Let's Grow Together

Total Produce plc Annual Report and Accounts 2009

Total Produce: let's grow together

Who we are and what we do:

We are Europe's premier fresh produce provider. Our business is growing, sourcing, importing, packaging, distributing and marketing over 200 lines of fresh fruits, vegetables and flowers.

Our mission:

Our strategy is to translate our competitive advantages: our people, our suppliers, our infrastructure and our relationships into value for our customers; delivering to them a superior service and to their consumers produce which exceeds expectations. We do this secure in the conviction that, through ever evolving operational excellence, we will continue to grow and deliver to our investors industry leading returns.

Contents

Adding value to the fresh produce supply chain.

Distributing fresh fruits and vegetables from thousands of growers to thousands of customers across dozens of countries. The Total Produce supply chain: Simpler. Leaner. Better.

88
Facilities in 19 countries

4,000+
Employees across the Group

Adding value – A lean supply chain: Our customers
Leveraging group size, strength and reach we deliver to our customer base a commercial competitive advantage. We differentiate ourselves and our produce by generating collective efficiencies, integrating supply networks, forging synergies and extracting unnecessary costs.

Adding value – An effective route to market: Our suppliers
Total Produce consolidates orders, delivers economies of scale, provides a 'least cost' on the ground infrastructure and extends to the superior producer the security of a strong, responsible, constructive commercial partner in the European marketplace.

1. Growing and Sourcing.
Picking the cream of the crop…

Selecting superior growers. Investing in facilities. Providing technical assistance. Assuring responsible production.

2. Quality Assurance.
Laying the right foundations…

Providing agronomic support. Developing and applying specifications. Auditing producer farms. Testing produce at source.

3. Product Management.
Handling with care…

Importation. Administration. Storage. Grading. Ripening. Order assembly. Customisation of orders.

4. Packaging.
Presenting the produce…

Breaking bulk. Developing customer centred branding solutions. Pre-packing. New product development.

5. Quality Control.
Guaranteeing superior produce…

Analysing produce. Measuring conformance to specifications. Managing shelf life. Assessing flavour. Ensuring consistency.

6. Distribution.
A core competency…

From around the world to across the continent; serving 19 countries from 88 depots, Total Produce distributes to retailers, wholesaler and food service professionals throughout Europe.

7. Sales and Customer Support.
The last ten yards…

Category management. Promotions. Benchmarking. Portfolio management. Customer care. Quality Assurance support.

€2,431m

Revenue: €2,431 million
-3.3% on prior year
+0.7% on a constant currency basis[1]

6.47cent

Adjusted EPS[2]: 6.47 cent
-4.1% on prior year
+1.4% on a constant currency basis[1]

€57.1m

Adjusted EBITDA[2]: €57.1 million
-5.5% on prior year
-1.2% on a constant currency basis[1]

€43.9m

Adjusted EBITA[2]: €43.9 million
-5.7% on prior year
-1.2% on a constant currency basis[1]

€38.8m

Operating cashflow: €38.8 million

€27.2m

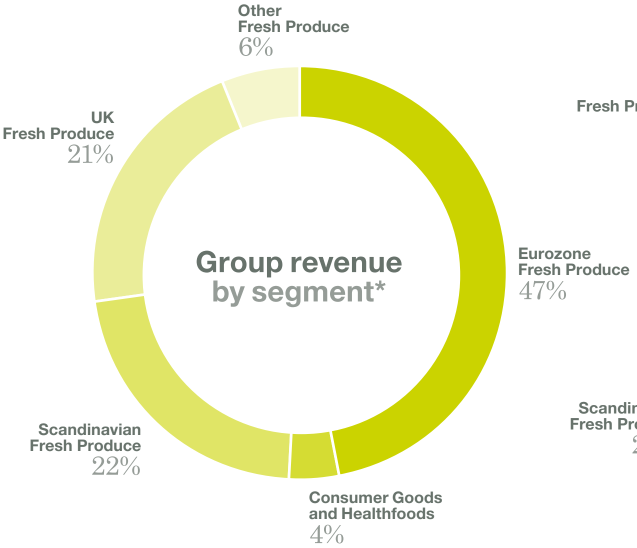
Free cashflow: €27.2 million

€165.2m

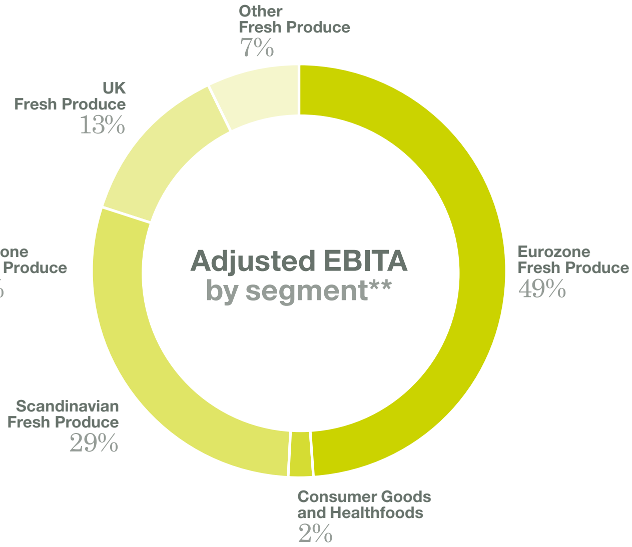
Shareholders equity: €165.2 million
+14.2% on prior year

1.69cent

Dividend per share (total): 1.69 cent
unchanged on prior year



* Based on third party revenue.



** Excluding unallocated costs.

(1) Assuming 2009 and 2008 reported numbers of foreign operations retranslated at 2008 average exchange rates.
(2) Excludes exceptional items and amortisation of intangible assets. For Adjusted EPS it excludes the related tax on these items.

Pomegranate

Pomegranate is now recognised as one of the most powerful sources of phytonutrients that can help prevent diseases associated with ageing and promote healthy skin. Research from around the world suggests that pomegranate is one of nature's most concentrated sources of antioxidants.

Quality produce

Growing, sourcing, importing, packaging, distributing and marketing over 200 lines of fresh fruit, vegetables and flowers, Total Produce's fresh produce portfolio extends from the more familiar to the truly exotic.

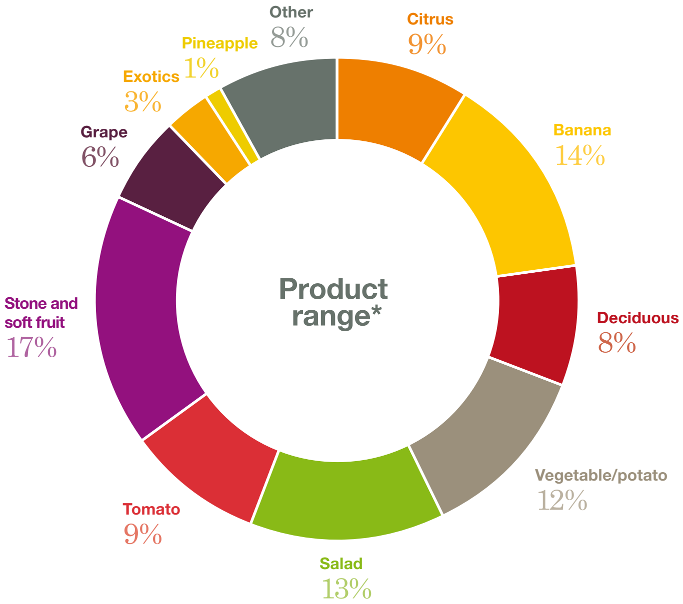
We market all major fruit categories including tropical fruits, deciduous, citrus, stone fruit, exotics and an equally extensive range of salad and vegetables.

At Total Produce we are committed to minimising the distance between stem and store and in doing so to maximising freshness, supporting local industry and minimising our environmental impact. We are an enthusiastic partner to local producers across all our markets – investing in facilities and providing agronomic and marketing support to ensure that pride of place in our produce portfolio is first and foremost given to locally sourced, quality fresh produce.

To deliver on our promise to supply the complete fresh produce basket, we complement domestic supply with produce from the world's richest growing regions and most reputable growers. Our multi-source procurement policy offers a flexibility that ensures both continuity of supply across the year and superior season management-delivering produce of superior eating quality. Our relationships in many of these regions places us at the very heart of production – making us different because we're there, working with growers at source, driving quality and range.

This policy of working hand in hand with producers is one epitomised by the formation of Redeva Egypt in late 2009, a partnership between Redeva, Total Produce UK's Berry Research & Development division and premier Egyptian berry growers. This initiative will see plants developed by Redeva UK brought to commercial fruition in Egypt, increasing the level of expertise and quality of plants available to our growers and customising product for our European customer base.

Communicating the superior quality of our produce is also important and to this end, the ongoing introduction of Total Produce's consumer brand TOP to the European marketplace continues. The TOP brand is applied only to produce of exceptional quality and consistency with best agricultural practices applied across all aspects of production from selection to packaging to distribution. All Total Produce TOP produce is GLOBALGAP accredited. The TOP brand has already been applied to Apples, Pears, Grapes, Melons, Tomatoes and most recently Spanish Citrus.



* Expressed as a % of Group revenue.

Good circulation

Fresh fruit and vegetables procured from thousands of growers across six continents, distributed to thousands of customers across dozens of countries each and every year. Fresh Produce is a complicated industry requiring simple solutions. Total Produce's global network differentiates our group, our service and our products.

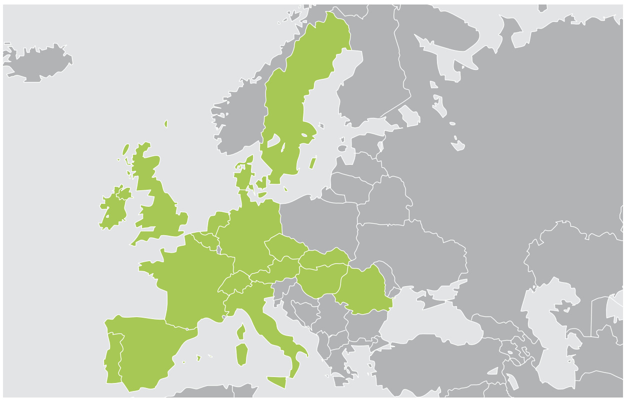
Supply network

Over a century of trading, Total Produce has established an unrivalled network of the world's most accomplished growers and marketers, a network consisting of suppliers with proven track records at meeting and surpassing our customers' expectations. The experience of these growers in trading with Total Produce, the personal relationships we have forged over decades, our capacity to project demand, deliver volume and market produce have uniquely positioned Total Produce with the world's premier suppliers. Our customers reap the rewards. With extensive local infrastructures in key production areas such as Spain, Italy, Holland and South Africa, Total Produce offers customers the assurance of 52 week supply, the seamless transition across seasons and consistency of quality. The breadth of our reach lends flexibility to our supply chain better positioning us to manage contingencies, deliver superior value, secure availability and deliver to our customer base a tangible competitive edge.

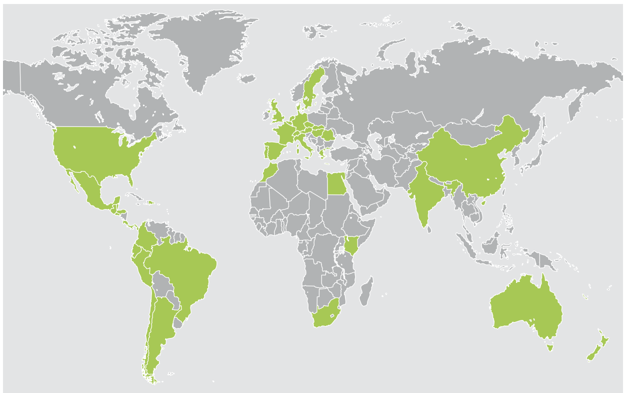
Distribution infrastructure

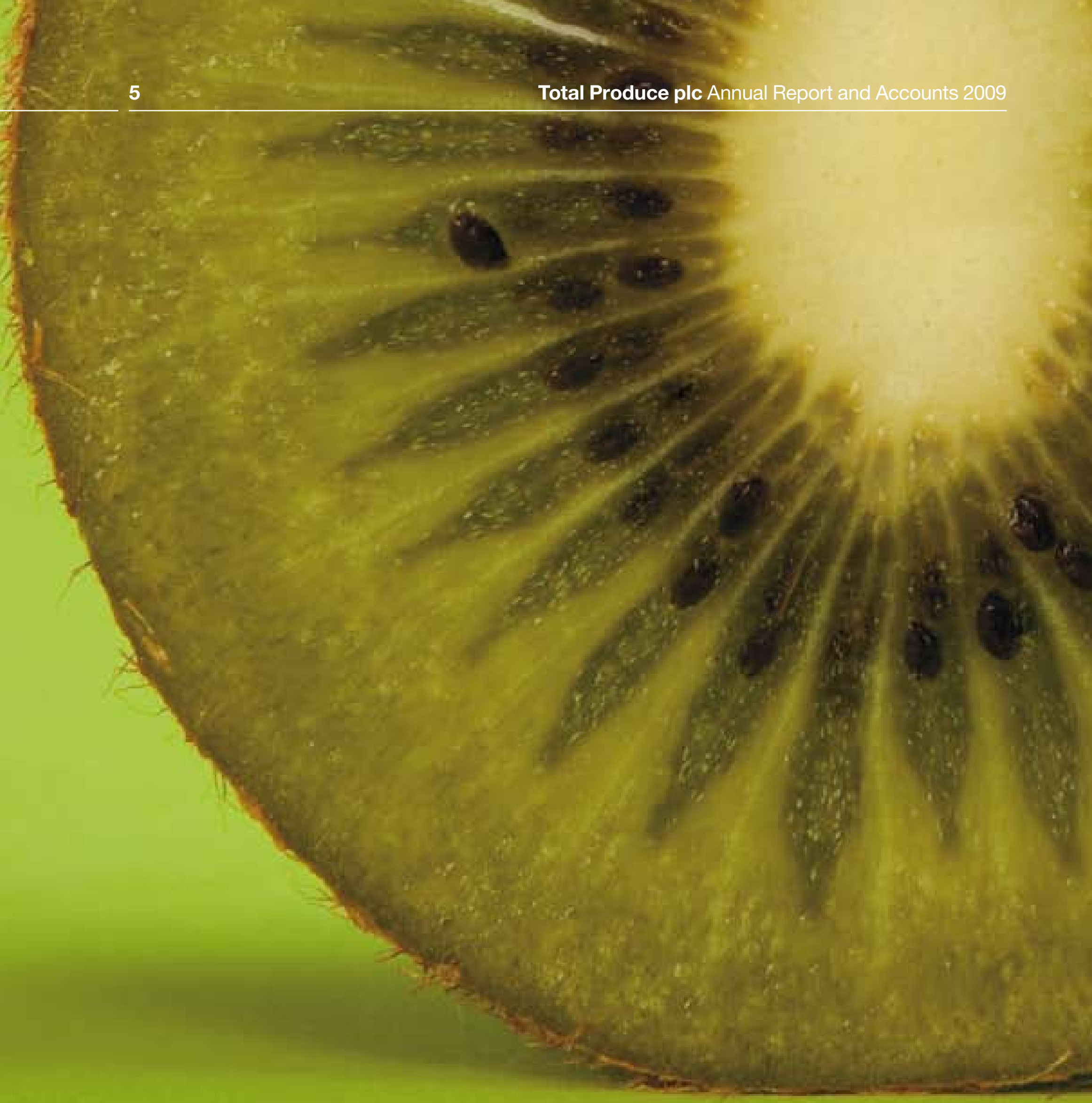
Total Produce's pan-European reach differentiates the Group. Total Produce today operates out of 88 facilities across some 19 countries, while serving many more. In addition to being the leading fresh produce provider in Ireland (Total Produce Ireland), Spain (Grupo Eurobanan), Sweden and Denmark (Total Produce Nordic, Lembcke, Everfresh), the United Kingdom (Total Produce UK), and the Czech Republic (Hortim International), the Total Produce Group includes major operations in several key markets including South Africa (Capespan), Slovakia (Hortim International), India (Suri Agro Fresh and Khet Se Distribution), Italy (Peviani) and the Netherlands (Total Produce B.V., Haluco B.V., Nedalpac B.V., Anaco & Greeve International).

