties, exceptional items and amortisation of intangibles.*

05. CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Total Produce is pleased to report the results for 2007, our first year since the demerger from Fyffes. The Group's results are ahead of expectation with adjusted earnings per share up 11.4% to €6.35 cent and growth in sales revenue of 30.6% to €2.4 billion. These results are reflecting in particular the acquisition of Redbridge Holdings in January 2007 together with the contribution of a significant number of bolt-on acquisitions during the year.

Successful acquisitions are a key driver of the development of the Total Produce business and during 2007 the Group spent €83.9 million on acquisitions including deferred consideration. We believe that continuing to acquire attractive businesses is the best way to enhance shareholder value and we remain committed to this process.

The Board is proposing a final dividend of €1.15 cent per share which, combined with the interim dividend of €0.50 cent paid earlier in 2007, brings the total dividend in respect of 2007 to €1.65 cent per share, representing a 2.8% yield based on the closing share price for the year.

Having observed the recent Stock market volatility, the Group is considering exercising its authority to buy its own shares in the market if the appropriate opportunities arise. This authority permits the Group to buy up to 10% of the issued share capital at a price which may not exceed 105% of the average price over the previous 5 days trading. Any purchases should have a positive effect on earnings per share.

Trading in the year to date is in line with our expectation and the Board is targeting a mid-single digit growth in adjusted earnings per share for 2008. Total Produce will continue to pursue its plans to further expand and develop the Group.

The Company is very proud to have such excellent and dedicated people and its success is due to their ability and hard work. We thank all of them for their effort in building the business and delivering good results in 2007.

Carl McCann
Chairman
3 March 2008

06. DIRECTORS AND SECRETARY

C P McCann (54),
Chairman, BBS, MA, FCA.

Prior to his appointment as Chairman of Total Produce on 30 December 2006, Carl previously held the role of Chairman of Fyffes plc. Carl joined Fyffes in 1980 where he held a number of senior positions including that of Vice Chairman before he was appointed Chairman in 2003. He is also Chairman of Blackrock International Land plc and is a director of a number of other companies.

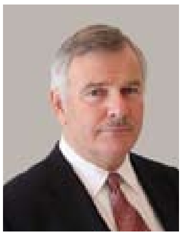
R P Byrne (47),
Chief Executive, B Comm, FCA.

Prior to his appointment as Chief Executive of Total Produce on 30 December 2006, Rory was an executive director of Fyffes plc and was appointed to the position of Managing Director of the Fyffes General Produce division in 2002. He joined Fyffes in 1998 from KPMG. He held a number of senior positions within Fyffes including Finance Director of the Group's UK business and Managing Director of its Spanish operations

- grow
-- source
--- import
---- package
----- distribute
------ market

J F Gernon (54),
Finance Director, FCCA.

Prior to his appointment as Finance Director of Total Produce on 30 December 2006, Frank was the Group Finance Director of Fyffes plc from 1998 to 2006. He joined Fyffes in 1973 and held various senior accounting and financial positions, including Company Secretary and Chief Financial Officer before his appointment as Group Finance Director and to the board of directors of Fyffes in 1998.



J J Kennedy (59),
Non Executive, FCA.

Jerome Kennedy was appointed to the board in 2006. He is a member of the Compensation and Nomination Committees and Chairman of the Audit Committee. He is a member of the Court of Bank of Ireland and a non-executive director of New Ireland Assurance Company plc and a number of other companies. Jerome was managing partner of KPMG Ireland from 1995 to 2004. During that time, he was a board member of KPMG Europe. He was a member of the board of KPMG Worldwide from 2002 to 2004.

R B Hynes (50),
Non Executive, BCL, AITI.

Rose Hynes was appointed to the board in 2006. She is a member of the Audit and Nomination Committees, Chairman of the Compensation Committee and the nominated senior independent non-executive director. Rose, a lawyer, is a member of the Court of Bank of Ireland and is also a director of Bank of Ireland Mortgage Bank plc, Bord Gais Eireann and a number of other companies. Rose was a former non-executive director of Fyffes plc and previously held senior executive positions with GPA Group plc.

F J Davis (48),
Company Secretary/Chief Financial Officer, LL.B, MA, FCCA.

Frank was appointed to the position of Company Secretary/CFO in December 2006. Prior to the formation of Total Produce, he held the position of Finance Director of the General Produce division of Fyffes plc from 2002. He joined Fyffes in 1983 having previously worked in practice and industry. He held a number of senior accounting and financial positions in Fyffes, including that of Finance Director of the Irish and UK produce operations.

07. CORPORATE SOCIAL RESPONSIBILITY

- grow
-- source
--- import
---- package
----- distribute
------ market

CODES OF BEST PRACTICE

The Group has established Codes of Best Practice with which it requires its direct suppliers to comply. These are designed to reduce any potential negative impact of agricultural production on the environment and to ensure safe working conditions and fair treatment for workers in compliance with internationally accepted labour standards. Compliance with the codes is generally monitored on a regular basis and our internal review procedures are subject to continual independent evaluation.

EUREP MEMBERSHIP

Total Produce is a member of the European Retailers Environmental Protocol (EUREP) established by major food retailers and their suppliers across Europe to address consumer concerns about food safety, environmental protection and worker welfare and to promote safe and sustainable agriculture. EUREP has adopted an extensive range of guidelines on these matters, resulting in the Global Good Agricultural Practice (Global GAP) accreditation. This standard establishes the minimum requirements to be met by growers of fruit and vegetables that supply European retailers.

Total Produce is determined to be pro-active and constructive in addressing all Corporate Social Responsibility matters and to actively participate in industry forums on social, ethical, health and safety and environmental issues. In addition, Total Produce is satisfied that we have the appropriate risk management procedures in place to ensure that we comply with the highest standards in relation to food safety regulations. Through these and other social responsibility measures, Total Produce aims to provide the finest quality produce, produced under safe working conditions, following fair labour practices with the minimum environmental impact.

Revenue:

Revenue has grown **over 30%** to **€2,431 million** in 2007

REVENUE

Total revenue for the year ended 31 December 2007 amounted to €2,431 million, up 30.6% on the previous year. Group revenue, excluding the Group's share of its joint ventures and associates was €2,151 million compared to €1,577 million in 2006, an increase of 36.4%. The increase in revenue reflects in particular the impact of the acquisition of Redbridge Holdings in January 2007 and the contribution from a significant number of bolt-on acquisitions during the year. Modest mid-single digit increases in average selling prices also contributed to revenue growth. Revenue in the Group's ambient consumer goods division grew by 14.9% helped by the acquisition of Wholefoods Wholesale Limited.

This performance is consistent with the Group's target to double its turnover over five years to €4 billion.

OPERATING PROFIT

One of the Group's key performance measures for its overall business is adjusted EBITA defined as operating profit before fair value movements on investment properties, exceptional items and amortisation of intangible assets and excluding the Group's share of the tax charge in its joint ventures and associates ("Adjusted EBITDA"). Adjusted EBITA amounted to €43.8 million in 2007 a growth of €5 million or 12.7% compared to €38.8 million in 2006. The full year cost of the UK rationalisation and integration programme was €3 million excluding which the increase of €8 million over 2006 would have been 20.6%.

Net adjusted EBITA margins were 1.80% compared to 2.09% in 2006 or 1.93% before the rationalisation programme. This was due to lower margins in Redbridge Holdings and higher rents payable to Blackrock International Land plc of €0.7 million reflecting a full year rent charge in 2007.

Weather conditions in the first half of the year were particularly favourable. Demand for our produce and the full year outcome for the produce division was satisfactory despite poor summer weather and supply constraints in some key produce lines during the autumn and early winter. Adjusted EBITA in the Group's ambient consumer goods business grew by 4% during 2007. The table below summarises the divisional analysis of total revenue and adjusted EBITA.

Operating profit for the Group amounted to €37.7 million, compared to €21.7 million in 2006 and is stated in accordance with IFRS, after the Group's share of the taxation charge in its joint ventures and associates of €1.3 million (€0.9 million in 2006), net exceptional items amounting to €nil (€13.2 million in 2006), amortisation of intangible assets of €5.1 million (€3.1 million in 2006) and non-exceptional fair value gains on investment properties of €0.6 million (€nil in 2006).

ACQUISITIONS AND DEVELOPMENTS

During the year, the Group spent €83.9 million on acquisitions comprised of €33 million on acquisitions of subsidiaries, €7.3 million for investments in joint ventures and deferred consideration payments of €43.6 million.

In January 2007, the Group acquired Redbridge Holdings, the UK fresh produce company, for total consideration of €23 million which comprised of a cash consideration of €13 million, including fees, a maximum deferred payment of €4.5 million and an assumed pension liability of €5.5 million (net of deferred tax). During the year, €17 million of expenditure was incurred on six bolt-on acquisitions in the fresh produce sector, while in its ambient consumer goods division the Group acquired Wholefoods Wholesale Limited, the leading distributor of high quality health foods, vitamins and minerals in Ireland.

During 2007, the Group also invested €7.3 million in joint ventures. The net cash investment in the joint venture with Blackrock International Land plc to relocate the Group's Dublin distribution facilities was €5.7 million. In February 2007, a joint venture was formed with Tata to create distribution facilities for fresh produce in India. The strategy is to use our initial investment to establish two state-of-the-art distribution facilities in India with plans to expand across the sub-continent in due course.

Deferred consideration of €43.6 million was paid during the year in respect of prior period acquisitions and €41.7 million of this related to the final payment in respect of the Everfresh Group acquisition in May 2007.

During the year, the Group's two new state-of-the-art fresh produce distribution centres in Edinburgh and Belfast were completed and commissioned. Excluding these new facilities, routine capital expenditure was broadly equal to the depreciation charge of €13.7 million for the year.

Finally, the excellent performance of the Group in 2007 is, in no small way due to the skill and dedication of our staff and I would like to thank them for their consistent hard work and commitment.

Rory Byrne
Chief Executive
3 March 2008

	REVENUE*		ADJUSTED EBITA	
	2007 €'m	2006 €'m	2007 €'m	2006 €'m
General Produce division	2,288.3	1,736.7	41.2	36.3
Ambient Consumer Goods division	142.8	124.2	2.6	2.5
Total	**2,431.1**	**1,860.9**	**43.8**	**38.8**

* Including the Group's share of joint ventures and associates.

SUMMARY OF RESULTS

	2007 €'m	2006 €'m	Change %
Revenue including share of joint ventures/associates	2,431.1	1,860.9	+30.6
Share of joint ventures/associates	(280.5)	(283.8)	
Group Revenue	**2,150.6**	**1,577.1**	**+36.4**
EBITDA*	57.5	51.1	+12.4
Depreciation	(13.7)	(12.3)	
Adjusted EBITA*	43.8	38.8	+12.7
Net financial expense - Group	(4.6)	(2.8)	
Net financial (expense)/income - Joint ventures/associates	(0.3)	0.1	
Adjusted profit before tax	**38.9**	**36.1**	**+7.9**
Exceptional items	-	(13.2)	
Amortisation charge	(5.1)	(3.1)	
Fair value gains on investment properties	0.6	-	
Tax charge of joint ventures/associates	(1.3)	(0.9)	
Profit before tax	**33.2**	**18.9**	**+75.3**
Tax charge	(9.0)	(5.4)	
Minority interest	(5.1)	(6.5)	
Profit attributable to equity shareholders	**19.1**	**7.0**	**+172.9**
	2007 € Cent	2006 € Cent	Change %
Basic EPS	**5.43**	**2.02**	**+168.8**
Adjusted fully diluted EPS	**6.35**	**5.70**	**+11.4**

**Before exceptional items, intangibles amortisation, fair value gains on investment properties and the Group's share of tax in its joint ventures and associates.*

- grow
-- source
--- import
---- package
----- distribute
------ market

REVENUE AND OPERATING PROFIT

An analysis of the factors influencing the changes in revenue and operating profit is provided in the Operating Review on pages 14 and 15.

NET FINANCIAL EXPENSE

The net financial expense for the year, excluding joint ventures and associates, was €4.6 million compared to €2.8 million in 2006. The underlying capital structures are not, however, comparable as in 2006, the Group was a division of Fyffes plc. The net interest cover was 9.5 times in 2007.

AMORTISATION OF INTANGIBLE ASSETS

The Group's intangible assets mainly represent the value of customer relationships arising on acquisitions. These are amortised over their estimated useful economic lives ranging from one to fifteen years. The amortisation charge in the year on these assets was €5.1 million compared to €3.1 million in 2006.

ADJUSTED PROFIT BEFORE TAX AND ADJUSTED EBITA

Total Produce believes that adjusted profit before tax and adjusted fully diluted earnings per share (which excludes exceptional items, fair value gains on investment properties and amortisation charges) are the appropriate measures of the underlying performance of the Group. Similarly, adjusted earnings before interest, tax, exceptional items, amortisation and fair value gains on investment properties ("adjusted EBITA") are a more indicative reflection of the underlying operations particularly given changes in the capital structure of the Group. The summary opposite sets out the details of the adjusted profit before tax and adjusted EBITA for the Group in respect of 2007 and 2006.

ADJUSTED PROFIT BEFORE TAX AND ADJUSTED EBITA

	2007 €'m	2006 €'m
Profit before tax per income statement	33.2	18.9
Adjustments:		
Exceptional items	-	13.2
Fair value gains on investment properties - Group	(0.3)	-
Share of fair value gains on investment properties - Joint ventures	(0.3)	-
Group share of tax charge of joint ventures/associates	1.3	0.9
Amortisation of intangible assets including share of joint ventures	5.1	3.1
Adjusted profit before tax	**38.9**	**36.1**
Exclude:		
Financial expense including share of joint ventures and associates	4.9	2.7
Adjusted EBITA	**43.8**	**38.8**

TAX CHARGE

Including the Group's share of the tax charge of its joint ventures and associates amounting to €1.3 million (2006: €0.9 million), which has been netted in operating profit in accordance with IFRS, the total tax charge for the year amounted to €10.3 million (2006: €6.3 million). Excluding the impact of once-off tax credits, deferred tax credits related to the amortisation of intangibles and the tax effect of exceptional items and fair value gains on investment properties, the underlying tax charge for the year was €11.5 million (2006: €9.7 million), equivalent to a rate of 29.4% (2006: 26.8%) when applied to the Group's adjusted profit before tax.

EXCEPTIONAL ITEMS	2007 €'m	2006 €'m
Impairment losses	-	(22.7)
Gain on disposal of leasehold interest in property	-	3.4
Fair value gain on investment properties	-	6.1
Total	**-**	**(13.2)**

During the prior year, the Group recognised impairment losses in relation to a number of the businesses and investments giving rise to an aggregate non cash charge in the income statement of €22.7 million. Exceptional operating income comprised the gain on disposal of a leasehold interest on a property occupied in Ireland which gave rise to a gain of €3.4 million and a fair value gain of €6.1 million on an investment property in the UK.

- grow
-- source
--- import
---- package
----- distribute
------ market

MINORITY INTEREST SHARE OF PROFITS

The minority share of profits amounted to €5.1 million in the year compared to €6.5 million in 2006. The reduction in the current year of €1.4 million arose primarily due to the deconsolidation of a subsidiary which, due to change in shareholders agreement is now treated as a joint venture.

EARNINGS PER SHARE

Adjusted fully diluted earnings per share, excluding exceptional items, non-recurring tax credits, the amortisation of intangible assets and fair value gains on investment properties, amounted to €6.35 cent for the Group in 2007, compared to €5.70 cent in the previous year. Basic earnings per share for the year, before such adjustments, amounted to €5.43 cent, compared to €2.02 cent in 2006. Fully diluted earnings per share, before such adjustments, amounted to €5.43 cent compared to €2.00 cent in 2006.

EMPLOYEE POST EMPLOYMENT BENEFITS

The table opposite summarises the movements in the net deficit on the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe. The Group's balance sheet at 31 December 2007 reflects pension assets of €7.3 million in respect of schemes in surplus and pension liabilities of €8.7 million in respect of schemes in deficit. An employee post employment benefit liability of €7.5 million (before deferred tax) was acquired during the year as part of the Group's acquisition of Redbridge Holdings.

The current service cost is charged in the income statement, net of the finance income on scheme assets and including the interest cost on scheme liabilities. Actuarial gains/(losses) are recognised in the statement of recognised income and expense. The increase in the total net deficit in the schemes during the year arose primarily due to the liability assumed as part of the Redbridge Holdings acquisition, the application of more stingent mortality assumptions by the Group in line with best practice and the reduction in value of the schemes assets due to poor stock market returns in the second half of 2007. These increases in net liabilities were offset by the impact of the increase in long term international interest rates which reduces the present value of the scheme liabilities.

	2007 €'m	2006 €'m
Deficit at beginning of year	(0.2)	(6.6)
Liability acquired as part of the acquisition of a subsidiary	(7.5)	-
Current service cost less net finance income recognised in income stament	(2.2)	(2.6)
Actuarial gains recognised in statement of recognised gains and losses	3.4	6.3
Contributions to schemes	4.6	2.7
Foreign exchange movement	0.5	-
Deficit at end of year	**(1.4)**	**(0.2)**

SHAREHOLDER EQUITY

Shareholders' equity at 31 December 2007 amounted to €163.7 million compared to €147.4 million in 2006. During the year, dividends of €1.8 million were recognised and paid to the equity shareholders of the Company. During the prior year, dividends of €4.5 million were recognised and paid to Fyffes plc, the legal parent at the date of such distributions. During the prior year, as part of the distribution by Fyffes plc of its property undertakings to Blackrock International Land plc, fair value gains of €39.3 million recognised in respect of properties held by entities in its General Produce and Distribution business were distributed to Fyffes plc. The movements are summarised in the following table:

	2007 €'m	2006 €'m
Total shareholders' equity at beginning of year	147.4	165.7
Total recognised income and expense	17.4	17.8
Share based payment expense	0.1	-
Shares issued to employees	0.6	-
Dividends paid to equity shareholders	(1.8)	-
Dividends paid to Fyffes plc and subsidiaries	-	(4.5)
Distribution in specie arising from property demerger	-	(39.3)
Movement in funding balance with Fyffes	-	7.8
Total shareholders' equity at end of year	**163.7**	**147.4**

- grow
-- source
--- import
---- package
----- distribute
------ market

SUMMARY OF MOVEMENT IN NET DEBT

Net debt, comprising cash plus short term deposits less debt, amounted to €72.0 million at 31 December 2007 compared to €10.0 million at 30 December 2006. As analysed in the following table, cash generated by the Group's operations during the year amounted to €50.2 million. Significant outflows in the year included payments totalling €40.2 million in respect of acquisitions of subsidaries and joint ventures, deferred consideration payments of €43.6 million, dividend and tax payments of €18 million and capital expenditure of €14.5 million.

SUMMARY OF MOVEMENT IN NET DEBT

	2007 €'m	2006 €'m
Adjusted profit before tax	38.9	36.1
Depreciation	13.7	12.3
R&D amortisation	0.5	-
Share of joint ventures/associates profit before tax	(2.0)	(3.4)
Income tax paid	(11.7)	(12.3)
Other	(1.8)	2.3
Cash generated from operations before working capital movements	**37.6**	**35.0**
Decrease in working capital	12.6	3.8
Cash generated from operations after working capital movements	**50.2**	**38.8**
Acquisition of subsidiaries, net of cash/bank overdrafts acquired	(32.9)	(10.2)
Acquisition of joint ventures and investments	(7.3)	(4.5)
Capital expenditure net of disposals	(14.5)	(26.0)
Payment of deferred consideration	(43.6)	(5.1)
Subsidiary becoming a joint venture	(8.6)	-
Dividends to equity shareholders	(1.8)	-
Cash inflow (net of dividends paid) from Fyffes plc	-	29.8
Dividends received from joint ventures/associates	2.2	0.1
Dividends paid to minority interests	(4.5)	(3.6)
Other	(3.2)	(0.2)
Cash flow movements	**(64.0)**	**19.1**
Translation adjustment	2.0	0.4
Net debt at the beginning of period	(10.0)	(13.8)
Balance due to Fyffes plc on demerger	-	(15.7)
Net debt at end of year	**(72.0)**	**(10.0)**

Frank Gernon
Finance Director
3 March 2008

CONTENTS

- grow
-- source
--- import
---- package
----- distribute
------ market

DIRECTORS AND OTHER INFORMATION

TOTAL PRODUCE PLC

C P McCann *Executive Chairman*
R P Byrne *Chief Executive*
J F Gernon
R B Hynes
J J Kennedy

COMPANY SECRETARY AND REGISTERED OFFICE

F J Davis
Charles McCann Building
Rampart Road
Dundalk
Co. Louth

AUDITOR

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

SOLICITOR

Arthur Cox
Arthur Cox Building
Earlsfort Terrace
Dublin 2

BANKERS

Allied Irish Banks plc
Bankcentre
Ballsbridge
Dublin 4

Ulster Bank
George's Quay
Dublin 2

BNP Paribas
5 George's Dock
IFSC
Dublin 1

Bank of Ireland
Lower Baggot Street
Dublin 2

STOCKBROKERS

Davy
49 Dawson Street
Dublin 2

REGISTRARS

Computershare Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18

DIRECTORS' REPORT

The directors present their report to the shareholders, together with the audited financial statements of the Group and Company, for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Total Produce plc is one of the largest fresh produce distributors in Europe. A detailed business review is included in the Operating Review on pages 14 and 15 and in the Financial Review on pages 16 to 21 including an analysis of the key performance indicators used to measure performance of the Group. These are defined as revenue, margin, volume, price and adjusted EBITA.

PROFIT

Details of the profit for the year are set out in the income statement for the year ended 31 December 2007 on page 43.

DIVIDEND

An interim dividend in respect of 2007 of €0.50 cent per share was paid on 5 November 2007. The directors have proposed, subject to shareholder approval at the AGM, the payment of a final dividend for 2007 of €1.15 cent per share.

FUTURE DEVELOPMENTS

A review of future developments of the business is included in the Executive Chairman's statement on pages 8 and 9.

DIRECTORY AND SECRETARY

In accordance with the Articles of Association of the Company, R B Hynes and J F Gernon retire from the Board and, being eligible, offer themselves for re-election at the AGM. None of these directors has a service contract with any Group company.

DIRECTORS' AND COMPANY SECRETARY'S INTERESTS

Details of the directors' and Company Secretary's share interests and interests in share options of the Company and Group companies are set out in the Compensation Committee report on page 39.

SUBSTANTIAL HOLDINGS

The directors have been notified of the following significant interests in the issued ordinary share capital of the Company at 31 December 2007:

	Number of Ordinary Shares	%
Balkan Investment Company and related parties (including Arnsberg Investment Company)	37,238,334	10.6
Allied Irish Banks plc	22,795,515	6.48
Marathon Asset Management	21,106,595	5.99
Sparinvest Holdings	18,136,091	5.15
Bank of Ireland Asset Management Limited	17,194,538	4.89
Irish Life Investment Managers	16,045,696	4.56
Gartmore Investment Management Limited	15,332,097	4.38
Pineapple Offshore Fund/Pineapple Partners LP	12,202,049	3.47
Morgan Stanley Securities Limited	11,890,219	3.38

Except as disclosed above, the Group is not aware of and has not received any notification from any person confirming that such person is interested, directly or indirectly, in 3% or more of the nominal share capital of the Company, nor is it aware of any person who directly or indirectly, jointly or separately, exercises or could exercise control over the Group.

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had a beneficial interest in any material contract to which the Company or any subsidiaries was a party during the year.

One of the directors had an indirect interest in the Group's investment in a joint venture and this is noted in note 29 of the accompanying financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Under Irish company law (Statutory Instrument 116.2006 European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2006), the Group and Company are required to give a description of the principal risks and uncertainties which they face.

- The Group's earnings are largely dependent on the volume of produce and other goods sold and the selling prices obtained in the market for produce sold. These in turn, are largely determined by market supply and demand. Excess supplies of fresh produce leading to reduced selling prices could have an adverse affect on the Group's profitability.
- The Group faces strong competition in its various markets and, if it fails to compete effectively, its business, results of operations and financial condition could be adversely affected.
- The Group's customer base in both the General Produce and Ambient Consumer Goods Divisions consists primarily of major retailers and wholesalers. The increasing concentration of customers can increase credit risk. Changes in the trading relationships with major customers or of their procurement policies could positively or adversely affect the operations and profitability of the Group.
- The Group is dependent on the continuing commitment of its directors and senior management team. The loss of such key personnel without adequate replacement could have an adverse effect on the Group's business.
- Profitability in the fresh produce sector is dependent on high quality supplies and consistency of delivery. It is possible that serious quality issues and, in particular, contamination of product, whether deliberate or accidental, could have a negative impact on sales revenue.
- The Group's growth strategy is partly focused on acquisitions and alliances and continuing growth could be adversely affected if the Group is unable to source and execute suitable acquisitions in the future.
- Total Produce primarily procures its bananas and pineapples from Fyffes plc ("Fyffes") and consequently Total Produce will be exposed to the future performance of Fyffes' bananas and pineapples.

