TOTAL PRODUCE ANNOUNCES 6.3% INCREASE IN 2008 EARNINGS

- Revenue for the year (including share of joint ventures and associate) was €2.5 billion – an increase of 3.5% (7.8% on a constant currency basis)
- Adjusted EBITA [(i)] up €2.9m, 6.6% to €46.5 million
- Adjusted profit before tax [(i)] up 4.9% to €40.8 million
- Adjusted earnings per share [(ii)] up 6.3% to €6.75 cent
- Final dividend per share of 1.15 cent resulting in a total dividend for the year of 1.69 cent (2007: 1.65 cent)

(i) *excludes fair value movements on investment property, exceptional items and amortisation of intangible assets.*

(ii) *excludes fair value movements on investment property, exceptional items, amortisation of intangible assets and related tax.*

Commenting on the results, Carl McCann, Chairman, said:

"We are pleased that Total Produce achieved satisfactory earnings growth in 2008. While the Group may not match those earnings in a tougher economic environment in 2009, Total Produce is targeting a very solid earnings performance for the year. The Group is focused on expanding the business, both organically and by acquisition."

5 March 2009

For further information, please contact:
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TOTAL PRODUCE PLC PRELIMINARY RESULTS FOR

YEAR ENDED 31 DECEMBER 2008

	2008 € million	**2007 € million**	**% Change**
Revenue, including share of joint ventures and associates	2,516	2,431	+ 3.5%
Group Revenue	2,251	2,151	+ 4.7%
Adjusted EBITA [(i)]	46.5	43.7	+ 6.6%
Adjusted profit before tax [(i)]	40.8	38.9	+ 4.9%
Operating profit (after exceptional items)	35.3	37.6	- 6.2%
Profit before tax (after exceptional items)	29.8	33.2	- 10.1%
	Euro cent	**Euro cent**	
Adjusted earnings per share [(ii)]	6.75	6.35	+ 6.3%
Basic and diluted earnings per share	4.36	5.43	-19.7%
Dividend per share	1.69	1.65	+ 2.4%

(i) *excludes fair value movements on investment property, exceptional items and amortisation of intangible assets.*

(ii) *excludes fair value movements on investment property, exceptional items, amortisation of intangible assets and related tax.*

Financial results and operating review

Income Statement

Revenue

Total revenue for 2008 grew to €2.52 billion, an increase year-on-year of 3.5% due primarily to contributions from the acquisitions in the Netherlands completed on 31 August 2008, and contributions from bolt-on acquisitions made during the second half of 2007 and in 2008. These increases were offset by the lower translation value of non-euro revenues due to the strengthening of the euro during 2008. On a constant currency basis [(1)], revenues for the period have grown by 7.8% year-on-year. On a divisional basis, revenue in the Group's Produce Division grew by 3.5% and by 2.5% in its Consumer and Healthfood Division.

Adjusted EBITA and operating profit

Adjusted EBITA [(2)] increased by €2.9 million or 6.6% year on year to €46.5 million. The full-year outcome for the Group was satisfactory given the less favourable trading conditions experienced in the second half of the year and the relative strengthening of the euro which had an impact on the translation of the non-euro results. Excluding the impact of the translation of profits from non-euro currencies at the average exchange rates for 2008 compared to 2007, the growth in adjusted EBITA was 10.7%. The Group benefited from the restructuring programme implemented in the UK in 2007 and the continued focus on costs and efficiencies during 2008. Net adjusted EBITA margins were 1.85% compared to 1.80% last year.

On a divisional basis, adjusted EBITA in the Produce Division grew 4.3% to €42.4 million and in the Consumer and Healthfood Division the full year contribution from 2007 acquisitions contributed to a 36.6% increase in the adjusted EBITA to €4.1 million.

Operating profit for the Group (before exceptional items) amounted to €39.9 million compared to €37.6 million in 2007. Operating profit for the Group amounted to €35.3 million in 2008 compared to €37.6 million in 2007 due to exceptional items of €4.6 million which are analysed in further detail below.