Our European reach



Our global procurement





Kiwi

Good circulation improves nearly every system of the body and improves the function of many major organs. The Kiwi fruit is a fruit endorsed for its levels of Vitamin E which helps maintain a healthy circulatory system.

Star Fruit

Star Fruit is rich in Vitamins A and C and it also has a high iron content and vitamins and minerals known to help improve metabolism. Maintaining a healthy metabolism can increase energy and help improve immunity to disease, providing a strong healthy body.

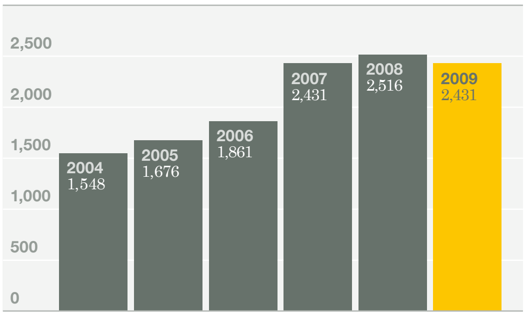
A successful track record

Six-year summary

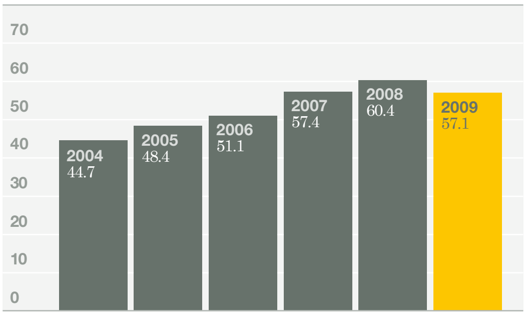
	2009 (€)	2008 (€)	2007 (€)	2006 (€)	2005 (€)	2004 (€)
Revenue (including share of joint ventures/associates)	**2,431m**	2,516m	2,431m	1,861m	1,676m	1,548m
Group revenue	**2,186m**	2,251m	2,151m	1,577m	1,356m	1,187m
Adjusted EBITDA (1)	**57.1m**	60.4m	57.4m	51.1m	48.4m	44.7m
Adjusted EBITA (1)	**43.9m**	46.5m	43.7m	38.8m	37.8m	34.8m
Adjusted profit before tax (2)	**40.1m**	40.8m	38.9m	36.1m	35.0m	31.8m
Profit before tax	**28.4m**	29.8m	33.2m	18.9m	29.7m	27.2m
Adjusted fully diluted earnings per share (3)	**6.47 cent**	6.75 cent	6.35 cent	5.70 cent	4.76 cent	4.76 cent
Basic earnings per share	**3.70 cent**	4.36 cent	5.43 cent	2.02 cent	3.83 cent	3.95 cent

(1) Excludes exceptional items and fair value movement on investment properties.
(2) Adjusted profit before tax excludes exceptional items, fair value movement on investment properties and amortisation of intangible assets and the Group's share of joint ventures tax which under IFRS rules is reflected in profit before tax.
(3) Adjusted earnings per share excludes exceptional items, fair value movements on investment property and amortisation of intangible assets and the related tax on these items.

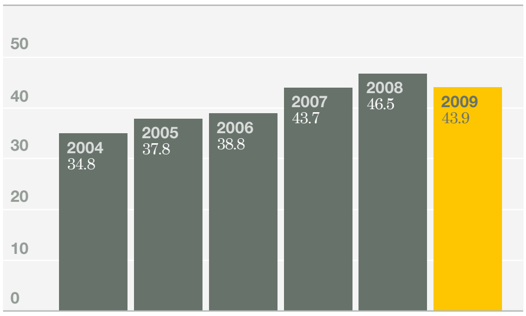
Sales (€'m)



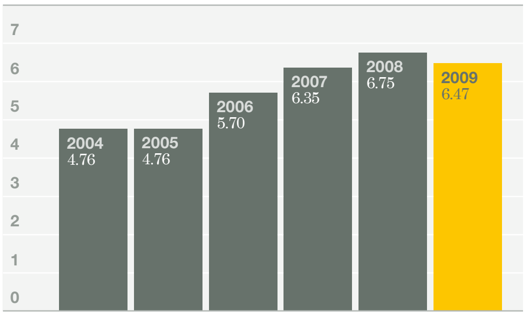
Adjusted EBITDA (€'m)



Adjusted EBITA (€'m)



Adjusted EPS (€ cent)



Information in respect of the years ended 31 December 2004, 2005 and 2006 is presented based on the performance of the Total Produce businesses reported as a separate business segment within Fyffes plc prior to demerger on 30 December 2006 and consequently may not be directly comparable to the information presented in respect of the years ended 31 December 2007, 2008 and 2009.

Chairman's Statement
The Group has delivered a resilient performance in 2009 against the background of a challenging economic environment and adverse currency movements.

The Group has delivered a resilient performance in 2009 against the background of a challenging economic environment and adverse currency movements.

The business has performed well across its broad geographic regions although some specific areas experienced more difficult conditions as the result of a decrease in economic activity.

Total revenue of €2.43 billion represents a decline of 3.3% on prior year. Adjusted earnings per share for the year of 6.47 cent is at the upper end of previous market guidance and represents a decrease of 4.1% on 2008. Both revenue and Adjusted EPS are marginally up on prior year.

The Group invested €8.7m in a number of business interests in 2009. We believe that continuing to acquire attractive businesses enhances shareholder value and we remain committed to this process. The Group is focused on expanding the business both organically and by acquisition.

The Board is proposing a final dividend of 1.15 cent per share which combined with the interim dividend of 0.54 cent paid earlier in 2009 brings the total dividend for the year to 1.69 cent per share which is unchanged on 2008. This represents a 26% distribution based on adjusted earnings per share of 6.47 cent.

As announced in July 2009, there were a number of senior management appointments which took effect on 1 August 2009. Frank Gernon who was Finance Director of the Group was appointed as Director of Financial Strategy and Development.

Frank who joined the Group in 1973 will now focus on the strategic and development aspects of the Group's financial management.

Frank Davis succeeded Frank Gernon as Finance Director and joined the Board on 1 August 2009. Frank who joined the Group is 1983 was previously the Group Chief Financial Officer and Company Secretary having held various senior accounting and financial positions in the Group. Marie Reid was appointed Company Secretary having joined the Group in 2004 and previously held the role of Assistant Company Secretary. We wish them all well in their new roles.

For 2010, the extremely cold weather and heavy snowfalls throughout most of Europe have resulted in a slow start to the year keeping consumers at home and temporarily reducing demand. However, Total Produce remains positive about its position as one of the leading fresh produce companies in Europe with the benefit of a good spread of activities throughout the region. The Group is targeting 2010 adjusted earnings per share in the range of 5.50 to 6.50 cent which is the same range as the previous year. The Group is in a strong financial position and continues to pursue attractive acquisition opportunities.

The Group employs over 4,000 people in 19 countries. We would like to thank them all for their commitment and their contribution to Total Produce's good performance in 2009. The success of the business is due to the very hard work and ability of our excellent people.

Carl McCann
Chairman
4 March 2010

Energy in all we do

Orange

Oranges have a high Vitamin C content which gives you energy. Oranges are reputed to lift people's spirits and calm anxieties. Enough to put a little spring in your step.

Aiming even higher

Berries

Berries are resilient in tough climates, they contain most of the essential antioxidant vitamins keeping you in peak performance.

Operating Review
Total revenue of €2.43 billion represents a 3.3% decline on prior year. On a constant currency basis revenue for the Group is up 0.7%.

Total revenue of €2.43 billion represents a 3.3% decline on prior year. On a constant currency basis, revenue for the Group is up 0.7%. In the Fresh Produce division, revenue declined by 1.9% to €2.33 billion due primarily to the strength of the euro which led to lower translation values of non-euro revenues and marginally lower like-for-like volumes and average selling prices. These decreases were offset by the full year contribution of acquisitions made in the second half of 2008. Revenue in the Consumer Goods and Healthfoods Distribution division, which represents 4% of Group revenue, decreased by €40m to €106m.

Adjusted EBITA for the year is €43.9m, a decline of 5.7% primarily due to currency translation and a decrease in earnings within the Consumer Goods and Healthfoods Distribution division. On a constant currency basis, the decline is 1.2%. Adjusted EBITA in the Fresh Produce division increased by €0.7m to €43.1m helped by the full year contribution of acquisitions made in the second half of 2008, offset by the impact of the strengthening of the euro. In the Consumer Goods and Healthfoods Distribution division, adjusted EBITA decreased from €4.2m to €0.8m.

Exceptional items in the year amounted to a net charge of €4.8m before tax, primarily related to property impairments, offset by curtailment gains on defined benefit pension schemes. An analysis of these items is set out in the Financial Review. Operating profit for 2009 after exceptional items amounted to €31.5m (2008: €35.3m).

The Group generated strong operating cashflows of €38.8m and free cashflow of €27.2m in the year leading to a reduction in net debt from €60.2m to €50.6m after the financing of current year acquisitions and payment of dividends to equity shareholders.

Operations review

The table below details a segmental breakdown of the Group's revenue and Adjusted EBITA for the year. Segment performance is evaluated based on revenue and Adjusted EBITA.

	2009		2008	
	Revenue €'000	**Adjusted EBITA* €'000**	Revenue €'000	Adjusted EBITA* €'000
Eurozone Fresh Produce	**1,150,812**	**23,352**	1,068,303	19,201
Scandinavian Fresh Produce	**549,864**	**13,719**	600,238	15,303
UK Fresh Produce	**519,369**	**6,016**	579,008	6,009
Other Fresh Produce	**132,132**	**3,067**	139,288	4,676
Inter-segment revenue and unallocated costs	**(26,927)**	**(3,044)**	(17,400)	(2,821)
Total Fresh Produce	**2,325,250**	**43,110**	2,369,437	42,368
Consumer Goods and Healthfoods Distribution	**106,173**	**770**	146,257	4,155
Third party revenue and Adjusted EBITA	**2,431,423**	**43,880**	2,515,694	46,523

* Excludes exceptional items.

€2,431m

Revenue: €2,431 million
-3.3% on prior year
+0.7% on a constant currency basis

€43.9m

Adjusted EBITA: €43.9 million
-5.7% on prior year
-1.2% on a constant currency basis

Fresh Produce division

The Fresh Produce division, which is split into four distinct reporting segments, performed resiliently against the background of a challenging European economic environment and adverse currency movements. Revenue declined by 1.9% to €2.33 billion due primarily to the strength of the euro which led to lower translation values of non-euro revenues and marginally lower like-for-like volumes and average selling prices. These decreases were offset by the full year contribution of acquisitions made in 2008. On a constant currency basis, revenue for the year in the Fresh Produce division increased by 2.4%.

Adjusted EBITA in the division grew 1.8% due to the full year contribution of acquisitions made in the second half of 2008 offset by adverse currency movements. On a constant currency basis, adjusted EBITA grew year-on-year by 6.6%. Net adjusted EBITA margins in the Fresh Produce division are 1.85% (2008: 1.79%) reflecting the Group's continued focus on synergies and operational efficiencies. Further information on each reporting segment follows.

Eurozone Fresh Produce

The trading environment in certain parts of the Eurozone has been challenging in the current economic environment. Revenue grew €83m to €1,151m with adjusted EBITA increasing by €4.2m to €23.4m in 2009 due mainly to the full year contribution of the Dutch acquisitions completed in the second half of 2008. However, this has been offset by a decrease in like-for-like revenue in some of our key European markets due to a marginal decrease in both volumes and average selling prices.

The continued focus on operational efficiencies, along with the full year contribution of acquisitions made in 2008, has led to an increase in adjusted EBITA margin from 1.8% to 2.0%.

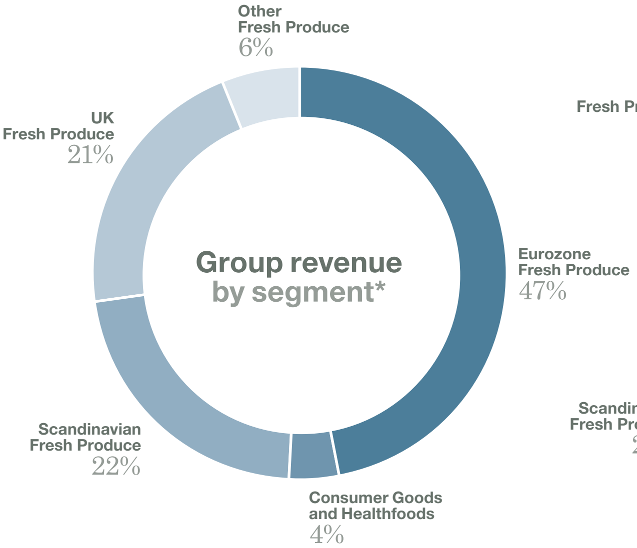
Scandinavian Fresh Produce

The Scandinavian Fresh Produce division has performed well in the year helped by the ongoing integration of the Scandinavian businesses. Local currency revenue has decreased by 1% in the year with volumes marginally up year-on-year and average selling prices slightly down. However, the strengthening of the euro by 11% against the Swedish krona led to an 8% decrease in revenue on retranslation to euro from €600m to €550m.

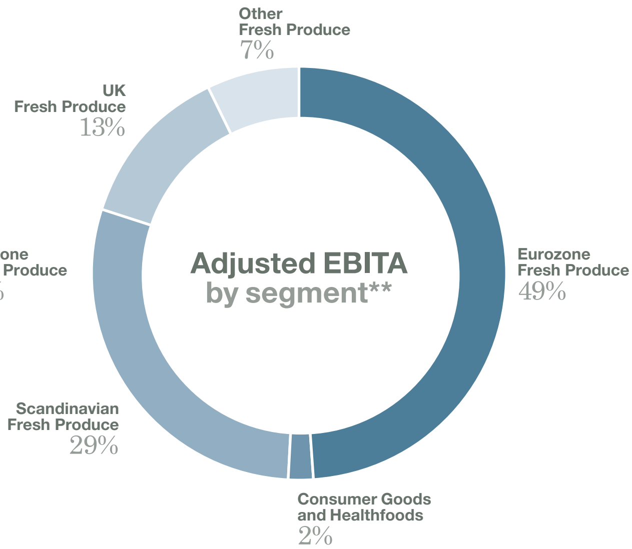
Adjusted EBITA has decreased from €15.3m to €13.7m primarily due to currency, with adjusted EBITA margins remaining consistent year-on-year at 2.5%.

UK Fresh Produce

The UK Fresh Produce division delivered a resilient performance despite difficult trading conditions and the adverse weather in December. During the year, this division continued to concentrate on developing its soft fruit business. Revenue in local currency remained flat year-on-year. The contribution of bolt-on acquisitions made in the second half of 2008 and the first half of 2009 was offset by a slight decrease in both like-for-like volumes and average selling prices. However, the 11% weakening of sterling in the year led to a 10% decrease in revenue on translation to euro.



* Based on third party revenue.



** Excluding unallocated costs.

Adjusted EBITA for the year was €6.0m, reflecting an increase in margin to 1.16% from 1.04% in 2008. The increase is mainly due to rationalisation costs in 2008 and the contribution of the aforementioned bolt-on acquisitions.