The management team has long experience in managing all of these risks, while delivering profit growth.

FINANCIAL RISK MANAGEMENT

The Group's multinational operations expose it to different financial risks that include foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the performance of the Group and it is the policy to manage these risks in a non-speculative manner. Details of the policies and control procedures to manage the financial risks involved, including hedging strategies, are set out in Note 30 of the financial statements.

ACCOUNTING RECORDS

The directors believe that they have complied with the requirements of section 202 of the Companies Act, 1990, with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at Rampart Road, Dundalk, Co Louth, Ireland.

POLITICAL DONATIONS

During the current and prior year, the Group and Company did not make any donations disclosable in accordance with The Electoral Act, 1997.

POST BALANCE SHEET EVENTS

There have been no significant events since the year end which would require disclosure or adjustment in the financial statements.

AUDITOR

KPMG, Chartered Accountants, were appointed as auditor during the year and, in accordance with Section 160(2) of the Companies Act, 1963, continue in office.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Information on the Group's significant subsidiaries, joint ventures and associates is included in note 33 to the financial statements.

SPECIAL BUSINESS AT ANNUAL GENERAL MEETING

Your attention is drawn to the Notice of the Annual General Meeting (AGM) of the Company on pages 112 to 115. In addition to the usual business to be transacted at the AGM (as set out in resolutions 1 to 4 of the Notice of the meeting), there are a number of items of special business which are described further below.

The first four items of special business all relate to the share capital of the Company and concern matters which are now routine for most public companies. Under the last item of special business, it is proposed that the Articles of Association of the Company be amended in a way that will facilitate the wider use of electronic communications.

Under the first item of special business, shareholders are being asked to renew, until the date of the AGM to be held in 2009 or 27 August 2009 (whichever is the earlier), the authority of the directors to allot new shares. This authority will be limited to the allotment of up to an aggregate amount of €1,161,226 in nominal value of ordinary shares (being 33% of the nominal value of the Company's issued share capital as at 25 April 2008).

Under the second item of special business, shareholders are being asked to renew the authority to disapply the strict statutory pre-emption provisions in the event of a rights issue or in any other issue up to an aggregate amount of €175,943 in nominal value of ordinary shares, representing 5% of the nominal value of the Company's issued ordinary share capital for the time being. If adopted, this authority will expire on the earlier of the close of business on 27 August 2009 or the date of the AGM of the Company in 2009.

Under the third item of special business, shareholders are being asked to extend the authority granted at the last AGM to give the Company, or any of its subsidiaries, the authority to purchase up to 10% of the Company's own shares. If adopted, this authority will expire on the earlier of the close of business on 27 August 2009 or the date of the AGM of the Company in 2009. The directors are currently considering exercising this power, if an appropriate opportunity arises. Any such purchases would be made only at price levels which the directors considered to be in the best interests of the shareholders generally, after taking into account the Company's overall financial position. In addition, the authority being sought from shareholders will provide that the minimum price which may be paid for such shares shall not be less than the nominal value of the shares and the maximum price will be 105% of the then average market price of such shares over the previous five days trading.

Shareholders are also being asked under the fourth item of special business to pass a resolution authorising the Company to reissue such shares purchased by it and not cancelled as treasury shares. If granted, the minimum and maximum prices at which treasury shares may be reissued shall be set at 95% and 120%, respectively, of the then market price of such shares. This authority will expire on the earlier of the close of business on 27 August 2009 or the date of the AGM of the Company in 2009.

Proposed amendment of the Articles of Association to facilitate the wider use of electronic communications.

Under Article 120 of the Articles of Association, the Company is permitted to send the audited accounts and the director's and auditor's reports to the shareholders by electronic mail or any other means of electronic communications provided that such documents are sent with the consent of the recipient. Under Article 125(a)(iv) there is a similar provision which

SPECIAL BUSINESS AT ANNUAL GENERAL MEETING (CONTINUED)

allows the Company to send all other forms of communications to shareholders provided the consent of the recipient is obtained. Under the last item of special business at the AGM, it is proposed that the Articles of Association of the Company be amended so that these requirements in the articles for the consent of a shareholder in regard to the receipt of electronic mail or other means of electronic communications shall be deemed to have been satisfied where the Company has written to the shareholder informing him/her of its intention to use electronic communications for such purposes and the shareholder has not, within 4 weeks of the issue of such notice, served an objection in writing on the Company to such proposal. As part of the same amendment, it will be possible for any shareholder, who is deemed to have given his consent to the receipt of electronic mail or other means of electronic communications, to revoke such consent at any time by requesting the Company to communicate with him in documented form. Where a shareholder sends the Company such a revocation, it will not take effect until 5 days after written notice of the revocation is received by the Company.

If this amendment is adopted, it will mean that the Company will be able to use electronic communications with shareholders in the same way as is now possible for companies which are listed on the Official List of the Irish Stock Exchange following the introduction of the Transparency (Directive 2004/109/EC) Regulations 2007 (Statutory Instrument 7 of 2007). In practice, this would result in the Company adopting the following arrangements:

1. Before the Company can deem a shareholder to have consented to the use of electronic communications, it must first have written to the shareholder informing him/her of its intention to use electronic communications for such purposes and the shareholder must not have, within 4 weeks of the issue of such notice, served an objection in writing on the Company to such proposal.
2. When communications are to be made available to shareholders via a website, the Company will send shareholders a notification which will provide shareholders with:
   - the address of the website;
   - the place on the website where the relevant communication may be accessed; and
   - details of how to access the relevant communications.
3. The notification referred to in 2 above will be sent by email to those shareholders who consent to electronic communications and have provided the Company with an email address, and by letter to those shareholders who have agreed (or are deemed to have agreed) to electronic communications but have not provided the Company with an email address.
4. The Company will continue to send shareholders tax vouchers for their dividends by post, and there may be other circumstances in which the Company may need or prefer to send communications to shareholders in hard copy rather than by electronic communications.
5. Any shareholder can revoke his consent (or deemed consent) at any time by contacting the Company's registrars and requesting that all further communications be conveyed to him/her in writing. Such a revocation will become effective 5 days after it is received by the Company or its registrar.

A copy of the proposed amended Articles of Association will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the Company's registered office up to and including 28 May 2008 and at the Radisson SAS Royal Hotel, Golden Lane, Dublin 8 for a period of 15 minutes before the AGM scheduled for Wednesday, 28 May 2008 at 10.00am.

A Form of Proxy in respect of all resolutions to be voted on has been posted to shareholders with this annual report.

Recommendation

Your Board believes that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders. Accordingly, your directors unanimously recommend you to vote in favour of the resolutions as they intend to do in respect of all the ordinary shares which can be voted by them.

On behalf of the Board

C P McCann
Chairman

J F Gernon
Finance Director

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

The board of Total Produce plc is firmly committed to business integrity, high ethical values and professionalism in all its activities and operations. It is therefore committed to maintaining the highest standards of corporate governance.

As an AIM and IEX listed company, Total Produce plc is not required to comply with the principles and provisions of the Combined Code on corporate governance as issued by the Financial Reporting Council in July 2006. However, the Board has undertaken to comply with the Combined Code, as far as practical, having regard to the size and nature of the Group.

The following statement, together with the Audit and Compensation committees' reports on pages 32 to 39, describe how the principles and provisions of the Combined Code have been applied.

THE BOARD OF DIRECTORS

Total Produce plc is led by a strong and effective Board of Directors. The directors of the Company comprise the following individuals:

Executive:

C P McCann	Executive Chairman
R P Byrne	Chief Executive
J F Gernon	Finance Director

Non-Executive:

R B Hynes	Senior Independent Non-Executive Director, Chairman of the Compensation Committee
J J Kennedy	Chairman of the Audit Committee

All of the directors have fiduciary responsibilities to shareholders. In addition, the executive directors are responsible for the operation of the business while the non-executive directors bring independent objective judgement to bear on Board decisions by constructively challenging management and helping to develop and execute the Group's strategic objectives.

Each of the executive directors has extensive knowledge of the fresh produce industry, in addition to wide ranging business skills and commercial acumen. All of the directors bring an objective judgement to bear on issues of strategy, performance, resources (including key appointments) and standards of conduct.

Effective governance is fostered by the separation of the roles of the Executive Chairman and the Chief Executive, as this division of responsibilities at the head of the Group ensures a balance of power and authority. The Executive Chairman has overall responsibility for Group Strategy and to see that the Group achieves a satisfactory return on investment for shareholders; he oversees the operation and effectiveness of the Board and ensures appropriate interaction between it, executive management and the Company's shareholders. The Chief Executive is responsible for developing and delivering the Group's strategy and is accountable for its overall performance and day to day management.

The Board believes that the appointment of C P McCann as Executive Chairman is in the best interests of the Company and its shareholders, bringing as he does 28 years of experience in the Produce Sector. In addition to being Executive Chairman of Total Produce plc, C P McCann is also Chairman of Blackrock International Land plc ("Blackrock"), (See Compensation Committee Report). Total Produce plc leases a number of properties in Ireland, which are owned by Blackrock.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board has determined both of the non-executive directors to be independent. In arriving at its conclusion, the Board considered many factors including, inter alia, whether any of the non-executive directors:

- has been an employee of the Group within the last five years;
- has, or had within the last three years, a material business relationship with the Group;
- receives remuneration from the Group other than a director's fee;
- has close family ties with any of the Group's advisers, directors or senior employees;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; or
- represents a significant shareholder.

Each of the non-executive directors brings considerable business experience and independent challenge to the Board's deliberations and an unfettered perspective to their advisory and monitoring roles. The terms and conditions relating to the appointment of the non-executive directors are available from the Company Secretary.

SENIOR NON-EXECUTIVE DIRECTOR

R B Hynes has been appointed Senior Independent Non-Executive Director.

Board members are selected (see Nomination Committee terms of reference below) because of their relevant experience and appropriate training is available to them whenever necessary. Arrangements exist for new directors to receive a full, formal and tailored induction into the Group's activities and into the operation and procedures of the Board on their appointment.

OPERATION OF THE BOARD

The Board met regularly throughout the financial year with six scheduled Board meetings in addition to which meetings are called as and when warranted by issues arising.

Attendance at scheduled Board and Committee meetings during the year ended 31 December 2007 was as follows:

	Full Board	Audit Committee	Compensation Committee	Nomination Committee
Number of scheduled meetings	**6**	**4**	**3**	**1**
C P McCann	6	-	-	1
R P Byrne	6	-	-	1
J F Gernon	6	*4	*3	-
R B Hynes	6	4	3	1
J J Kennedy	6	4	3	1

* *In attendance only*

Additional Board or Committee meetings were held to issue formal approvals, or deal with other matters of a routine or administrative nature.

The Chairman held meetings with the non-executive directors without the executives present. There is interaction as necessary between senior executive management and Board members.

The Board has identified and formally adopted a schedule of key matters that are reserved for its decision, including the annual budgets, interim and preliminary results announcements, interim and final dividends, the appointment or removal of directors and the Company Secretary, circulars to shareholders, Group treasury policies, capital expenditure and acquisitions in excess of €20 million. Certain other matters are delegated to Board committees, the details of which are set out below.

There is an agreed Board procedure enabling directors to take independent professional advice, in the furtherance of their duties, at the Company's expense. Each Board member has access to the impartial advice and services of the Company Secretary, who is responsible to the Board for ensuring that appropriate procedures are followed. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Company has put in place a directors' and officers' liability insurance policy.

The Memorandum and Articles of Association of the Company require that one third of the Board must, by rotation, seek re-election at the Annual General Meeting (AGM) each year.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

On an annual basis, the Board evaluates its own performance and that of its committees and of each individual director. In assessing the performance of the Board in 2007, the directors considered such matters as the appropriateness of its composition, its effectiveness in developing Group strategy, its contribution to managing the Group's business and operational risks, its response to developing issues and its communications with the Group's stakeholders. In assessing the performance of the committees of the Board, the directors considered the appropriateness of their composition and terms of reference, their effectiveness in fulfilling their roles and their interaction with the Board. The assessment of the performance of individual directors included consideration of their contribution to the effective functioning of the Board, the appropriateness of their knowledge, skill and experience levels and their commitment to their roles. The Chairman summarised the outcome of these evaluation processes and reported them to the Board. The Board concluded that the Board, the Directors and its Committees were effective in the performance of their duties. In addition, the non-executive directors evaluated the effectiveness of the Chairman.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

There are three principal Board Committees, the Audit, Compensation and Nomination Committees.

AUDIT COMMITTEE

Full details of the composition, terms of reference and activities of the Audit Committee are set out in the Audit Committee Report on pages 32 and 33.

COMPENSATION COMMITTEE

Details of the composition and terms of reference of the Compensation Committee, which has responsibility for the remuneration of the executive directors and senior management, are set out in the Compensation Committee Report on pages 34 to 39.

NOMINATION COMMITTEE

The members of the Nomination Committee are C P McCann (Chairman), R P Byrne, R B Hynes and J J Kennedy. A majority of the committee's members cannot be considered independent (Combined Code provision). However, considering the size of the Board a 50:50 split is considered acceptable by the Board. The terms of reference of the committee are to evaluate the balance of skills, knowledge and experience of the Board, to consider the need for any new or additional appointments, where necessary to prepare a list of potential candidates and forward the names of potential candidates to the Board for its consideration and, if appropriate, approval.

INTERNAL CONTROLS AND THE MANAGEMENT OF RISK

The Board is ultimately responsible for the overall system of internal controls applied in the Company and its subsidiaries and for reviewing the effectiveness of these controls. The Group's control system is designed to actively manage rather than eliminate the risks of failure to achieve its business objectives. The internal controls system is designed to provide reasonable assurance (but not absolute assurance) against material misstatement or loss.

Total Produce plc has established a strong internal audit function and its effectiveness is reviewed by the Audit Committee.

Risk management within Total Produce plc is co-ordinated by an Executive Risk Committee which directs the implementation of the process consistently throughout the Group and reviews the relevant findings. The members of the committee include the Group Finance Director, the Head of Internal Audit, the Company Secretary and a number of other senior personnel. Risk evaluation and recommendations for strategic change are reviewed by the Executive Risk Committee who reports its findings to the Audit Committee for its consideration.

The Audit Committee, in turn, report these findings to the Board at least annually enabling corrective initiatives to be undertaken where appropriate.

Both the internal audit and risk management functions facilitate each other and, together with divisional management, provide the Board with distinct sources of reasonable assurance as to the effectiveness of the system of internal controls that underlies the Group's control environment.

The Board conducts its own risk identification and assessment so that it is sufficiently aware of the principal threats to which the Group may be exposed.

The Board, through the Audit and Executive Risk Committees, has reviewed the process for identifying and evaluating the significant risks affecting the businesses and the policies and procedures by which these risks are managed effectively. The Board has embedded these structures and procedures throughout the Group and considers these to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

The directors regard the process of risk management as a positive medium for change, adding value in the interests of shareholders by utilising sound and considered judgement, while simultaneously making the organisation alert to best management practices.

COMMUNICATION WITH SHAREHOLDERS AND ANNUAL GENERAL MEETING (AGM)

Communication with shareholders is given a high priority by Total Produce. The Group recognises the importance of maintaining regular dialogue and meetings with shareholders to ensure the Group's strategy and performance is understood.

Apart from the AGM, the Group communicates with its shareholders by way of the Annual Report and financial statements. The Group publishes its preliminary and interim results presentations on the Group's website (www.totalproduce.com). Stock Exchange announcements in respect of trading updates and corporate activity are similarly published on the website.

In addition the Group communicates with its institutional shareholders through analysts' briefings throughout the year but particularly at the announcement of interim and year-end results.

The Directors are kept informed on investor issues and the outcome of meetings with shareholders through reports and regular updates. The Chairman is available to discuss strategy and governance with major shareholders. The Chairman and the Senior Independent Non-executive Director are available to address concerns with shareholders which cannot be addressed through normal channels.

A business presentation is provided at the Group's AGM followed by a question and answer forum which offers the shareholders the opportunity to question the Board. The AGM is valued by the Board as an occasion where individual shareholders' views and suggestions can be noted and considered by the directors.

Details of proxy voting are announced in respect of each resolution considered at the AGM or any EGM. The Company will arrange for the Notice of the 2008 AGM and related papers to be sent to shareholders at least 20 working days before the meeting.

ACCOUNTABILITY AND AUDIT

The contents of the Operating and Financial Reviews, the Directors' Report and financial statements (in addition to official Company press releases, Stock Exchange announcements and interim results) have been reviewed in order to ensure a balanced presentation, so that the Group's position and results may be properly appreciated by shareholders.

A summary of directors' responsibilities in respect of the financial statements is given on page 40. The system of internal controls and risk management established to safeguard the Company's assets is set out above. The Audit Committee, whose composition and functions are described on pages 32 and 33, has considered, in conjunction with the external auditor, the accounting policies adopted in the financial statements and has evaluated the internal controls that have been established within the Group.

ENVIRONMENTAL MANAGEMENT, CORPORATE RESPONSIBILITY AND ETHICAL TRADING INITIATIVES

The European Commission has published recommendations governing the recognition, measurement and disclosure of environmental issues in the annual reports of companies. Although the provisions of the recommendations are not binding on Total Produce in the conduct of its business, the Group recognises its social responsibility and endorses the growing trend towards environmental accountability.

The Group actively promotes best business practices and standards that seek to enhance the health, education and conditions of workers and their families and to universally encourage the use of sustainable farming methods by its suppliers.

GOING CONCERN

After making enquiries, the directors are satisfied that the Company, and the Group as a whole, has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

AUDIT COMMITTEE REPORT

MEMBERSHIP AND RESPONSIBILITIES

The members of the Audit Committee ("the Committee"), both of whom are independent non-executive directors, are J J Kennedy (Chairman) and R B Hynes.

The Board believes that both J J Kennedy and R B Hynes satisfy the recommendation in the 2006 FRC Combined Code that at least one member of the Audit Committee should have recent relevant financial experience and that both are sufficiently knowledgeable in relevant financial matters to enable them to fulfil their responsibilities on the committee.

These responsibilities are set out in the terms of reference of the Audit Committee. They are summarised below:

1. to approve the terms of engagement and remuneration of the external auditor and to recommend to the Board, when appropriate, any change in the external auditor;
2. to agree, in advance, with the external auditor the nature and scope of their audit as set out in their audit plan;
3. to annually assess and monitor the independence, objectivity and effectiveness of the external auditor. As part of this process, the Committee reviews the implementation of its policy in relation to the provision of non-audit services by the external auditor, taking into account relevant ethical guidance;
4. to agree with the Board (and to subsequently monitor) a policy on the employment by the Group of former employees of the external auditor;
5. to review the Group's preliminary results announcement, financial information and full year consolidated financial statements and to report to the Board on the outcome of these reviews. As part of this process, the Committee considers:
    - the appropriateness of the Group's accounting policies, including any changes in these policies;
    - any significant judgemental matters;
    - any significant audit adjustments;
    - the continuing appropriateness of the going concern assumption;
    - the contents of the operating and financial reviews as set out in the annual report;
    - compliance with relevant financial reporting standards; and
    - compliance with legal and Stock Exchange requirements;
6. to review any issues raised by the external auditor during the conduct of their audit. As part of this review, the Committee considers any report from the external auditor on their findings in relation to the Group's financial systems and controls, together with any management responses. In addition, the Committee reviews the representation letters required by the external auditor as part of the audit, prior to their endorsement by the Board. The Committee also meets the external auditor independently of management at least annually;
7. to review the Group's statement on internal control systems and the risk management framework, prior to endorsement by the Board;
8. to review and to report to the Board on effectiveness of the Group's internal controls including, coordination between the internal and external auditors and the adequacy of the internal audit function;
9. to approve, in consultation with the Chairman of the Board, the appointment and removal of the Head of Internal Audit;
10. to consider any major findings from internal investigations and the Company's response;
11. to review the Group's arrangements for employees to raise concerns, in confidence, about possible impropriety in financial reporting or other matters and to ensure there is provision for a proportionate investigation and follow-up of such matters; and
12. to review, at least annually, the Committee's own performance and terms of reference and to recommend any changes it considers necessary to the Board for approval.

INDEPENDENCE OF EXTERNAL AUDITOR

As part of the approval of the appointment of the external auditor, the Committee has sought confirmation from the external auditor that it is, in its professional judgement, independent of Total Produce. The Committee monitors the nature, extent and scope of the non-audit services provided by the external auditors on an annual basis. In this regard, the engagement of the external auditor to provide any non-audit services, where the expected costs exceed a pre-approved limit, requires the approval of the Audit Committee.

Four key principles underpin the provision of non-audit services by the external auditor, namely that the auditor shall not:

- audit its own firm's work;
- make management decisions for the Group;
- have a mutuality of financial interest with the Group; or
- be put in the role of advocate for the Group.

The amounts paid to the external auditor during the financial year for audit and non-audit services are disclosed on page 62.

The Committee also reviewed the Group's practices in respect of the hiring of former employees of the external auditor in order to assess whether such appointments might affect, or appear to affect, the external auditor's independence. The Committee is advised in advance of any such proposed appointments.

COMPENSATION COMMITTEE REPORT

COMPOSITION AND TERMS OF REFERENCE OF COMPENSATION COMMITTEE

The members of the Compensation Committee ("the Committee"), both of whom are independent non-executive directors, are R B Hynes (Chairman) and J J Kennedy. These directors have no financial interest and no potential conflicts of interest, other than as shareholders in the matters to be decided, arising from cross-directorships and no day to day involvement in the running of the business.

The terms of reference of the Committee are:

- to establish the Company's policy on executive directors' and senior management's remuneration;
- to establish the terms of service agreements, remuneration packages and employment conditions of executive directors;
- review the ongoing appropriateness and relevance of the remuneration policy;
- to approve the granting of share options to executive directors and employees and to determine whether the conditions as set out in Clause 7 the 2007 share option scheme have been achieved;
- where appropriate to recommend to shareholders the establishment of long term incentive schemes, to set appropriate performance targets for such schemes, to define the basis of participation in such schemes and to determine the grants of awards under such schemes;
- if necessary, to establish the amount and constituents of termination payments to be made to executive directors;
- to recommend and monitor the level and structure of remuneration for senior management as determined by the Board; and
- to report to shareholders on directors remuneration in accordance with the requirements of the IEX/AIM Listing Rules and Company Law.

The Executive Chairman of Total Produce is consulted about the remuneration of other executive directors and the Compensation Committee is authorised to obtain access to professional advice, if deemed appropriate.

The remuneration of the non-executive directors is approved by the Board.

REMUNERATION POLICY

The Group's policy on executive directors' remuneration recognises that employment and remuneration conditions for senior executives must properly reward and motivate them to perform in the best interests of shareholders.

The planned recurring elements of the remuneration package for executive directors are basic salary and benefits, annual bonus, short term incentive plan, pensions and participation in the Company's share option scheme and profit sharing scheme. It is the policy to grant options to senior executives to encourage identification with shareholders' interests.

EXECUTIVE DIRECTORS' BASIC SALARY AND BENEFITS

Basic salaries of executive directors are reviewed annually by the Committee with regard to personal performance, Group performance and competitive market practice.

PERFORMANCE RELATED BONUS

The Group will award performance related annual bonuses to executive directors. The level in any one year will depend on an assessment of individual performance and the overall performance of the Group.

PENSIONS

Pensions for executive directors are calculated on basic salary only and provide for two-thirds of salary for full service (40 years) at retirement. The Irish Finance Act 2006 effectively established a cap on pension provision by introducing a penalty tax charge on pension assets in excess of the higher of €5 million or the value of individual prospective pension entitlements as at 7th December 2005. As a result of these legislative changes, the Compensation Committee has approved an arrangement which involves a director capping his pension in line with the provisions of the Finance Act and receiving a supplementary taxable non-pensionable cash allowance in lieu of the prospective pension benefits foregone. This allowance is similar in value to the reduction in the Company's liability represented by the pension benefits foregone and was calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to the director and spread over the term to retirement as an annual allowance. The actual allowances for 2007 and 2006 are detailed in note (i) on page 37.

SHORT TERM INCENTIVE PLAN

For year ended December 2007, the executive directors and the Company Secretary may earn a stretch bonus if an increase in adjusted earnings per share over prior year of between 10% and 20% is achieved. The potential award for the Chief Executive is from 12.5% to 50% basic salary for performance within the above range. The Awards may be payable in the form of ordinary shares in the Company or cash (subject to PAYE) or a combination of both. The increase in adjusted earnings per share for 2007 over 2006 was 11.4% and accordingly bonuses totalling €206,000 were awarded. The non-executive directors are not eligible to participate in this scheme.