Financial expense

Net financial expense for the year is €5.5 million compared to €4.5 million for the prior year. The increase arises from the full year interest charge on borrowings to finance 2007 acquisitions and deferred consideration payments together with borrowings to finance acquisitions in 2008. The net interest cover for 2008 was 8.2 times (2007: 9.2 times).

Profit before tax

Adjusted profit before tax [(3)] amounted to €40.8 million which is a 4.9% increase on the 2007 figure of €38.9 million. Excluding the impact of the translation of profits from non-euro currencies at the average exchange rates for 2008 compared to 2007, the growth in adjusted profit before tax was 9%. Profit before tax amounted to €29.8 million compared to €33.2 million in 2007 due to exceptional items of €4.6 million incurred in 2008.

Taxation

The underlying tax charge is set out in note 4 of the accompanying preliminary financial information. The charge, including the Group's share of the tax charge of its joint ventures and associates, was €10.7 million (26.3%) compared to a charge of €11.5 million (29.4%) for the previous year.

Exceptional items

Exceptional items include the closure costs of a manufacturing facility in Ireland, the closure of a number of produce locations in the UK, the net loss incurred on revaluation of property and the impairment of an equity investment due to currency. Details on these exceptional items are outlined in note 3 to the accompanying preliminary financial information and are excluded from the Group's adjusted profit before tax and adjusted earnings per share calculations.

Minority interest

The minority share of profits was €6.0 million for 2008, an increase of €0.9 million on 2007. This increase is due primarily to the 40% minority interest share of profits on the 2008 acquisitions in the Netherlands and the full year effect of bolt on acquisitions made in 2007 with minority interests.

Adjusted and basic earnings per share

Adjusted earnings per share [(4)] amounted to 6.75 cent for 2008, a 6.3% increase year on year in line with expectation. Excluding the impact of the translation of profits from non-euro currencies at the average exchange rates for 2008 compared to 2007, the growth in adjusted EPS was 12%. Basic earnings per share amounted to 4.36 cent compared to 5.43 cent in 2007.

Balance Sheet and Cashflow

Shareholders' funds

Shareholders' funds amounted to €144.6 million at 31 December 2008 (2007: €163.7 million). Profits attributable to equity shareholders of €15.4 million were offset by the increase in the net liability on the Group's defined benefit pension schemes and a lower value on translation of the net assets of foreign currency denominated operations. During the year the Group paid dividends of €5.9 million to equity shareholders.

Defined benefit pension schemes

The net liability in the Group's defined benefit pension schemes (net of deferred tax) at 31 December 2008 was €14.5 million (2007: €0.6 million). This primarily reflects the decrease in pension scheme assets as a result of poor stock market returns experienced on global equity markets during 2008.

Net debt and cashflow

Total Produce generated satisfactory operating cashflow during the year before working capital movements of €40.4 million and funded capital expenditure, bolt-on acquisitions and dividend payments leaving a significant surplus.

Net debt at the end of the year was €60.2 million (2007: €72.0 million) partly reflecting the positive foreign exchange translation adjustment of €6.3 million. The cash outflow on acquisitions during the year was €23.3 million which comprised of €17.9 million on acquisition of subsidiaries, €3.7 million for investments in joint ventures and deferred consideration payments of €1.7 million. Cash outflow on capital expenditure, net of disposals, was €14.7 million. Dividend payments to ordinary shareholders amounted to €5.9 million during year. Dividends of €5.3 million were also paid during 2008 to minority shareholders within a number of the Group's non-wholly owned subsidiaries.

Acquisitions and disposals

The Group completed the acquisition of a 60% interest in Haluco and Nedalpac on 31 August 2008, two companies based in the Netherlands and specialising in Dutch produce. It is expected that these companies will add c. €275 million per annum to Group revenue.

Also during the year, the Group completed a number of bolt-on acquisitions in the Fresh Produce sector, primarily in the UK. The Group's investment of €3.7 million in joint ventures was in existing operations and primarily related to increased investment in the Group's South African farming activities and one of the Group's Indian joint ventures.

Post year-end, Total Produce increased its effective shareholding in its South African investment in Capespan Group Limited to over 15%. This group is one of the world's leading marketers and exporters of fresh produce.