Other Fresh Produce

This division contains a number of other fresh produce businesses. Revenue decreased by €7m to €132m due to the strength of the euro. Adjusted EBITA has fallen by €1.6m to €3.1m, primarily due to the weak performance of the Group's South African farm investments

Consumer Goods and Healthfoods Distribution division

Revenue in the Consumer Goods and Healthfoods Distribution division has decreased by €40m to €106m, with adjusted EBITA decreasing from €4.2m to €0.8m. The result for the year reflects the difficult grocery trading conditions in Ireland.

Acquisitions and developments

During the year, the Group invested €8.7m in a number of business interests.

A total of €5.1m was invested in a number of subsidiaries in the Fresh Produce division. The Group acquired a 100% interest in a produce operation in Continental Europe which is expected to complement its existing business interests in this region. In November 2009, the trade and assets of a business which specialises in exotic fruits was acquired. The business was renamed Total Exotics Limited and supplies a broad range of some sixty exotic products from almost forty countries.

During the year, the Group also invested €3.6m in new and existing joint ventures including €0.8m deferred consideration based on the achievement of future profit targets. The main investment was the acquisition of a 50% joint venture interest in ASF Holland B.V., a company based in the Netherlands involved exclusively in the soft fruit business. This acquisition complements our existing business in this specialist area.

Also during the year, 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 global marketers and exporters of fresh produce.

A key strength of the Group is the commitment of our people throughout the business and our continued success is largely down to their experience, knowledge in produce and the relationships they have forged. We are very fortunate in Total Produce to have one of the most accomplished and loyal teams in the fresh produce sector. I would like to thank them for their constant hard work and commitment.

Rory Byrne
Chief Executive
4 March 2010

A balanced business

Pears

Pears are a good source of pectin, containing invert sugars and thiamine (Vitamin B1). They help in maintaining a desirable acid-base balance in the human body.

Financial Review

The Group continues to generate strong cashflows. Cash generated from operations in 2009 amounted to €38.8m, with free cashflow of €27.2m.

Summary of results

	2009 €'000	2008 €'000
Revenue including share of joint ventures/associates	**2,431,423**	2,515,694
Adjusted EBITDA[1]	**57,090**	60,434
Depreciation	**(13,210)**	(13,911)
Adjusted EBITA[1]	**43,880**	46,523
Amortisation of intangible assets within subsidiaries	**(5,087)**	(4,776)
Share of joint ventures' and associates amortisation charge	**(579)**	(306)
Share of joint ventures' and associates interest charge	**(591)**	(172)
Share of joint ventures' and associates tax charge	**(1,298)**	(1,360)
Operating profit before exceptional items	**36,325**	39,909
Exceptional items	**(4,795)**	(4,589)
Operating profit after exceptional items	**31,530**	35,320
Net financial expense	**(3,166)**	(5,509)
Profit before tax	**28,364**	29,811
Group income tax expense	**(9,157)**	(8,470)
Profit after tax	**19,207**	21,341
Attributable to:		
Equity holders of the parent	**13,018**	15,357
Minority interests	**6,189**	5,984
	19,207	21,341

	2009 cent	2008 cent
Adjusted fully diluted earnings per share[2]	**6.47**	6.75
Basic earnings per share	**3.70**	4.36

1 Excludes exceptional items and intangible asset amortisation.
2 Excludes exceptional items, intangible asset amortisation and related tax.

Key performance indicators

	2009	2008
Revenue growth – constant currency	**0.7%**	7.8%
Adjusted EPS growth – constant currency	**1.4%**	12.0%
Adjusted EBITA growth – constant currency	**(1.2%)**	10.7%
Adjusted EBITA margin	**1.80%**	1.85%
Operating cashflows	**€38.8m**	€52.5m
Free cashflow	**€27.2m**	€34.5m
Interest cover (adjusted EBITA: net interest charge)	**13.9 times**	8.4 times
Net debt/adjusted EBITDA	**0.9 times**	1.0 times
Net debt as a percentage of shareholders equity	**31%**	42%
Net debt as a percentage of market capitalisation	**42%**	66%

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 10 to 13.

Translation of foreign currencies

The financial information of the Group is presented in euro. Results and cashflows of foreign currency denominated operations have been translated into euro at the average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on the translation of the results of foreign currency denominated operations at average rates, and on restatement of the opening net assets at closing rates, are recorded in a separate translation reserve within equity, net of differences on related foreign currency borrowings. All other translation differences are taken to the income statement. The principal rates used in the translation of results and balance sheets into euro were as follows:

	Average rate			Closing rate		
	2009	2008	% change	**2009**	2008	% change
Pound sterling	**0.8885**	0.7986	(11.3%)	**0.8885**	0.9667	8.1%
Swedish krona	**10.6369**	9.5946	(10.9%)	**10.2445**	10.9916	6.8%
Czech koruna	**26.5547**	25.4075	(4.5%)	**26.4057**	26.8428	1.6%
Danish kroner	**7.4464**	7.4561	0.1%	**7.4411**	7.4427	0.0%
South African rand	**11.6967**	12.0105	2.6%	**10.5654**	12.8500	17.8%

2009 saw a strengthening of the average euro rate against the pound sterling of 11.3%, Swedish krona 10.9% and Czech koruna 4.5%. This led to an adverse impact on retranslation of 2009 revenues and earnings of foreign currency operations into euro, the Group's reporting currency. At 31 December 2009, the euro had weakened against the pound sterling by 8.1%, Swedish krona 6.8% and Czech koruna 1.6% when compared to the exchange rates at 31 December 2008. This led to a positive translation gain on retranslation of opening net assets at closing rate. This positive translation adjustment was recorded in a separate translation reserve within equity as explained above.

Net financial expense

Net financial expense for the year is €3.2m compared to €5.5m in 2008. This decrease is mainly as a result of lower interest rates and lower average net debt in the year in 2009, offset by the full year impact of interest costs on financing acquisitions made in 2008. The Group's share of the net interest expense in joint ventures and associates is €0.6m compared to €0.2m in 2008.

Net interest cover for the year is 13.9 times (2008: 8.4 times) based on adjusted EBITA.

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 three to fifteen years. The amortisation charge increased by €0.6m on prior year to €5.7m in 2009 due primarily to the amortisation of intangible assets arising on acquisitions made in the second half of 2008.

Exceptional items

As detailed below, exceptional items in 2009 amounted to a net charge of €4.8m before tax primarily related to property impairments offset by curtailment gains on defined benefit pension schemes.

- a €4.1m curtailment gain arising from the change in the benefit structure of two defined benefit pension schemes
- a profit of €1.0m on disposal of property
- a share of joint ventures' fair value losses on property of €7.4m
- losses of €1.5m on revaluation of property within subsidiaries
- an impairment charge of €1.0m in relation to goodwill associated with the Group's Consumer Goods and Healthfoods Distribution division

I refer you to Note 5 of the financial statements for further information on these items.

Taxation

	2009 €'000	2008 €'000
Income tax expense	**9,157**	8,470
Group share of its joint ventures and associates tax change netted in profit before tax	**1,234**	1,495
Total tax charge	**10,391**	9,965
Adjustments		
Deferred tax on amortisation of intangible assets – subsidiaries	**1,168**	1,092
Share of joint ventures deferred tax credit on amortisation of intangible assets	**37**	–
Net deferred tax on fair value movement on properties – subsidiaries	**36**	(668)
Share of net deferred tax on fair value movements on properties within joint ventures	**64**	(135)
Tax impact of other exceptional items	**(841)**	483
Tax charge on underlying activities	**10,855**	10,737

Including the Group's share of the tax charge of its joint ventures and associates amounting to €1.2m (2008: €1.5m), which is netted in profit before tax in accordance with IFRS, the total tax charge for the year amounted to €10.4m (2008: €10.0m).

Excluding the impact of one-off tax credits, deferred tax credits related to the amortisation of intangibles and the tax effect of exceptional items, the underlying tax charge for the year was €10.9m (2008: €10.7m), equivalent to a rate of 27.1% (2008: 26.3%) when applied to the Group's adjusted profit before tax.

Minority interest share of profits

The minority share of after tax profits was €6.2m for 2009, an increase of €0.2m on 2008. This marginal increase is due to the full year minority impact of acquisitions made in the second half of 2008, offset in part by a decrease in after tax profits in a number of the Group's non-wholly owned subsidiaries.

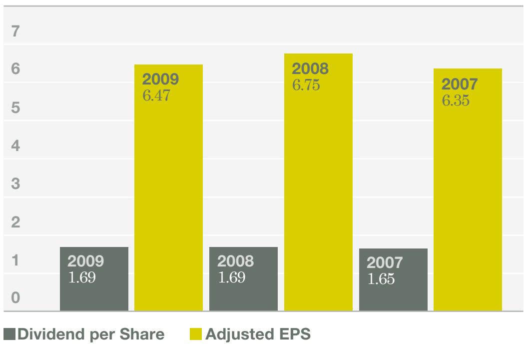
Earnings per share

Adjusted earnings per share of 6.47 cent in 2009 represented a reduction of 4.1% on 2008. On a constant currency basis, the increase in adjusted earnings per share was 1.4%. Basic earnings per share amounted to 3.70 cent (2008: 4.36 cent).

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 26 May 2010 to shareholders on the register at 30 April 2010 subject to withholding tax. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 31 December 2009. The total dividend for 2009 will amount to 1.69 cent, unchanged on prior year, representing a distribution of 26% of Adjusted EPS. The 2009 dividend is covered 3.8 times based on Adjusted EPS.

Adjusted EPS and Dividend per Share (€ cent)



Working together

Grapes

As well as having essential minerals and vitamins, grapes are known to reduce the risk of heart attack through increasing Nitric Oxide levels in the blood, thus preventing blood clots. So, as well as being incredibly tasty, they can help provide you with a healthy future.

Summary balance sheet

	2009 €'m	2008 €'m
Property, plant and equipment and investment property	**137.0**	134.0
Goodwill and intangible assets	**127.2**	119.1
Investments in joint ventures and associates	**33.0**	35.9
Other financial assets	**10.3**	8.2
Working capital/other	**12.1**	11.9
Provisions (mainly deferred consideration)	**(15.7)**	(11.4)
Net employee benefit liabilities (net of deferred tax)	**(6.3)**	(14.5)
Taxation (excluding deferred tax on employee benefit liabilities)	**(26.0)**	(24.9)
Net debt	**(50.6)**	(60.2)
Net assets	**221.0**	198.1
Shareholders' equity	**165.2**	144.6
Minority interests	**55.8**	53.5
Shareholders' equity and minority interests	**221.0**	198.1

The balance sheet has strengthened in 2009 with shareholders' equity increasing by 14.2% to €165.2m. The increase was primarily due to earnings in the year of €13.0m attributable to equity shareholders and €12.8 gains in other comprehensive income recognised directly in equity. The gains in other comprehensive income attributable to equity shareholders were due mainly to foreign currency gains on retranslation of the net assets of foreign currency operations, actuarial gains on employee defined benefit pension schemes and the fair value gains on the Group's unquoted equity investments. Sterling, Swedish krona and Czech koruna exchange rates at 31 December 2009 strengthened when compared to the rates prevailing at 31 December 2008, resulting in a foreign currency gain of €6.2m on retranslation of these foreign currency net assets into euro. This annual translation adjustment can be positive or negative depending on the movement between the opening and the closing exchange rates. During the year the Group experienced an actuarial gain of €2.9m (net of tax) on the Group's defined benefit pension schemes as explained below. At the end of 2009, the fair value of the Group's unquoted equity investments was reviewed resulting in a gain of €2.6m which is taken directly to equity.

During the year, dividends of €5.9 million were recognised and paid to the equity shareholders of the Company. The movements within shareholders' equity are summarised in the following table:

	2009 €'m	2008 €'m
Total shareholders' equity at beginning of year	**144.6**	163.7
Actuarial gain/(loss) – defined benefit pension schemes (net of deferred tax)	**2.9**	(16.4)
Gain/(loss) on translation of net assets of foreign currency operations	**6.2**	(15.8)
Fair value gain on available-for-sale financial assets	**2.6**	0.1
Other movements recognised directly in equity	**1.1**	2.8
Total other comprehensive income/(expense) attributable to equity shareholders	**12.8**	(29.3)
Profit for year attributed to equity shareholders	**13.0**	15.4
Total comprehensive income/(expense) for the year, net of tax	**25.8**	(13.9)
Share-based payment expense	**0.7**	0.3
Dividends paid to equity shareholders	**(5.9)**	(5.9)
Gain arising on buy-out of minority shareholders recognised directly in equity	**–**	0.4
Total shareholders' equity at end of year	**165.2**	144.6

Employee benefits

	2009 €'m	2008 €'m
Net liability at the beginning of year	**(16.7)**	(1.4)
Current/past service cost less net finance income recognised in the income statement	**(2.3)**	(1.7)
Curtailment gain recognised in the income statement	**4.1**	–
Contributions to schemes	**4.1**	4.4
Actuarial gains/(losses) recognised in other comprehensive income	**2.9**	(18.4)
Foreign exchange movement	**0.0**	0.4
Net liability at the end of year	**(7.9)**	(16.7)
Related deferred tax asset, net	**1.6**	2.2
Net liability at the end of year after tax	**(6.3)**	(14.5)

	2009 €'m	2008 €'m
Ireland	**(3.0)**	(13.8)
UK	**(2.9)**	(0.2)
Continental Europe	**(0.4)**	(0.5)
	(6.3)	(14.5)

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 balance sheet at 31 December 2009 reflects pension assets of €2.5m in respect of schemes in surplus and pension liabilities of €10.4m in respect of schemes in deficit, before related deferred tax.

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 other comprehensive income.

The decrease in the deficit, net of deferred tax, from €14.5m to €6.3m in the year was due to the following:

- a curtailment gain of €4.1m was recognised in the income statement as an exceptional gain arising from changes in the benefit structure of two defined benefit pension schemes in Ireland
- a positive return on all pension scheme assets due to the partial recovery of global equity markets in 2009

These were offset by:

- a decrease in the discount rate assumption in the UK from 6.25% to 5.70% which increases the net present value of the scheme's obligations in the UK
- an increase in the UK inflation assumption from 2.75% to 3.50% which increases the value of the future pension obligations in the UK

Funds flow

The Group generated €38.8m of operating cashflows during the year. This represents the Group's ability to generate cash and control working capital. Cash outflow on capital expenditure, net of disposals, was €8.4m representing a significant decrease on the €14.7m net spend in 2008. The Group received €1.8m in dividends from its joint ventures investments in 2009 and paid €5.0m to minority shareholders within a number of the Group's non-wholly owned subsidiaries. The Group generated significant free cashflow in 2009 of €27.2m. Free cashflow is the funds available after outflows relating to capital expenditure and dividends to minority shareholders but before acquisition costs and payment of dividends to equity shareholders.

The Group had cash outflows in respect of acquisitions in the year of €9.1m, comprising €5.3m on the acquisition of subsidiaries, €2.6m in investments in joint ventures and deferred consideration payments of €1.2m. Dividend payments to equity shareholders amounted to €5.9m in the year. Total positive cashflows for the year was €12.2m and after a translation adjustment of €2.6m led to a €9.6m decrease in net debt from €60.2m to €50.6m at 31 December 2009.

	2009 €'m	2008 €'m
Adjusted EBITDA	**57.1**	60.4
Deduct adjusted EBITA of joint ventures and associates	**(4.1)**	(4.4)
Net interest and tax paid	**(10.5)**	(13.1)
Other	**(3.6)**	(2.5)
Operating cashflows before working capital movements	**38.9**	40.4
Working capital movements	**(0.1)**	12.1*
Operating cashflows	**38.8**	52.5
Capital expenditure net of disposal proceeds	**(8.4)**	(14.7)
Dividends received from joint ventures	**1.8**	2.0
Dividends paid to minority	**(5.0)**	(5.3)
Free cashflow	**27.2**	34.5
Acquisition of subsidiaries, investment in joint ventures, net	**(7.9)**	(21.6)
Deferred consideration payments and other items	**(1.2)**	(1.4)
Dividends paid to equity shareholders	**(5.9)**	(5.9)
Total cashflow	**12.2**	5.6
Net debt at beginning of year	**(60.2)**	(72.0)
Foreign currency translation	**(2.6)**	6.2
Net debt at end of year	**(50.6)**	(60.2)

* Includes the working capital inflow from companies acquired in the second half of 2008.