EMPLOYEE SHARE OPTION SCHEME

It is the Group's policy to grant share options as an incentive to enhance performance and to encourage employee share ownership in the Company. The current employee share option scheme was approved in December 2006. The percentage of share capital which can be issued under the scheme and individual limits comply with institutional guidelines. At 31 December 2007, options had been granted but not yet exercised or vested over 5,085,000 (2006: nil) ordinary shares at prices ranging from €0.65 to €0.815 or 1.45% (2006: nil) of the issued ordinary share capital. These included 750,000 options granted to executive directors and 160,000 options to the Company Secretary, further details of which are included in the directors' share interests disclosed on page 39.

EMPLOYEE PROFIT SHARING SCHEME

The Company has an employee profit sharing scheme which appropriated shares at market value for executive directors and other employees of the Group during the year. In December 2007, 59,526 and 19,842 ordinary €1 cent shares were appropriated to the executive directors and Company Secretary respectively under this scheme in respect of 2007. Non executive directors do not participate in this scheme. The shares appropriated to the executive directors and Company Secretary are included in the directors' share interests disclosed on page 39.

SERVICE CONTRACTS

No service contracts exist between the Company or any of the Group's subsidiaries and any executive or non-executive directors.

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had a beneficial interest in any material contract to which the Company or any subsidiaries were a party during the current or preceding financial year. One of the directors had an indirect interest in the Company's investment in a joint venture company and this is disclosed in Note 29 of the financial statements.

COMPENSATION COMMITTEE REPORT

DIRECTORS' REMUNERATION

Aggregate directors' remuneration for the year was as follows:

	EXECUTIVE DIRECTORS		NON-EXECUTIVE DIRECTORS		TOTAL	
	2007 €'000	2006 €'000	2007 €'000	2006 €'000	2007 €'000	2006 €'000
Basic salaries	1,071	1,046	-	-	1,071	1,046
Fees	-	-	130	68	130	68
Performance bonuses	616	425	-	-	616	425
Short term incentive plan	172	-	-	-	172	-
Benefits	32	33	-	-	32	33
Pension contributions/related payments	265	316	-	-	265	316
Total remuneration	**2,156**	1,820	**130**	68	**2,286**	1,888
Number of directors (average)	3	3	2	1	5	4

In accordance with IFRS 2, *Share Based Payments* a further expense of €8,000 (2006: €Nil) has been recognised in the income statement in respect of share options granted to executive directors in September 2007.

In accordance with IAS 19, *Employee Benefits* the pension expense recognised in the income statement for executive directors amounted to €69,000 (2006: €129,000) compared with cash contributions of €265,000 (2006: €316,000). Actuarial gains recognised in the statement of recognised income and expense, in respect of pension benefits of executive directors, amounted to €105,000 (2006: €309,000).

DIRECTORS' REMUNERATION

The remuneration paid to the directors in 2007 was paid to them in their capacity as directors of Total Produce plc. In 2006, the directors were paid in their capacity as directors of Fyffes plc which included duties within the General Produce Division as well as the Tropical Produce and other divisions of Fyffes plc.

Executives	Salary or fees €'000	Bonus €'000	Short term incentive plan (iii) €'000	Other benefits €'000	Pension contributions or related payments €'000	Total 2007 €'000	Total 2006 €'000
C P McCann (i) (ii)	345	138	64	15	74	636	668
R P Byrne	400	250	64	-	122	836	581
J F Gernon	326	228	44	17	69	684	571
	1,071	**616**	**172**	**32**	**265**	**2,156**	1,820
Non executives							
R B Hynes	65	-	-	-	-	65	68
J J Kennedy	65	-	-	-	-	65	-
	130	**-**	**-**	**-**	**-**	**130**	68
Total	**1,201**	**616**	**172**	**32**	**265**	**2,286**	1,888

Other benefits for executive directors relate entirely to motor expenses.

(i) No pension contributions to the Group's defined benefit pension scheme were made during 2006 or 2007 on behalf of C P McCann as his benefits under this scheme are now limited under Irish tax legislation for reasons explained on page 34. As a result, the Compensation Committee approved a cash payment of €74,400 (2006: €93,654) which was calculated in accordance with actuarial advice and net of the portion attributable to Blackrock International Land plc to compensate him for the value of his pension contributions foregone, net of employers' social insurance contributions.

(ii) C P McCann is executive chairman of Blackrock and was executive chairman of Fyffes until his resignation on 30 December 2006 and his appointment as Chairman of Total Produce plc. In accordance with the terms of the Business Transfer Agreement between Total Produce and Blackrock, Total Produce (Fyffes in 2006) recharged an agreed portion of his employment costs (excluding bonus) to Blackrock to reflect the approximate allocation of his time between these two roles. All amounts reflected above represent the portion of his remuneration attributable to Total Produce plc in 2007 and Fyffes plc in 2006.

(iii) The STIP award will be applied in the purchase of shares in Total Produce plc which will be held by a Trustee for the benefit of the individual participants for a fixed holding period of 5 years and one month.

COMPENSATION COMMITTEE REPORT

PENSION ENTITLEMENTS OF EXECUTIVE DIRECTORS

The pension benefits attributable to the executive directors during the year and the total accrued pensions at the end of the year were as follows:

Executive Directors	Increase in accrued pension during 2007 (a) €'000	Transfer value of increase during 2007 (b) €'000	Total accrued pension at 31 Dec 2007 (c) €'000
C P McCann	-	-	218
R P Byrne	6	69	105
J F Gernon	5	90	184
Total	**11**	**159**	**507**

	Increase in accrued pension during 2006 (a) €'000	Transfer value of increase during 2006 (b) €'000	Total accrued pension at 30 Dec 2006 (c) €'000
C P McCann	-	-	210
R P Byrne	6	68	95
J F Gernon	5	78	172
Total	**11**	**146**	**477**

(a) The increase in accrued pension during the year excluding inflation.

(b) The transfer value of the increase in accrued pension has been calculated based on actuarial advice. These transfer values do not represent sums paid or due, but are the amounts that the pension scheme would transfer to another pension scheme in relation to the benefits accrued in the year, in the event of a member of the scheme leaving service.

(c) This represents the pension which would be paid annually, on normal retirement date, based on service to the end of this accounting period.

DIRECTORS' AND COMPANY SECRETARY'S SHARE INTERESTS

The interests of the directors and the Company Secretary in the issued share capital of the Company are shown below:

Directors	At 31 December 2007 beneficial number Total Produce plc ordinary shares of €1 cent	At 30 December 2006 beneficial number Total Produce plc ordinary shares of €1 cent
C P McCann	1,553,195	1,533,353
R P Byrne	250,893	231,051
J F Gernon	378,945	359,103
R B Hynes	50,000	50,000
J J Kennedy	-	-
Company Secretary		
F J Davis	138,914	119,072

DIRECTORS' AND COMPANY SECRETARY'S INTERESTS IN SHARE OPTIONS

Information on directors' and Company Secretary's share options to subscribe for ordinary shares of the Company at year end is set out below. These relate to share options granted to directors during the year on 20 September 2007.

	Granted during year	Options held at 31 Dec 2007	Exercise price	Earliest date from which exercisable (if vested)	Expiry date
C P McCann	275,000	275,000	€0.65	20/09/2010	19/09/2017
R P Byrne	275,000	275,000	€0.65	20/09/2010	19/09/2017
J F Gernon	200,000	200,000	€0.65	20/09/2010	19/09/2017
F J Davis*	160,000	160,000	€0.65	20/09/2010	19/09/2017

* *Company Secretary*

The market price of the Company's shares at 31 December 2007 was €0.59 and the range during 2007 was €0.585 to €0.88.

Other than as described above, there have been no movements in the share interests and interest in share options of the directors or Company Secretary between the year end and 3 March 2008.

Options granted are only exercisable when the earnings per share figure, in respect of the third or any subsequent accounting period after the end of the base year (i.e. accounting period preceding the date of the grant), is greater than the earnings per share figure for the base year by a percentage which is not less than (on a year on year basis) the annual percentage increase in the consumer price index plus 5% compounded during that period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law and in accordance with AIM/IEX Rules, the directors have elected to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2006.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group and Company; the Companies Acts, 1963 to 2006 provide in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and the requirements of the AIM/IEX Rules issued by the Irish and London Stock Exchanges, the directors are also responsible for preparing a Directors' Report and reports relating to directors' remuneration that comply with that law and those rules. The directors have also elected to prepare a report on Corporate Governance. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

C P McCann	J F Gernon
Chairman	Finance Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOTAL PRODUCE PLC

We have audited the Group and Company financial statements (the "financial statements") of Total Produce plc for the financial year ended 31 December 2007 which comprise the Group Income Statement, the Group and Company Statements of Recognised Income and Expense, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 40.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the 2007 financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and, in the case of the Company as applied in accordance with the provisions of the Companies Acts, 1963 to 2006, and have been properly prepared in accordance with the Companies Acts, 1963 to 2006. We also report to you whether, in our opinion: proper books of account have been kept by the Company; at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company's balance sheet is in agreement with the books of account.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Operating Review and the Financial Review, the Corporate Governance Report, the Audit Committee Report and the Compensation Committee Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOTAL PRODUCE PLC

OPINION

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2007 and of its profit for the financial year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2006, of the state of the Company's affairs as at 31 December 2007; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion, the information given in the Directors' Report on pages 24 to 27 is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet on page 106 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2007 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

KPMG

Chartered Accountants

Registered Auditor

Dublin, 3 March 2008

GROUP INCOME STATEMENT

For the year ended 31 December 2007

	NOTES	Total 2007 €'000	Pre-exceptional 2006 €'000	Exceptional items 2006 €'000	Post exceptional 2006 €'000
Revenue including Group share of joint ventures and associates	1	2,431,147	1,860,892	-	1,860,892
Group revenue	1	**2,150,621**	**1,577,056**	**-**	**1,577,056**
Cost of sales		(1,859,871)	(1,353,920)	-	(1,353,920)
Gross profit		**290,750**	**223,136**	**-**	**223,136**
Distribution expenses		(212,739)	(150,685)	-	(150,685)
Administration expenses		(44,395)	(42,784)	-	(42,784)
Other operating expenses	3	(626)	(166)	(22,749)	(22,915)
Other operating income	2	2,757	2,065	9,550	11,615
Share of profit of joint ventures (after tax)	13	2,158	3,316	-	3,316
Share of (loss)/profit of associates (after tax)	13	(172)	65	-	65
Operating profit		**37,733**	**34,947**	**(13,199)**	**21,748**
Financial income	4	4,000	1,994	-	1,994
Financial expense	4	(8,575)	(4,826)	-	(4,826)
Profit before tax		**33,158**	**32,115**	**(13,199)**	**18,916**
Income tax expense	7	(8,979)	(8,773)	3,417	(5,356)
Profit for the financial year		**24,179**	**23,342**	**(9,782)**	**13,560**
Attributable as follows:					
Equity shareholders of the Company		19,055			7,060
Minority interests		5,124			6,500
		24,179			**13,560**
Earnings per ordinary share					
Basic	9	€ 5.43 cent			€ 2.02 cent
Fully diluted	9	€ 5.43 cent			€ 2.00 cent

On behalf of the Board

C P McCann
Chairman

J F Gernon
Finance Director

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 31 December 2007

	NOTES	2007 €'000	2006 €'000
Foreign currency translaction effects			
- foreign currency net investments - subsidiaries		(7,996)	4,361
- foreign currency net investments - joint ventures	13	(905)	(98)
- foreign currency borrowings		3,641	(624)
Revaluation gains on property, plant and equipment	10	1,706	-
Deferred tax on revaluation of property, plant and equipment	25	204	-
Revisions to deferred tax provision on revaluation reserve		-	585
Share of joint ventures revaluation gains on property, plant and equipment	13	294	-
Share of joint ventures deferred tax on revaluation gains	13	(41)	-
Fair value adjustment on equity investments	14	(62)	-
Fair value deficit on equity investment recycled to the income statement	14	-	1,400
Effective portion of cash flow hedges, net of recycling		-	(61)
Deferred tax relating to cash flow hedges, net of recycling	25	-	9
Actuarial gain recognised on defined benefit pension schemes	27	3,401	6,315
Deferred tax on actuarial gain on defined benefit pension schemes	25	(1,413)	(236)
Share of joint ventures actuarial gain/(loss) recognised on defined benefit pension schemes	13	189	(609)
Share of joint ventures deferred tax on actuarial movements on defined benefit pension schemes	13	(66)	149
Share of joint ventures fair value gain on equity investments	13	25	-
Total income and expense recognised directly in equity		**(1,023)**	**11,191**
Profit for the financial year		**24,179**	**13,560**
Total recognised income and expense		**23,156**	**24,751**
Attributable as follows:			
Equity shareholders of the Company	18	17,354	17,838
Minority interests	19	5,802	6,913
Total recognised income and expense		**23,156**	**24,751**

GROUP BALANCE SHEET

As at 31 December 2007

	NOTES	2007 €'000	2006 €'000
Assets			
Non-Current			
Property, plant and equipment	10	124,226	112,049
Investment property	11	12,194	9,009
Goodwill and intangible assets	12	123,586	95,895
Investments in joint ventures and associates	13	41,453	26,859
Equity investments	14	9,462	11,011
Other receivables	16	1,609	1,627
Deferred tax assets	25	5,231	4,502
Employee benefits	27	7,235	3,047
Total non-current assets		**324,996**	**263,999**
Current			
Inventories	15	37,351	30,342
Trade and other receivables	16	267,177	221,351
Corporation tax receivable		1,803	-
Derivative financial instruments	30	171	17
Cash and cash equivalents	17	87,104	87,909
Total current assets		**393,606**	**339,619**
Total assets		**718,602**	**603,618**
Equity			
Called-up share capital	18	3,519	3,510
Share premium	18	252,574	251,998
Other reserves	18	(111,745)	(108,071)
Retained earnings	18	19,366	-
Total equity attributable to equity shareholders of the Company		**163,714**	**147,437**
Minority interest	**19**	**45,997**	**48,501**
Total equity		**209,711**	**195,938**
Liabilities			
Non-Current			
Interest-bearing loans and borrowings	20	109,946	60,066
Deferred government grants	22	2,385	2,081
Other payables	21	2,612	538
Provisions	23	8,380	4,384
Corporation tax payable		7,772	7,785
Deferred tax liabilities	25	20,151	15,047
Employee benefits	27	8,675	3,237
Total non-current liabilities		**159,921**	**93,138**
Current			
Borrowings:			
- Interest-bearing loans and borrowings	20	49,171	22,178
- Debt due to Fyffes plc arising on demerger	20	-	15,665
Trade and other payables	21	296,282	227,630
Provisions	23	3,226	46,406
Derivative financial instruments	30	291	3
Corporation tax payable		-	2,660
Total current liabilities		**348,970**	**314,542**
Total liabilities		**508,891**	**407,680**
Total equity and liabilities		**718,602**	**603,618**

On behalf of the board

C P McCann
Chairman

J F Gernon
Finance Director

GROUP CASH FLOW STATEMENT

For the year ended 31 December 2007

	NOTES	2007 €'000	2006 €'000
Operating activities			
Profit for financial year		24,179	13,560
Adjustments for:			
Income tax expense		8,979	5,356
Depreciation on property, plant and equipment	10	13,687	12,294
Impairment of property, plant and equipment	10	113	-
Fair value movement on investment property	11	(360)	(6,120)
Impairment of trade investments	6	-	9,072
Impairment of goodwill in joint venture	6	-	7,403
Impairment of intangible assets	6	-	6,274
Amortisation of intangible assets	12	5,024	3,021
Amortisation of research and development	12	518	-
Amortisation of grants	22	(521)	(323)
Defined benefit pension scheme expense	27	2,243	2,642
Contributions to defined benefit pension schemes	27	(4,563)	(2,760)
Equity settled share-based compensation expense	27	93	-
Net loss/gain on disposal of property, plant and equipment		69	(610)
Interest income	4	(3,584)	(1,894)
Interest expense	4	8,361	4,826
Loss on fair value of derivative financial instruments	4	214	-
Gain on fair value of derivative financial instruments	4	(120)	(100)
Share of profits of joint ventures	13	(2,158)	(3,316)
Share of losses/(profits) of associates	13	172	(65)
Movement in trade and other receivables		5,228	(18,829)
Movement in trade and other payables		7.910	20,243
Movement in inventories		(540)	2,399
Income tax paid		(11,627)	(12,255)
Interest received		3,472	1,656
Interest paid		(6,617)	(3,663)
Cash flows from operating activities		**50,172**	**38,811**
Investing activities			
Acquisition of subsidiaries, net of cash acquired	26	(32,994)	(10,255)
Acquisition of and investment in joint ventures	13	(1,794)	(2,497)
Loans advanced to joint ventures	13	(12,256)	-
Loans repaid from joint ventures	13	6,750	-
Dividends received from joint ventures	13	2,152	-
Dividends received from associates	13	-	80
Payments of deferred consideration	23	(43,556)	(5,077)
Acquisition of property, plant and equipment		(15,609)	(27,477)
Acquisition of investment property		(22)	
Proceeds from disposal of property, plant and equipment		1,128	1,480
Acquisition of trade investment	14	(40)	(1,991)
Proceeds from disposal of minority share		-	100
Cash derecognised on subsidiary becoming a joint venture	26	(8,589)	-
Research and development expenditure capitalised	12	(303)	-
Government grants received	22	746	156
Cash flows from investing activities		**(104,387)**	**(45,481)**

For the year ended 31 December 2007

	NOTES	2007 €'000	2006 €'000
Financing activities			
Proceeds from the issue of share capital	18	585	-
Proceeds from new borrowings		86,411	97,765
Repayment of borrowings		(18,385)	(75,130)
Net cash movement in balance with Fyffes plc		(15,665)	34,299
Capital element of lease payments		(1,270)	(1,084)
Dividends paid to Fyffes plc	8	-	(4,534)
Capital contribution from minority interest		-	116
Dividends to minority interest	19	(4,543)	(3,620)
Dividends paid to equity shareholders	8	(1,755)	-
Cash flows from financing activities		**45,378**	**47,812**
Net (decrease)/increase in cash and cash equivalents		(8,837)	41,142
Cash and cash equivalents, including bank overdrafts at beginning of financial year		85,042	42,882
Effect of exchange rate fluctuations on cash and cash equivalents		(2,094)	1,018
Cash and cash equivalents, including bank overdrafts at end of financial year	**17**	**74,111**	**85,042**

GROUP RECONCILIATION OF NET DEBT

	NOTES	2007 €'000	2006 €'000
Group reconciliation of net debt			
Net (decrease)/increase in cash equivalents		(8,837)	41,142
Proceeds from new borrowings		(86,411)	(97,765)
Repayment of borrowings		18,385	75,130
Interest bearing loans and borrowings arising on acquisition	26	(2,943)	-
Debt due to Fyffes plc arising on demerger		15,665	(15,665)
Capital element of lease payments		1,270	1,084
Other movements on finance leases		(556)	(516)
Finance lease arising on acquisition	26	(552)	-
Foreign exchange movement		1,966	366
Movement in net debt		**(62,013)**	**3,776**
Net debt at beginning of financial year		(10,000)	(13,776)
Net debt at end of financial year	**17**	**(72,013)**	**(10,000)**

SIGNIFICANT ACCOUNTING POLICIES

Total Produce plc (the "Company") is a company tax resident and incorporated in Ireland. The Group's financial statements for the financial year ended 31 December 2007 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group") and show the Group's interest in its joint ventures and associates using the equity method of accounting as set out below.

The individual and Group financial statements of the Company were authorised for issue by the directors on 4 March 2008.

The accounting policies applied in the preparation of the financial statements for the financial year ended 31 December 2007 are set out below.

STATEMENT OF COMPLIANCE

As permitted by European Union (EU) law and in accordance with AIM/IEX rules, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU. The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2006 which permits a company that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act, 1963, from presenting to its members its Company income statement and related notes that form part of the approved Company financial statements.

The IFRSs adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective at 31 December 2007.

BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value
- biological assets are measured at fair value less estimated point-of-sale costs
- investment property is measured at fair value

The methods used to measure fair values are discussed further in note 30.

The operations of the Company were demerged from Fyffes plc on 30 December 2006 and acquired on that date by the Company. The operations had always constituted a separate business segment within Fyffes plc and, consequently, in the Group financial statements of Total Produce plc after the demerger, the financial position was presented to shareholders on the basis of the carrying value of the assets previously reported to them.

In accordance with Section 62 of the Companies Act 1963, the ordinary shares issued by the Company were recorded at their fair value on the date of issue. The difference between the fair value of the consideration received by the Company and the carrying values at which the net assets were previously reported has been recognised in the Group financial statements as a demerger reserve. As permitted by section 149(5) of the Companies Act 1963, the profits of the business segments arising prior to the demerger have been included as revenue profits in the comparative period.

These consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key estimates and assumptions used in applying the Group's accounting policies and in measuring its assets and liabilities are set out in note 31.

ACCOUNTING FOR SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Group financial statements

Subsidiaries

Subsidiaries are those entities over which the Group has the power to control the operating and financial policy so as to obtain economic benefit from its activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The amounts included in these financial statements in respect of the subsidiaries are taken from their latest financial statements prepared up to their respective year ends, together with management accounts for the intervening periods to the period end, where necessary, although all significant subsidiaries have coterminous financial year ends. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent they provide evidence of impairment.

Joint ventures and associates

Joint ventures are those entities over which the Group exercises control jointly, under a contractual agreement, with one or more parties. Associates are those entities in which the Group has significant influence, but not control of the financial and operating policies. Investments in joint ventures and associates are accounted for by using the equity method of accounting. Under the equity method of accounting, the Group's share of the post-acquisition profits or losses of its joint ventures and associates are recognised in the Group income statement. The income statement reflects in profit before tax, the Group's share of profit after tax of its joint ventures and associates in accordance with IAS 31 *Interests in Joint Ventures* and IAS 28 *Investments in Associates*. The Group's interest in their net assets is included as investments in joint ventures and associates in the Group balance sheet at an amount representing the Group's share of the fair value of the identifiable net assets at acquisition plus the Group's share of post acquisition retained income and expenses and goodwill arising on the Group's investment. The amounts included in these financial statements in respect of the post acquisition income and expenses of joint ventures and associates are taken from their latest financial statements prepared up to their respective financial year ends together with management accounts for the intervening periods to the period end, where necessary. All significant joint ventures and associates have coterminous financial year ends. Where necessary, the accounting policies of joint ventures and associates have been changed to ensure consistency with the policies adopted by the Group.

Unrealised gains and income and expenses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the equity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they are not evidence of impairment.

Company financial statements

Investments in subsidiaries, joint ventures and associates are carried at cost less impairment. Dividend income is recognised when the right to receive payment is established.

PROPERTY, PLANT AND EQUIPMENT

Property is recognised at fair value with the changes in the value of the property reflected in revaluation gains in the statement of recognised income and expense, except impairment losses, which are recognised in the income statement. The fair value is based on market value, being the estimated amount for which a property could be exchanged in an arms length transaction.

Plant and equipment is stated at cost less accumulated depreciation and impairment losses. Expenditure incurred to replace a component of property, plant and equipment that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures including repairs and maintenance costs are recognised in the income statement as an expense is incurred.

Depreciation is calculated to write off the carrying amount of property, plant and equipment, other than freehold land, on a straight line basis, by reference to the following estimated useful lives:

- Freehold buildings: 30-50 years.
- Leasehold improvements: Over the lesser of 40 years or the unexpired portion of the lease.
- Plant and equipment: 5-20 years.
- Motor vehicles: 5 years.

SIGNIFICANT ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The residual value of assets if not insignificant, and the useful life of assets, is reassessed annually. Gains and losses on disposals of property, plant and equipment are recognised on the completion of sale. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are included in operating profit.

INVESTMENT PROPERTY

Investment property, principally comprising office buildings and warehouses, is property (including separate, self contained parts of such buildings) which is held for rental income or capital appreciation and is not occupied by the Group. Investment property is stated at fair value. The fair value is based on market value, being the estimated amount for which a property could be exchanged in an arms length transaction. All gains or losses arising from a change in fair value are recognised in the income statement. When property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised in equity if it is a gain. Upon disposal of the property, the gain is transferred to retained earnings. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, is recognised immediately in the income statement.