Buy-back

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 trading days. Any shares which may be purchased will be acquired through a subsidiary of the Company and will be held as treasury shares and will not be cancelled. Any purchases should have a positive effect on earnings per share.

Dividend

The Board is proposing a final dividend of 1.15 cent per share, subject to approval at the forthcoming AGM. This dividend will be paid on the 3 June 2009 to shareholders on the register on 29 April 2009 subject to dividend withholding tax. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 31 December 2008. Total dividends for 2008 will amount to 1.69 cent per share and represents an increase of 2.4% on the total 2007 dividend.

Outlook

Following the trend noted in the second half of 2008, consumer demand is less certain and in view of the tougher economic climate, it is prudent to take a more cautious view of the prospects for 2009. The results may also be affected by movements in non-euro currencies against the euro, our reporting currency.

However, Total Produce remains positive regarding the fundamentals in its markets and its position as one of the leading fresh produce companies in Europe. The Group's activities and income are geographically spread across Europe. Total Produce is cash-generative and its strong balance sheet supports its strategy of growing the business, both organically and by acquisition.

The Group is targeting a very solid earnings performance for 2009 with adjusted earnings per share in the range of 5.5 to 6.5 cent per share on 2009 target revenues of €2.6 billion.

Carl McCann, Chairman
on behalf of the Board
5 March 2009

(1) *Percentage changes in constant currency reflect the foreign currency revenue in 2008 retranslated at 2007 exchange rates.*

(2) *Adjusted EBITA is operating profit excluding fair value movements on investment property, exceptional items, amortisation of intangible assets and before interest and tax (including the equivalent share of joint ventures). This calculation is set out in note 2 of the accompanying preliminary financial information.*

(3) *Adjusted profit before tax excludes fair value movements on investment property, exceptional items, amortisation of intangible assets and Group's share of joint ventures tax which under IFRS rules is reflected in profit before tax. This calculation is set out in note 2 of the accompanying preliminary financial information.*

(4) *Adjusted earnings per share excludes fair value movements on investment property, exceptional items, amortisation of intangible assets and related tax. This calculation is set out in note 5 of the accompanying preliminary financial information.*

Copies of this announcement will be available from the Company's registered office at Charles McCann Building, Rampart Road, Dundalk, Co Louth, Ireland and on our website at www.totalproduce.com.

Total Produce plc
Summary Group Income Statement for the year ended 31 December 2008

	Before exceptional items 2008 €'000	*Exceptional items (Note 3) 2008 €'000*	*Total 2008 €'000*	*Total 2007 €'000*
Revenue, including Group share of joint ventures and associate	2,515,694	–	2,515,694	2,431,147
Group revenue	2,250,964	–	2,250,964	2,150,621
Cost of sales	(1,951,218)	–	(1,951,218)	(1,859,871)
Gross profit	299,746	–	299,746	290,750
Operating costs, net	(262,412)	(2,996)	(265,408)	(255,097)
Share of profit of joint ventures	2,616	(1,593)	1,023	2,158
Share of loss of associate	(41)	–	(41)	(172)
Operating profit	**39,909**	**(4,589)**	**35,320**	**37,639**
Net financial expense	(5,509)	–	(5,509)	(4,481)
Profit before tax	**34,400**	**(4,589)**	**29,811**	**33,158**
Income tax expense	(8,285)	(185)	(8,470)	(8,979)
Profit for the financial year	**26,115**	**(4,774)**	**21,341**	**24,179**

Attributable as follows:		
Equity shareholders of the Company	15,357	19,055
Minority interests	5,984	5,124
	21,341	**24,179**
Earnings per ordinary share		
Basic	€4.36 cent	€5.43 cent
Fully diluted	€4.36 cent	€5.43 cent

Total Produce plc
Summary Group Statement of Recognised Income and Expense
for the year ended 31 December 2008