Net debt and group financing

As outlined above, net debt during the year decreased from €60.2m to €50.6m. Net debt to adjusted EBITDA is 0.9 times and interest is covered 13.9 times by adjusted EBITA. Net debt to shareholders' equity is 31% (2008: 42%) and net debt to market capitalisation at year-end is 42% (2008: 66%).

During 2009 and post year-end, the Group has renewed its bank facilities with its existing banks extending the maturity profile of its debt. The Group has significant cash resources, and with relatively long-term debt maturities is strongly positioned to continue to grow the business by acquisition.

Frank Davis
Finance Director
4 March 2010

Corporate social responsibility

At Total Produce, the delivery of premium quality, safe, traceable produce to the consumer is our first priority. We recognise also the responsibilities associated with the pursuit of this goal, most notably to our partners in production – the local and global growers who supply us, their people and the environment in which they operate. We recognise too, our wider obligations to the communities we serve across the European marketplace and to our shareholders, our customers and our own employees.

In Total Produce, principled trading practices, which are embedded in our everyday operations, are an integral element of our strategy for delivering operational excellence and superior produce. Total Produce is committed to engaging with stakeholders, implementing responsible production processes, contributing positively to the environments in which we operate, constructively responding to consumer concerns and pro-actively promoting better diet throughout the markets in which we operate. We do so, intent on fostering a reputation of which shareholders and employees can be proud and on which our customers and producers can rely.

Codes of Best Practice

Total Produce, through its subsidiaries, 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.

GLOBALGAP membership

Total Produce is a member of GLOBALGAP established by major food retailers and suppliers across Europe to address consumer concerns about food safety, environmental protection and worker welfare and to promote safe and sustainable agriculture. GLOBALGAP 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. All Total Produce TOP branded product is GLOBALGAP accredited.

Total Produce is further 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.

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.

In Total Produce, we believe that commercial imperatives and corporate responsibility need not be conflicting aspirations. We believe that the benefits of fresh produce marketing can be collective and that a balanced supply chain can deliver equitable dividends to all stakeholders. We remain committed to promoting a culture of accountability within our organisation and reinforcing the responsible corporate philosophy which already permeates throughout our operations, securing the sustainability of our partners, our industry and our company.

Lime

Lime, bearing the scientific name Citrus Aurantifolia, has been used for centuries for the treatment of various ailments. Its high Vitamin C content contributes to not only warding off infection but rejuvenates the skin keeping it shining and healthy.

Board of Directors

1. Carl McCann (56),
Chairman, BBS, MA, FCA
Carl McCann was appointed as Chairman of Total Produce on 30 December 2006. Prior to this, Carl previously held the role of Chairman of Fyffes plc. He 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.

2. Frank Gernon (56),
Director, Financial Strategy and Development, FCCA
Frank Gernon was appointed Director – Financial Strategy and Development of Total Produce on 1 August 2009 having previously held the role of Finance Director from 30 December 2006. Prior to this, Frank was the Finance Director of Fyffes plc from 1998 to 2006. Frank 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.

3. Rose Hynes (52),
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, was appointed Chairman of Bord Gais in 2009. She is also a member of the Court of Bank of Ireland where she is a member of its Audit, Risk and Remuneration Committees. She is also director of a number of other companies. Rose previously held senior executive positions with GPA Group plc.

4. Rory Byrne (49),
Chief Executive, B Comm, FCA
Rory Byrne was appointed as Chief Executive of Total Produce on 30 December 2006. Prior to this, Rory was appointed to the position of Managing Director of the Fyffes General Produce division in 2002 and to the position of Executive Director in 2006. Rory has extensive experience in the fresh produce industry having joined Fyffes in 1988 and has held a number of senior positions within Fyffes including Finance Director of the Group's UK business and Managing Director of its Spanish operations. He is also a Non-Executive Director of the South African company Capespan Group Limited since 2000.

5. Frank Davis (50),
Finance Director, LL.B, MA, FCCA
Frank Davis was appointed to the position of Finance Director and to the Board of Total Produce on 1 August 2009 having previously held the roles of Company Secretary and CFO from 30 December 2006. Prior to this, Frank was the Finance Director of the General Produce division of Fyffes plc from 2002 to 2006. Frank joined Fyffes in 1983 having previously worked in practice and industry and held a number of senior accounting and financial positions in Fyffes, including that of Finance Director of the Irish and UK produce operations.

6. Marie Reid (37),
Company Secretary, B Comm, MACC, FCA
Marie Reid was appointed to the position of Company Secretary on 1 August 2009 having previously held the role of Assistant Company Secretary. Prior to the formation of Total Produce, Marie joined Fyffes in 2004 and during this time held a number of senior financial positions. Previously Marie worked with Élan Corporation and KPMG.

7. Jerome Kennedy (61),
Non-Executive, FCA
Jerome Kennedy was appointed to the Board in 2006 and is a member of the Compensation and Nomination Committees and Chairman of the Audit Committee. He is a member of the Court of the Bank of Ireland where he is Chairman of the Audit Committee and a member of the Risk Committee. He is also a Non-Executive Director of New Ireland Assurance Company plc and a number of other private companies. Jerome was managing partner of KPMG Ireland and a board member of KPMG Europe from 1995 to 2004.

Directors and Other Information

Total Produce plc Directors
C P McCann *Chairman*
R P Byrne *Chief Executive*
J F Gernon
F J Davis
R B Hynes
J J Kennedy

Company Secretary and Registered Office
M T Reid
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

Stockbroker and Nominated Advisor
Davy
49 Dawson Street
Dublin 2

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

Bankers
Allied Irish Banks plc
Bankcentre
Ballsbridge
Dublin 4

Bank of Ireland
Lower Baggot Street
Dublin 2

BNP Paribas
5 George's Dock
IFSC
Dublin 1

Danske Bank A/S
3 Harbourmaster Place
IFSC
Dublin 1

Ulster Bank
George's Quay
Dublin 2

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 2009.

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 10 to 13 and in the Financial Review on pages 14 to 21, including an analysis of the key performance indicators used to measure performance. These are defined as revenue, margin, volume, average 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 2009 on page 42.

Dividend

An interim dividend of 0.54 cent (2008: 0.54 cent) per share was paid on 23 October 2009. The directors have proposed, subject to shareholder approval at the Annual General Meeting (AGM), the payment of a final dividend for 2009 of 1.15 cent per share. This total dividend of 1.69 cent per share is consistent with the total dividend of 1.69 cent per share for 2008.

Future Developments

A review of future developments of the business is included in the Chairman's Statement on page 8.

Directors and Company Secretary

F J Davis resigned as Company Secretary on 1 August 2009 and was appointed as a director on that date. In accordance with the Articles of Association of the Company, F J Davis will retire at the 2010 AGM and, being eligible, offer himself for re-election. M T Reid was appointed as Company Secretary on 1 August 2009. There were no other changes to directors and Company Secretary during the year.

In accordance with the Articles of Association of the Company, R P Byrne and R B Hynes retire from the Board by rotation and, being eligible, offer themselves for re-election at the AGM.

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 pages 35 to 38.

Substantial Holdings

The directors have been notified of the following significant interests in the issued ordinary share capital of the Company at 4 March 2010:

	Number of ordinary shares	%
Balkan Investment Company and related parties *(including Arnsberg Investment Company)*	37,238,334	10.58%
Marathon Asset Management	25,937,424	7.37%
Gartmore Investment Management Limited	17,768,826	5.05%
Sparinvest Holdings	17,646,724	5.01%
Irish Life Investment Managers	14,850,485	4.22%
Allied Irish Banks plc	14,030,631	3.99%
Pineapple Offshore Fund/Pineapple Partners LP	12,202,049	3.47%

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 of its subsidiaries was a party during the year.

Directors' Report
(continued)

Principal Risks and Uncertainties
Under Irish company law, the Group and Company are required to give a description of the principal risks and uncertainties which they face. These principal risks are set out below:

- The Group's earnings are largely dependent on the volume of produce and other goods sold and the selling prices obtained in the market. 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.
- 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 revenue.
- The Group from time to time may enter into short-term seasonal purchase agreements committing it to purchase fixed quantities of produce at fixed prices. The Group is exposed to the risk of losses arising from an inability to sell on these committed quantities and/or achieve the committed price.
- 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.
- The Group's customer base 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 exposed to fluctuations in credit markets which could impact the availability and cost of financing for the Group. The Group manages these risks by maintaining a sufficient level of committed funding facilities, with a phased maturity profile.
- Many of the Group's subsidiaries operate in currencies other than the euro, and adverse changes in foreign exchange rates relative to the euro could adversely affect Group reported earnings and cash flows.
- 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.
- The Group primarily procures its bananas and pineapples from Fyffes plc ('Fyffes') and consequently is 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, interest rate risk, and equity price 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 29 of the accompanying 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 Charles McCann Building, 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
The auditor, KPMG, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Subsidiaries, Joint Ventures and Associates
Information on the Group's significant subsidiaries, joint ventures and associates is included in Note 33 of the accompanying financial statements.

Special Business at the Annual General Meeting

Notice of the 2010 Annual General Meeting with details of the special business to be considered at the meeting is enclosed with this Annual Report on pages 104 to 106. In addition to the usual business to be transacted at the AGM (as set out in resolutions 1 to 4 in the notice of the meeting) there are four items of special business which are described further below.

The four items of special business (i.e. Resolutions 5, 6, 7 and 8) all relate to the share capital of the Company and concern matters which are now routine for most public companies.

Under the first item of special business (Resolution 5), shareholders are being asked to renew, until the date of the Annual General Meeting to be held in 2011 or 20 August 2011 (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 €1,172,956 in nominal value of ordinary shares (being one third of the nominal value of the Company's issued share capital as at 16 April 2010).

Under the second item of special business (Resolution 6), 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 €351,887 in nominal value of ordinary shares, representing 10% 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 20 August 2011 or the date of the Annual General Meeting of the Company in 2011.

Under the third item of special business (Resolution 7), 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 its own shares. If adopted, this authority will expire on the earlier of the close of business on 20 November 2011 or the date of the Annual General Meeting of the Company in 2011. 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. Any shares which may be purchased will be acquired either directly by the Company or through a subsidiary of the Company and will be held as treasury shares and will not be cancelled. 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 market price of such shares.

Shareholders are also being asked under the fourth item of special business (Resolution 8) 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 20 November 2011 or the date of the Annual General Meeting of the Company in 2011.

Further Action

A Form of Proxy for use at the AGM is enclosed. You are requested to complete, sign and return the Form of Proxy as soon as possible whether or not you propose to attend the meetings in person. To be valid, the Form of Proxy should be returned by hand or by post to the Registrar of the Company, Computershare Services (Ireland) Limited, P.O. Box 954, Sandyford, Dublin 18, or by facsimile transmission to the facsimile number printed on the Form of Proxy, to arrive not less than 48 hours before the time appointed for the holding of the meeting. The completion and return of a form of proxy will not preclude you from attending and voting at the meeting should you so wish.

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
4 March 2010

F J Davis
Finance Director
4 March 2010

Corporate Governance Statement

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

As an AIM/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 June 2008. However, the Board has undertaken to comply with the Combined Code, as far as is practical, having regard to the size and nature of the Group.

The following statement, together with the Audit and Compensation Committees' Reports on pages 34 to 38, 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	Director of Financial Strategy and Development
F J Davis	Finance Director

Non-Executive:

R B Hynes	Senior Independent Non-Executive Director, Chairman of the Compensation Committee
J J Kennedy	Chairman of 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 judgment 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 judgment 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 ensuring, along with the Finance Director, that the directors receive accurate, timely and clear information, and is accountable for its overall performance and day to day management.

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:

- have been an employee of the Group within the last five years;
- have, 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 advisors, directors or senior employees;
- holds cross-directorships or has significant links with other directors through the 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 for inspection at the Company's registered office during normal office hours, and at the AGM.

Senior Independent Non-executive Director

R B Hynes is the Senior Independent Non-Executive Director.

Board members are selected (see Nomination Committee terms of reference below) because of their relevant experience. 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 was as follows:

	Board	Audit Committee	Compensation Committee	Nomination Committee
Number of scheduled meetings	*6*	*4*	*4*	*2*
C P McCann	6	–	–	2
R P Byrne	6	–	–	2
J F Gernon	6	4*	4*	–
F J Davis	3**	4*	–	–
R B Hynes	6	4	4	2
J J Kennedy	6	4	4	2

* In attendance only.
** From appointment as director on 1 August 2009, F J Davis also attended the other three Board meetings held during 2009 in his then capacity as Company Secretary.

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, half-yearly and preliminary results announcements, the Annual Report, interim and final dividends, the appointment or removal of directors and the Company Secretary, circulars to shareholders, Group treasury policies and capital expenditures and acquisitions in excess of €20 million. Certain other matters are delegated to Board committees, the details of which are set 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 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 2009, 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. In addition, the non-executive directors meet without the Chairman annually to appraise the effectiveness of the Chairman.

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.

Board Committees

There are three principal Board committees, the Audit, the Compensation and the 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 page 34.

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 35 to 38.

Corporate Governance Statement
(continued)

Board Committees (continued)

Nomination Committee

The members of the Nomination Committee (the '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, which are available on request from the Company Secretary, 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 (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 ('ERC' or the 'Committee') which directs the implementation of the process consistently throughout the Group. Responsibility for the identification and evaluation of financial, operational and compliance risks is delegated to senior management, which reports back to the Committee. The Committee meets at least twice per year (and at such other times as required) to review the relevant findings, and make recommendations. The Committee reports its findings to the Audit Committee, which in turn reports to the Board.

The members of the Committee include the Chief Executive (Chairman), the Director of Financial Strategy and Development, the Finance Director, the Company Secretary, the Head of Internal Audit and a representative of senior management.

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's review includes financial, operational and compliance controls and risk management systems.

The Board, through the ERC and the Audit Committee, has reviewed the process for identifying and evaluating the significant risks affecting the business 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 judgment, while simultaneously making the organisation alert to best management practices.

Communication with Shareholders and the AGM

Communication with shareholders is given a high priority by Total Produce plc. 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 its 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 time of announcement of the preliminary and interim 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 Company's AGM followed by a question and answer forum which offers 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 2010 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 Review and Financial Review, the Directors' Report and financial statements (in addition to official Company press releases, Stock Exchange announcements, preliminary announcements, and interim results) have been reviewed by the Board 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 39. 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 page 34, 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 the Group in the conduct of its business, the Group recognises its social responsibility and endorses the growing trend towards environmental accountability.

The Group 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 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, which are available on request from the Company Secretary. They are summarised as follows:

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 interim results and preliminary results announcements, 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 judgmental matters;
    - any significant adjusted and unadjusted audit differences;
    - 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 related legislative requirements; 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 the effectiveness of the Group's internal controls including, co-ordination 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 sought confirmation from the external auditor that it is, in its professional judgment, independent of Total Produce plc. The Committee monitors the nature, extent and scope of non-audit services provided by the external auditor 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 59.

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, which are available on request from the Company Secretary, are summarised as follows:

- to establish the Company's policy on executive directors' remuneration;
- to establish the terms of service agreements, remuneration packages and employment conditions of executive directors;
- to review the ongoing appropriateness and relevance of the remuneration policy;
- the objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- within the terms of the agreed policy and in consultation with the Chairman determine the total individual remuneration package of each executive director including bonuses, incentive payments and share options or other share awards;
- 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 grant of awards under such schemes;
- to approve the granting of share options to executive directors and employees and to determine whether the conditions as set out in Clause 7 of the December 2006 share option scheme have been achieved;
- to ensure that contractual terms on termination and any payments made, are fair to the individual and the Company; that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- in determining such packages and arrangements, to give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the Listing Rules of the AIM/IEX and associated guidance;
- to monitor the level and structure of remuneration for senior management as determined by the Board; and
- to review and note annually the remuneration trends across the Company or Group.