BIOLOGICAL ASSETS

Certain of the Group's joint ventures, involved in the production of fresh produce, hold biological assets, which include agricultural produce due for harvest on plantations. Biological assets are measured at fair value less estimated point of sale costs, with any resultant gain or loss recognised in the income statement. Point-of sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

FOREIGN CURRENCY

Transactions in foreign currencies are translated into the functional currency of the entity at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets carried at historic cost are not subsequently retranslated. Non-monetary assets carried at fair value are subsequently remeasured at the exchange rate at the date of valuation. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currencies at the foreign exchange rate ruling at that date. Foreign exchange movements arising on translation are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the foreign exchange rates ruling at the balance sheet date. The income and expenses of foreign operations are translated to euro at the average exchange rate for the financial period. Foreign exchange movements arising on translation of the net investment in a foreign operation, including those arising on long term intra Group loans deemed to be quasi equity in nature, are recognised directly in equity, in the currency translation reserve.

The portion of exchange gains or losses on foreign currency borrowings used to provide a hedge against a net investment in a foreign operation that is designated as a hedge of those investments is recognised directly in equity to the extent that they are determined to be effective. The ineffective portion is recognised immediately in the income statement.

Any movements that have arisen since 1 January 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the income statement on disposal of the related business. Translation differences that arose before the date of transition to IFRS in respect of all non-euro denominated operations are not presented separately.

BUSINESS COMBINATIONS

The purchase method of accounting is employed in accounting for the acquisition of businesses, subsidiaries, joint ventures and associates by the Group.

The cost of a business combination is measured as the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control together with any directly attributable costs. Where a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of the estimated adjustment is included in the cost at the acquisition date if the adjustment can be reliably measured. Any changes to this estimate in subsequent periods are reflected in goodwill. Deferred consideration is included in the acquisition balance sheet at net present value.

The assets, liabilities and contingent liabilities of businesses acquired are measured at their fair values at the date of acquisition. In the case of a business combination which is completed in stages, the fair values of the identifiable assets, liabilities and contingent liabilities are determined at the date of each exchange transaction. When the initial accounting for a business combination is determined provisionally, any subsequent adjustments to the provisional values allocated to the identifiable assets, liabilities and contingent liabilities are made within twelve months of the acquisition date and presented as adjustments to the original acquisition accounting.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised, excluding goodwill, together with the share of income and expenses attributable to the interests they hold. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

GOODWILL

Goodwill represents amounts arising on acquisition of subsidiaries, joint ventures and associates. In respect of business acquisitions initiated since 1 January 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost in the Fyffes plc consolidated balance sheet, i.e. original cost less accumulated amortisation since acquisition up to 31 December 2003, which represents the amount recorded under Irish GAAP. As permitted by IFRS 1 *First Time Adoption of International Financial Reporting Standards*, IFRS 3 *Business Combinations* was not applied to previous transactions and therefore the reclassification and accounting treatment of business combinations that occurred prior to 1 January 2004 was not reconsidered. Goodwill is allocated to cash generating units and is not amortised but is tested annually for impairment at a consistent time each financial year. Goodwill is now stated at cost or deemed cost less any accumulated impairment losses. In respect of joint ventures and associates, the carrying amount of goodwill is included in the carrying amount of the investment.

Goodwill which arose on acquisitions prior to 1 November 1998 was eliminated against reserves on acquisition as a matter of accounting policy. In preparing the Group's IFRS balance sheet at 1 January 2004, this goodwill was considered to have been permanently offset against retained earnings and, on any subsequent disposal, will not form part of the gain or loss on the disposal of the business.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the the relative values of the operation disposed of and the portion of the cash generating unit retained.

SIGNIFICANT ACCOUNTING POLICIES

INTANGIBLE ASSETS

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as an expense as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economics benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised expenditure is measured at cost less accumulated amortisation.

Customer relationships, supplier relationships and brands

Intangible assets acquired as part of a business combination are valued at their fair value at the date of acquisition. These include customer relationships, supplier relationships and brands. Intangible assets are amortised to the income statement on a straight line basis over the period of their expected useful lives as follows;

Customer relationships	3-10 years
Supplier relationships	7 years
Brands	10-15 years

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's assets other than inventories (which are carried at the lower of cost and net realisable value), certain financial assets (which are carried at fair value) and deferred tax assets (which are recognised based on recoverability), are assessed for impairment when an event or transaction indicates that an impairment may have occurred except for goodwill and indefinite lived intangibles which are assessed annually for impairment. If any such indication exists, an impairment test is carried out and the asset is written down to its recoverable amount as appropriate.

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at each balance sheet date. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

EMPLOYEE BENEFITS

Short term employee benefits

Short term employee benefits are recognised as expenses as the related employee service is received.

Retirement benefit obligations - Group financial statements

Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement as services from employees are received. Under such schemes, the Group has no obligation to make further contributions to these schemes beyond the contracted amount. Prepaid contributions are recognised as an asset to the extent that the employee service has not yet been received.

The defined benefit pension asset or liability in the Group balance sheet comprises the total for each plan of the present value of the defined benefit obligation less any past service cost not yet recognised and less the fair value of plan assets (measured at bid value) out of which the obligations are to be settled directly.

EMPLOYEE BENEFITS (CONTINUED)

The liabilities and costs associated with the Group's defined benefit pension schemes are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. The expected increase in the present value of scheme liabilities arising from employee service in the current or prior periods is recognised in arriving at operating profit or loss together with the expected returns on the schemes' assets and the increase during the period in the present value of the schemes' liabilities arising from the passage of time. Differences between the expected and the actual return on plan assets, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in the statement of total recognised income and expense.

When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the enhanced benefits vest immediately, the related expense is recognised immediately in the income statement. Settlements and curtailments trigger immediate recognition of the consequent change in obligations and related assets in the income statement together with any previously unrecognised past service costs that relate to the obligations being settled or curtailed.

Retirement benefit obligations - Company financial statements
The Company has no employees and is not the sponsoring employer for any of the Group's defined benefit pension schemes. There is no stated policy within the Group in relation to the obligations of Group companies to contribute to scheme deficits. Group companies make contributions to the schemes as requested by the sponsoring employers.

TAXATION

Taxation on the profit or loss for the financial year comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised in equity. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates and laws that have been enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. If the temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting nor taxable profit or loss, it is not recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future or where no taxation is expected to arise on any ultimate remittance. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

CASH AND CASH EQUIVALENTS

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

SIGNIFICANT ACCOUNTING POLICIES

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (after taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

FINANCIAL INSTRUMENTS

Trade and other receivables

Trade and other receivables are initially measured at fair value and are thereafter measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment of trade receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Short term bank deposits

Short term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as financial assets available for sale within current assets and stated at fair value in the balance sheet.

Equity investments

Equity investments held by the Group and Company are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When a devaluation of these assets is significant or prolonged, it is removed from the fair value reserve and shown as an impairment loss in the income statement. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. To the extent such investments represent strategic investments, the Group classifies income and expense arising as other operating income and expense.

Derivative financial instruments

Foreign currency derivatives are entered into only when they match an existing foreign currency asset or liability or where they are used to hedge a forecasted transaction. The Group does not enter into speculative transactions. Derivative financial instruments are measured at fair value at each reporting date and the movement in fair value is recognised in the income statement unless they are designated as cash flow hedges under IAS 39. Where such instruments are classified as cash flow hedges, and subject to the satisfaction of certain criteria relating to the documentation of the risk, objectives and strategy for the hedging transaction and the ongoing measurement of its effectiveness, they are accounted for under hedge accounting rules. In such cases, any gain or loss arising on the effective portion of the derivative instrument is recognised in the hedging reserve, as a separate component of equity. Gains or losses on any ineffective portion of the derivative are recognised in the income statement. When the hedged transaction matures, the related gains or losses in the hedging reserve are transferred to the income statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

REVENUE

Revenue comprises the fair value of the sale of goods, excluding value added tax, delivered to or collected by third party customers during the accounting period and after eliminating sales within the Group. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer.

FINANCE INCOME AND COSTS

Finance income comprises interest income on funds invested, foreign currency gains and gains on disposals of financial assets. Interest income is recognised as it accrues using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding the discount on provisions, foreign currency losses and borrowing extinguishment costs. All finance costs are recognised in profit or loss using the effective interest method.

EXCEPTIONAL ITEMS

The Group has adopted an accounting policy which seeks to highlight significant items within Group results. The Group believe that this presentation provides a more helpful analysis as it highlights one off items. Such items may include significant restructuring costs, profit or loss on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments and significant impairment of assets together with significant fair value gains recognised in respect of investment properties. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the income statement and related notes as exceptional items. In the current year, there were no items which warranted disclosure as exceptional items. In the previous year, there were a number of items classified as exceptional as outlined in note six to the accompanying financial statements.

DIVIDEND DISTRIBUTION

Dividends on ordinary shares are recognised as a liability in the Group's financial statements in the period in which they are declared by the Company. In the case of interim dividends, these are considered to be declared when they are paid. In the case of final dividends, these are declared when authorised by the shareholders at the AGM.

FORTHCOMING REQUIREMENTS

The following provides a brief outline of the likely impact on future financial statements of relevant IFRSs adopted by the EU which are not yet effective and have not been early adopted in these financial statements:

- IFRS 8 *Operating Segments*, which is effective for annual periods beginning on or after 1 January 2009, sets out the requirements for disclosure of financial and descriptive information about an entity's operating segments, its products and services, the geographical areas in which it operates, and its major customers and will replace IAS 14 *Segment Reporting*. The impact of this standard has not yet been fully assessed.
- IFRIC 11 IFRS 2 *Group and Treasury Share Transactions*, which is effective for annual periods beginning on or after 1 March 2007, addresses how share-based payment arrangements that affect more than one company in a group are accounted for in each company's financial statements and is not expected to have an impact on the Group's or Company's financial statements as the accounting policies currently adopted are consistent with the new requirements.

01 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format for segmental reporting is business segments being the dominant source of the Group's risk and rewards. The secondary format for reporting segmental information is geographical.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period other than through business combinations.

BUSINESS SEGMENTS

The Group analyses its business into the following segments as follows;

- General Produce. This segment includes the procurement and distribution of fresh produce. The business of this segment is operated in some instances on the basis of a fee or commission for the services provided.
- Ambient Goods. This segment includes the Group's consumer goods business.

GEOGRAPHICAL SEGMENTS

The Group operates in three principal geographical regions being the UK, the Eurozone and Scandinavia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the Group's subsidiaries. Segment assets are based on the geographical location of the assets.

	General Produce 2007 €'000	Ambient Goods 2007 €'000	Group Total 2007 €'000
Revenue including Group share of joint ventures and associates	**2,288,370**	**142,777**	**2,431,147**
Less share of joint ventures and associates	(280,526)	-	(280,526)
Revenue excluding Group share of joint ventures and associates	**2,007,844**	**142,777**	**2,150,621**
Operating profit			
- Subsidiaries	32,885	2,862	35,747
- Joint ventures and associates	1,986	-	1,986
Operating profit	**34,871**	**2,862**	**37,733**

	General Produce 2006 €'000	Ambient Goods 2006 €'000	Group Total 2006 €'000
Revenue including Group share of joint ventures and associates	**1,736,657**	**124,235**	**1,860,892**
Less share of joint ventures and associates	(283,836)	-	(283,836)
Revenue excluding Group share of joint ventures and associates	**1,452,821**	**124,235**	**1,577,056**
Operating profit			
- Subsidiaries	28,867	2,699	31,566
- Joint ventures and associates	3,381	-	3,381
	32,248	2,699	34,947
Exceptional items (Note 6)	(16,629)	3,430	(13,199)
Operating profit	**15,619**	**6,129**	**21,748**

01 SEGMENT REPORTING (CONTINUED)

	General Produce 2007 €'000	Ambient Goods 2007 €'000	Group Total 2007 €'000
Segment assets	525,922	49,854	575,776
Investment in joint ventures and associates	41,453	-	41,453
	567,375	**49,854**	**617,229**
Unallocated assets			101,373
Total assets			**718,602**

Unallocated assets comprise of deferred tax assets, employee benefit assets, cash and cash equivalents and corporation tax receivable

Segment liabilities	271,878	41,298	313,176
Unallocated liabilities			195,715
Total liabilites			**508,891**

Unallocated liabilities comprise interest bearing loans and borrowings, employee benefit liabilities, corporation tax payable and deferred tax liabilities.

	General Produce 2006 €'000	Ambient Goods 2006 €'000	Group Total 2006 €'000
Segment assets	439,854	41,447	481,301
Investment in joint ventures and associates	26,859	-	26,859
	466,713	**41,447**	**508,160**
Unallocated assets			95,458
Total assets			**603,618**

Unallocated assets comprise of deferred tax assets, employee benefit assets and cash and cash equivalents

Segment liabilities	249,004	32,218	281,222
Unallocated liabilities			126,638
Total liabilites			**407,860**

Unallocated liabilities comprise interest bearing loans and borrowings, debt on demerger due to Fyfees plc, employee benefit liabilities, corporation tax payable and deferred tax liabilities.

01 SEGMENT REPORTING (CONTINUED)

	General Produce 2007 €'000	Ambient Goods 2007 €'000	Group Total 2007 €'000
Depreciation	13,060	627	13,687
Capital expenditure*	15,712	1,514	17,226
Amortisation of intangible assets	4,876	148	5,024
Fair value gains on investment property	360	-	360
	2006 €'000	**2006 €'000**	**2006 €'000**
Depreciation	11,753	541	12,294
Capital expenditure*	27,489	531	28,020
Amortisation of intangible assets	3,021	-	3,021
Impairment losses (note 6)	22,749	-	22,749
Fair value gains on investment property (note 6)	6,120	-	6,120

* *Capital expenditure comprises amounts expended during the year on property, plant and equipment, investment property and intangible assets outside of business combinations.*

	Eurozone 2007 €'000	UK 2007 €'000	Scandinavia 2007 €'000	Other 2007 €'000	Total 2007 €'000
Revenue including Group share of joint ventures and associates	1,046,137	663,179	586,981	134,850	2,431,147
Group revenue	881,562	579,227	560,748	129,084	2,150,621
Segment assets	244,611	120,273	148,362	62,530	575,776
Capital expenditure*	5,151	6,693	1,879	3,503	17,226
	2006 €'000	**2006 €'000**	**2006 €'000**	**2006 €'000**	**2006 €'000**
Revenue including Group share of joint ventures and associates	910,304	277,442	561,705	111,441	1,860,892
Group revenue	774,908	199,095	492,156	110,897	1,577,056
Segment assets	193,897	67,946	171,024	48,434	481,301
Capital expenditure*	6,425	9,818	2,026	9,751	28,020

* *Capital expenditure comprises amounts expended during the year on property, plant and equipment, investment property and intangible assets outside of business combinations.*

02 OTHER OPERATING INCOME

	2007 €'000	2006 €'000
Rental income from investment property	1,631	1,085
Amortisation of government grants	521	313
Revenue grants	2	57
Gain on disposal of property, plant and equipment	-	610
Foreign exchange gain	243	-
Fair value gains on investment property	360	-
	2,757	**2,065**
Exceptional items in operating income (note 6)		
Fair value movements on investment property	-	6,120
Profit on disposal of leasehold interest	-	3,430
	2,757	**11,615**

03 OTHER OPERATING EXPENSES

	2007 €'000	2006 €'000
Maintenance costs of investment property	-	(75)
Foreign exchange losses	(557)	(91)
Loss on disposal of property, plant & equipment	(69)	-
	(626)	**(166)**
Exceptional items included in other operating expenses (note 6)		
Impairment of investment in joint ventures	-	(7,403)
Impairment of equity investments (including prior fair value deficit)	-	(9,072)
Impairment of intangible assets	-	(6,274)
	(626)	**(22,915)**

04 FINANCIAL INCOME AND FINANCIAL EXPENSE

	2007 €'000	2006 €'000
Dividend income from equity investments	296	-
Interest income	3,584	1,827
Gain on disposal of equity investments	-	67
Gain on fair value of derivative financial instruments	120	100
Financial income	**4,000**	**1,994**
Interest expense on financial liabilities measured at amortised cost	(7,669)	(2,631)
Interest expense on borrowings	(188)	-
Cash inflow from interest rate swap	213	-
Interest expense on finance leases	(115)	(107)
Other interest expense	(602)	(2,088)
Loss on fair value of derivative financial instruments	(214)	-
Financial expense	**(8,575)**	**(4,826)**
Net financial expense recognised in the income statement	**(4,575)**	**(2,832)**
Analysed as follows:		
Amounts relating to items not at fair value through income statement	(4,481)	(2,932)
Amounts relating to items at fair value through income statement	(94)	100
Net financial expense recognised in the income statement	**(4,575)**	**(2,832)**
Foreign currency translation effects:		
- Foreign currency on net investments - subsidiaries	(7,996)	4,361
- Foreign currency on net investments - joint ventures	(905)	(98)
- Foreign currency borrowings	3,641	(624)
Fair value adjustment on equity investments	(62)	-
Net financial (expense)/income recognised in equity	**(5,322)**	**3,639**

05 STATUTORY AND OTHER INFORMATION

	2007 €'000	2006 €'000
Profit for the financial year is stated after:		
Depreciation of property, plant and equipment		
- Owned assets	12,619	11,261
- Under finance lease	1,068	1,033
Amortisation of intangible assets (including share of joint ventures)	5,096	3,063
Auditor's remuneration	982	583
Auditor's remuneration for non-audit services	513	-
Operating lease rentals:		
-Plant and equipment	1,938	2,043
-Other	7,889	5,431

Auditor's remuneration and auditor's remuneration for non-audit services for 2007 and 2006 are not directly comparable as in 2006 the Group was a division of Fyffes plc.

06 EXCEPTIONAL ITEMS

	2007 €'000	2006 €'000
Impairment of businesses prior to demerger to Total Produce plc	-	(22,749)
Gain arising on disposal of leasehold interest	-	3,430
Fair value movements on investment properties	-	6,120
	-	**(13,199)**

Impairments of businesses

During 2006, the Group recognised impairments in relation to a number of the businesses and investment giving rise to an aggregate charge in the income statement of €22,749,000 and a corresponding €1,787,000 tax credit. These losses were reflected in the balance sheet as follows:

- a €7,672,000 reduction in the carrying value of an available for sale investment together with the recycling to the income statement of a €1,400,000 fair value deficit recognised in equity in 2005. The impairment charge was calculated as being difference between the carrying value of the business and its recoverable amount calculated by reference to expected future cashflows of the entity.
- a €7,403,000 reduction in the carrying value of joint venture investment in the UK. This arose from a review of projected volumes and profitability forecasts. The impairment charge was calculated as being the difference between the carrying value of the business and its recoverable amount based on expected future cashflows.
- a €6,274,000 reduction in the value of intangible assets arising from a review of the carrying value. A related deferred tax liability €1,787,000 was released to the income statement.

Other exceptional gains

In the prior year, the disposal of a leasehold interest held by the Group on a property it leases in Ireland gave rise to a gain of €3,430,000. A tax charge of €616,000 was recognised in the income statement in the prior year in this regard.

Fair value gains on investment property

During the prior year, fair value gains of €6,120,000 were recognised in the income statement relating to fair value gains in investment property. Given the magnitude of the gain in 2006, the directors believe that it was appropriate to treat these gains as an exceptional item.

In 2007, the Group re-valued investment property recognising uplifts of €360,000. In addition to this, the Group's share of investment property revaluation gains in its joint ventures was €271,000 (€255,000 after effect of deferred tax). As the gains were not of a material amount and given that it is the policy of the Group to revalue property on an annual basis, the directors believe that it is appropriate for the Group not to treat the gains as exceptional. The gains are however excluded when calculating the Group's adjusted earnings per share in note 9.

07 INCOME TAX EXPENSE

Recognised in the income statement	2007 €'000	2006 €'000
Current tax expense		
Ireland		
Corporation tax on profit for the financial year	1,469	462
Adjustment in respect of prior year	(400)	(125)
	1,069	**337**
Overseas		
Current tax on profit for the financial year	7,156	7,868
Adjustment in respect of prior years	(574)	(429)
	6,582	**7,439**
Total current tax	**7,651**	**7,776**
Deferred tax expense		
Origination and reversal of temporary differences	759	(2,420)
Adjustment in respect of prior year	569	-
Total deferred tax	**1,328**	**(2,420)**
Income tax expense	**8,979**	**5,356**

Reconciliation of effective tax rate	2007 %	2007 €'000	2006 %	2006 €'000
Profit on ordinary actvities before tax		33,158		18,916
Taxation based on Irish corporation tax rate	12.50	4,145	12.50	2,365
Effects of:				
Expenses not deductible for tax purposes	3.97	1,318	6.75	1,278
Tax effect on profits of joint ventures and associates	(0.75)	(249)	(2.23)	(422)
Differences in tax rates	12.74	4,224	28.84	5,456
Utilisation of tax losses	(0.18)	(59)	(6.02)	(1,140)
Previously unrecognised deferred tax asset	(1.23)	(409)	(0.91)	(172)
Deferred tax releases in relation to demerged assets	-	-	(6.97)	(1,318)
Other items	1.25	414	(0.72)	(137)
Adjustments to prior years	(1.22)	(405)	(2.93)	(554)
Total income tax expense in income statement	**27.08**	**8,979**	**28.31**	**5,356**

Deferred tax recognised directly in equity	2007 €'000	2006 €'000
Employee benefit scheme	1,413	236
Revaluation of property	(204)	(340)
Derivative financial instruments	-	9
Other	-	455
Total deferred tax in equity	**1,209**	**360**

08 DIVIDENDS TO EQUITY SHAREHOLDERS

Dividends Paid	2007 €'000	2006 €'000
2007 interim dividend of €0.50 cent per ordinary share	1,755	-
2006 Dividends paid to Fyffes plc (Note a)	-	4,534
Total dividends paid to equity shareholders	**1,755**	**4,534**

Note (a)

During 2006, dividends of €4,534,000 were recognised and paid to Fyffes plc, the legal parent at the date of distribution.

Proposed dividends

It is proposed that a final dividend of €1.15 cent per ordinary share will be paid to ordinary shareholders. These proposed dividends have not been provided for in the Company or Group balance sheet in accordance with accounting convention. The final dividend is subject to approval by the Group's shareholders at the Annual General Meeting.

09 EARNINGS PER SHARE

The calculations of basic earnings per share for the financial year ended 31 December 2007 is based on the profit for the financial year attributable to ordinary shareholders of €19,055,000 (2006: €7,060,000) divided by the weighted average number of ordinary shares outstanding during the financial year ended 31 December 2007 of 351,003,000 (2006: 349,951,000).

In 2006, for all earnings per share calculations, the numbers of shares in issue reflect the actual shares in issue in Fyffes plc. Consequently, the weighted average number of shares in issue used in calculating earnings per share reflected the movements that occurred in the share capital of Fyffes plc in 2006.

Profit attributable to ordinary shareholders	2007 €'000	2006 €'000
Profit for financial year attributable to equity shareholders	19,055	7,060
Weighted average number of ordinary shares for the financial year	351,003	349,951
Basic earnings per share - € cent	**5.43**	**2.02**
Fully diluted earnings per share - € cent	**5.43**	**2.00**

Share options issued during the year as set out in note 27 have no dilutive imapct on earnings per share at 31 December 2007

Adjusted fully diluted earnings per share	Earnings 2007 €'000	Per share 2007 €'cent	Earnings 2006 €'000	Per share 2006 €'cent
Profit for financial year attributable to equity shareholders	19,055	5.43	7,060	2.02
Adjusments:				
Impairment of businesses and investments	-	-	22,749	6.50
Profit on disposal of leasehold interest	-	-	(3,430)	(0.98)
Fair value movement on investment properties (including share of joint ventures)	(615)	(0.17)	(6,120)	(1.75)
Amortisation of intangible assets (including share of joint ventures)	5,096	1.45	3,063	0.88
Tax effect of exceptional items and amortisation charges	(1,191)	(0.34)	(3,417)	(0.98)
Minority impact of intangible amortisation and related tax	(63)	(0.02)	282	0.08
Impact on earnings of dilutive share options	-	-	-	(0.07)
Adjusted fully diluted earnings	**22,282**	**6.35**	**20,187**	**5.70**

10 PROPERTY PLANT AND EQUIPMENT

Cost or valuation	Land and Buildings €'000	Plant and Equipment €'000	Motor Vehicles €'000	Total €'000
Balance at 1 January 2006	107,780	70,301	8,335	186,416
Additions	14,562	6,694	6,764	28,020
Arising from business combinations (Note 26)	10,754	3,817	2,434	17,005
Disposals	(684)	(5,546)	(2,918)	(9,148)
Transfers arising from property demerger	(54,857)	-	-	(54,857)
Transfer to Fyffes plc	-	(1,078)	(506)	(1,584)
Foreign exchange movement	1,519	1,258	491	3,268
Reclassification	66	(10)	(56)	-
Balance at 30 December 2006	**79,140**	**75,436**	**14,544**	**169,120**
Additions	4,256	7,727	4,918	16,901
Arising from business combinations (Note 26)	9,645	6,240	985	16,870
Subsidiary becoming a joint venture (Note 26)	(211)	(3,844)	(535)	(4,590)
Transferred to investment property (Note 11)	(4,130)	-	-	(4,130)
Disposals	(50)	(9,597)	(3,203)	(12,850)
Foreign exchange movement	(1,835)	(1,421)	(40)	(3,296)
Revaluation	1,706	-	-	1,706
Balance at 31 December 2007	**88,521**	**74,541**	**16,669**	**179,731**
Depreciation and impairment losses				
Balance at 1 January 2006	316	47,341	3,993	51,650
Depreciation charge for the year	1,672	7,931	2,691	12,294
Disposals	(844)	(5,226)	(2,208)	(8,278)
Foreign exchange movement	152	962	291	1,405
Reclassification	(125)	173	(48)	-
Balance at 30 December 2006	**1,171**	**51,181**	**4,719**	**57,071**
Depreciation charge for the year	2,130	8,231	3,326	13,687
Impairment during year	-	113	-	113
Subsidiary becoming a joint venture (Note 26)	(211)	(2,065)	(412)	(2,688)
Transferred to investment property (Note 11)	(452)	-	-	(452)
Disposals	(43)	(8,891)	(2,459)	(11,393)
Foreign exchange movement	(7)	(798)	(28)	(833)
Balance at 31 December 2007	**2,588**	**47,771**	**5,146**	**55,505**
Carrying amount				
At 30 December 2006	**77,969**	**24,255**	**9,825**	**112,049**
At 31 December 2007	**85,933**	**26,770**	**11,523**	**124,226**

Land and buildings are stated at fair value while plant and equipment and motor vehicles are stated at depreciated historic cost.