	2008	*2007*
	€'000	*€'000*
Movement on translation of net equity investments	(15,966)	(5,260)
Revaluation gain on property, plant and equipment	3,929	1,706
Fair value adjustment on available for sale financial assets	62	(62)
Actuarial (loss)/gain on defined benefit pension schemes	(18,403)	3,401
Effective portion of cashflow hedges	668	–
Deferred tax on items taken directly to equity	1,389	(1,209)
Share of joint ventures' revaluation (loss)/gain on property, plant and equipment	(660)	294
Share of joint ventures' actuarial (loss)/gain on defined benefit pension schemes	(105)	189
Share of joint ventures' fair value (loss)/gain on available for sale financial assets	(3)	25
Share of joint ventures' effective portion of cashflow hedges	(9)	–
Share of joint ventures' deferred tax on items taken directly to equity	262	(107)
Total income and expense recognised directly in equity	(28,836)	(1,023)
Profit for the financial year	21,341	24,179
Total recognised income and expense	**(7,495)**	**23,156**
Attributable as follows:		
Equity shareholders of the Company	(13,923)	17,354
Minority interests	6,428	5,802
Total recognised income and expense	**(7,495)**	**23,156**

Total Produce plc
Summary Group Balance Sheet as at 31 December 2008

	2008 €'000	2007 €'000
Non-current assets		
Property, plant and equipment	121,679	124,226
Investment property	12,339	12,194
Goodwill and intangible assets	119,096	123,586
Investments in joint ventures and associates	35,913	41,453
Equity investments	8,180	9,462
Other receivables	3,286	1,609
Deferred tax assets	6,168	5,231
Employee benefits	3,237	7,235
Total non-current assets	**309,898**	**324,996**
Current assets		
Inventories	39,628	37,351
Trade and other receivables	271,327	267,177
Corporation tax receivable	1,577	1,803
Derivative financial instruments	1,370	171
Cash and cash equivalents	85,293	87,104
Total current assets	**399,195**	**393,606**
Total assets	**709,093**	**718,602**
Equity		
Called-up share capital	3,519	3,519
Share premium	252,574	252,574
Other reserves	(124,491)	(111,745)
Retained earnings	13,005	19,366
Total equity attributable to equity holders of the Parent	**144,607**	**163,714**
Minority interests	**53,528**	**45,997**
Total equity	**198,135**	**209,711**
Non-current liabilities		
Interest-bearing loans and borrowings	79,512	109,946
Deferred government grants	1,932	2,385
Other payables	3,118	2,612
Provisions	8,366	8,380
Corporation tax payable	8,185	7,772
Deferred tax liabilities	20,820	20,151
Employee benefits	19,915	8,675
Total non-current liabilities	**141,848**	**159,921**
Current liabilities		
Interest-bearing loans and borrowings	65,981	49,171
Trade and other payables	298,496	296,282
Provisions	3,024	3,226
Derivative financial instruments	174	291
Corporation tax payable	1,435	–
Total current liabilities	**369,110**	**348,970**
Total liabilities	**510,958**	**508,891**
Total equity and liabilities	**709,093**	**718,602**

Total Produce plc
Summary Group Cash Flow Statement for the year ended 31 December 2008