The Chairman of Total Produce plc is consulted about the remuneration of other executive directors and the 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

Total Produce is an international group of companies with activities in 19 countries. The Group's policy on executive directors' remuneration is designed to ensure that employment and remuneration conditions for senior executives rewards, retains and motivates them to perform in the best interests of shareholders.

The recurring elements of the remuneration package for executive directors are basic salary, performance related annual bonus, a short-term incentive plan, participation in the Company's share option scheme, pensions and other benefits. It is the policy of the Company that at least 70% of the awards to executive directors under the short-term incentive plan are received in Total Produce shares which, together with the grant of options to executive directors, encourages 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. There have been no increases in basic salaries or other benefits proposed for executive directors for the year commencing 1 January 2010.

Performance Related Annual Awards

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

Short Term Incentive Plan

For the year ended 31 December 2009, the executive directors could have earned a stretch award if an increase in adjusted earnings per share over prior year of between 10% and 30% was achieved. The potential award for the Chief Executive was from 12.5% to 100% of 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. No awards were made under the plan in either 2009 or 2008 as the performance thresholds were not met.

The Committee approved a new short-term incentive plan for executive directors for the year ended 31 December 2010 based on the achievement of separately agreed performance measures for the Company for the year ended 31 December 2010.

Compensation Committee Report
(continued)

Short Term Incentive Plan (continued)

Performance Measure	Minimum Award	Maximum Award
Growth in adjusted earnings per share over previous year	5% of basic salary for EPS growth of 5%	33% of basic salary for EPS growth of 15%
Growth in average share price for the year over the average share price for the 40 days prior to 31 December 2009	5% of basic salary for growth in average share price of 5%	33% of basic salary for growth in average share price of 25%
Total shareholder return ('TSR'), benchmarked against a comparator group of 17 companies	5% of basic salary for achievement of median TSR	34% of basic salary for achievement of 75th percentile TSR

The non-executive directors are not eligible to participate in this plan.

An executive participating in the short-term incentive plan will not be eligible for a grant of an award under the employee share option scheme during the term of the new plan.

Pensions
Pensions for executive directors are calculated to provide for two-thirds of basic pensionable salary for full service (40 years) at retirement. The Compensation Committee has approved an arrangement under which the Chairman, Carl McCann, agreed to cap his pension in line with the provisions of the Finance Act 2006 and receives a supplementary taxable, non-pensionable, cash allowance in lieu of the prospective pension benefits foregone. The actual allowances for 2009 and 2008 are detailed in note 3 on page 37.

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 2009, options had been granted but not yet exercised or vested over 7,310,000 (2008: 7,485,000) ordinary shares at prices ranging from €0.60 to €0.815, equivalent to 2.08% (2008: 2.13%) of the issued ordinary share capital. These included 1,840,000 options granted to the executive directors and 175,000 options granted to the Company Secretary, further details of which are included in the directors' share interests disclosed on page 38. No new options were granted in 2009.

Employee Profit Sharing Scheme
The Company has an employee profit sharing scheme which purchases shares in the market for employees of the Group, including executive directors, during the year. In December 2009, 137,296 and 34,324 ordinary 1 cent shares were purchased by the scheme trust at market value on behalf of the executive directors and Company Secretary respectively in respect of 2009.

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 38.

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

Directors' Interests in Contracts
None of the directors had a beneficial interest in any material contract to which the Company, or any of the Group's subsidiaries, was a party during the current financial year.

Directors' Remuneration
Aggregate directors' remuneration for the year was as follows:

	Executive directors		Non-executive directors		**Total**	
	2009 €'000	2008 €'000	**2009 €'000**	2008 €'000	**2009 €'000**	2008 €'000
Basic salaries	**1,272**	1,120	**–**	–	**1,272**	1,120
Fees	**–**	–	**144**	140	**144**	140
Performance related awards	**584**	524	**–**	–	**584**	524
Benefits	**39**	33	**–**	–	**39**	33
Retirement contributions/related payments*	**407**	359	**–**	–	**407**	359
Total remuneration	**2,302**	2,036	**144**	140	**2,446**	2,176
Number of directors (average)	**4**	3	**2**	2	**6**	5

In accordance with IFRS 2 *Share-based Payment*, a further expense of €139,000 (2008: €58,000) has been recognised in the income statement in respect of share options granted to executive directors.

* See Note 4 on page 37.

	Salary or fees €'000	Performance related awards €'000	Other benefits[1] €'000	Pension contributions or related payments €'000	**Total 2009 €'000**	Total 2008 €'000
Executives						
C P McCann[2, 3]	371	148	15	87	**621**	605
R P Byrne[4]	431	215	–	197	**843**	815
J F Gernon	351	151	16	92	**610**	616
F J Davis[5]	119	70	8	31	**228**	–
	1,272	**584**	**39**	**407**	**2,302**	2,036
Non-executives						
R B Hynes	72	–	–	–	**72**	70
J J Kennedy	72	–	–	–	**72**	70
	144	**–**	**–**	**–**	**144**	140
Total	**1,416**	**584**	**39**	**407**	**2,446**	2,176

1 Other benefits for executive directors relate entirely to motor expenses.
2 C P McCann is Chairman of Blackrock. In accordance with the terms of the Business Transfer Agreement between Total Produce plc and Blackrock, Total Produce plc recharged an agreed portion of his employment costs (excluding bonus) to Blackrock to reflect the allocation of his time between these two roles. All amounts reflected above represent the portion of his remuneration attributable to Total Produce plc, net of agreed recharge to Blackrock.
3 No pension contributions to the Group's defined benefit pension scheme were made during 2008 or 2009 on behalf of C P McCann as his benefits under this scheme are now limited for reasons explained on page 36. As a result, the Compensation Committee approved a cash payment of €87,000 (2008: €85,000), net of the portion attributable to Blackrock, to compensate him for the value of his pension contributions foregone, net of employers' social insurance contributions.
4 The Group made a payment of €100,000 (2008: €100,000) into a defined contribution pension scheme in respect of R P Byrne which was related to his performance in the year.
5 F J Davis' remuneration disclosed is in respect of the period from his appointment as Finance Director and to the Board on 1 August 2009.

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:

	Increase in accrued pension during 2009[a] €'000	**Transfer value of increase during 2009[b] €'000**	**Total accrued pension at 31 Dec 2009[c] €'000**	Increase in accrued pension during 2008[a] €'000	Transfer value of increase during 2008[b] €'000	Total accrued pension at 31 Dec 2008[c] €'000
Executive Directors						
C P McCann	**–**	**–**	**227**	–	–	227
R P Byrne	**11**	**153**	**127**	7	83	115
J F Gernon	**14**	**263**	**211**	6	102	198
F J Davis[d]	**6**	**78**	**101**	–	–	–
Total	**31**	**494**	**666**	13	185	540

(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.
(d) The increase in accrued pension benefit and the transfer value in the case of F J Davis relate to the period from his appointment as Finance Director and to the Board on 1 August 2009.

Compensation Committee Report
(continued)

Directors' and Company Secretary's Share Interests

The interests of the directors and the Company Secretary in the issued share capital of Total Produce plc at 31 December 2009 (together with their interests at 31 December 2008 or date of appointment if later), are shown below:

	Number of ordinary shares at 31 December 2009	Number of ordinary shares at 31 December 2008*
Directors		
C P McCann	**1,751,000**	1,716,676
R P Byrne	**448,697**	414,373
J F Gernon	**543,963**	509,639
F J Davis	**287,537**	253,213
R B Hynes	**50,000**	50,000
J J Kennedy	**50,000**	50,000
Company Secretary		
M T Reid	**66,068**	31,744

* Or date of appointment if later.

All of the above interests were beneficially owned.

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.

	Options held at 31/12/08	Granted	Exercised	Options held at 31/12/09	Exercise price	Earliest date from which exercisable (if vested)	Expiry date
Executive Directors							
C P McCann	275,000	–	–	275,000	0.65	20/09/2010	19/09/2017
	300,000	–	–	300,000	0.60	05/03/2011	04/03/2018
R P Byrne	275,000	–	–	275,000	0.65	20/09/2010	19/09/2017
	300,000	–	–	300,000	0.60	05/03/2011	04/03/2018
J F Gernon	200,000	–	–	200,000	0.65	20/09/2010	19/09/2017
	190,000	–	–	190,000	0.60	05/03/2011	04/03/2018
F J Davis	160,000	–	–	160,000	0.65	20/09/2010	19/09/2017
	140,000	–	–	140,000	0.60	05/03/2011	04/03/2018
Company Secretary							
M T Reid[1]	100,000	–	–	100,000	0.815	09/05/2010	08/05/2017
	75,000	–	–	75,000	0.60	05/03/2011	04/03/2018

1 M T Reid was appointed Company Secretary on 1 August 2009. The opening balances above relate to the position as at date of appointment.

The market price of the Company's shares at 31 December 2009 was €0.34 and the range during 2009 was €0.16 to €0.41. 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 4 March 2010. 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 change 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 2009.

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 2009 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 2009. 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
Chairman

F J Davis
Finance Director

Independent Auditor's Report
to the Members of Total Produce plc

We have audited the Group and Company financial statements ('financial statements') of Total Produce plc for the year ended 31 December 2009 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity, the Group and Company Balance Sheets, the Group and Company Statements of Cash Flows 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 39.

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 financial statements give a true and fair view in accordance with IFRSs as adopted by the EU, and have been properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you, in our opinion whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether 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 balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of AIM/IEX regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We review, at the request of the directors, whether the voluntary statement on pages 30 to 38 reflects the Company's compliance with the nine provisions of the 2008 FRC Combined Code and that the Listing Rules of the Irish Stock Exchange specifies for review by auditors and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

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 Directors' Report, the Chairman's Statement and the Operating and Financial Review. 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.

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.

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 2009 and of its profit for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with the provisions of the Companies Acts, 1963 to 2009, of the state of the Company's affairs as at 31 December 2009; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Other Matters

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 is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet on page 98 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 2009 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, 4 March 2010

Group Income Statement
for the year ended 31 December 2009

	Notes	Before exceptional items 2009 €'000	Exceptional items (Note 5) 2009 €'000	Total 2009 €'000	Before exceptional items 2008 €'000	Exceptional items (Note 5) 2008 €'000	Total 2008 €'000
Revenue, including Group share of joint ventures and associates	1	**2,431,423**	**–**	**2,431,423**	2,515,694	–	2,515,694
Group revenue		**2,186,442**	**–**	**2,186,442**	2,250,964	–	2,250,964
Cost of sales		**(1,891,238)**	**–**	**(1,891,238)**	(1,951,218)	–	(1,951,218)
Gross profit		**295,204**	**–**	**295,204**	299,746	–	299,746
Operating expenses (net)	2	**(260,514)**	**2,590**	**(257,924)**	(262,412)	(2,996)	(265,408)
Share of (loss)/profit of joint ventures	12	**1,575**	**(7,385)**	**(5,810)**	2,616	(1,593)	1,023
Share of profit/(loss) of associates	12	**60**	**–**	**60**	(41)	–	(41)
Operating profit		**36,325**	**(4,795)**	**31,530**	39,909	(4,589)	35,320
Financial income	3	**1,892**	**–**	**1,892**	2,826	–	2,826
Financial expense	3	**(5,058)**	**–**	**(5,058)**	(8,335)	–	(8,335)
Profit before tax		**33,159**	**(4,795)**	**28,364**	34,400	(4,589)	29,811
Income tax expense	6	**(8,352)**	**(805)**	**(9,157)**	(8,285)	(185)	(8,470)
Profit for the year		**24,807**	**(5,600)**	**19,207**	26,115	(4,774)	21,341
Attributable to:							
Equity holders of the parent				**13,018**			15,357
Minority interests				**6,189**			5,984
				19,207			21,341
Earnings per ordinary share:							
Basic	8			**3.70 cent**			4.36 cent
Fully diluted	8			**3.70 cent**			4.36 cent

On behalf of the Board

C P McCann
Chairman

F J Davis
Finance Director

Group Statement of Comprehensive Income

for the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Profit for the year		**19,207**	21,341
Other comprehensive income:			
Foreign currency translation effects:			
- foreign currency net investments – subsidiaries		**9,118**	(23,659)
- foreign currency net investments – joint ventures	12	**1,463**	(2,985)
- foreign currency borrowings designated as net investment hedges		**(4,288)**	10,678
Revaluation gains on property, plant and equipment, net	9	**2,358**	3,929
Gains on re-measuring available-for-sale financial assets	13	**2,913**	–
(Gains)/losses on available-for-sale financial assets recycled from other comprehensive income to income statement	13	**(294)**	62
Fair value adjustment on joint venture becoming a subsidiary		**219**	–
Actuarial gains/(losses) on defined benefit pension schemes	26	**2,908**	(18,403)
Effective portion of cash flow hedges, net	3	**(748)**	668
Deferred tax on items taken directly to other comprehensive income	6	**153**	1,389
Share of joint ventures' other comprehensive income:			
- revaluation losses on property, plant and equipment, net	12	**–**	(660)
- actuarial loss on defined benefit pension scheme	12	**(21)**	(105)
- loss on re-measuring available-for-sale financial assets	12	**(10)**	(3)
- effective portion of cash flow hedges, net	12	**9**	(9)
- deferred tax on items taken directly to other comprehensive income	12	**3**	262
Other comprehensive income/(loss) for the year, net of tax		**13,783**	(28,836)
Total comprehensive income/(loss) for the year, net of tax		**32,990**	(7,495)
Attributable to:			
Equity holders of the parent		**25,852**	(13,923)
Minority interests		**7,138**	6,428
		32,990	(7,495)

Group Balance Sheet
as at 31 December 2009

	Notes	2009 €'000	2008 €'000
Assets			
Non-current			
Property, plant and equipment	9	**124,126**	121,679
Investment property	10	**12,949**	12,339
Goodwill and intangible assets	11	**127,232**	119,096
Investments in joint ventures and associates	12	**32,959**	35,913
Other financial assets	13	**10,343**	8,180
Other receivables	15	**3,960**	3,286
Deferred tax assets	24	**5,808**	6,168
Employee benefits	26	**2,524**	3,237
Total non-current assets		**319,901**	309,898
Current			
Inventories	14	**35,685**	39,628
Trade and other receivables	15	**245,751**	271,327
Corporation tax receivables		**1,084**	1,577
Derivative financial instruments	29	**55**	1,370
Cash and cash equivalents	16	**88,961**	85,293
Total current assets		**371,536**	399,195
Total assets		**691,437**	709,093
Equity			
Share capital	17	**3,519**	3,519
Share premium	17	**252,574**	252,574
Other reserves	17	**(114,258)**	(124,491)
Retained earnings		**23,353**	13,005
Total equity attributable to equity holders of the parent		**165,188**	144,607
Minority interests	18	**55,771**	53,528
Total equity		**220,959**	198,135
Liabilities			
Non-current			
Interest-bearing loans and borrowings	19	**122,768**	79,512
Deferred government grants	21	**1,783**	1,932
Other payables	20	**3,434**	3,118
Provisions	22	**11,010**	8,366
Corporation tax payable		**8,265**	8,185
Deferred tax liabilities	24	**18,891**	20,820
Employee benefits	26	**10,455**	19,915
Total non-current liabilities		**176,606**	141,848
Current			
Interest-bearing loans and borrowings	19	**16,753**	65,981
Trade and other payables	20	**268,087**	298,496
Provisions	22	**4,644**	3,024
Derivative financial instruments	29	**356**	174
Corporation tax payable		**4,032**	1,435
Total current liabilities		**293,872**	369,110
Total liabilities		**470,478**	510,958
Total liabilities and equity		**691,437**	709,093