At 31 December 2007, the Group undertook an exercise to internally revalue of its properties. The impact in respect of investment properties is set out in note 11. Market values for non-investment properties represents the amount for which a property should exchange between a willing buyer and a willing seller in an arms length transaction which is consistent with market value as defined, inter alia, by the Royal Institute of Chartered Surveyors.

10 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

Fair values were determined by reference to published market price indices and the directors observation of market prices of similar properties in the market. Revaluation gains in 2007 amounted to €1,706,000 (2006: €Nil). A deferred tax gain of €204,000 (2006: €Nil) was recognised during the year on revaluation of land and buildings as a result of changes in tax rates. The minority interest share of the revaluation gains, net of deferred tax was €468,000 (2006: €Nil).

The Group's share of gains in its joint ventures during the year amounted to €294,000 (2006: €Nil) before a deferred tax charge of €41,000 (2006: €Nil). All of the revaluation gains on land and buildings were recognised in the statement of recognised income and expense.

During 2006, land and buildings with a net book value of €54,857,000 were transferred to Fyffes plc as part of the demerger of its property undertakings to Blackrock International Land plc.

At 31 December 2007, properties with a carrying the amount of €6,278,000 (2006: €5,399,000) are subject to a registered debenture to bank loans.

The historic cost of land and buildings which was revalued amounted to €61,487,000 (2006: €55,819,000).

Leased property, plant and equipment

The Group leases items of property, plant and equipment under a number of finance lease agreements. At 31 December 2007, the carrying amount of leased assets included in property, plant and equipment was €1,738,000 (2006: €1,843,000).

	Land €'000	Plant and Equipment €'000	Motor Vehicles €'000	Total €'000
At 30 December 2006	32	1,275	536	1,843
At 31 December 2007	-	1,260	478	1,738

11 INVESTMENT PROPERTY

	2007 €'000	2006 €'000
Balance at beginning of financial year	9,009	10,543
Transfer from property, plant and equipment (note 10)	3,678	-
Fair value adjustments	360	6,120
Additions	22	-
Disposals arising from property demerger	-	(7,657)
Foreign exchange movement	(875)	3
Balance at end of financial year	**12,194**	**9,009**

Investment property, comprising land and buildings located mainly in Ireland and the UK, is held for rental income or capital appreciation and is not occupied by the Group.

The fair value of the Group's investment property is the amount at which the property should exchange between a willing buyer and a willing seller in an arms length transaction which is consistent with market value as defined, inter alia, by the Royal Institute of Chartered Surveyors.

Fair value gains arising during the year on investment properties held in the Group's subsidiaries, amounting to €360,000 have been reflected in the income statement as other operating income. A deferred tax gain of €79,000 was recognised during the year on revaluation of investment property as a result of changes in tax rates

In 2006, fair value gains on investment properties held in the Group's subsidiaries, amounting to €6,120,000 were reflected in the income statement, included in exceptional items.

11 INVESTMENT PROPERTY (CONTINUED)

The Group's share of the fair value gains on the investment properties held within its joint ventures, amounting to €271,000 (2006: €Nil) and a related deferred tax charge of €16,000 (2006: €Nil) has also been reflected in the income statement within share of profits of joint ventures.

Also in 2006, investment property with a net book value of €7,657,000 was transferred to Fyffes plc as part of the demerger of its property undertakings to Blackrock International Land plc.

12 GOODWILL AND INTANGIBLE ASSETS

	Customer Relationships €'000	Other Intangible Assets €'000	Research & Development €'000	Goodwill €'000	Total €'000
Cost					
Balance at 1 January 2006	25,933	-	-	58,830	84,763
Arising from business combinations	371	-	-	8,656	9,027
Revisions to deferred consideration estimates	-	-	-	14,050	14,050
Foreign exchange movement	903	-	-	1,493	2,396
Balance at 30 December 2006	**27,207**	**-**	**-**	**83,029**	**110,236**
Arising from business combinations	14,636	4,073	1,612	17,912	38,233
Capitalisation of R&D	-	-	303	-	303
Revisions to deferred consideration estimates	-	-	-	245	245
Foreign exchange movement	(2,103)	(219)	(166)	(3,945)	(6,433)
Balance at 31 December 2007	**39,740**	**3,854**	**1,749**	**97,241**	**142,584**
Accumulated amortisation and impairments					
Balance at 1 January 2006	4,822	-	-	-	4,822
Amortisation for the year	3,021	-	-	-	3,021
Impairment loss in the year	6,274	-	-	-	6,274
Foreign exchange movement	224	-	-	-	224
Balance at 30 December 2006	**14,341**	**-**	**-**	**-**	**14,341**
Amortisation for the year	4,412	612	-	-	5,024
R&D amortisation for the year	-	-	518	-	518
Foreign exchange movement	(806)	(40)	(39)	-	(885)
Balance at 31 December 2007	**17,947**	**572**	**479**	**-**	**18,998**
Carrying amount					
At 30 December 2006	**12,866**	**-**	**-**	**83,029**	**95,895**
At 31 December 2007	**21,793**	**3,282**	**1,270**	**97,241**	**123,586**

Other intangible assets include brands of €2,056,000 and supplier relationships of €1,226,000.

12 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Intangible assets are amortised over their estimated useful lives as follows;

Customer relationships	3 to 10 years
Supplier relationships	7 years
Brands	10 to 15 years
Research and development	5 to 7 years

Goodwill and intangible assets arising in connection with acquisitions, including revisions of estimates of deferred consideration payable in respect of acquisitions in previous years, are set out in note 26.

In the prior year, the Group wrote down the carrying value of its customer relationships in respect of a prior year acquisition giving rise to a charge in the income statement of €6,274,000 (note 6).

IMPAIRMENT TESTING ON GOODWILL

Goodwill acquired through business combinations has been allocated at acquisition to the appropriate cash-generating units (CGU's) that are expected to benefit from the business combination. The carrying amount of goodwill, allocated to cash generating units across the Group is summarised as follows:

		2007 €'000	2006 €'000
General Produce	- Eurozone	6,207	4,508
	- UK	15,203	2,021
	- Scandinavia	58,192	60,998
	- Other	12,747	12,777
		92,349	80,304
Ambient Consumer Goods		4,892	2,725
		97,241	**83,029**
Goodwill arising on investment in joint ventures		**9,436**	**9,521**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of cash-generating units are based on value in use calculations. These calculations use cash flow projections based on expected future operating results and cash flows. The cash flow projections are based on current operating results of the individual cash-generating units and a conservative assumption regarding future organic growth and budgeted performance. For the purposes of the calculation of value in use, the cash flows are projected over a five year period, with additional cashflows in subsequent years calculated using a terminal value methodology, unless a shorter period is appropriate to the circumstances of a particular cash-generating unit. The cash flows are discounted using appropriate risk adjusted discount rates averaging 12.7% (2006: 11.3%), reflecting the risk associated with the individual future cash flows and the risk free rate. Any significant adverse change in the expected future operational results and cash flows may result in the value in use being less than the carrying value of a business unit and would require that the carrying value of the business unit be impaired and stated at the greater of the value in use or the recoverable amount of the business unit. However, the results of impairment testing undertaken at 31 December 2007 provide sufficient headroom such that any reasonable realistic movement in any of the underlying assumptions would not give rise to an impairment charge.

Included in investment in joint ventures and associates is goodwill with a carrying amount of €9,436,000 (2006: €9,521,000). This goodwill is subject to annual impairment testing on a similar basis to the goodwill arising in the Group's subsidiaries.

12 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Key assumptions include management estimates of future profitability, replacement capital expenditure requirements and working capital investment. The term of the discounted cashflow model is a significant factor in determining the fair value of the cash-generating units and has been arrived at taking account of the Group's strong financial position, its history of earnings growth, strong cashflow generation and its proven ability to pursue and integrate value enhancing acquisitions.

Group earnings are significantly dependent on the selling prices obtained for products sold. These, in turn, are largely determined by market supply and demand. Fresh produce supplies in individual markets are affected by the geography of production, growing conditions (including climate), seasonality and perishability. Market demand is a function of population size, per capita consumption, the availability and quality of individual products and competing products and climatic and other general conditions in the marketplace. Excess supplies of fresh produce leading to reduced selling prices (particularly for products purchased under contract) could have a material adverse effect on the Group's business, results of operations and financial condition.

13 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The movement in the Group's interests in its joint ventures and associates during the year were as follows;

	Joint Ventures €'000	Associates €'000	Total €'000
Balance at 1 January 2006	41,795	262	42,057
Increased investment in year - cash	2,497	-	2,497
Increased investment in year - deferred consideration	4,930	-	4,930
Joint ventures acquired within subsidiaries acquired	1,098	-	1,098
Share of profit after tax	3,316	65	3,381
Impairment during year	(7,403)	-	(7,403)
Share of other recognised income and expense	(460)	-	(460)
Dividends received	-	(80)	(80)
Joint ventures becoming subsidiaries	(19,063)	-	(19,063)
Foreign exchange movement	(98)	-	(98)
Balance at 30 December 2006	**26,612**	**247**	**26,859**
Increased investment in year - cash	1,794	-	1,794
Increased investment in year - deferred consideration (Note 23)	309	-	309
Loans advanced during year	12,256	-	12,256
Loans repaid during the year	(6,750)	-	(6,750)
Subsidiary becoming a joint venture (note 26)	5,705	-	5,705
Equity investment becoming joint venture (Note 14)	1,950	-	1,950
Share of profit after tax	2,158	(172)	1,986
Share of other recognised income and expense	401	-	401
Dividends received	(2,152)	-	(2,152)
Foreign exchange movement	(905)	-	(905)
Balance at 31 December 2007	**41,378**	**75**	**41,453**

13 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

The investment in joint ventures and associates as stated above is comprised of equity investments of €35,947,000 (2006: €26,859,000) and loans to joint ventures of €5,506,000 (2006: €Nil).

Investments in joint ventures and associates include the Group's share of fair value gains arising from the revaluation of property, plant and equipment of €253,000 net of deferred tax (see note 10) and revaluation of investment property of €255,000 net of deferred tax (see note 11).

The following additional disclosures are set out in respect of the Group's share of joint ventures and associates:

	Joint Ventures 2007 €'000	Associates 2007 €'000	Total 2007 €'000
Non-current assets	37,909	35	37,944
Employee benefit assets	813	-	813
Cash and cash equivalents	10,185	-	10,185
Other current assets	34,451	526	34,977
Non-current liabilities	(1,382)	(22)	(1,404)
Employee benefit liabilities	(909)	-	(909)
Current liabilities	(34,071)	(10)	(34,081)
Borrowings	(15,054)	(454)	(15,508)
Share of net assets	**31,942**	**75**	**32,017**
Goodwill	9,436	-	9,436
Balance at 31 December 2007	**41,378**	**75**	**41,453**

	Joint Ventures 2006 €'000	Associates 2006 €'000	Total 2006 €'000
Non-current assets	19,799	45	19,844
Employee benefit assets	789	-	789
Cash and cash equivalents	5,852	2	5,854
Other current assets	31,008	2,066	33,074
Non-current liabilities	(2,286)	-	(2,286)
Employee benefit liabilities	(1,079)	-	(1,079)
Current liabilities	(27,907)	(1,619)	(29,526)
Borrowings	(9,085)	(247)	(9,332)
Share of net assets	**17,091**	**247**	**17,338**
Goodwill	9,521	-	9,521
Balance at 30 December 2006	**26,612**	**247**	**26,859**

13 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

	Joint Ventures 2007 €'000	Associates 2007 €'000	Total 2007 €'000
Group share of revenue	272,144	8,382	280,526

	Joint Ventures 2006 €'000	Associates 2006 €'000	Total 2006 €'000
Group share of revenue	275,154	8,682	283,836

14 EQUITY INVESTMENTS

	2007 €'000	2006 €'000
Balance at beginning of year	11,011	16,524
Impairment loss (Note 6)	-	(7,672)
Fair value movement (i)	(62)	-
Additions	40	1,991
Arising on acquisition of subsidiary (Note 26)	472	146
Trade investment becoming a joint venture (ii)	(1,950)	-
Foreign exchange movement	(49)	22
Balance at end of year	9,462	11,011

(i) At the end of the year, the fair value of one of the Group's equity investments was written down by €62,000, which has been recognised in 'statement of recognised income and expense' as the loss is regarded as neither significant nor expected to be prolonged in nature. In 2006 the fair value of one of the Group's equity investments was reviewed giving rise to an impairment charge of €9,072,000 which was recognised in the income statement including a fair value deficit of €1,400,000 recognised in equity in 2005 which was recycled to the income statement (note 6).

(ii) In 2007, due to a change in the shareholders agreement, the Group has the ability to exercise joint control over an investment previously included within equity investments.

15 INVENTORIES

	2007 €'000	2006 €'000
Goods for resale	35,218	28,218
Consumable stores	2,133	2,124
	37,351	30,342

16 TRADE AND OTHER RECEIVABLES

	2007 €'000	2006 €'000
Non-Current		
Other receivables	1,609	1,627
Current		
Trade receivables	242,831	199,142
Trade receivables due from joint ventures	2,091	2,816
Other receivables	16,213	14,131
Prepayments	4,216	2,701
Non-trade receivables due from joint ventures	1,826	2,561
	267,177	**221,351**
Total	**268,786**	**222,978**

17 CASH AND CASH EQUIVALENTS, SHORT TERM BANK DEPOSITS AND NET DEBT

	2007 €'000	2006 €'000
Bank balances	59,280	46,098
Call deposits (demand balances)	27,824	41,811
Cash and cash equivalents per balance sheet	**87,104**	**87,909**
Bank overdrafts	(12,993)	(2,867)
Cash and cash equivalents per cashflow statement	**74,111**	**85,042**
Non-current bank borrowings	(109,153)	(59,232)
Current bank borrowings	(35,478)	(18,323)
Finance leases	(1,493)	(1,822)
Debt due to Fyffes plc arising on demerger	-	(15,665)
Net debt at end of financial year	**(72,013)**	**(10,000)**

18 CAPITAL AND RESERVES

	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Revaluation reserve €'000	Share option reserve €'000	Fair value reserve €'000	Cashflow hedging reserve €'000	Demerger reserve €'000	Retained earnings €'000	Shareholders funds €'000	Minority interests €'000	Total equity €'000
Balance at 1 January 2006	3,426	251,087	(1,252)	47,534	-	(1,400)	52	(121,526)	(12,243)	165,678	46,004	211,682
Total recognised income and expense	-	-	3,245	585	-	1,400	(52)	-	12,660	17,838	6,913	24,751
Shares issued	84	911	-	-	-	-	-	(995)	-	-	-	-
Movement in funding balance with Fyffes plc	-	-	-	-	-	-	-	-	7,801	7,801	-	7,801
Dividends paid	-	-	-	-	-	-	-	-	(4,534)	(4,534)	(3,620)	(8,154)
Disposal of revalued property	-	-	-	(168)	-	-	-	-	168	-	-	-
Release of revaluation reserve on disposal of PPE to Fyffes plc	-	-	-	(35,494)	-	-	-	-	35,494	-	-	-
Distribution arising on transfer of property to Fyffes plc	-	-	-	-	-	-	-	-	(39,346)	(39,346)	-	(39,346)
Disposal of share in subsidiary to minority	-	-	-	-	-	-	-	-	-	-	136	136
Capital contribution by minority shareholder	-	-	-	-	-	-	-	-	-	-	116	116
Arising on acquisition (note 26)	-	-	-	-	-	-	-	-	-	-	(1,048)	(1,048)
Balance at 30 December 2006	**3,510**	**251,998**	**1,993**	**12,457**	**-**	**-**	**-**	**(122,521)**	**-**	**147,437**	**48,501**	**195,938**
Total recognised income and expense	-	-	(5,400)	1,695	-	(62)	-	-	21,121	17,354	5,802	23,156
Shares issued	9	576	-	-	-	-	-	-	-	585	-	585
Minority arising on acquisition (Note 26)	-	-	-	-	-	-	-	-	-	-	2,239	2,239
Buyout of minority shareholders arising on acquisition (Note 26)	-	-	-	-	-	-	-	-	-	-	(297)	(297)
Dividends paid	-	-	-	-	-	-	-	-	(1,755)	(1,755)	(4,543)	(6,298)
Share-based payments	-	-	-	-	93	-	-	-	-	93	-	93
Subsidiary becoming a joint venture (note 26)	-	-	-	-	-	-	-	-	-	-	(5,705)	(5,705)
Balance at 31 December 2007	**3,519**	**252,574**	**(3,407)**	**14,152**	**93**	**(62)**	**-**	**(122,521)**	**19,366**	**163,714**	**45,997**	**209,711**

18 CAPITAL AND RESERVES (continued)

Share capital and share premium Allotted, called up and fully paid	2007 Ordinary shares '000	2007 Ordinary shares €'000	2006 Ordinary shares '000	2006 Ordinary shares €'000
In issue at beginning of financial year	350,972	3,510	349,576	3,426
Shares issued during 2006	-	-	1,396	84
Shares issued during the financial year	915	9	-	-
In issue at end of financial year	**351,887**	**3,519**	**350,972**	**3,510**

On 14 December 2007, the Company issued 914,287 ordinary shares of €0.01 each in the share capital of the Company to Computershare Trustees (Ireland) Limited under the terms of the Total Produce profit sharing scheme (APSS), at a price of €0.64 per share.

At 31 December 2007, the authorised share capital was €10,000,000 (2006: €10,000,000) divided into 1,000,000,000 ordinary shares of €0.01 cent each. The issued share capital at this date was 351,886,732 ordinary shares (2006: 350,972,445).

The movement in share capital in 2006 reflects the actual movements in shares in issue in Fyffes plc that ranked for dividend.

Other reserves	2007 €'000	2006 €'000
Currency translation reserve	(3,407)	1,993
Revaluation reserve	14,152	12,457
Fair value reserve	(62)	-
Share option reserve	93	-
Demerger reserve	(122,521)	(122,521)
	(111,745)	**(108,071)**

Attributable profit of Company

The profit attributable to Group shareholders dealt with in the financial statements of the Company for the year ended 31 December 2007 was € 6,279,000. Profit for the period of incorporation from 6 October 2006 to 30 December 2006 was €Nil. As permitted by Section 148(8) of the Companies Act, 1963, the income statement of the Company has not been separately presented in these financial statements.

Currency Translation reserve

The translation reserve comprises all foreign exchange differences from 1 January 2004, arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date, as well as from the translation of liabilities that hedge those net assets.

Fair value reserve

The fair value reserve includes net changes in the fair value of investments recognised in equity. During the year, the fair value of one of the Group's equity investments decreased by €62,000. In 2005, the fair value of an equity investment of the Group was written down by €1,400,000 and was charged directly to equity via the statement of recognised gains and losses as it was deemed a temporary loss in value. However, as explained in note 6, this investment was impaired in 2006. As a result of this, the €1,400,000 fair value deficit which was charged to equity in 2005, was released and charged to income statement in 2006.

18 CAPITAL AND RESERVES (continued)

Revaluation reserve

The revaluation reserve relates to revaluation surpluses arising on revaluations of property occupied by the Group. As explained in note 10, land and buildings were revalued during the year in subsidiaries and joint venture companies. The result of this was an increase in the revaluation reserve in 2007 of €1,695,000. During 2006, €35,494,000 of this reserve relating to property which was transferred to Fyffes plc as part of the demerger of its property undertakings to Blackrock International Land plc was deemed to have crystallised and was transferred to retained earnings. Also during 2006, the reserve was increased by €585,000 reflecting the reduction in deferred tax liabilities arising from changes in tax rates. As a result of the sale of revalued property, €168,000 of this reserve was also realised during 2006.

Demerger reserve

As explained in the basis of preparation note, the difference between the carrying value of the investment recorded in the Company balance sheet and the pre-existing carrying value of the assets and liabilities transferred on demerger by Fyffes plc has been recognised within equity in this demerger reserve, offset by the currency translation reserve and the revaluation reserve at the date of the demerger.

Distribution arising on transfer of properties to Fyffes plc

As part of Fyffes plc's demerger of its property undertaking to Blackrock International Land plc in May 2006, properties which were previously owned within the General Produce and Distribution Business of Fyffes were transferred to Fyffes plc. Arising from this, in 2006, a distribution of €39,346,000 was made to Fyffes plc comprising revaluation and fair value gains on the related properties.

Capital management

The Board regularly reviews and monitors the Group's capital structure with a view to maintaining a strong capital base in order to sustain market confidence in the business. This involves considering dividends paid to shareholders, demographic spread of shareholders, the amount of liquid assets on the balance sheet and return on capital (based on shareholder's funds the composition of which is set out on page 72). The Group operates a share option scheme and an employee profit sharing scheme which allows employees to use part of their profit sharing awards to acquire shares in the company. The Group has the authority to purchase its own shares. This authority permits the Group to buy up to 10 per cent of the issued share capital at a price which may not exceed 105% of the average price over the previous five trading days. Any shares which may be purchased will be acquired through a subsidiary of the Company and will be held as treasury shares. Any purchases should have a positive effect on earnings per share.

19 MINORITY INTERESTS

	2007 €'000	2006 €'000
Balance at beginning of year	48,501	46,004
Share of profit after tax for year	5,124	6,500
Share of foreign exchange movement	140	394
Share of other movements in recognised income and expense	538	19
Share of recognised income and expense	**5,802**	**6,913**
Minority arising on acquisition	2,239	-
Arising on acquisition including buyout of minority shareholders (Note 26)	(297)	(1,048)
Disposal of share in subsidiary to minority	-	136
Dividends paid	(4,543)	(3,620)
Capital contribution by minority shareholder	-	116
Subsidiary becoming a joint venture (note 26)	(5,705)	-
Balance at end of financial year	**45,997**	**48,501**

20 BORROWINGS

	2007 €'000	2006 €'000
Non-current		
Borrowings	109,153	59,232
Finance lease liabilities	793	834
	109,946	**60,066**
Current		
Overdrafts	12,993	2,867
Borrowings	35,478	18,323
Finance lease liabilities	700	988
Amounts due to Fyffes plc arising on demerger	-	15,665
	49,171	**37,843**
Borrowings are repayable as follows:		
Bank borrowings and overdrafts		
Within one year	48,471	21,190
After one but within two years	77,790	202
After two but within five years	27,752	57,590
After five years	3,611	1,440
Finance lease liabilities		
Within one year	700	988
After one but within five years	793	834
Amounts due to Fyffes plc arising from demerger	-	15,665
	159,117	**97,909**

Amounts due to Fyffes plc arising from the demerger were non-interest bearing and were settled in 2007. All other amounts are interest bearing.

Total future minimum lease payments on finance leases amounts to €830,000 (2006: €1,916,000). Total interest bearing loans and borrowings include borrowings of €2,703,000 (2006: €2,340,000) secured on land and buildings of certain non-wholly owned subsidiaries.