	2008 €'000	2007 €'000
Operating activities		
Profit for the financial year	**21,341**	**24,179**
Income tax expense	8,470	8,979
Depreciation of property, plant and equipment	13,911	13,687
Impairment of property, plant and equipment	2,176	113
Fair value movement on investment property	(2,497)	(360)
Amortisation of intangible assets	4,776	5,024
Impairment of available for sale financial assets	1,169	–
Goodwill written off on termination of a business	396	–
Amortisation of research and development	382	518
Amortisation of grants	(508)	(521)
Movement on provisions	1,943	–
Pension contributions paid less amount charged to income statement	(2,762)	(2,320)
Equity settled share-based compensation expense	281	93
Net gain on disposal of property, plant and equipment	109	69
Net financial expense	5,779	4,777
Net (gain)/loss on fair value of derivative financial instruments	(442)	94
Share of profits of joint ventures and associates	(982)	(1,986)
Income tax paid	(7,071)	(11,627)
Net financial expense paid	(6,032)	(3,145)
Cashflows from operations before working capital movements	**40,439**	**37,574**
Decrease in working capital	12,043	12,598
Cashflows from operating activities	**52,482**	**50,172**
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(17,922)	(32,994)
Acquisition of and investment in joint ventures including loans	(3,679)	(7,300)
Dividends received from joint ventures	2,017	2,152
Payments of deferred consideration	(1,677)	(43,556)
Acquisition of property, plant and equipment and investment property	(16,380)	(15,631)
Proceeds from disposal of property, plant and equipment	1,704	1,128
Acquisition of trade investment	(47)	(40)
Cash derecognised on subsidiary becoming a joint venture	–	(8,589)
Research and development expenditure capitalised	(347)	(303)
Government grants received	55	746
Cash flows from investing activities	**(36,276)**	**(104,387)**
Financing activities		
Proceeds from the issue of share capital	–	585
Net increase in borrowings	3,577	68,026
Net cash movement in balance with Fyffes plc	–	(15,665)
Capital element of lease repayments	(679)	(1,270)
Capital contribution from minority interest	750	–
Dividends paid to minority interests	(5,347)	(4,543)
Dividends paid to equity shareholders	(5,947)	(1,755)
Cashflows from Financing activities	**(7,646)**	**45,378**
Net increase / (decrease) in cash and cash equivalents	8,560	(8,837)
Cash and cash equivalents, including bank overdrafts at 1 January	74,111	85,042
Effect of exchange rate fluctuations on cash and cash equivalents	(5,450)	(2,094)
Cash and cash equivalents, including bank overdrafts at 31 December	**77,221**	**74,111**

Total Produce plc
Notes to Preliminary Results for the year ended 31 December 2008

1. Basis of preparation

The financial information included in this preliminary result statement has been extracted from the Group's financial statements for the year ended 31 December 2008 and is prepared based on the accounting policies set out therein which are consistent with those applied in the prior year. 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 Group Financial Statements have been approved by the Board of Directors on 4 March 2009 and will be filed with the Irish Registrar of Companies and circulated to shareholders in due course.

The financial information is presented in euro, rounded to the nearest thousand.

2. Adjusted profit before tax and adjusted EBITA

	2008 €'000	**2007 €'000**
Profit before tax per income statement	29,811	33,158
Adjustments		
Exceptional items before share of joint venture tax (note 3)	4,454	–
Fair value gains in investment property*	–	(360)
Share of joint ventures fair value gains on investment property (before tax)*	–	(271)
Group share of tax charge of joint ventures and associates	1,495	1,305
Amortisation of intangibles including share of joint ventures	5,082	5,096
Adjusted profit before tax	**40,842**	**38,928**
Exclude		
Net financial expense – Group	5,509	4,481
Net financial expense – share of joint ventures and associates	172	251
Adjusted EBITA	**46,523**	**43,660**

** on materiality grounds, these items were not classified as exceptional in 2007. In 2008, the comparable items are included within exceptional items, as analysed in note 3.*

For the purpose of assessing the Group's performance, Total Produce management believe that adjusted profit before tax, and adjusted earnings per share (note 5 below) are the most appropriate measures of the underlying performance of the Group, excluding fair value gains on investment properties, exceptional items and amortisation charges. Similarly, adjusted earnings before interest, tax, fair value gains on investment properties, exceptional items and amortisation (adjusted EBITA) are a more indicative reflection of the underlying operations of the Group.

3. Exceptional items

During the year, the Group incurred a number of one off exceptional credits and charges. In aggregate these exceptional items amount to €4,589,000 as outlined below. These items have been classified in the Group income statement as exceptional given their materiality and in order to distinguish them from income in the Group's core activities.

	2008
	€'000
Costs associated with termination of activities (note a)	(2,148)
Impact of revaluation of investment property and impairment of property, plant and equipment within subsidiaries (note b)	321
Share of joint ventures' impairment of investment property (note b)	(1,458)
Impairment of available for sale equity investments (note c)	(1,169)
Total exceptional items (before joint ventures tax)	**(4,454)**
Share of movement in joint venture's deferred tax on investment property	(135)
Total exceptional items (after joint venture tax)	**(4,589)**
Tax on exceptional items - subsidiaries	(185)
Total exceptional items (net of tax)	**(4,774)**

(a) *Costs associated with termination of activities*

During the year the Group terminated an operation in the Consumer and Healthfood Division and also closed a number of smaller operations in its Produce Division in the UK. The total cost of these closures amounted to €2,148,000.