On behalf of the Board

C P McCann
Chairman

F J Davis
Finance Director

Group Statement of Changes in Equity

for the year ended 31 December 2009

	Attributable to equity holders of the parent									
	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Re-valuation reserve €'000	De-merger reserve €'000	Other equity reserves €'000	Retained earnings €'000	**Total €'000**	Minority interests €'000	**Total equity €'000**
As at 1 January 2009	**3,519**	**252,574**	**(19,354)**	**16,568**	**(122,521)**	**816**	**13,005**	**144,607**	**53,528**	**198,135**
Comprehensive income										
Profit for the year	–	–	–	–	–	–	13,018	**13,018**	6,189	**19,207**
Other comprehensive income:										
Foreign currency translation effects, net	–	–	6,183	–	–	–	–	**6,183**	110	**6,293**
Revaluation gains on property, plant and equipment, net	–	–	–	1,546	–	–	–	**1,546**	812	**2,358**
Gains on re-measuring available-for-sale financial assets	–	–	–	–	–	2,913	–	**2,913**	–	**2,913**
Gains on available-for-sale financial assets recycled from other comprehensive income to income statement	–	–	–	–	–	(294)	–	**(294)**	–	**(294)**
Fair value adjustment on joint venture becoming a subsidiary	–	–	–	–	–	–	219	**219**	–	**219**
Actuarial gains on defined benefit pension schemes	–	–	–	–	–	–	2,656	**2,656**	252	**2,908**
Effective portion of cash flow hedges, net	–	–	–	–	–	(664)	–	**(664)**	(84)	**(748)**
Deferred tax on items taken directly to other comprehensive income	–	–	–	(317)	–	190	421	**294**	(141)	**153**
Share of joint ventures' other comprehensive income:										
- actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	(21)	**(21)**	–	**(21)**
- loss on re-measuring available-for-sale financial assets	–	–	–	–	–	–	(10)	**(10)**	–	**(10)**
- effective portion of cash flow hedges, net	–	–	–	–	–	–	9	**9**	–	**9**
- deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	3	**3**	–	**3**
Total other comprehensive income	–	–	6,183	1,229	–	2,145	3,277	**12,834**	949	**13,783**
Total comprehensive income	**–**	**–**	**6,183**	**1,229**	**–**	**2,145**	**16,295**	**25,852**	**7,138**	**32,990**
Transactions with equity holders of the parent										
Minority interests arising on acquisition (Note 25)	–	–	–	–	–	–	–	**–**	102	**102**
Dividends (Note 7)	–	–	–	–	–	–	(5,947)	**(5,947)**	(4,997)	**(10,944)**
Share-based payment transactions (Note 26)	–	–	–	–	–	676	–	**676**	–	**676**
Total transactions with equity holders of the parent	**–**	**–**	**–**	**–**	**–**	**676**	**(5,947)**	**(5,271)**	**(4,895)**	**(10,166)**
As at 31 December 2009	**3,519**	**252,574**	**(13,171)**	**17,797**	**(122,521)**	**3,637**	**23,353**	**165,188**	**55,771**	**220,959**

Group Statement of Changes in Equity
for the year ended 31 December 2009 (continued)

	Attributable to equity holders of the parent									
	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Re-valuation reserve €'000	De-merger reserve €'000	Other equity reserves €'000	Retained earnings €'000	**Total €'000**	Minority interests €'000	**Total equity €'000**
As at 1 January 2008	**3,519**	**252,574**	**(3,407)**	**14,152**	**(122,521)**	**31**	**19,366**	**163,714**	**45,997**	**209,711**
Comprehensive income										
Profit for the year	–	–	–	–	–	–	15,357	**15,357**	5,984	**21,341**
Other comprehensive income:										
Foreign currency translation effects, net	–	–	(15,947)	–	–	–	–	**(15,947)**	(19)	**(15,966)**
Revaluation gains on property, plant and equipment, net	–	–	–	3,294	–	–	–	**3,294**	635	**3,929**
Losses on available-for-sale financial assets recycled from other comprehensive income to income statement	–	–	–	–	–	62	–	**62**	–	**62**
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	–	(18,196)	**(18,196)**	(207)	**(18,403)**
Effective portion of cash flow hedges, net	–	–	–	–	–	633	–	**633**	35	**668**
Deferred tax on items taken directly to other comprehensive income	–	–	–	(447)	–	(191)	2,027	**1,389**	–	**1,389**
Share of joint ventures' other comprehensive income:										
- revaluation losses on property, plant and equipment, net	–	–	–	(660)	–	–	–	**(660)**	–	**(660)**
- actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	(105)	**(105)**	–	**(105)**
- loss on re-measuring available-for-sale financial assets	–	–	–	–	–	–	(3)	**(3)**	–	**(3)**
- effective portion of cash flow hedges, net	–	–	–	–	–	–	(9)	**(9)**	–	**(9)**
- deferred tax on items taken directly to other comprehensive income	–	–	–	229	–	–	33	**262**	–	**262**
Total other comprehensive income	–	–	(15,947)	2,416	–	504	(16,253)	**(29,280)**	444	**(28,836)**
Total comprehensive income	**–**	**–**	**(15,947)**	**2,416**	**–**	**504**	**(896)**	**(13,923)**	**6,428**	**(7,495)**
Transactions with equity holders of the parent										
Minority interests arising on acquisition (Note 25)	–	–	–	–	–	–	–	**–**	7,154	**7,154**
Buyout of minority interests arising on acquisition (Note 25)	–	–	–	–	–	–	482	**482**	(2,474)	**(1,992)**
Contribution by minority interests (Note 18)	–	–	–	–	–	–	–	**–**	1,770	**1,770**
Dividends (Note 7)	–	–	–	–	–	–	(5,947)	**(5,947)**	(5,347)	**(11,294)**
Share-based payment transactions (Note 26)	–	–	–	–	–	281	–	**281**	–	**281**
Total transactions with equity holders of the parent	**–**	**–**	**–**	**–**	**–**	**281**	**(5,465)**	**(5,184)**	**1,103**	**(4,081)**
As at 31 December 2008	**3,519**	**252,574**	**(19,354)**	**16,568**	**(122,521)**	**816**	**13,005**	**144,607**	**53,528**	**198,135**

Group Statement of Cash Flows

for the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Net cash flows from operating activities before working capital movements	30	**38,909**	40,439
Movements in working capital		**(104)**	12,043
Net cash flows from operating activities		**38,805**	52,482
Investing activities			
Acquisition of subsidiaries, net of cash acquired	25	**(5,058)**	(17,922)
Acquisition of, and investment in, joint ventures	12	**(2,256)**	(2,802)
Loans advanced to joint ventures	12	**(592)**	(877)
Dividends received from joint ventures	12	**1,779**	2,017
Payments of deferred consideration	22	**(1,142)**	(1,677)
Acquisition of property, plant and equipment		**(9,543)**	(16,380)
Proceeds from disposal of property, plant and equipment		**1,134**	1,704
Proceeds from disposal of joint ventures and associates		**293**	–
Acquisition of other financial assets	13	**(15)**	(47)
Research and development expenditure capitalised	11	**(348)**	(347)
Government grants received	21	**214**	55
Net cash flows from investing activities		**(15,534)**	(36,276)
Financing activities			
Proceeds from borrowings		**17,808**	29,686
Repayment of borrowings		**(24,432)**	(26,109)
Capital element of lease repayments		**(354)**	(679)
Capital contribution by minority interests		**–**	750
Dividends paid to minority interests	18	**(4,997)**	(5,347)
Dividends paid to equity holders of the parent	7	**(5,947)**	(5,947)
Net cash flows from financing activities		**(17,922)**	(7,646)
Net increase in cash, cash equivalents and bank overdrafts		**5,349**	8,560
Net foreign exchange difference		**2,054**	(5,450)
Cash, cash equivalents and bank overdrafts at 1 January		**77,221**	74,111
Cash, cash equivalents and bank overdrafts at 31 December	16	**84,624**	77,221

Group Reconciliation of Net Debt

for the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Net increase in cash, cash equivalents and bank overdrafts		**5,349**	8,560
Proceeds from new borrowings		**(17,808)**	(29,686)
Repayment of borrowings		**24,432**	26,109
Capital element of lease repayments		**354**	679
Other movements on finance leases		**(128)**	(107)
Foreign exchange movement		**(2,559)**	6,258
Movement in net debt		**9,640**	11,813
Net debt at 1 January		**(60,200)**	(72,013)
Net debt at 31 December	16	**(50,560)**	(60,200)

Significant Accounting Policies

Reporting Entity
Total Produce plc (the 'Company') is a company tax resident and incorporated in Ireland. The consolidated financial statements as at, and for the year ended, 31 December 2009 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and jointly controlled entities.

The individual and Group financial statements of the Company were authorised for issue by the directors on 4 March 2010.

The accounting policies for the year ended 31 December 2009 are set out below.

Statement of Compliance
As permitted by European Union (EU) law and in accordance with AIM/IEX rules, the consolidated 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 2009 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 and applied by the Company and Group in the preparation of these financial statements are those that were effective for the accounting period ending 31 December 2009.

Basis of Preparation
The consolidated financial statements, which are presented in euro, the Company's functional currency, rounded to the nearest thousand (unless otherwise stated), have been prepared under the historical cost convention, except for the following material items:

- 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 costs to sell
- land and buildings and investment property are measured at fair value

The methods used to measure fair values are discussed further in Note 29.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, 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.

Changes in Accounting Policy and Disclosures
The accounting policies adopted are consistent with those of the previous year except for the following new and amended IFRS and IFRIC interpretations adopted by the Group and Company as of 1 January 2009:

IFRS 2 *Share-based payment (Amended)*
The IASB issued an amendment to IFRS 2 which clarifies the definition of vesting conditions and prescribes the treatment for an award that is cancelled. The Group adopted this amendment as of 1 January 2009. It did not have an impact on the financial position or performance of the Group or the Company.

IFRS 7 *Financial Instruments: Disclosures (Amended)*
The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement and liquidity risk disclosures are presented in Note 29.

IFRS 8 *Operating Segments*
As of 1 January 2009, the Group determines and presents operating segments based on the information that is provided internally to the Chief Executive, who is the Group's chief operating decision maker. Previously operating segments were determined and presented in accordance with IAS 14 *Segment Reporting*. Comparative segment information has been re-presented in conformity with the transitional requirements of this standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share. IFRS 8 disclosures are presented in Note 1.

IAS 1 *Presentation of Financial Statements (Amended)*
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements. The Group also now presents a statement of changes in equity as a primary statement.

IAS 23 *Borrowing Costs (Amended)*
The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's previous policy was to capitalise borrowing costs incurred in the construction of major assets which take a substantial period of time to complete, there has been no impact on the financial position or performance of the Group as a result of adoption of the revised standard.

The Group has also adopted the following new and amended IFRS and IFRIC interpretations, which have not had an impact on the financial statements or performance of the Group:

- IAS 32 *Financial Instruments: Presentation* and IAS 1 (Amended) *Puttable Financial Instruments and Obligations Arising on Liquidation* (Amended)
- IFRIC 9 *Remeasurement of Embedded Derivatives* (Amended) and IAS 39 *Financial Instruments: Recognition and Measurement* (Amended)
- IFRIC 13 *Customer Loyalty Programmes*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*
- Improvements to IFRSs (May 2008)

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.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated 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 joint ventures and associates have either coterminous financial year ends, or accounting year ends within three months of that of the Group. In the case of the latter, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Group's financial statements. 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 entity. 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 measured at fair value with changes in value reflected in revaluation gains in the statement of comprehensive income, except impairment losses, which are recognised in the income statement. The fair value is based on estimated market value at the valuation date, being the estimated amount for which a property could be exchanged in an arms length transaction. Such valuations are determined based on benchmarking against comparable transactions for similar properties in the same locations as those of the Group or on the use of valuation techniques including the use of market yield on comparable properties. Information on the basis on which such valuations were undertaken in the year is set out in Note 9.

Significant Accounting Policies
(continued)

Property, Plant and Equipment (continued)
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: 5-15 years
- Motor vehicles: 5 years

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.

Government Grants
Government grants for the acquisition of assets are recognised at their fair value when there is reasonable assurance that the grant will be received and any conditions attaching to them have been fulfilled. The grant is held on the balance sheet as a deferred credit and released to the income statement over the periods necessary to match the related depreciation charges, or other expenses of the asset, as they are incurred.

Investment Property
Investment property, principally comprising land, 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 estimated 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. Such valuations are determined based on benchmarking against comparable transactions for similar properties in the same locations as those of the Group or on the use of valuation techniques including the use of market yield on comparable properties. Information on the basis on which such valuations were undertaken in the year is set out in Note 10. 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 other comprehensive income 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 the functional currency 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 year. 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 other comprehensive income, 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 other comprehensive income 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 to 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 relative value of the operation disposed of and the portion of the cash-generating unit retained.

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 economic 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: 7-8 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.

Significant Accounting Policies
(continued)

Impairment of Non-financial Assets (continued)
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 annually. 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 an expense 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.

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 other comprehensive income.

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 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.

Employee Share-based Payment Transactions
The Group grants equity settled share-based payments to employees. The fair value of these payments is determined at the date of grant and is expensed to the income statement on a straight-line basis over the vesting period. The fair value is determined using a binomial model, as measured at the date of grant, excluding the impact of any non-market conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each balance sheet date, the Group revises its estimates of the number of options or awards that are expected to vest, recognising any adjustment in the income statement, with a corresponding adjustment to equity.

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 other comprehensive income, in which case the related tax is recognised in other comprehensive income.

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 substantively 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.

Assets Held Under Leases

Finance Leases

Leases of property, plant and equipment, where the Group retains substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased item and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest charge on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest bearing loans and borrowings, allocated between current and non-current as appropriate. The interest element of the finance cost is charged to the income statement over the lease period. Assets held under finance leases are depreciated over the shorter of their expected useful lives or the lease term, taking into account the time period over which benefits from the leased assets are expected to accrue to the Group.

Operating Leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases, net of incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease. Income earned from operating leases is credited to the income statement when earned.

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 measured 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.

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 other comprehensive income (in the available-for-sale 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 available-for-sale 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 other comprehensive income 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.

Significant Accounting Policies
(continued)

Financial Instruments (continued)

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 Finance Expense

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues using the effective interest method.

Finance expense comprises interest expense on borrowings, unwinding the discount on provisions and borrowing extinguishment costs. Borrowing costs incurred in the construction of major assets which take a substantial period of time to complete are capitalised in the financial period in which they are incurred. All other finance costs are recognised in profit or loss using the effective interest method.

Segmental Reporting

Operating segments, defined as components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive.

Exceptional Items

The Group has adopted an accounting policy which seeks to highlight significant items within the Group results. The Group believes 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. Judgment 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.

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.

New Standards and Interpretations Not Applied

The following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but have not been early adopted:

IFRS 3 *Business Combinations* (Revised) and IAS 27 *Consolidated and Separate Financial Statements* (Amended) – effective annual periods beginning on or after 1 July 2009

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests. The Group will apply IFRS 3 (Revised) and IAS 27 (Amended) prospectively to all business combinations and transactions with non-controlling interests from 1 January 2010.

Other than IFRS 3 (Revised) and IAS 27 (Amended) as addressed above, there are a number of new standards, amendments to standards and interpretations published but not yet effective, and not applied in preparing these Group financial statements. These new standards and interpretations are not expected to have a material impact on the Group financial statements, and are therefore not disclosed presently.