21 TRADE AND OTHER PAYABLES

	2007 €'000	2006 €'000
Non-current		
Other creditors	**2,612**	**538**
Current		
Trade payables	234,298	178,382
Trade payables due to joint ventures and associates	3,838	1,981
Non trade payables due to joint ventures and associates	453	466
Accruals	30,894	22,524
Other payables	18,094	15,482
Irish payroll tax and social welfare	1,443	732
Irish value added tax	1,611	2,173
Other tax	5,651	5,890
	296,282	**227,630**
Total	**298,894**	**228,168**

22 DEFERRED GOVERNMENT GRANTS

	2007 €'000	2006 €'000
Balance at beginning of the year	2,081	2,248
Arising on acquisition of business	91	-
Subsidiary becoming a joint venture (note 26)	(12)	-
Amortised to income statement	(521)	(323)
Grants received	746	156
Balance at end of year	**2,385**	**2,081**

23 PROVISIONS

	Deferred Consideration €'000
Balance at 30 December 2006	50,790
Discounting charge	409
Payments	(43,556)
Revisions to previous estimates	245
Arising on acquisitions of subsidiaries (Note 26)	4,234
Arising on acquisitions of joint ventures (Note 13)	309
Deferred consideration within subsidiaries acquired (note 26)	371
Foreign exchange movements	(1,196)
Balance at 31 December 2007	**11,606**
Non-current	8,380
Current	3,226
Balance at 31 December 2007	**11,606**

Deferred consideration

Total deferred acquisition consideration amounts to €11,606,000 (2006: €50,790,000) and represents provision for the net present value of the amounts expected to be payable in respect of acquisitions which are subject to earn out arrangements.

Deferred consideration arising on acquisitions of subsidiaries and joint ventures during the financial year amounted to €4,543,000 together with €371,000 of deferred consideration within a subsidiary acquired during the year. The impact of revisions to previous estimates in respect of previous acquisitions of subsidiaries and joint ventures amounts to €245,000. Total payments of deferred consideration during the financial year amounted to €43,556,000, relating principally to the settlement of the Group's obligations in relation to the acquisition of the remaining 40% of Everfresh in May 2007.

24 OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as set out below. These amounts represent the minimum future lease payments, in aggregate, that the Group is require to make under existing lease agreements.

	2007 €'000	2006 €'000
Less than one year	7,090	6,998
Between one and five years	18,149	18,400
More than five years	7,329	6,498
Total	**32,568**	**31,896**

The Group leases certain property, plant and equipment under operating leases. The leases typically run for an initial lease period with the potential to renew the leases at market rates after the initial period.

During the financial year, €9,827,000 (2006: €7,474,000) was recognised as an expense in the income statement in respect of operating leases.

24 OPERATING LEASES (CONTINUED)

Leases as lessor

The Group leases out some its investment property under both cancellable and non-cancellable operating leases. Non-cancellable operating lease rental receivables are set out below. These amounts represent the minimum future lease payments, in aggregate, that the Group will receive under existing lease agreements.

	2007 €'000	2006 €'000
Less than one year	201	222
Between one and five years	226	399
Total	**427**	**621**

During the financial year, €1,631,000 (2006: €1,084,000) was recognised as rental income in the income statement and €Nil (2006: €75,000) was recognised as an expense for the operating costs of investment property.

25 DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets 2007 €'000	Liabilities 2007 €'000	Net 2007 €'000	Assets 2006 €'000	Liabilities 2006 €'000	Net 2006 €'000
Property, plant and equipment	259	(8,758)	(8,499)	261	(8,032)	(7,771)
Investment property	-	(2,270)	(2,270)	-	(2,194)	(2,194)
Intangible assets	450	(6,916)	(6,466)	271	(3,575)	(3,304)
Employee benefits	833	-	833	591	-	591
Derivative financial instruments	-	-	-	-	-	-
Trade and other payables	1,781	(117)	1,664	1,494	(173)	1,321
Other items	1,568	(2,090)	(522)	2,213	(1,437)	776
Tax value of losses carried forward	340	-	340	36	-	36
Tax assets/(liabilities)	**5,231**	**(20,151)**	**(14,920)**	**4,866**	**(15,411)**	**(10,545)**
Reclassification	-	-	-	(364)	364	-
Net tax assets/(liabilities)	**5,231**	**(20,151)**	**(14,920)**	**4,502**	**(15,047)**	**(10,545)**

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

	2007	2006
Tax losses	**2,802**	**3,563**

No deferred tax asset is recognised in relation to certain tax losses incurred by the Group on the grounds that there is insufficient evidence that the assets will be recoverable. In the event that sufficient profits are generated in the relevant jurisdictions in the future these assets may be recovered. The estimated unrecognised deferred tax asset at 31 December 2007 is €829,000 (2006: €1,631,000).

No deferred tax asset is recognised in relation to certain capital losses incurred by the Group on the grounds that there is insufficient evidence that the assets will be recoverable. The estimated unrecognised deferred tax asset at 31 December 2007 is €1,973,000 (2006: €1,932,000).

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, branches, associates and joint ventures where the Group does not anticipate additional tax on any ultimate remittance.

25 DEFERRED TAX ASSETS AND LIABILITIES

Movement in temporary differences during the financial year

	Balance 1 January 2007 €'000	Recognised in income 2007 €'000	Recognised in equity 2007 €'000	Foreign exchange adjustment 2007 €'000	Arising on acquisitions 2007 €'000	Blackrock distribution 2007 €'000	Balance reclassification 2007 €'000	Balance 31 December 2007 €'000
Property, plant and equipment	(7,771)	(134)	204	37	(1,210)	-	375	(8,499)
Intangible assets	(3,304)	1,048	-	413	(4,535)	-	(88)	(6,466)
Investment property	(2,194)	102	-	197	-	-	(375)	(2,270)
Employee benefits	591	(528)	(1,413)	(118)	2,301	-	-	833
Trade and other payables	1,321	(779)	-	(13)	1,135	-	-	1,664
Other items	776	(1,342)	-	(57)	101	-	-	(522)
Tax value of losses carried forward	36	305	-	(1)	-	-	-	340
	(10,545)	**(1,328)**	**(1,209)**	**458**	**(2,208)**	**-**	**(88)**	**(14,920)**

	2006 €'000	2006 €'000	2006 €'000	2006 €'000	2006 €'000	2006 €'000	2006 €'000	2006 €'000
Property, plant and equipment	(12,593)	195	585	2	(1,621)	5,661	-	(7,771)
Intangible assets	(5,606)	2,290	-	(78)	90	-	-	(3,304)
Investment property	(1,796)	(521)	(245)	(1)	-	369	-	(2,194)
Derivatives	9	-	(9)	-	-	-	-	-
Employee benefits	828	-	(236)	(1)	-	-	-	591
Trade and other payables	749	559	-	13	-	-	-	1,321
Other items	(386)	1,608	(455)	(25)	34	-	-	776
Tax value of losses carried forward	1,744	(1,711)	-	3	-	-	-	36
	(17,051)	**2,420**	**(360)**	**(87)**	**(1,497)**	**6,030**	**-**	**(10,545)**

26 ACQUISITIONS, DISPOSALS AND TERMINATIONS

(i) Acquisitions

(a) Subsidiaries

The table in this note summarises the net assets and liabilities, the consideration payable and the goodwill and intangible assets arising in subsidiaries and businesses acquired during the year.

The principal acquisition in the period was the acquisition of 100% of Redbridge Holdings Limited ("Redbridge") in the UK for initial cash consideration together with a deferred consideration element if certain minimum profit targets are reached during the three years ended 31 December 2009. Redbridge Holdings is a leading fresh produce group that holds strong market positions in the wholesale and retail sectors across the UK. The date of this acquisition was 12 January 2007. This transaction has been considered to be sufficiently material to warrant separate disclosure of the fair value attributable to this acquisition.

Also during the year, in line with its stated strategy to expand, the Group made six bolt-on acquisitions in the fresh produce sector in the UK, Ireland, and Continental Europe.

In August 2007, the Groups Ambient Consumer Goods distribution business acquired 92% of Wholefoods Wholesale Limited. Wholefoods is the leading distributor to independent health stores in Ireland of high quality health products. This acquisition gives the Group access to a sector which has grown strongly in recent years and complements the Group's existing ambient consumer goods distribution business.

During the year, the Group reviewed its estimate of the deferred consideration payable in respect of prior year acquisitions. Arising from this, there was a net increase in deferred consideration liabilities and a related increase in goodwill of €245,000 (2006: €14,050,000).

In January 2006, the Group bought the 50% it did not already own of a general produce distribution business in the UK and in August 2006 the 50% it did not already own of Brdr. Lembcke A/S ("Lembcke"), a fresh produce company in Denmark. During 2006, the Group also acquired a number of small businesses, mainly in Ireland, the UK and Spain.

(b) Joint ventures

In February 2007, the Group entered into an agreement with Tata Chemicals Limited to form a 50/50 joint venture in India. The objective of this joint venture is to create state-of-the-art facilities for the distribution of fresh fruit and vegetables across India by leveraging the individual strengths of both partners.

In August 2007, the Group formed a new 50/50 joint venture with Blackrock International Land plc which agreed to acquire 135 acres of land in Dublin. Just over 36 acres of the lands are zoned for agri-business use, 20 acres of which have been targeted for the initial development of new facilities for Total Produce and replacement premises for its existing operations in central Dublin. Under the joint venture arrangement, Total Produce has an option to acquire these 20 acres at cost, such option to be exercised during a maximum period of ten years from completion of the transaction.

26 ACQUISITIONS, DISPOSALS AND TERMINATIONS (CONTINUED)

		2007 Redbridge €'000	2007 Other €'000	2007 Total €'000	2006 Total €'000
Identifiable assets and liabilities					
Property, plant and equipment (note 10)		5,806	11,064	16,870	17,005
Intangible assets	– customer relationships (note 12)	7,717	6,919	14,636	371
	– brands (note 12)	1,336	1,000	2,336	-
	– supplier relationships (note 12)	1,187	550	1,737	-
	– R&D (note 12)	1,612	-	1,612	-
Investments in joint ventures (note 13)		-	-	-	1,098
Equity investments (note 14)		418	54	472	146
Deferred tax assets		2,560	1,408	3,968	55
Inventories		2,566	4,850	7,416	4,179
Trade and other receivables		36,058	28,612	64,670	36,217
Derivative financial assets		75	-	75	-
Cash and cash equivalents acquired		5,680	541	6,221	20,417
Bank overdrafts		-	(8,148)	(8,148)	-
Bank borrowings		(2,943)	-	(2,943)	-
Finance leases		(410)	(142)	(552)	-
Trade and other payables		(46,787)	(26,098)	(72,885)	(36,395)
Grants (note 22)		-	(91)	(91)	-
Other non current liabilities		-	(1,847)	(1,847)	-
Corporation tax liabilities		(172)	(30)	(202)	(1,353)
Employee benefit liability (note 27)		(7,467)	-	(7,467)	-
Deferred tax liabilities		(3,637)	(2,539)	(6,176)	(1,552)
Deferred consideration within subsidiaries acquired (note 23)		(371)	-	(371)	-
Purchase of minority interest (note 19)		58	239	297	-
Minority interest (note 19)		-	(2,239)	(2,239)	1,048
Net identifiable assets and liabilities acquired		**3,286**	**14,103**	**17,389**	**41,236**
Goodwill arising (note 12)		13,748	4,164	17,912	8,656
Goodwill arising from adjustments to prior year acquisitions		-	245	245	14,050
Negative goodwill recognised in the income statement		-	-	-	(107)
		17,034	**18,512**	**35,546**	**63,835**
Satisfied by:					
Cash consideration, including fees		13,449	17,618	31,067	30,672
Joint ventures becoming subsidiaries (Note 13)		-	-	-	19,063
Deferred consideration in current year acquisitions		3,585	649	4,234	50
Revisions to prior year deferred consideration estimates		-	245	245	14,050
Total consideration		**17,034**	**18,512**	**35,546**	**63,835**

26 ACQUISITIONS, DISPOSALS AND TERMINATIONS (CONTINUED)

The acquisition of Redbridge has been deemed to be a substantial transaction and separate disclosure of the fair values of the identifiable assets and liabilities has therefore been made. None of the remaining business combinations completed during the financial year was considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

No contingent liabilities were recognised on the business combinations completed during the financial period.

The acquisition method of accounting has been used to consolidate the business acquired. The accounting treatment for some of the business acquisitions is provisional. If any fair values need to be adjusted they will be reflected in the acquisition accounting within one year of the acquisition date.

The principal factor contributing to the recognition of goodwill on business combinations entered into by the Group is the realisation of cost savings and synergies with existing entities in the Group and the value of the assembled workforce in the acquired entities.

The carrying amounts of the assets and liabilities acquired determined in accordance with IFRS before completion of the combination together with the adjustments made to those carrying values to arrive at the fair values disclosed above were as follows:

	Book values €'000	Fair value adjustments €'000	Fair value €'000
Redbridge			
Non-current assets (excluding goodwill)	10,976	9,660	20,636
Current assets	38,625	74	38,699
Non-current liabilities	(7,940)	(3,164)	(11,104)
Current liabilities	(47,182)	(148)	(47,330)
Cash and cash equivalents, including bank overdrafts	5,680	-	5,680
Borrowings including finance leases	(3,353)	-	(3,353)
Minority interest	-	58	58
Identifiable net (liabilities)/assets acquired (excluding goodwill)	**(3,194)**	**6,480**	**3,286**
Goodwill arising on acquisition			13,748
Consideration - Redbridge			**17,034**
Other acquisitions			
Non-current assets (excluding goodwill)	7,759	13,236	20,995
Current assets	33,573	(111)	33,462
Non-current liabilities	(1,970)	(2,416)	(4,386)
Current liabilities	(25,084)	(1,135)	(26,219)
Cash and cash equivalents, including bank overdrafts	(7,607)	-	(7,607)
Borrowings including finance leases	(142)	-	(142)
Minority interest	(673)	(1,327)	(2,000)
Identifiable net assets acquired (excluding goodwill)	**5,856**	**8,247**	**14,103**
Goodwill arising on acquisition			4,164
Goodwill on revisions to previous estimates			245
Consideration - other acquisitions			**18,512**
Total consideration			**35,546**

26 ACQUISITIONS, DISPOSALS AND TERMINATIONS (CONTINUED)

Since the acquisition of Redbridge in January 2007, there has been significant reorganisation and merging of the Redbridge business into the Group's existing UK business. This has involved integration and amalgamation of Redbridge's branches with some of the Group's branches in its existing UK business. There also have been significant changes to the operational and financial management structure of the combined UK business. As a result of these reorganisations, it is not possible to determine accurately on a stand alone basis Redbridge's profit or loss for the period since acquisition.

Post acquisition revenues relating to the Group's other acquisitions (excluding Redbridge) since date of acquisition amounted to €107,933,000.

The revenue of the Group (including share of joint ventures and associates) for the financial year determined in accordance with IFRS as though the acquisitions date for all other business combinations (other than Redbridge) effected during the year had been the beginning of the year would have been €2,548,000,000.

Cash flows relating to acquisitions of subsidiaries

	2007 €'000	2006 €'000
Cash consideration	(31,067)	(30,672)
Cash and cash equivalents acquired, including overdrafts	(1,927)	20,417
Cash outflow per cash flow statement	**(32,994)**	**(10,255)**
Bank borrowings acquired on acquisition	(2,943)	-
Finance leases acquired on acquisition	(552)	-
Decrease in net funds arising from acquisitions	**(36,489)**	**(10,255)**

Subsidiary becoming a joint venture

In January 2007, a company that was previously treated as a subsidiary became a joint venture due to a change in the nature of the shareholder arrangement. This did not change the net asset value of the Group. The following is a summary of the assets and liabilities derecognised;

	€'000
Property, plant and equipment (note 10)	(1,902)
Cash and cash equivalents	(8,589)
Inventories	(383)
Trade and other receivables	(6,720)
Trade and other payables	5,723
Grants (note 22)	12
Corporation tax payable	537
Deferred tax assets	(88)
Minority interest (note 19)	5,705
Net assets derecognised	**(5,705)**
Investment included within joint ventures (note 13)	5,705
	-

27 EMPLOYEE BENEFITS

	2007 €'000	2006 €'000
Remuneration		
Wages and salaries	128,749	88,143
Social security contributions	17,003	14,235
Pension costs - defined contribution schemes	4,021	1,769
Pension costs - defined benefit schemes	2,243	2,642
Termination benefits	1,842	-
Equity settled shared-based compensation expense	93	-
Recognised in the income statement	**153,951**	**106,789**
Actuarial gains on defined benefit schemes	(3,401)	(6,315)
Total employee benefit costs	**150,550**	**100,474**

Employee numbers – Group	2007 number	2006 number
Production	337	200
Sales and distribution	2,979	2,119
Administration	603	366
	3,919	**2,685**

A further 938 (2006: 541) personnel are employed in the Group's joint ventures and associates.

The Group operates a number of externally funded defined benefit and defined contribution pension schemes. The schemes are set up under trusts and the assets of the schemes are therefore held separately from those of the Group.

The pension cost expensed in the income statement for the financial year in respect of the Group's defined benefit schemes was €2,243,000 (2006: €2,642,000) and €4,021,000 (2006: €1,769,000) in respect of the Group's defined contribution schemes.

Pension disclosures

The Group operates five externally funded defined benefit pension schemes. Two of these are schemes are based in Ireland, two in the UK and one is based in the Netherlands.

The pension benefits payable on retirement in the UK and Ireland are determined based on years of service and the final three years salary. The scheme operated in the Netherlands provides career average salary benefits to its members.

A net defined benefit pension obligation of €7,467,000 (before deferred tax) was acquired by the Group on the acquisition of Redbridge Holdings in 2007. This scheme is closed to new members and the existing members accrued benefits are no longer linked to their future service or salary increases. The accrued benefits of members who are not yet retired will increase in line with inflation subject to an overall maximum increase of 5.0% per annum.

27 EMPLOYEE BENEFITS (CONTINUED)

The accompanying disclosures relate to all of the Group's defined benefit retirement schemes in Ireland, the UK and Continental Europe. The previous full actuarial valuations of these schemes, for the purposes of these disclosures, were updated to 31 December 2007. Full actuarial valuations were carried out on the Irish schemes at 1 January 2005 and 1 January 2007 and on the two UK schemes at 6 April 2006 and 31 December 2006. The last actuarial valuation on the Netherlands scheme was 1 January 2007. All calculations were carried out by independent actuaries using the projected unit method. The actuarial reports are not available for public inspection. However, the results of the valuations are advised to members of the schemes. The scheme assets do not include any shareholdings in the Company.

The principal assumptions were:

	Ireland 2007	Ireland 2006	UK 2007	UK 2006	Europe 2007	Europe 2006
Rate of increase in salaries	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Rate of increase in pensions	2.25%	2.25%	3.00%	2.75%	0.00%	0.00%
Inflation rate	2.25%	2.25%	3.00%	2.75%	2.00%	2.00%
Discount rate	5.50%	4.75%	5.50%	5.00%	5.50%	4.75%

The expected rates of return were:

	Ireland 2007	Ireland 2006	UK 2007	UK 2006	Europe 2007	Europe 2006
Equities	8.00%	7.50%	8.00%	7.75%	n/a	n/a
Bonds	4.50%	4.00%	4.50%	4.25%	n/a	n/a
Property	6.00%	6.00%	6.50%	6.50%	n/a	n/a
Other	4.00%	3.50%	5.00%	5.00%	4.00%	4.00%

The Group uses certain mortality rate assumptions when calculating scheme obligations. The key mortality assumptions used in estimating the actuarial value of the schemes obligations are as follows.

Life expectancy of current pensioner aged 65

	Ireland	UK
Male	20.7	19.9
Female	23.8	22.1

Life expectancy of 40 year old active pensioner at age 65

	Ireland	UK
Male	21.8	22.2
Female	24.8	23.5

27 EMPLOYEE BENEFITS (CONTINUED)

Analysis of the net liability

	Ireland 2007 €'000	UK 2007 €'000	Europe 2007 €'000	Total 2007 €'000
Equities	52,931	27,308	-	80,239
Bonds	6,068	15,043	-	21,111
Property	6,332	-	-	6,332
Other	1,947	2,453	2,907	7,307
Fair value of scheme assets	67,278	44,804	2,907	114,989
Present value of scheme obligations	(64,576)	(49,390)	(2,463)	(116,429)
Net employee benefits assets/(liabilities)	**2,702**	**(4,586)**	**444**	**(1,440)**
Analysed as follows				
Employee benefit schemes with net assets	5,029	1,762	444	7,235
Employee benefit schemes with net deficits	(2,327)	(6,348)	-	(8,675)
Net employee benefits assets/(liabilities)	**2,702**	**(4,586)**	**444**	**(1,440)**

	Ireland 2006 €'000	UK 2006 €'000	Europe 2006 €'000	Total 2006 €'000
Equities	55,108	14,344	-	69,452
Bonds	6,237	6,502	-	12,739
Property	5,882	1,138	-	7,020
Other	1,843	278	2,546	4,667
Fair value of scheme assets	69,070	22,262	2,546	93,878
Present value of scheme obligations	(66,023)	(25,379)	(2,666)	(94,068)
Net employee benefits assets/(liabilities)	**3,047**	**(3,117)**	**(120)**	**(190)**
Analysed as follows				
Employee benefit schemes with net assets	3,047	-	-	3,047
Employee benefit schemes with net deficits	-	(3,117)	(120)	(3,237)
Net employee benefits assets/(liabilities)	**3,047**	**(3,117)**	**(120)**	**(190)**

27 EMPLOYEE BENEFITS (CONTINUED)

Movements in the fair value of scheme assets in the balance sheet

	Ireland €'000	UK €'000	Europe €'000	Total €'000
Fair value of assets at 1 January 2006	60,945	20,521	2,066	83,532
Expected return on scheme assets	3,959	1,171	102	5,232
Employer contributions	1,774	732	254	2,760
Employee contributions	181	439	-	620
Transfers in	315	-	-	315
Benefit payments	(1,617)	-	-	(1,617)
Experience adjustments on scheme assets	3,513	(601)	124	3,036
Fair value of assets at 30 December 2006	**69,070**	**22,262**	**2,546**	**93,878**
Arising on acquisitions (Note 26)	-	21,343	-	21,343
Expected return on scheme assets	4,811	2,751	107	7,669
Employer contributions	1,895	2,404	264	4,563
Employee contributions	203	441	-	644
Benefit payments	(1,411)	(808)	(10)	(2,229)
Experience adjustments on scheme assets	(7,290)	609	-	(6,681)
Foreign exchange movements	-	(4,198)	-	(4,198)
Fair value of assets at 31 December 2007	**67,278**	**44,804**	**2,907**	**114,989**

Movements in the present value of scheme obligations in the balance sheet

	Ireland €'000	UK €'000	Europe €'000	Total €'000
Value of scheme obligations at 1 January 2006	(62,944)	(24,306)	(2,905)	(90,155)
Current service cost	(2,291)	(1,317)	(196)	(3,804)
Past service cost	(77)	-	-	(77)
Interest on scheme obligations	(2,704)	(1,171)	(118)	(3,993)
Employee contributions	(181)	(439)	-	(620)
Benefit payments	1,617	-	-	1,617
Transfers in	(315)	-	-	(315)
Experience adjustments on scheme liabilities	(1,248)	(488)	-	(1,736)
Effect of changes in actuarial assumptions	2,120	2,342	553	5,015
Value of scheme obligations at 30 December 2006	**(66,023)**	**(25,379)**	**(2,666)**	**(94,068)**
Arising on acquisitions (Note 26)	-	(28,810)	-	(28,810)
Current service cost	(2,303)	(1,322)	(179)	(3,804)
Past service cost	(115)	-	-	(115)
Interest on scheme obligations	(3,132)	(2,735)	(126)	(5,993)
Employee contributions	(203)	(441)	-	(644)
Benefit payments	1,411	808	10	2,229
Experience adjustments on scheme liabilities	(456)	1,089	-	633
Effect of changes in actuarial assumptions	6,245	2,706	498	9,449
Foreign exchange movements	-	4,694	-	4,694
Value of scheme obligations at 31 December 2007	**(64,576)**	**(49,390)**	**(2,463)**	**(116,429)**

27 EMPLOYEE BENEFITS (CONTINUED)

Movements in the net liability recognised in the balance sheet

	Ireland €'000	UK €'000	Europe €'000	Total €'000
Net liabilities in schemes at 1 January 2006	(1,999)	(3,785)	(839)	(6,623)
Employer contributions	1,774	732	254	2,760
Expense recognised in income statement	(1,113)	(1,317)	(212)	(2,642)
Actuarial gains/(losses) recognised in equity	4,385	1,253	677	6,315
Net assets/(liabilities) in schemes at 30 December 2006	**3,047**	**(3,117)**	**(120)**	**(190)**
Arising on acquisitions	-	(7,467)	-	(7,467)
Employer contributions	1,895	2,404	264	4,563
Expense recognised in income statement	(739)	(1,306)	(198)	(2,243)
Actuarial gains/(losses) recognised in equity	(1,501)	4,404	498	3,401
Foreign exchange movement	-	496	-	496
Net assets/(liabilities) in schemes at 31 December 2007	**2,702**	**(4,586)**	**444**	**(1,440)**

Defined benefit pension expense recognised in the income statement

	Ireland 2007 €'000	UK 2007 €'000	Europe 2007 €'000	Total 2007 €'000
Current service costs	(2,303)	(1,322)	(179)	(3,804)
Past service costs	(115)	-	-	(115)
Interest on scheme obligations	(3,132)	(2,735)	(126)	(5,993)
Expected return on schemes assets	4,811	2,751	107	7,669
	(739)	**(1,306)**	**(198)**	**(2,243)**
Actual return on scheme assets	(2,479)	3,360	107	988

	2006 €'000	2006 €'000	2006 €'000	2006 €'000
Current service costs	(2,291)	(1,317)	(196)	(3,804)
Past service costs	(77)	-	-	(77)
Interest on scheme obligations	(2,704)	(1,171)	(118)	(3,993)
Expected return on schemes assets	3,959	1,171	102	5,232
	(1,113)	**(1,317)**	**(212)**	**(2,642)**
Actual return on scheme assets	7,472	570	226	8,268

The defined benefit pension scheme is recognised in the following line items in the income statement:

	2007 €'000	2006 €'000
Distribution expenses	(1,054)	(1,236)
Administrative expenses	(1,189)	(1,406)
	(2,243)	**(2,642)**

27 EMPLOYEE BENEFITS (CONTINUED)

Defined benefit pension expense recognised in statement of recognised income and expense

	Ireland 2007 €'000	UK 2007 €'000	Europe 2007 €'000	Total 2007 €'000
Experience adjustments on scheme assets	(7,290)	609	-	(6,681)
Experience adjustments on scheme liabilities	(456)	1,089	-	633
Effect of changes in actuarial assumptions	6,245	2,706	498	9,449
	(1,501)	**4,404**	**498**	**3,401**
	2006 €'000	2006 €'000	2006 €'000	2006 €'000
Experience adjustments on scheme assets	3,513	(601)	124	3,036
Experience adjustments on scheme liabilities	(1,248)	(488)	-	(1,736)
Effect of changes in actuarial assumptions	2,120	2,342	553	5,015
	4,385	**1,253**	**677**	**6,315**

The cumulative actuarial loss before deferred tax recognised in the statement of recognised income and expense is €1,053,000 (2006: €4,454,000).