(b) *Revaluation of property*

During the year, the Group revalued land and buildings, including investment property, resulting in a net credit of €321,000 in the Group income statement. This net credit consists of a €2,176,000 impairment charge arising on property, plant and equipment, and fair value gains on investment property in the amount of €2,497,000.

Also, during the year the Group revalued investment properties held within the Group's joint ventures resulting in an impairment charge of €1,458,000 in the Group income statement.

(c) *Impairment of available for sale equity investments*

This represents a €1,107,000 reduction in the carrying value of an equity investment together with the elimination of a €62,000 fair value deficit recognised in equity in the prior year. The fair value of the investment was measured in the foreign currency in which it is denominated. On translation to euro using the closing rate, a foreign exchange loss resulted in an overall fair value decline.

4. Income Tax

	2008 €'000	2007 €'000
Tax charge per income statement	8,470	8,979
Group share of tax charge of its joint ventures/associates netted in profit before tax	1,495	1,305
Total tax charge	**9,965**	**10,284**
Adjustments		
Deferred tax on amortisation of intangibles (including share of joint ventures/associates)	1,092	1,112
Net deferred tax on fair value gains/losses on investment properties – subsidiaries	(668)	79
Share of net deferred tax on fair value gains/losses on investment properties within joint ventures	(135)	(16)
Tax impact of other exceptional items	483	-
Tax charge on underlying activities	**10,737**	**11,459**

Including the Group's share of the tax charge of its joint ventures and associates amounting to €1.5 million (2007: €1.3 million), which is netted in operating profit in accordance with IFRS, the total tax charge for the year amounted to €10.0 million (2007: €10.3 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 €10.7 million (2007: €11.5 million), equivalent to a rate of 26.3% (2007: 29.4%) when applied to the Group's adjusted profit before tax.

5. Earnings per share

	2008 €'000	2007 €'000
Profit for financial year attributable to equity shareholders	15,357	19,055
	'000	'000
Weighted average number of ordinary shares for the financial year	351,887	351,003
Basic earnings per share - € cent	**4.36**	**5.43**

Adjusted fully diluted earnings per share	**2008 €'000**	**2008 € cent per share**
Profit for financial year attributable to equity shareholders	15,357	4.36
Adjustments:		
Amortisation of intangible assets	5,082	1.45
Exceptional items	4,589	1.30
Tax effect of exceptional items and amortisation charges	(907)	(0.26)
Minority impact of intangible amortisation charges and related tax	(368)	(0.10)
Adjusted fully diluted earnings – 2008	**23,753**	**6.75**

	2007 €'000	**2007 € cent per share**
Profit for financial year attributable to equity shareholders	19,055	5.43
Adjustments:		
Fair value movement on investment properties	(360)	(0.10)
Share of joint ventures fair value movement on investment properties	(255)	(0.07)
Amortisation of intangible assets	5,096	1.45
Tax effect of fair value movement on investment properties and amortisation charges	(1,191)	(0.34)
Minority impact of intangible amortisation charges and related tax	(63)	(0.02)
Adjusted fully diluted earnings – 2007	**22,282**	**6.35**

Adjusted fully diluted earnings per share is calculated to adjust for fair value movement in investment property, exceptional items, intangible amortisation, related tax charges/credits and the impact of share options with a dilutive effect.

Share options outstanding at the end of 2007 and 2008 of 5,085,000 and 7,485,000 respectively, are anti-dilutive in both years and therefore the weighted average number of shares outstanding applied in the calculation of basic and adjusted earnings per share is the same.