Notes to the Group Financial Statements

31 December 2009

1. Segmental Analysis

In the current year, the Group has adopted IFRS 8 *Operating Segments* ('IFRS 8'), which sets out the requirements for disclosure of financial and descriptive information about the operating segments, products, the geographical areas in which the Group operates, as well as information on major customers. In accordance with IFRS 8, the Group's reportable operating segments based on how performance is assessed and resources are allocated are as follows:

- *Eurozone Fresh Produce:* This segment is an aggregation of operating segments in the Eurozone involved in the procurement and distribution of fresh produce. These operating segments have been aggregated based on the criteria set out in IFRS 8, including having similar economic characteristics.
- *Scandinavian Fresh Produce:* This operating segment is involved in the procurement and distribution of fresh produce in Sweden and Denmark.
- *UK Fresh Produce:* This operating segment includes the Group's UK business which is involved in the procurement and distribution of fresh produce.
- *Consumer Goods and Healthfoods Distribution:* This segment includes the Group's consumer goods and healthfoods distribution business which is a full service distributor and marketing partner to the grocery, pharmacy, optical and healthfood sectors.

A further four operating segments, involved in the fresh produce business, have been identified which are combined below under 'Other Fresh Produce', as they are not individually material.

Segment performance is evaluated based on Revenue and Adjusted EBITA. Management believes that Adjusted EBITA, while not defined under IFRS, provides a fair reflection of the underlying trading performance of the Group. Adjusted EBITA represents earnings before interest, tax and amortisation of intangible assets, and also excludes exceptional items, fair value movement on investment properties, the Group's share of joint ventures' tax and financial expense. Adjusted EBITA is therefore measured differently from operating profit in the Group financial statements as explained and reconciled in full detail below.

Also, given that financial costs, financial income, income taxes and certain corporate costs are managed on a centralised basis, these items are not allocated between operating segments for purposes of the information presented to the Chief Operating Decision Maker ('CODM') and are accordingly omitted from the detailed analysis below.

Segmental Operating Performance

		2009			2008	
	Segmental revenue €'000	**Third party revenue €'000**	**Adjusted EBITA €'000**	Segmental revenue €'000	Third party revenue €'000	Adjusted EBITA €'000
Eurozone Fresh Produce	**1,150,812**	**1,135,703**	**23,352**	1,068,303	1,061,150	19,201
Scandinavian Fresh Produce	**549,864**	**541,250**	**13,719**	600,238	593,558	15,303
UK Fresh Produce	**519,369**	**517,108**	**6,016**	579,008	575,676	6,009
Other Fresh Produce	**132,132**	**131,189**	**3,067**	139,288	139,053	4,676
Inter-segment revenue and unallocated costs	**(26,927)**	**–**	**(3,044)**	(17,400)	–	(2,821)
Total Fresh Produce	**2,325,250**	**2,325,250**	**43,110**	2,369,437	2,369,437	42,368
Consumer Goods and Healthfoods Distribution	**106,173**	**106,173**	**770**	146,257	146,257	4,155
Third party revenue and Adjusted EBITA	**2,431,423**	**2,431,423**	**43,880**	2,515,694	2,515,694	46,523

All inter-segment revenue transactions are at arm's length.

Notes to the Group Financial Statements
(continued)

1. Segmental Analysis (continued)

Reconciliation of Segmental Profits to Operating Profit

Below is a reconciliation of Adjusted EBITA per management reporting to operating profit and profit before tax per the Group income statement.

	Note	2009 €'000	2008 €'000
Adjusted EBITA per management reporting		**43,880**	46,523
Amortisation of intangible assets	(i)	**(5,087)**	(4,776)
Share of joint ventures' and associates' amortisation	(ii)	**(579)**	(306)
Share of joint ventures' and associates' financial income/(expense), net	(ii)	**(591)**	(172)
Share of joint ventures' and associates' income tax	(ii)	**(1,298)**	(1,360)
Operating profit before exceptional items		**36,325**	39,909
Exceptional items	(iii)	**(4,795)**	(4,589)
Operating profit per Group income statement		**31,530**	35,320
Financial income/(expense), net	(iv)	**(3,166)**	(5,509)
Profit before tax		**28,364**	29,811

(i) Intangible asset amortisation is not allocated to operating segments in the management reporting.
(ii) The Group's share of joint ventures' and associates' profit after tax is included within operating profit in the Group income statement. Amortisation, finance income/(expense) and income tax are excluded from Adjusted EBITA in the management reporting.
(iii) Exceptional items (Note 5) are not allocated to operating segments in the management reporting.
(iv) Financial income/(expense), net, is primarily managed at Group level, and is therefore not allocated to individual operating segments in the management reporting.

Business Segment Assets and Liabilities

	Segment assets 2009 €'000	Joint ventures and associates 2009 €'000	Total assets 2009 €'000	Total liabilities 2009 €'000
Eurozone Fresh Produce	218,302	17,249	235,551	115,716
Scandinavian Fresh Produce	143,773	1,996	145,769	71,968
UK Fresh Produce	89,212	9,135	98,347	47,675
Other Fresh Produce	54,036	4,579	58,615	21,829
Total Fresh Produce	**505,323**	**32,959**	**538,282**	**257,188**
Consumer Goods and Healthfoods Distribution	31,486	–	31,486	16,472
Total	**536,809**	**32,959**	**569,768**	**273,660**
Unallocated assets and liabilities*			121,669	196,818
Total assets			**691,437**	**470,478**

	Segment assets 2008 €'000	Joint ventures and associates 2008 €'000	Total assets 2008 €'000	Total liabilities 2008 €'000
Eurozone Fresh Produce	226,943	24,847	251,790	123,045
Scandinavian Fresh Produce	141,027	1,535	142,562	81,617
UK Fresh Produce	88,369	4,438	92,807	50,763
Other Fresh Produce	55,211	5,093	60,304	26,242
Total Fresh Produce	**511,550**	**35,913**	**547,463**	**281,667**
Consumer Goods and Healthfoods Distribution	44,836	–	44,836	22,053
Total	**556,386**	**35,913**	**592,299**	**303,720**
Unallocated assets and liabilities*			116,794	207,238
Total assets			**709,093**	**510,958**

* Unallocated assets consist of investment property, other financial assets, cash and cash equivalents, deferred tax assets, corporation tax receivable and employee benefit assets. Unallocated liabilities consist of interest-bearing loans and borrowings, provisions, corporation tax payable, deferred tax liabilities and employee benefit liabilities.

Other Segmental Disclosures

	Share of joint ventures and associates adjusted EBITA 2009 €'000	Acquisition of property, plant and equipment 2009 €'000	Depreciation of property, plant and equipment 2009 €'000	Amortisation of intangible assets 2009 €'000
Eurozone Fresh Produce	**3,300**	**3,644**	**5,486**	**1,564**
Scandinavian Fresh Produce	**754**	**3,905**	**2,313**	**1,587**
UK Fresh Produce	**752**	**1,031**	**2,118**	**1,944**
Other Fresh Produce	**(700)**	**965**	**2,733**	**258**
Consumer Goods and Healthfoods Distribution	**–**	**217**	**560**	**313**
Total	**4,106**	**9,762**	**13,210**	**5,666**

	Share of joint ventures and associates adjusted EBITA 2008 €'000	Acquisition of property, plant and equipment 2008 €'000	Depreciation of property, plant and equipment 2008 €'000	Amortisation of intangible assets 2008 €'000
Eurozone Fresh Produce	3,724	9,821	5,238	769
Scandinavian Fresh Produce	600	4,042	2,646	1,759
UK Fresh Produce	(576)	2,239	2,426	1,979
Other Fresh Produce	664	951	3,008	262
Consumer Goods and Healthfoods Distribution	–	1,123	593	313
Total	**4,412**	**18,176**	**13,911**	**5,082**

Irish Revenue and Non-current Assets
The Group headquarters are domiciled in the Republic of Ireland and revenue generated by the Group's businesses in the Republic of Ireland is €355,253,000 (2008: €418,055,000). Non-current assets, excluding employee benefit assets and deferred tax assets, of €20,725,000 (2008: €28,121,000) are held by the Group's businesses in the Republic of Ireland.

Notes to the Group Financial Statements
(continued)

2. Operating Expenses, Net

	Before exceptional items 2009 €'000	Exceptional items (Note 5) 2009 €'000	Total 2009 €'000	Before exceptional items 2008 €'000	Exceptional items (Note 5) 2008 €'000	Total 2008 €'000
Distribution expenses	**(218,348)**	**(1,025)**	**(219,373)**	(222,510)	(2,148)	(224,658)
Administrative expenses	**(46,226)**	**–**	**(46,226)**	(44,186)	–	(44,186)
Other operating expenses	**(356)**	**(1,509)**	**(1,865)**	(746)	(3,345)	(4,091)
Other operating income	**4,416**	**5,124**	**9,540**	5,030	2,497	7,527
Total	**(260,514)**	**2,590**	**(257,924)**	(262,412)	(2,996)	(265,408)

Other operating expenses and income comprise the following (charges)/credits:

Other Operating Expenses

	2009 €'000	2008 €'000
Foreign exchange losses	**(119)**	(547)
Loss on disposal of property, plant and equipment	**(16)**	–
Loss on non-hedging derivative financial instruments	**(221)**	(199)
	(356)	(746)
Exceptional items in other operating expenses (Note 5)		
Impairment of available-for-sale financial assets (including recycling of fair value deficit from the available-for-sale reserve)	**–**	(1,169)
Change in fair value of investment property	**(312)**	–
Impairment of property, plant and equipment	**(1,197)**	(2,176)
	(1,509)	(3,345)
Total	**(1,865)**	(4,091)

Other Operating Income

	2009 €'000	2008 €'000
Rental income from investment property	**2,088**	2,009
Amortisation of government grants	**363**	508
Gain on disposal of property, plant and equipment	**292**	504
Foreign exchange gains	**901**	1,368
Gain recycled from other comprehensive income on disposal of available-for-sale financial asset	**294**	–
Gain on disposal of investment in joint ventures and associates	**106**	–
Gain on non-hedging derivative financial instruments	**372**	641
	4,416	5,030
Exceptional items in other operating income (Note 5)		
Change in fair value of investment property	**–**	2,497
Pension curtailment gain	**4,084**	–
Gain on disposal of property, plant and equipment	**1,040**	–
	5,124	2,497
Total	**9,540**	7,527

3. Financial Income and Financial Expense

	2009 €'000	2008 €'000
Recognised in the income statement:		
Dividend income from available-for-sale financial assets	**353**	270
Interest income	**1,539**	2,556
Financial income	**1,892**	2,826
Interest expense on financial liabilities measured at amortised cost	**(4,329)**	(7,925)
Cash inflow from interest rate swap	**49**	188
Interest expense on finance leases	**(30)**	(68)
Other interest expense	**(748)**	(530)
Financial expense	**(5,058)**	(8,335)
Net financial expense recognised in the income statement	**(3,166)**	(5,509)
Analysed as follows:		
Amounts relating to items not at fair value through income statement	**(3,166)**	(5,509)
Amounts relating to items at fair value through income statement	**–**	–
Net financial expense recognised in the income statement	**(3,166)**	(5,509)
Recognised in other comprehensive income:		
Foreign currency translation effects:		
- foreign currency on net investments – subsidiaries	**9,118**	(23,659)
- foreign currency on net investments – joint ventures	**1,463**	(2,985)
- foreign currency borrowings	**(4,288)**	10,678
Effective portion of changes in fair value of cash flow hedges	**(218)**	4,442
Fair value of cash flow hedges transferred to the income statement	**(530)**	(3,774)
Gains on re-measuring available-for-sale financial assets	**2,913**	–
(Gains)/losses on available-for-sale financial assets recycled from other comprehensive income to income statement	**(294)**	62
Net financial income/(expense) recognised in other comprehensive income	**8,164**	(15,236)

4. Group Operating Profit

Group operating profit has been arrived at after charging the following amounts:

	2009 €'000	2008 €'000
Depreciation of property, plant and equipment:		
- owned assets	**12,881**	13,371
- held under finance lease	**329**	540
Amortisation of intangible assets (including share of joint ventures)	**5,666**	5,082
Impairment losses:		
- available-for-sale financial assets	**–**	1,169
- property, plant and equipment	**1,197**	2,176
- goodwill	**1,025**	–
Auditor's remuneration	**1,091**	1,125
Auditor's remuneration for non-audit services	**711**	869
Operating lease rentals:		
- plant and equipment	**2,314**	2,033
- other	**8,485**	8,339

Notes to the Group Financial Statements
(continued)

5. Exceptional Items

	2009 €'000	2008 €'000
Pension curtailment gain [(a)]	**4,084**	–
Profit on disposal of property, plant and equipment [(b)]	**1,040**	–
Share of joint ventures' changes in fair value of investment property [(c)]	**(7,385)**	(1,593)
Impairment of property, plant and equipment [(d)]	**(1,197)**	(2,176)
Change in fair value of investment property [(e)]	**(312)**	2,497
Impairment of goodwill [(f)]	**(1,025)**	–
Costs associated with termination of activities [(g)]	**–**	(2,148)
Impairment of available-for-sale financial assets (including recycling of fair value deficit from the available-for-sale reserve) [(h)]	**–**	(1,169)
	(4,795)	(4,589)
Tax on exceptional items	**(805)**	(185)
Total	**(5,600)**	(4,774)

(a) Pension curtailment gain
An exceptional gain of €4,084,000 arises from a change in the benefit structure of two defined benefit pension schemes. The deferred tax charge on this exceptional gain amounts to €511,000. Refer to Note 26.

(b) Profit on disposal of property, plant and equipment
A profit of €1,040,000 arose on disposal of an asset which, considering the materiality of the gain, the directors believe appropriate to regard as exceptional in order to distinguish it from income in the Group's core activities. The tax charge on this exceptional gain amounts to €330,000.

(c) Share of joint ventures' changes in fair value of investment property
The Group's share of changes in fair value of joint ventures' investment property of €7,385,000 (2008: €1,593,000), net of deferred tax, has been recognised in the income statement. These losses primarily relate to property owned by a joint venture in Dublin. Refer to Note 10.

(d) Impairment of property, plant and equipment
On revaluation of the Group's properties in 2009, in addition to the revaluation gain included in other comprehensive income, properties where the carrying value exceeded market value were identified, resulting in an impairment charge in the amount of €1,197,000 (2008: €2,176,000). Refer to Note 9.

(e) Change in fair value of investment property
Fair value declines amounting to €312,000 (2008: gains of €2,497,000) have been recognised in the income statement. A deferred tax credit of €36,000 (2008: charge of €668,000) was recognised in the income statement as a result of these revaluations. Refer to Note 10.

(f) Impairment of goodwill
On completion of the Group's annual goodwill impairment testing, a charge of €1,025,000 was recognised in relation to the goodwill associated with part of the Group's Consumer Goods and Healthfoods Distribution business. Refer to Note 11.

(g) Costs associated with termination of activities
During 2008, the Group terminated an operation in its Consumer Goods and Heathfoods Distribution business and also closed a number of smaller operations in its Fresh Produce division in the UK. The total cost of these closures amounted to €2,148,000, and is analysed in further detail below. Tax credits on these exceptional items amounted to €483,000.

	2008 €'000
Assets disposed of, and other costs incurred, on termination	
Property, plant and equipment (Note 9)	(1,299)
Goodwill and intangible assets (Note 11)	(396)
Inventory	(250)
Net assets disposed of on termination of activities	(1,945)
Redundancy costs	(1,188)
Other costs	(654)
	(3,787)
Proceeds on disposal of property, plant and equipment, and inventories	1,639
Net charge associated with termination of activities before tax	**(2,148)**

(h) Impairment of available-for-sale financial assets (including recycling of fair value deficit from the available-for-sale reserve)
This represented a €1,107,000 reduction in 2008 in the carrying value of an equity investment, together with the recycling to the income statement of a €62,000 fair value deficit recognised in the available-for-sale reserve in 2007. Refer to Note 13.