Share-based payment

The Group has established a share option scheme in 2007, which entitles certain employees to purchase shares in Total Produce plc. During May 2007, 3,975,000 share options were awarded to employees and in September 2007 a further 1,110,000 share options were awarded. In accordance with the terms of the scheme, the options are exercisable at the market price prevailing at the date of the grant of the option.

The share options granted only vest when the adjusted fully diluted earnings per share figure, in respect of the third or any subsequent accounting period after the end of the basis year (i.e. accounting period preceding the date of the grant), is greater than the earnings per share figure for the basis year by a percentage which is not less than (on a year on year basis) the annual percentage increase in the consumer price index plus 5% compounded during that period. Subject to the achievement of the performance condition above and the provisions by each employee of service to the group during the vesting period, the options vest at the later of the date the criteria are met or those years after grant. The contractual life of the option is 10 years.

	Vesting period *	Number of options	Weighted grant price €	Average fair value €	Income statement expense 2007 €'000
9 May 2007	3 years	3,975,000	0.815	0.3236	84
20 September 2007	3 years	1,110,000	0.65	0.2604	9
		5,085,000			**93**

* *As explained above, the date at which employees may exercise their options is based on a non-market performance condition. We have estimated based on expected adjusted EPS growth and CPI forecasts that the performance condition will be met on 31 December 2014 and that the options vest in 2015.*

27 EMPLOYEE BENEFITS (CONTINUED)

Share based payment (continued)

A summary of the activity during the year under the Group's share option schemes together with the weighted average exercise price of the share options is as follows:

	2007 Number of options	2007 Weighted average exercise price €
Options outstanding at beginning of year	-	-
Options granted during year	5,085,000	0.779
	5,085,000	0.779

The options outstanding at 31 December 2007 have a weighted average vesting period outstanding of 2.5 years and a weighted average contractual life of 9.5 years.

The market price of the Company's shares at 31 December 2007 was €0.59 and the range during 2007 was €0.585 to €0.88.

The fair value of services received in return for share options granted are measured by reference to fair value of the share options granted. The estimate of options granted during the year were measured based on a binomial lattice model. The contractual life of the options, which is 10 years, is used as an input in this model. Expectations of early exercise are incorporated into the binominal lattice model and are reflected in the assumptions.

The calculated fair value of share options granted and assumptions used in the binominal model, for the share options granted in 2007 are as follows:

	Options Granted September 2007	Options Granted May 2007
Share price at date of grant	0.65	0.815
Exercise price	0.65	0.815
Expected volatility	35%	35%
Option life	9.96 years	9.94 years
Expected dividend yield	2.0%	2.0%
Risk-free interest rate	4.26%	4.41%

The expected volatility and option life are expressed as weighted averages used in modelling in the binominal lattice model. The expected volatility is based on the historic volatility of the share price and the historical volatility of similar quoted companies in Total Produce's sector following a comparable period in their life. Share options are granted under a service condition and a non-market related performance condition, which is the achievement of growth in earnings per share as set out earlier. The total expense for share options recognised in the income statement was €93,000 (2006: €Nil).

28 CAPITAL COMMITMENTS AND CONTINGENCIES

(a) Capital commitments
The directors have authorised capital expenditure of €14,117,000 (2006: €13,000,000) at the balance sheet date. Capital expenditure contracted for at 31 December 2007 amounted to €nil (2006: €350,000).

(b) Subsidiaries
In order to avail of the exemption under Section 17 of the Companies (Amendment) Act, 1986 the Company has guaranteed the liabilities of certain of its subsidiaries registered in Ireland. As a result, the following subsidiaries have been exempted from the provisions of Section 7 of the Companies (Amendment) Act, 1986:

Allegro Limited
Bolanpass Limited
Compalla Holdings Limited
Everfresh Limited
Fiacla Limited
Fyffes Group Procurement Limited
Givejoy Limited
Green Ace Producer Limited
McCann Nurseries Limited
Negev Limited
Quantum Personal Care Limited
Total Produce Ireland Limited
Total Produce Management Services Limited
Total Produce International Limited
TP Secretarial Services Limited
TP Personnel Services Limited
Uniplumo (Ireland) Limited
Waddell Limited
XS Sales & Merchandising Limited

The Company has guaranteed the borrowings of subsidiaries in the amount of €133,482,000 (2006: €74,876,000).

(c) Guarantees
Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group or joint ventures, the company considers these to be insurance arrangements and accounts for them as such. The Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Total Produce plc together with Blackrock International Land plc, has guaranteed the interest shortfall on bank borrowings of the joint venture company in which both companies are partners. See note 29 for further details.

Total Produce plc has guaranteed bank borrowings of €550,000 within a joint venture company.

(d) Contingencies
From time to time, the Group is involved in claims and legal actions, which arise in the normal course of business. Based on information currently available to the Group, and legal advice, the directors believe such litigation will not, individually or in aggregate, have a material adverse effect on the financial statements and that the Group is adequately positioned to deal with the outcome of any such litigation.

29 RELATED PARTIES

Identity of related parties

Under IAS 24, Related Party Disclosures, the Group has a related party relationship with its joint ventures and associates. Transactions with the Group's joint ventures and associates are set out below.

IAS 24 also requires the disclosure of compensation paid to the Group's key management personnel. This comprises its executive, non-executive directors, Company Secretary and other senior personnel within the Group.

Remuneration of key management personnel

	2007 €'000	2006 €'000
Short term benefits (salary, bonus, incentives)	4,504	3,856
Post employment benefits (pension contribution)	523	538
Share-based payment expense	24	-
	5,051	**4,394**

In accordance with IAS 19, Employee Benefits, the pension expense recognised in the Group's income statement for these key management personnel amounted to €196,000 (2006: €342,000) compared to the cash contributions above of €523,000 (2006: €538,000). The actuarial gain recognised in the statement of recognised income and expense in respect of the pension benefits of these key management personnel for 2007 amounted to €297,000 (2006: €817,000).

Related party transactions with joint ventures and associates

The Group trades in the normal course of its business, in some situations under long term supply contracts, with its joint ventures and associates. A summary of transactions with these related parties during the financial year ended 31 December 2007 is as follows:-

Group	2007 Revenue €'000	2007 Purchases €'000	2006 Revenue €'000	2006 Purchases €'000
Joint Ventures	29,964	36,820	12,015	21,213
Associates	439	1,166	705	1,709
	30,403	**37,986**	**12,720**	**22,922**

The amounts due from and to joint ventures and associates at the financial year end are disclosed, in aggregate, in notes 16 and 21 respectively. The Group's significant joint ventures and associates are set out on page 105.

Related party transactions with shareholders in Group companies

Coplaca is a co-operative of banana growers in the Canary Islands and owns 50% of the share capital of EurobananCanarias SA, the other 50% being owned by the Group. During the financial year, EurobananCanarias SA purchased goods and services from Coplaca in the normal course of its business which are not material in relation to the sales and purchases of the Group. At 31 December 2007, the net amount due to Coplaca by EurobananCanarias SA was €7,854,000 (2006: €5,904,000).

Related party transactions with shareholders in Group companies

During the year the Company formed a 50:50 joint venture company with Blackrock International Land plc (chaired by Mr C P McCann). Total Produce's investment in the joint venture company consisted of loan capital including fees of €5.7m together with a guarantee of the Company's share of any interest shortfall on bank borrowings.

The joint venture company acquired the shares of companies that owned 135 acres of land in Dublin for a total outlay including costs of €24.5 million. The vendor of the shares is a subsidiary of Balkan Investment Company, a company controlled by Mr N V McCann. Mr C P McCann is also director of Balkan Investment Company as well as having a minority equity interest in the company. The joint venture agreement and the agreements for the purchase of shares were negotiated at arms length. Mr C P McCann did not participate in any of the decisions of the Company regarding this matter. Each of the parties engaged their own separate advisors during the negotiation and execution of the transaction.

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK

	Fair value through income statement 2007 €'000	Loans and receivables 2007 €'000	Available for sale 2007 €'000	Liabilities at amortised cost 2007 €'000	Total carrying amount 2007 €'000	Fair value 2007 €'000
Equity investments (note 14)	-	-	9,462	-	9,462	9,462
Loans to joint ventures (note 13)	-	5,506	-	-	5,506	5,506
Trade and other receivables	-	264,570	-	-	264,570	264,570
Derivative financial assets (note 30)	171	-	-	-	171	171
Cash and cash equivalents (note 17)	-	87,104	-	-	87,104	87,104
	171	**357,180**	**9,462**	**-**	**366,813**	**366,813**
Trade and other payables (note 21)	-	-	-	(298,894)	(298,894)	(298,894)
Bank overdrafts (note 20)	-	-	-	(12,993)	(12,993)	(12,993)
Bank borrowings (note 20)	-	-	-	(144,631)	(144,631)	(144,610)
Finance lease liabilities (note 20)	-	-	-	(1,493)	(1,493)	(1,479)
Derivative financial liabilities (note 30)	(291)	-	-	-	(291)	(291)
Deferred consideration obligations (note 23)	-	-	-	(11,606)	(11,606)	(11,606)
	(291)	**-**	**-**	**(469,617)**	**(469,908)**	**(469,873)**

	Fair value through income statement 2006 €'000	Loans and receivables 2006 €'000	Available for sale 2006 €'000	Liabilities at amortised cost 2006 €'000	Total carrying amount 2006 €'000	Fair value 2006 €'000
Equity investments (note 14)	-	-	11,011	-	11,011	11,011
Trade and other receivables	-	220,277	-	-	220,277	220,277
Derivative financial assets (note 30)	17	-	-	-	17	17
Cash and cash equivalents (note 17)	-	87,909	-	-	87,909	87,909
	17	**308,186**	**11,011**	**-**	**319,214**	**319,214**
Trade and other payables (note 21)	-	-	-	(228,168)	(228,168)	(228,168)
Bank overdrafts (note 20)	-	-	-	(2,867)	(2,867)	(2,867)
Bank borrowings (note 20)	-	-	-	(77,555)	(77,555)	(77,551)
Finance lease liabilities (note 20)	-	-	-	(1,822)	(1,822)	(1,849)
Derivative financial liabilities (note 30)	(3)	-	-	-	(3)	(3)
Due to Fyffes plc on demerger (note 20)	-	-	-	(15,665)	(15,665)	(15,665)
Deferred consideration obligations (note 23)	-	-	-	(50,790)	(50,790)	(50,790)
	(3)	**-**	**-**	**(376,867)**	**(376,870)**	**(376,893)**

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Estimation of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding table.

Equity Investments

When market values are available, fair values are determined by reference to the bid market price for such investments without any deduction for transactions costs. When market values are not available, the fair values are determined based on expected future cash flows at current interest rates and exchange rates.

Cash and cash equivalents including short-term bank deposits

For short term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the nominal amount is deemed to reflect fair value.

Trade and other receivables/payables

For receivables and payables with a remaining life of less than six months or demand balances, the carrying value less impairment provision, where appropriate is deemed to reflect fair value. All other receivables and payables are discounted to fair value on initial recognition and in relation to subsequent fair value.

Derivatives (forward currency contracts and interest rate swaps)

Forward currency contracts are marked to market using quoted forward exchange rates at the balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Interest bearing loans and borrowings

For interest bearing loans and borrowings with a contractual repricing date of less than six months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than six months, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at interest rates effective at the balance sheet date and adjusted for movements in credit spreads.

Finance lease liabilities

Fair value is based on the present value of future cash flows discounted at market rates at the balance sheet date.

Risk exposures

The Group's multinational operations expose it to various financial risks that include credit risk, liquidity risk, currency risk and interest rate risk. The Group has a risk management program in place which seeks to limit the impact of these risks on the financial performance of the Group and it is the policy to manage these risks in a non-speculative manner.
The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- currency risk
- interest rate risk
- equity price risk

This note presents information about the Group's exposure to each of the above risks, the Groups' objectives, policies and processes for measuring and managing the risk and the Groups' management of capital. Further quantitative disclosures are included throughout this note.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Executive Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The members of this committee include the Group Finance Director, the Head of Internal Audit, the Company Secretary and number of other senior personnel. Risk evaluation and recommendations for

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Risk exposures (continued)

strategic change are reviewed by the Executive Risk Committee who report their findings to the Audit Committee for its consideration. The Audit Committee, in turn, report these findings to the Board at least annually enabling corrective initiatives to be undertaken where appropriate.

The Group has established a strong internal audit function under the direction of the Audit Committee. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Board, through its Audit and Executive Risk Committees, has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The board has embedded these structures and procedures throughout the Group and considers these to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

CREDIT RISK

Exposure to credit risk

Credit risk arises from credit to customers and joint ventures arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk by dependence on individual customers or geographically.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customer's track record and historic default rates. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits in regularly monitored. The impairment provisions accounts are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible, at that point the amount is considered irrecoverable and is written off directly against the trade receivable

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

Cash and short term bank deposits

Cash and short term bank deposits are invested with institutions with the highest credit rating with limits on amounts held with individual banks or institutions at any one time. For banks and financial institutions, only independently rated banks with a minimum rating of "A" are accepted.

Available for sale equity investments

The Group has investments in companies with a strategic interest to the Group and limits its exposure by ensuring that such investments are of a non speculative nature.

Loans to joint ventures

The Group has advanced loans to certain joint ventures. The Group limits its exposure by ensuring such funds are used in a non-speculative manner by its joint ventures.

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

CREDIT RISK (CONTINUED)

The carrying amount of financial assets, net of impairment provisions represents the Group's maximum credit exposure. The maximum exposure to credit risk at year end was as follows;

	Note	Carrying amount 2007 €'000	Carrying amount 2006 €'000
Equity investments	14	9,462	11,011
Cash and cash equivalents	17	87,104	87,909
Trade and other receivables (excluding prepayments)	16	264,570	220,277
Derivative financial instruments	30	171	17
Loans advanced to joint ventures	13	5,506	-
		366,813	**319,214**

Trade receivables

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables. Trade receivables are monitored by geographic region and by largest customers. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region based on location of customers was as follows;

	Carrying amount 2007 €'000	Carrying amount 2006 €'000
Euro - zone	128,784	104,329
United Kingdom	47,061	20,215
Scandanavia	49,666	59,757
Other	19,411	17,657
	244,922	**201,958**

The following table details the ageing of gross trade receivables including equivalent amounts due from joint ventures, and the related impairment provisions in respect of specific amounts expected to be irrecoverable:

	Gross 2007 €'000	Impairment 2007 €'000	Gross 2006 €'000	Impairment 2006 €'000
Not past due	186,495	(327)	157,201	(261)
Past due 0 – 30 days	44,578	(348)	31,754	(166)
Past due 31 – 90 days	11,981	(434)	9,215	(177)
Past due 91 – 180 days	2,909	(692)	3,977	(142)
Past due more than 180 days	2,041	(1,281)	1,354	(797)
	248,004	**(3,082)**	**203,501**	**(1,543)**

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

CREDIT RISK (CONTINUED)

Other receivables

The following table details the ageing of other receivables (non current and current) which includes loans and advances to suppliers and related impairment provisions in respect of specific amounts expected to be irrecoverable;

	Gross 2007 €'000	Impairment 2007 €'000	Gross 2006 €'000	Impairment 2006 €'000
Not past due	17,267	(969)	15,770	(773)
Past due 0 – 30 days	1,403	(15)	647	-
Past due 31 – 90 days	103	(19)	53	-
Past due 91 – 180 days	-	-	1	-
Past due more than 180 days	236	(184)	249	(189)
	19,009	**(1,187)**	**16,720**	**(962)**

Non trade receivables due from joint ventures

At year end, the Group has non trade receivable balances due from its joint ventures of €1,826,000 (2006: €2,561,000). These amounts are repayable on demand and are not past due. There is no impairment provision against these balances.

Analysis of movement in impairment provisions:

Trade receivables – impairment provision	2007 €'000	2006 €'000
Balance at beginning of year	(1,543)	(1,142)
Arising on acquisition	(867)	(459)
Utilised on write off	489	165
(Charge) / release to income statement	(1,220)	(101)
Foreign exchange movement	59	(6)
Balance at end of year	**(3,082)**	**(1,543)**

Other receivables – impairment provision	2007 €'000	2006 €'000
Balance at beginning of year	(962)	(956)
Arising on acquisition	(651)	-
Utilised on write off	40	-
(Charge) / release to income statement	408	-
Foreign exchange movement	(22)	(6)
Balance at end of year	**(1,187)**	**(962)**

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

It is the policy of the Group to have adequate committed undrawn facilities available at all times to cover unanticipated financing requirements. The group has approval of term borrowings of up to €200 million in addition to approved overdrafts of €92 million.

The following are the contractual maturities of the financial liabilities and cash and cash equivalents, including estimated interest payments and excluding the impact of netting agreements:

At 31 December 2007	Carrying Amount €'000	Contractual Cash flows €'000	6 months or less €'000	6 -12 months €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Non-derivative financial liabilities							
Bank loans	144,631	(159,580)	(34,931)	(6,541)	(83,433)	(30,674)	(4,001)
Bank overdraft	12,993	(12,993)	(12,993)	-	-	-	-
Finance lease liabilities	1,493	(1,605)	(480)	(287)	(736)	(102)	-
Trade and other payables	298,894	(299,116)	(296,051)	(333)	(257)	(1,975)	(500)
Deferred consideration obligations	11,606	(12,452)	(926)	(2,506)	(2,560)	(6,460)	-
Derivative financial instruments							
Forward exchange contracts - Inflows	-	50,648	48,683	1,593	372	-	-
- Outflows	162	(50,810)	(48,764)	(1,646)	(400)	-	-
Interest rate swaps	(42)	44	14	15	15	-	-
	469,737	**(485,864)**	**(345,448)**	**(9,705)**	**(86,999)**	**(39,211)**	**(4,501)**

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

LIQUIDITY RISK (CONTINUED)

At 30 December 2006	Carrying Amount €'000	Contractual Cash flows €'000	6 months or less €'000	6 -12 months €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Non-derivative financial liabilities							
Bank loans	77,555	(86,353)	(20,009)	(1,129)	(2,252)	(61,250)	(1,713)
Bank overdraft	2,867	(2,867)	(2,867)	-	-	-	-
Finance lease liabilities	1,822	(1,948)	(544)	(542)	(862)	-	-
Trade and other payables	228,168	(228,258)	(227,552)	(78)	(25)	-	(603)
Due to Fyffes plc on demerger	15,665	(15,665)	(15,665)	-	-	-	-
Deferred consideration obligations	50,790	(51,406)	(45,715)	(676)	(1,682)	(3,333)	-
Derivative financial instruments							
Forward exchange contracts							
- Inflows	(14)	28,697	28,697	-	-	-	-
- Outflows	-	(28,683)	(28,683)	-	-	-	-
	376,853	**(386,483)**	**(312,338)**	**(2,425)**	**(4,821)**	**(64,583)**	**(2,316)**

Market Risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's risk management strategy is to manage and control market risk exposures within acceptable parameters, while optimising the return earned by the Group. The Group has three types of market risk being currency risk, interest rate risk and other market price risk, each of which are dealt with as follows.

Currency risk

While many of the Group's operations are carried out in Eurozone economies, it also has significant operations in the UK, Sweden, Denmark and the Czech Republic. As a result, the Group is exposed to currency fluctuations including, in particular, Sterling and Swedish Krona. The Group generally finances initial overseas investments through foreign currency borrowings which hedge the foreign currency investment. Interest on borrowings is therefore denominated in currencies that match the cashflows generated by the underlying operations of the Group which provides an economic hedge. Post initial acquisition, these businesses generally fund their operations locally. Foreign exchange risk also arises from foreign currency transactions, assets and liabilities. Management requires all Group operations to manage their foreign exchange risk against their functional currency. These currency risks are monitored on a daily basis and managed by utilising spot and forward foreign currency contracts.

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

CURRENCY RISK (CONTINUED)

Exposure to currency risk

The Group's exposure to transactional foreign currency risk is as follows:

	2007 Euro €'000	2007 Sterling €'000	2007 SEK €'000	2007 CZK €'000	2007 DKK €'000	2007 US Dollar €'000	2007 Other €'000
Trade and other receivables	4,873	4,079	1,059	-	987	354	1,786
Derivative financial assets	100	42	-	-	-	29	-
Cash and cash equivalents	711	2,353	603	-	-	209	671
Bank overdrafts	(88)	(41)	-	-	-	(193)	-
Bank borrowings (note a)	-	(16,717)	(68,437)	(13,530)	(15,075)	-	-
Trade and other payables	(61,457)	(7,467)	(1,507)	(98)	(1,278)	(1,744)	(899)
Derivative financial liabilities	-	(113)	-	-	-	(178)	-
Deferred consideration obligations	-	-	-	-	(2,674)	-	-
	(55,861)	**(17,864)**	**(68,282)**	**(13,628)**	**(18,040)**	**(1,523)**	**1,558**

	2006 Euro €'000	2006 Sterling €'000	2006 SEK €'000	2006 CZK €'000	2006 DKK €'000	2006 US Dollar €'000	2006 Other €'000
Trade and other receivables	5,156	4,610	1,113	-	-	292	1,254
Derivative financial assets	17	-	-	-	-	-	-
Cash and cash equivalents	362	1,264	857	-	-	1,029	368
Bank overdrafts	(95)	-	-	-	-	-	-
Bank borrowings (note a)	-	-	(29,321)	(14,970)	(30,585)	-	-
Trade and other payables	(47,930)	(5,699)	(378)	(95)	(546)	(1,898)	(753)
Derivative financial liabilities	(3)	-	-	-	-	-	-
Deferred consideration obligations	-	-	(45,715)	-	-	-	-
	(42,493)	**175**	**(73,444)**	**(15,065)**	**(31,131)**	**(577)**	**869**

Note (a)

All of these borrowings are designated as hedges of the Group's net investment in foreign operations with matching functional currencies. Gains and losses arising on translation are therefore taken to the foreign currency translation reserve.