6. Employee benefits

	2008 €'000	2007 €'000
Net liability at beginning of year	(1,440)	(190)
Employee benefit liability acquired as part of acquisition of subsidiary	-	(7,467)
Current/past service cost less net finance income recognised in income statement	(1,677)	(2,242)
Contributions to schemes	4,439	4,563
Actuarial (loss)/gain recognised in statement of recognised income and expense	(18,403)	3,401
Foreign exchange movement	404	495
Net liability at end of year	**(16,677)**	**(1,440)**
Related deferred tax asset	2,207	833
Net liability	**(14,470)**	**(607)**

The table summarises the movements in the net liability on the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe. The Group's balance sheet at 31 December 2008 reflects pension assets of €3.2 million in respect of schemes in surplus and pension liabilities of €19.9 million in respect of schemes in deficit.

The current/past service cost is charged in the income statement, net of the finance income on scheme assets and liabilities. Actuarial gains/(losses) are recognised in the statement of recognised income and expense.

The increase in the scheme's deficit during the year arose primarily because of the diminution in the pensions' schemes assets due to negative stock market returns as equity markets fell largely as a result of the ongoing financial crisis. The fall in the value of the assets was partly offset by the effect of increased discount rates which reduced the present value of the schemes obligations.

7. Dividends

	2008 €'000	2007 €'000
Dividends paid on Ordinary €1 cent shares		
Interim dividend for 2007 of 0.50 cent	-	1,755
Final dividend for 2007 of 1.15 cent	4,047	-
Interim dividend for 2008 of 0.54 cent	1,900	-
	5,947	1,755

The directors have proposed a final dividend for 2008, subject to shareholder approval at the AGM of 1.15 cent per share. This brings the total dividend for the 2008 financial year to 1.69 cent per share an increase of 2.4% on 2008. This dividend has not been provided for in the balance sheet at 31 December 2008.

8. Summary statement of movement in shareholders' equity

	2008 €'000	2007 €'000
Total shareholders' equity at beginning of year	163,714	147,437
Total recognised income and expense	(13,923)	17,354
Shares issued	-	585
Share based payment expense	281	93
Dividends paid to equity shareholders	(5,947)	(1,755)
Gain arising on buy-out of minority shareholders recognised directly in equity	482	-
Total shareholders' equity at end of year	**144,607**	**163,714**

The decrease in total recognised income and expense is due primarily to the actuarial loss of €17.0 million (net of deferred tax) during the year on the Group's defined benefit pension schemes and the currency loss of €15.9 million on translation of the assets and liabilities of the Group's foreign currency operations.

During the year, dividends of €5.9 million (2007: €1.8 million) were paid to the equity shareholders of the Company (note 7).

9. Businesses acquired during the year

During the year, the Group completed the acquisition of a number of businesses as described earlier in this announcement. The total consideration for acquisitions of subsidiaries amounted to €14.2 million (excluding cash and bank overdrafts acquired). Including cash and bank overdrafts acquired, the net cash outflow for these acquisitions amounted to €17.9 million. Intangible assets of €9.1 million were recognised on acquisition together with goodwill of €5.2 million.

The net spend on investment in existing joint ventures during the year was €3.7 million.

The acquisition method of accounting has been used to consolidate the businesses acquired. The accounting for some of the business acquisitions is provisional. Other than the valuation of intangible assets, there were no material differences arising between the fair value of assets and liabilities acquired and the acquirees carrying value at acquisition date. Should any fair values need to be adjusted, they will be reflected in the acquisition accounting within one year of acquisition date.

10. Analysis of movement in net debt in the year

	1 Jan 2008 €'000	Cash Flow €'000	Non-cash €'000	Translation €'000	31 Dec 2008 €'000
Bank balances and deposits	87,104	5,205	-	(7,016)	85,293
Overdrafts	(12,993)	3,355	-	1,566	(8,072)
Cash and cash equivalents per cash flow statement	**74,111**	**8,560**	**-**	**(5,450)**	**77,221**
Bank loans – non current	(109,153)	2,953	19,109	7,979	(79,112)
Bank loans – current	(35,478)	(6,530)	(19,109)	3,553	(57,564)
Finance leases	(1,493)	679	(107)	176	(745)
Total interest bearing borrowings	**(146,124)**	**(2,898)**	**(107)**	**11,708**	**(137,421)**
Net debt	**(72,013)**	**5,662**	**(107)**	**6,258**	**(60,200)**

11. Reclassification

Certain comparative amounts have been reclassified to conform to the current presentation.