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

CURRENCY RISK (CONTINUED)

Sensitivity analysis

A 5% strengthening or weakening in the Euro against Sterling, the US Dollar, Swedish Krona or Czech Koruna, based on outstanding financial assets and liabilities at 31 December 2007 and 30 December 2006, would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	5% strengthening		5% weakening	
	Income Statement €'000	Equity €'000	Income Statement €'000	Equity €'000
31 December 2007				
Sterling	(89)	796	59	(880)
Swedish Krona	(859)	3,259	1,194	(3,602)
Czech Koruna	132	644	(123)	(712)
US Dollar	(63)	-	75	-
30 December 2006				
Sterling	(54)	-	60	-
Swedish Krona	(975)	3,573	1,042	(3,949)
Czech Koruna	200	713	(318)	(788)
US Dollar	27	-	(30)	-

INTEREST RATE RISK

The Group holds both interest bearing assets and interest bearing liabilities. In general, the approach employed by the Group to manage its interest exposure is to maintain the majority of its cash, short term bank deposits and interest bearing borrowings on floating rates. Rates are generally fixed for relatively short periods in order to match funding requirements while being able to benefit from opportunities due to movement in longer term rates. In limited instances, the Group uses floating-to-fixed interest rate swaps which have the economic effect of converting borrowings from floating rates to fixed rates.

At year-end, the interest rate profile of the Group's interest-bearing financial instruments was;

	Carrying amount 2007 €'000	Carrying amount 2006 €'000
Fixed rate instruments		
Bank borrowings	(6,877)	(2,340)
Finance lease liabilities	(741)	(30)
	(7,618)	**(2,370)**
Variable rate instruments		
Cash and cash equivalents	87,104	87,909
Bank overdrafts	(12,993)	(2,867)
Bank borrowings	(137,754)	(75,215)
Finance lease liabilities	(752)	(1,792)
	(64,395)	**8,035**

30 FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

INTEREST RATE RISK (CONTINUED)

Cash flow sensitivity analysis for variable rate instruments

At 31 December 2007, the average interest rate being earned on the Group's cash and cash equivalents was 3.92% (2006: 3.31%). At 31 December 2007, the average interest being paid on the Group's net borrowings was 5.06% (2006: 3.54%).

An increase or decrease of 50 basis points in interest rates at the reporting date would have had the following effect on the income statement and equity. This analysis assumes that all other variables in particular foreign currency rates remained constant. The analysis was performed on the same basis for 2006.

	50 basis point increase		50 basis point decrease	
	Income Statement €'000	Equity €'000	Income Statement €'000	Equity €'000
31 December 2007				
Variable rate instruments	(308)	-	308	-
30 December 2006				
Variable rate instruments	40	-	(40)	-

Other market price risk

Equity price risk arises from the available-for-sale equity securities which are held for strategic reasons of the Group. The primary goal of the Group's investment strategy is to maximise investment returns in order to meet the specific strategic objectives of the Group and it is the policy of the Group not to invest in speculative equity securities.

ACCOUNTING FOR DERIVATIVES AND HEDGING ACTIVITIES

All derivatives are initially recorded at fair value on the date the contract is entered into and subsequently, at reporting dates remeasured to fair value. The gain or loss arising on remeasurement is recognised in the income statement within financial income or financial expense.

The fair value of derivatives at the balance sheet date is set out in the following table:

	Assets 2007 €'000	Liabilities 2007 €'000
Forward currency contracts	129	(291)
Interest rate swaps	42	-
	171	**(291)**

	Assets 2006 €'000	Liabilities 2006 €'000
Forward currency contracts	17	(3)

The Group uses foreign currency borrowings to hedge the net investment in foreign entities. The carrying value of borrowings designated as net investment hedges at the year end amounts to €113,759,000 (2006: €74,876,000). The gains or losses on the effective portions of such borrowings are recognised in equity. Ineffective portions of the gains or losses on such borrowings are recognised in the income statement although no ineffectiveness has been recognised in the current or prior period. Gains and losses accumulated in equity are included in the income statement on disposal of the foreign entity.

31 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Particular areas which are subject to accounting estimates and judgements in these financial statements are areas such as impairment testing, post employment benefits, fair values of properties, fair value of equity investments and in relation to judgemental provisions and accruals particularly those relating to deferred consideration obligations based on earn out arrangements.

Impairment testing assets, particularly of goodwill, involves estimating the future cash flows for a cash generating unit and an appropriate discount rate to determine a recoverable value. The estimation of employee benefit costs requires the use of actuaries and the determination of appropriate assumptions such as discount rates and expected future rates of return as set out in note 27.

32 POST BALANCE SHEET EVENTS

There have been no significant events since the year end which would require disclosure or adjustment in the financial statements.

33 SIGNIFICANT SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The list of significant subsidiaries, joint ventures and associates forms part of the notes to financial statements. The principal areas of operations are the countries of incorporation.

Subsidiaries	Principal activity	Group Share %	Country of Incorporation	Registered Office
Total Produce Ireland Limited *	Fresh produce company	100	Ireland	Charles McCann Building, Rampart Road, Dundalk, Co. Louth
Uniplumo (Ireland) Limited *	Cultivation and distribution of houseplants	90	Ireland	Charles McCann Building, Rampart Road, Dundalk, Co. Louth
Allegro Limited *	Consumer goods company	90	Ireland	1 Beresford Street, Dublin 7
Total Produce Belfast Limited	Fresh produce company	100	United Kingdom	231 City Business Park, Dunmurry, Belfast, BT17 BHY
R Group Holdings Limited	Investment holding company	100	United Kingdom	1st Floor, Sundance House, Staniland Way, Werrington, Peterborough, PE4 6FN
Redbridge Holdings Limited	Fresh produce company	100	United Kingdom	1st Floor, Sundance House, Staniland Way, Werrington, Peterborough, PE4 6FN
TPH (UK) Limited *	Investment holding company	100	United Kingdom	1st Floor, Sundance House, Staniland Way, Werrington, Peterborough, PE4 6FN
Total Produce Holdings (UK) Limited	Investment holding company	100	United Kingdom	1st Floor, Sundance House, Staniland Way, Werrington, Peterborough, PE4 6FN
Total Produce Limited	Fresh produce company	100	United Kingdom	1st Floor, Sundance House, Staniland Way, Werrington, Peterborough, PE4 6FN
Total Produce B.V.	Fresh produce company	100	The Netherlands	Marconistraat 19, 3029 AE Rotterdam
Total Produce Holdings B.V.*	Investment holding company	100	The Netherlands	Marconistraat 19, 3029 AE Rotterdam
EurobananCanarias S.A.	Fresh produce company	50	Spain	Mercamadrid, Nave D, Puestos 47 y 49, 28053 Madrid
Peviani SpA	Fresh produce company	50	Italy	Via Maspero, 20, 1 – 20137, Milan
Hortim International s.r.o.	Fresh produce company	70	Czech Republic	Breclao, ZIP 690 02, Haskova 18, ICO 47915528
Everfresh Group AB	Fresh produce company	100	Sweden	Långebergavägen 190, 256 69 Helsingborg, Sweden.
Lembcke Holdings A.S*	Investment holding company	100	Denmark	Gronttorvet 220, Copenhagen, Denmark
Brdr Lembcke A.S.	Fresh produce company	100	Denmark	Gronttorvet 220, Copenhagen, Denmark

* *Subsidiaries owned directly by Total Produce plc*

33 SIGNIFICANT SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Joint Ventures	Principal activity	Group Share %	Country of Incorporation	Registered Office
Capespan International Holdings Limited	Fresh produce company	50	United Kingdom	Lapell Bank, Port of Sheerness, Sheerness, Kent ME12 IRS
Anaco & Greeve International B.V.	Fresh produce company	50	The Netherlands	Postbus 31, 2685 ZG Poeldijk
Suri Agro Fresh Pvt. Limited	Fresh produce company	50	India	C-129, New Subzi Mandi, Azadpur, Delhi – 110033, India
Khet Se Agriproduce India Pvt Limited	Fresh produce company	50	India	C-1/9, Corporation Bank Building, 1st Floor, Sector 31, Noida 201 301, India
Frutas IRU S.A	Fresh produce company	50	Spain	Puestos 326-328, Mercabilbao, 48970 Basauri, Vizcaya

A full list of subsidiaries, joint ventures and associates is included with the Company's Annual Return filed with the Companies Registration Office

COMPANY FINANCIAL STATEMENTS

COMPANY STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 31 December 2007

	Note	2007 €'000	2006 €'000
Fair value adjustment on equity investments	34	(62)	-
Net loss recognised directly in equity		**(62)**	**-**
Profit for the financial year/period		6,279	-
Total recognised income and expense attributable to equity shareholders		**6,217**	**-**

COMPANY BALANCE SHEET

As at 31 December 2007

	Note	2007 €'000	2006 €'000
Assets			
Non-Current			
Equity investments	34	255,529	255,508
Current			
Trade and other receivables	35	8,360	-
Total assets		**263,889**	**255,508**
Equity			
Called-up share capital	37	3,519	3,510
Share premium	37	252,574	251,998
Other Reserves	37	31	-
Retained earnings	37	4,524	-
Total equity		**260,648**	**255,508**
Current liabilities			
Interest-bearing loans and borrowings	36	360	-
Trade and other payables	38	2,881	-
Total liabilities		**3,241**	**-**
Total equity and liabilities		**263,889**	**255,508**

C P McCann
Chairman

J F Gernon
Finance Director

CASHFLOW STATEMENT

For the year ended 31st December 2007

	Note	2007 €'000	2006 €'000
Operating activities			
Profit for financial year		6,279	-
Adjustments for:			-
Taxation		(109)	-
Equity settled share-based compensation expense		10	-
Interest income		(3)	-
Interest expense		6	-
Movement in trade receivables and other receivables		(8,360)	-
Movement in trade and other payables		2,881	-
Corporation tax refunded		109	-
Interest received		3	-
Interest paid		(6)	-
Cash flows from operating activities		**810**	**-**
Financing activities			
Proceeds from the issue of share capital		585	-
Dividends to equity shareholders		(1,755)	-
Cash flows from financing activities		**(1,170)**	**-**
Net decrease in cash and cash equivalents		(360)	-
Cash and cash equivalents, including bank overdrafts at beginning of year		-	-
Cash and cash equivalents, including bank overdrafts at end of year	**36**	**(360)**	**-**

NOTES TO COMPANY FINANCIAL STATEMENTS

34 EQUITY INVESTMENTS

	Investment in subsidiary €'000	Investment in joint ventures and associates €'000	Trade investments €'000	Total €'000
Business acquired from Fyffes plc on demerger	245,208	2,000	8,300	255,508
Balance at 30 December 2006	**245,208**	**2,000**	**8,300**	**255,508**
Capital contribution to subsidiaries arising from share options granted to group employees	83	-	-	83
Fair value movement	-	-	(62)	(62)
Balance at 31 December 2007	**245,291**	**2,000**	**8,238**	**255,529**

The principal subsidiaries, joint ventures and associates are set out on pages 104 and 105.

In accordance with Section 62 of the Companies Act 1963, the ordinary shares issued by Total Produce plc were recorded at fair value of €255.5m, based on the average market capitalisation of Total Produce plc over the first five days post demerger.

35 TRADE AND OTHER RECEIVABLES

Company	2007 €'000	2006 €'000
Current		
Amounts due from Group undertakings	8,352	-
Prepayments	8	-
	8,360	-

36 CASH AND CASH EQUIVALENTS

	2007 €'000	2006 €'000
Bank overdrafts	(360)	-
	(360)	-

37 CAPITAL AND RESERVES

	Share Capital €'000	Share Premium €'000	Fair Value Reserve €'000	Share Option Reserve €'000	Retained Earnings €'000	Total €'000
Shares issued	39	-	-	-	-	39
Shares redeemed by Company	(39)	-	-	-	-	(39)
Shares issued on 30 December 2006 pursuant to demerger	3,510	251,998	-	-	-	255,508
Balance at 30 December 2006	3,510	251,998	-	-	-	255,508
Total recognised income and expense	-	-	(62)	-	6,279	6,217
Equity settled transactions	-	-	-	93	-	93
Dividends to shareholders	-	-	-	-	(1,755)	(1,755)
Shares issued	9	576	-	-	-	585
Balance at 31 December 2007	**3,519**	**252,574**	**(62)**	**93**	**4,524**	**260,648**

On 14 December 2007, the Company issued 914,287 ordinary shares of €0.01 each in the capital of the company to Computershare Trustees (Ireland) Limited under the terms of the Total Produce profit sharing scheme (APSS), at a price of €0.64 per share.

Summary of movements in 2006

On date of incorporation of the Company on 6 October 2006, the authorised share capital was €10,000,000 divided into 1,000,000,000 ordinary shares of €0.01 each, of which 2 ordinary shares of €0.01 were issued as fully paid at par on incorporation. On 13 October 2006, a further 3,899,998 ordinary shares were issued, of which, 4 were paid up as to their par value and 3,899,993 were paid up to one quarter of nominal value. From the date of incorporation up to 30 December 2006, there were the following changes in the authorised and issued share capital of the Company:

(a) On 14 November 2006, the shareholders of the Company as of that date resolved at an extraordinary general meeting of the Company to give the Board general authority to allot ordinary shares with an aggregate nominal amount of €4,788,200 (478,820,000 ordinary shares of €0.01 each) pursuant to Section 20 of the Companies (Amendment) Act, 1983; to disapply the statutory pre-emption provisions on the issuance of shares of the Company set out in Section 23 of the Companies (Amendment) Act, 1983; and to give the Board authority to buy back and make market purchases of the Company's shares (such authority to expire on the date of the next Annual General Meeting of the Company, or 15 months from the date of the passing of this resolution, whichever comes first).

(b) On 30 December 2006, 350,972,445 Ordinary Shares were allotted to Fyffes shareholders in consideration for the transfer to Total Produce of the General Produce and Distribution Business.

(c) On 30 December 2006, the Company bought back 3,900,000 Ordinary Shares for €nil consideration pursuant to the terms of section 41(2) of the Companies (Amendment) Act, 1983 of Ireland from the shareholders of the Company.

Other reserves	2007 €'000	2006 €'000
Company		
Share option reserve	93	-
Fair value reserve	(62)	-
	31	**-**

NOTES TO COMPANY FINANCIAL STATEMENTS

38 TRADE AND OTHER PAYABLES

	2007 €'000	2006 €'000
Amounts due group undertakings	2,232	-
Accruals	621	-
Other payables	28	-
	2,881	**-**

39 RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its subsidiaries, joint ventures, associates and with the directors of the Company. Details of the remuneration of the Company's individual directors, together with the number of Total Produce plc shares in which they hold a beneficial interest and their outstanding share options are set out in the Compensation Committee report on pages 34 to 39.

	2007 €'000	2006 €'000
Dividends received from subsidiaries	9,000	-
Net income from subsidiaries	(3)	-

40 EMPLOYEE BENEFITS

The aggregate employee costs for the Company were as follows;

	2007 €'000	2006 €'000
Remuneration		
Wages and salaries	1,735	-
Social security contributions	142	-
Pension costs - defined contribution schemes	60	-
Pension costs - defined benefit schemes	135	-
Equity settled share-based compensation	10	-
	2,082	**-**

The average number of employees of the Company in 2007 was 7 (2006: Nil).

41 FINANCIAL INSTRUMENTS AND FINANCIAL RISK

At 31 December 2007	Fair value through the income statement €'000	Loans and receivables €'000	Available for sale €'000	Liabilities at amortised cost €'000	Total €'000	Fair value €'000
Equity investments	-	-	8,238	-	8,238	8,238
Trade and other receivables	-	8,352	-	-	8,352	8,352
	-	**8,352**	**8,238**	**-**	**16,590**	**16,590**
Trade and other payables	-	-	-	(2,881)	(2,881)	(2,881)
Bank overdrafts	-	-	-	(360)	(360)	(360)
	-	**-**	**-**	**(3,241)**	**(3,241)**	**(3,241)**

At 30 December 2006	Fair value through the income statement €'000	Loans and receivables €'000	Available for sale €'000	Liabilities at amortised cost €'000	Total €'000	Fair value €'000
Equity investments	-	-	8,300	-	8,300	8,300

The Company has the same risk exposures as those of the Group as outlined in note 30.

Credit risk

The €8,352,000 within trade and other receivables above relates entirely to amounts due from subsidiary undertakings. All are repayable on demand and there is no impairment provisions against these balances at year end.

Liquidity risk

The €2,881,000 within trade and other payables and the bank overdraft of €360,000 at 31 December 2007 are all due for repayment within six months.

Currency risk

All financial assets and liabilities at 31 December 2007 above are denominated in Euro (the functional currency of the Company) and hence no currency risk is present at year end.

Other market price risk

Equity price risk arises from the available-for-sale equity securities which are held for strategic reasons of the Group.

11. NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

TOTAL PRODUCE PLC
Year ended 31 December 2007

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Total Produce plc will be held at the Radisson SAS Royal Hotel, Golden Lane, Dublin 8, on Wednesday 28 May 2008 at 10.00am for the following purposes:

1. To receive and consider Statements of Account for the year ended 31 December 2007 and the reports of the Directors and auditor thereon.

2. To confirm the interim dividends and declare a final dividend of €1.15 cent per share on the ordinary shares for the year ended 31 December 2007.

3. By separate resolutions to re-elect as Directors the following who retire in accordance with the Articles of Association and/or the Combined Code on Corporate Governance and, being eligible, offer themselves for re-election:

   (A) J F Gernon
   (B) R B Hynes

4. To authorise the directors to fix the remuneration of the auditor for the year ending 31 December 2008.

   As special business to consider and, if thought fit, pass the following resolutions:-

5. AS AN ORDINARY RESOLUTION:

   "That the Directors are hereby unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount of €1,161,226 (116,122,621 shares, representing 33% of the nominal value of the issued share capital) provided that this authority shall expire at the earlier of the close of business on the date of the next AGM after the passing of this resolution or 27 August 2009 provided however that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired."

6. AS SPECIAL RESOLUTIONS:

(A) "That pursuant to Article 8(d) of the Articles of Association and Section 24 of the Companies (Amendment) Act, 1983 the Directors are hereby empowered to allot equity securities (as defined by Section 23 of that Act) for cash pursuant to the authority to allot relevant securities conferred on the Directors by resolution 5 above in the notice of this meeting as if sub-section (1) of the said Section 23 did not apply to any such allotment provided that this power shall be limited to the matters provided for in Article 8(d)(i) and (ii) of the Articles of Association and provided further that the aggregate nominal value of any shares which may be allotted pursuant to Article 8(d)(ii) may not exceed €175,943 (17,594,336 shares) representing 5% of the nominal value of the issued share capital."

(B) "That the Company and/or any subsidiary (as defined by Section 155 of the Companies Act, 1963) of the Company is hereby generally authorised to make market purchases (as defined by Section 212 of the Companies Act, 1990) of shares of any class in the Company ("shares") on such terms and conditions and in such manner as the Directors may determine from time to time but subject to the provisions of the Companies Act, 1990 and to the following restrictions and provisions:-

   (a) The maximum number of ordinary shares (as defined in the Articles of Association of the Company) authorised to be acquired pursuant to this resolution shall not exceed 35,188,673 (representing 10% of the issued share capital);

   (b) the minimum price which may be paid for any share shall be an amount equal to the nominal value thereof;

(c) the maximum price which may be paid for any share (a "relevant share") shall be an amount equal to 105% of the average of the five amounts resulting from determining whichever of the following (i), (ii) or (iii) specified below in relation to the shares of the same class as the relevant share shall be appropriate for each of the five business days immediately preceding the day on which the relevant share is purchased, as determined from the information published in the Irish Stock Exchange Daily Official List reporting the business done on each of those five business days:

(i) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or

(ii) if there shall be only one dealing reported for the day, the price at which such dealing took place; or

(iii) if there shall not be any dealing reported for the day, the average of the high and low market guide prices for that day;

and if there shall be only a high (but not a low) or a low (but not a high) market guide price reported, or if there shall not be any market guide price reported, for any particular day then that day shall not count as one of the said five business days for the purposes of determining the maximum price. If the means of providing the foregoing information as to dealings and prices by reference to which the maximum price is to be determined is altered or is replaced by some other means, then a maximum price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent;

(d) the authority hereby granted shall expire at the close of business on the date of the next AGM of the company or 27 August 2009, whichever is the earlier, unless previously varied, revoked or renewed by special resolution in accordance with the provisions of Section 215 of the Companies Act, 1990. The Company or any such subsidiary may, before such expiry, enter into a contract for the purchase of shares which would or might be executed wholly or partly after such expiry and may complete any such contract as if the authority conferred hereby had not expired."

(C) "That, subject to the passing of resolution 5(B), for the purposes of Section 209 of the Companies Act, 1990, the reissue price range at which any treasury shares (as defined by the said Section 209) for the time being held by the Company may be reissued off-market shall be as follows:-

(a) The maximum price at which a treasury share may be reissued off-market shall be an amount equal to 120 per cent of the "appropriate price"; and

(b) the minimum price at which a treasury share may be re-issued off-market shall be the nominal value of the share where such a share is required to satisfy an obligation under an employee share scheme (as defined in the Companies (Amendment) Act 1983) operated by the Company or, in all other cases, an amount equal to 95% of the appropriate price.

For the purposes of this resolution the expression "appropriate price" shall mean the average of the five amounts resulting from determining whichever of the following (i), (ii) or (iii) specified below in relation to shares of the class of which such treasury share is to be reissued shall be appropriate in respect of each of the five business days immediately preceding the day on which the treasury share is reissued, as determined from information published in the Irish Stock Exchange Daily Official List reporting the business done in each of those five business days:-

(i) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or

(ii) if there shall be only one dealing reported for the day, the price at which such dealing took place; or

(iii) if there shall not be any dealing reported for the day, the average of the high or low market guide prices for the day;

and if there shall be only a high (but not a low) or a low (but not a high) market guide price reported, or if there shall not be any market guide price reported, for any particular day then that day shall not count as one of the said five business days for the purposes of determining the appropriate price. If the means of providing the foregoing information as to dealings and prices by reference to which the appropriate price is to be determined is altered or is replaced by some other means, then the appropriate price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent.

The authority hereby conferred shall expire at the close of business on the day of the next AGM of the Company or 27 August 2009, whichever is the earlier, unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act, 1990."

(D) "That Article 125 of the Articles of Association of the Company be and is hereby amended by:-

1. the deletion of the figure 12 where it appears in Article 125(d) and the insertion of the figure 48 in its place; and

2. the insertion of the following new Article 125(h):-

"(h) Any requirement in these articles for the consent of a member in regard to the receipt by such member of electronic mail or other means of electronic communications approved by the Directors, including the receipt of the Company's audited accounts and the directors' and auditor's reports thereon, shall be deemed to have been satisfied where the Company has written to the member informing him/her of its intention to use electronic communications for such purposes and the member has not, within 4 weeks of the issue of such notice, served an objection in writing on the Company to such proposal. Where a member has given, or is deemed to have given, his/her consent to the receipt by such member of electronic mail or other means of electronic communications approved by the Directors, he/she may revoke such consent at any time by requesting the Company to communicate with him/her in documented form PROVIDED HOWEVER that such revocation shall not take effect until 5 days after written notice of the revocation is received by the Company." "

F J Davis
Company Secretary
Charles McCann Building,
Rampart Road, Dundalk, Co Louth
25 April 2008

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in his/her place. Completion of a form of proxy will not affect the right of a member to attend, speak and vote at the meeting in person.
2. To be valid, forms of proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with the Company's registrar, Computershare Services (Ireland) Limited, P.O. Box 954, Sandyford, Dublin 18 by not later than 10.00am on Monday, 26 May 2008.
3. The Company, pursuant to Regulation 14 of the Companies Act, 1990 (Uncertified Securities) Regulations, 1996, specifies that only those shareholders registered in the register of members of the Company as at 6.00pm on Monday, 26 May 2008 (or in the case of an adjournment as at 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Services (Ireland) Limited (ID 3RA50) by 10.00am on 26 May 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.
5. As of 25 April 2008 (being the latest practicable date prior to the publication of this notice), the outstanding share options issued by the Company would result in the issue of 7,485,000 new ordinary shares if such share options were to be exercised. Further the issue of all of these shares would represent approximately 2.08 % of the enlarged equity or 2.10%, if the Company were to exercise in full the proposed authority being sought in resolution 5(B) above to purchase its own shares.
6. Biographical details for the Directors standing for re-election at the AGM are set out in the accompanying Annual Report. Each of the Directors has been subject to the evaluation process recommended by the 2003 FRC Combined Code. On this basis, the Chairman and Board are pleased to recommend the re-election of those Directors.

- grow
-- source
--- import
---- package
----- distribute
------ market

TotalProduce™

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