6. Income Tax Expense

Recognised in the Income Statement:

	2009 €'000	2008 €'000
Current tax expense		
Ireland		
Tax on profit for the year	**677**	1,082
Adjustments in respect of prior years	**96**	(43)
	773	1,039
Overseas		
Tax on profit for the year	**10,163**	7,375
Adjustments in respect of prior years	**(95)**	(109)
	10,068	7,266
Total current tax	**10,841**	8,305
Deferred tax expense		
Origination and reversal of temporary differences	**(1,635)**	314
Adjustments in respect of prior years	**(49)**	(149)
Total deferred tax	**(1,684)**	165
Income tax expense	**9,157**	8,470

Reconciliation of Effective Tax Rate

	%	2009 €'000	%	2008 €'000
Profit before tax		**28,364**		29,811
Taxation based on Irish corporation tax rate	**12.50**	**3,546**	12.50	3,726
Effects of:				
Expenses not deductible for tax purposes	**2.89**	**819**	1.61	479
Tax effect of fair value adjustments	**1.17**	**332**	0.49	146
Tax effect on profits of joint ventures and associates	**2.53**	**718**	(0.41)	(123)
Differences in tax rates	**13.93**	**3,952**	10.96	3,268
Unrecognised deferred tax asset	**–**	**–**	4.47	1,334
Previously unrecognised deferred tax asset	**(1.71)**	**(486)**	(1.32)	(393)
Other items	**1.14**	**324**	1.14	339
Adjustments in respect of prior years	**(0.17)**	**(48)**	(1.03)	(306)
Total income tax expense recognised in the income statement	**32.28**	**9,157**	28.41	8,470

Deferred Tax Recognised in Other Comprehensive Income

	2009 €'000	2008 €'000
Deferred tax on revaluation of property, plant and equipment, net	**449**	447
Deferred tax on actuarial gains and losses on defined benefit pension schemes, net	**(389)**	(2,027)
Deferred tax on effective portion of cash flow hedges, net	**(213)**	191
Total deferred tax credit recognised in other comprehensive income	**(153)**	(1,389)

Notes to the Group Financial Statements
(continued)

7. Dividends Paid and Proposed

	2009 €'000	2008 €'000
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 December 2008: 1.15 cents (2007: 1.15 cents)	**4,047**	4,047
Interim dividend for the year ended 31 December 2009: 0.54 cents (2008: 0.54 cents)	**1,900**	1,900
Total: 1.69 cents per share (2008: 1.69 cents)	**5,947**	5,947
Proposed for approval at AGM (not recognised as a liability as at 31 December)		
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 December 2009: 1.15 cents (2008: 1.15 cents)	**4,047**	4,047

It is proposed that a final dividend of 1.15 cents per ordinary share 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.

8. Earnings Per Share

Basic and diluted earnings per share
Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent of €13,018,000 (2008: €15,357,000) by the weighted average number of ordinary shares outstanding during the year of 351,887,000 (2008: 351,887,000). Share options outstanding, as set out in Note 26, have no dilutive impact on earnings per share at 31 December 2009.

	2009 €'000	2008 €'000
Profit for the financial year attributable to equity holders of the parent	**13,018**	15,357
Weighted average number of ordinary shares ('000)	**351,887**	351,887
Basic earnings per share – cent	**3.70**	4.36
Fully diluted earnings per share – cent	**3.70**	4.36

Adjusted fully diluted earnings per share

	Earnings 2009 €'000	Per share 2009 €'cent	Earnings 2008 €'000	Per share 2008 cent
Profit attributable to equity holders of the parent	**13,018**	**3.70**	15,357	4.36
Adjustments				
Pension curtailment gain	**(4,084)**	**(1.16)**	–	–
Profit on disposal of property, plant and equipment	**(1,040)**	**(0.29)**	–	–
Change in fair value of investment properties (including share of joint ventures)	**7,697**	**2.18**	(904)	(0.25)
Impairment of property, plant and equipment	**1,197**	**0.34**	2,176	0.62
Impairment of goodwill	**1,025**	**0.29**	–	–
Costs associated with closure of activities	**–**	**–**	2,148	0.61
Impairment of available-for-sale financial assets	**–**	**–**	1,169	0.33
Amortisation of intangible assets (including share of joint ventures)	**5,666**	**1.61**	5,082	1.44
Tax effect of exceptional items and amortisation charge	**(400)**	**(0.11)**	(907)	(0.26)
Minority impact of exceptional items, amortisation and related tax	**(302)**	**(0.09)**	(368)	(0.10)
Adjusted fully diluted earnings	**22,777**	**6.47**	23,753	6.75

9. Property, Plant and Equipment

	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	**Total €'000**
Cost or valuation				
Balance at 1 January 2008	88,521	74,541	16,669	**179,731**
Additions	8,237	6,211	3,728	**18,176**
Arising from business combinations (Note 25)	25	1,141	630	**1,796**
Arising on termination of a business (Note 5)	(370)	(3,521)	–	**(3,891)**
Transferred to investment property (Note 10)	(755)	–	–	**(755)**
Disposals	(5)	(1,908)	(3,434)	**(5,347)**
Revaluation gains	4,523	–	–	**4,523**
Revaluation losses	(594)	–	–	**(594)**
Reclassification	(424)	478	(54)	**–**
Foreign exchange movement	(6,517)	(4,104)	(1,225)	**(11,846)**
Balance at 31 December 2008	**92,641**	**72,838**	**16,314**	**181,793**
Additions	2,803	5,184	1,775	**9,762**
Arising from business combinations (Note 25)	1,773	309	365	**2,447**
Transferred to investment property (Note 10)	(339)	–	–	**(339)**
Disposals	(90)	(3,305)	(2,528)	**(5,923)**
Revaluation gains	2,358	–	–	**2,358**
Reclassification	(60)	60	–	**–**
Foreign exchange movement	2,568	1,689	537	**4,794**
Balance at 31 December 2009	**101,654**	**76,775**	**16,463**	**194,892**
Depreciation and impairment losses				
Balance at 1 January 2008	2,588	47,771	5,146	**55,505**
Depreciation charge	2,322	7,531	4,058	**13,911**
Impairment losses	2,176	–	–	**2,176**
Arising on termination of a business (Note 5)	(359)	(2,233)	–	**(2,592)**
Transferred to investment property (Note 10)	(345)	–	–	**(345)**
Disposals	(2)	(1,855)	(2,654)	**(4,511)**
Reclassification	(9)	14	(5)	**–**
Foreign exchange movement	(702)	(2,670)	(658)	**(4,030)**
Balance at 31 December 2008	**5,669**	**48,558**	**5,887**	**60,114**
Depreciation charge	2,352	7,064	3,794	**13,210**
Impairment losses	1,197	–	–	**1,197**
Transferred to investment property (Note 10)	(259)	–	–	**(259)**
Disposals	(85)	(3,279)	(2,039)	**(5,403)**
Reclassification	(10)	10	–	**–**
Foreign exchange movement	439	1,150	318	**1,907**
Balance at 31 December 2009	**9,303**	**53,503**	**7,960**	**70,766**
Carrying amount				
At 31 December 2008	86,972	24,280	10,427	**121,679**
At 31 December 2009	**92,351**	**23,272**	**8,503**	**124,126**

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

Fair value is defined as the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Registered independent appraisers having appropriate recognised professional qualifications and recent experience in the locations and categories prepare the valuations every three years, with valuations updated annually in the interim by directors, having due regard to advice of professionally qualified consultants. Where there are indications of a material movement in value, valuation is also performed by an independent appraiser.

Notes to the Group Financial Statements
(continued)

9. Property, Plant and Equipment (continued)

At 31 December 2009, the Group undertook an exercise to revalue its properties. Properties occupied by the Group included in land and buildings above comprise industrial and office buildings in a number of locations across Europe, the largest of which are in Scandinavia, the Czech Republic, Spain, the Netherlands and the UK. The Group has limited property assets in Ireland. Valuations were performed by the directors, having due regard to advice from professionally qualified consultants. Where available, such valuations took account of recent market transactions for comparable properties. However, the reduced level of property transactions in the economies in which the Group operates necessitated the use of valuation techniques in many cases. Where valuation techniques were applied, valuations were based, to the extent possible, on observable market yields in the range of 8.0% to 8.9%. Notwithstanding the level of uncertainty in property markets at present, the directors are satisfied with the basis upon which these valuations have been prepared.

Revaluation gains in 2009 amounting to €2,358,000 (2008: net gains of €3,929,000), along with related deferred tax charges of €449,000 (2008: €447,000), were recognised in other comprehensive income. The minority interest share of revaluation gains, net of deferred tax, was €680,000 (2008: €703,000). The Group identified two properties in the UK in which the estimated fair value has fallen below cost, resulting in an impairment charge of €1,197,000 (2008: €2,176,000) recognised in the income statement (Note 5).

The historic cost of land and buildings which were revalued amounted to €69,504,000 (2008: €65,322,000). At 31 December 2009, property, plant and equipment with a carrying value of €6,189,000 (2008: €5,980,000) are subject to a registered debenture to bank loans.

During the year, property which was previously used in the business was sublet to a third party. The fair value of this property of €80,000 (2008: €410,000) was transferred from property, plant and equipment to investment property (Note 10).

Leased property, plant and equipment

The Group leases items of property, plant and equipment under a number of finance lease agreements. At 31 December 2009, the carrying amount of leased assets included in property, plant and equipment was €745,000 (2008: €967,000).

	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
At 31 December 2008	–	429	538	967
At 31 December 2009	**–**	**367**	**378**	**745**

10. Investment Property

	2009 €'000	2008 €'000
Balance at beginning of year	**12,339**	12,194
Transfer from property, plant and equipment (Note 9)	**80**	410
Fair value adjustments	**(312)**	2,497
Foreign exchange movement	**842**	(2,762)
Balance at end of year	**12,949**	12,339

Investment property, comprising land and buildings, is held for rental income or capital appreciation and is not occupied by the Group. This also includes parts of properties owned by the Group which are sublet to third parties. The Group's investment properties are located in the UK, Ireland and the Netherlands.

The carrying amount of investment property within the Group's subsidiaries is the fair value of the property as determined by the directors. In preparing the property valuations, the directors consulted with registered independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category being valued. In general, valuations have been undertaken having regard to comparable market transactions. The directors are of the opinion that the fair value which they have applied in their valuations is the amount at which, at the balance sheet date, the property would be exchanged 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.

The property valuations have been prepared in a period of considerable market uncertainty due to the current difficulties being experienced in the world's financial markets. This has resulted in a reduced quantity of properties being sold and little market activity in some areas. Notwithstanding the level of uncertainty in property markets generally at present, the directors are satisfied with the basis upon which these valuations have been prepared.

Fair value losses arising during the year on investment properties held within the Group's subsidiaries, amounting to €312,000 (2008: gains of €2,497,000), along with a deferred tax credit of €36,000 (2008: charge of €668,000) have been reflected in the income statement as exceptional items (Note 5).

The Group's share of revaluation losses within its joint ventures amounted to €7,385,000 (2008: €1,593,000), net of deferred tax. These losses have been recognised in the income statement within the Group's share of the after tax profits of its joint ventures and, given their materiality, have been classified as exceptional items (Note 5).

11. Goodwill and Intangible Assets

	Customer relationships €'000	Other intangible assets €'000	Research & development €'000	Goodwill €'000	Total €'000
Cost					
Balance at 1 January 2008	**39,740**	**3,854**	**1,749**	**97,241**	**142,584**
Arising from business combinations	7,314	1,800	–	5,076	14,190
Revisions of deferred consideration	–	–	–	74	74
Capitalisation of R&D expenditure	–	–	347	–	347
Termination of a business	–	–	–	(396)	(396)
Foreign exchange movement	(6,168)	(545)	(474)	(9,816)	(17,003)
Balance at 31 December 2008	**40,886**	**5,109**	**1,622**	**92,179**	**139,796**
Arising from business combinations	**934**	**–**	**–**	**4,271**	**5,205**
Revisions of deferred consideration	**–**	**–**	**–**	**3,263**	**3,263**
Capitalisation of R&D expenditure	**–**	**–**	**348**	**–**	**348**
Foreign exchange movement	**2,377**	**155**	**143**	**4,519**	**7,194**
Balance at 31 December 2009	**44,197**	**5,264**	**2,113**	**104,232**	**155,806**
Accumulated amortisation and impairments					
Balance at 1 January 2008	**17,947**	**572**	**479**	**–**	**18,998**
Amortisation	4,220	556	–	–	4,776
R&D amortisation	–	–	382	–	382
Foreign exchange movement	(3,113)	(163)	(180)	–	(3,456)
Balance at 31 December 2008	**19,054**	**965**	**681**	**–**	**20,700**
Amortisation	**4,417**	**670**	**–**	**–**	**5,087**
R&D amortisation	**–**	**–**	**287**	**–**	**287**
Impairment loss	**–**	**–**	**–**	**1,025**	**1,025**
Foreign exchange movement	**1,362**	**53**	**60**	**–**	**1,475**
Balance at 31 December 2009	**24,833**	**1,688**	**1,028**	**1,025**	**28,574**
Carrying amount					
Balance at 31 December 2008	21,832	4,144	941	92,179	119,096
Balance at 31 December 2009	**19,364**	**3,576**	**1,085**	**103,207**	**127,232**

Other intangible assets include brands of €1,884,000 (2008: €2,020,000) and supplier relationships of €1,692,000 (2008: €2,124,000).

Intangible assets are amortised to the income statement over their estimated useful lives as follows:

- Customer relationships: 3 to 10 years
- Brands: 10 to 15 years
- Supplier relationships: 7 to 8 years
- Research and development: 5 to 7 years

Goodwill and intangible assets arising in connection with acquisitions, including revisions to estimates of deferred consideration payable in respect of acquisitions in previous years, are set out in Note 25.

Amortisation and impairment losses are allocated to distribution expenses in the income statement.

Notes to the Group Financial Statements
(continued)

11. Goodwill and Intangible Assets (continued)
Impairment Testing of Goodwill
The Group tests goodwill annually for impairment on 31 October, or more frequently if there are indications that goodwill might be impaired. For the purposes of impairment testing, goodwill is allocated to divisions which represent the lowest level within the Group at which goodwill is monitored, which is not higher than the operating segments identified before aggregations. A reportable operating segment level summary of the goodwill is presented below:

	2009 €'000	2008 €'000
Eurozone Fresh Produce	**16,738**	10,167
Scandinavian Fresh Produce	**54,292**	51,106
UK Fresh Produce	**14,609**	12,541
Other Fresh Produce	**14,097**	13,869
Consumer Goods and Healthfoods Distribution	**3,471**	4,496
	103,207	92,179

The recoverable amount of each cash generating unit (CGU) has been determined based on a value-in-use (VIU) calculation using cash flows derived from financial projections over a five year period, with cash flows thereafter calculated using a terminal value methodology. No inflation or growth is assumed. The pre-tax discount rates applied to cash flow projections of the CGUs range from 10.5% to 12.5% (2008: 10.3% to 12.0%).

Projected cash flows are most sensitive to assumptions regarding future profitability, replacement capital expenditure requirements, and working capital investment. The values applied to these key assumptions are derived from a combination of external and internal factors, based on past experience together with management's future expectations about business performance.

Discount rates reflect the current market assessment of the risk specific to each CGU. The discount rate was estimated by adjusting the Group's weighted average cost of capital to reflect the market assessment of risks specific to each CGU for which the cash flow projections have not been adjusted.

Group earnings are significantly dependent on the selling prices and margins 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.

An impairment charge of €1,025,000 arose in a CGU within the Group's Consumer Goods and Healthfoods Distribution operating segment during 2009, resulting in the carrying amount of that CGU being written down to its recoverable amount. The impairment was triggered by a decline in expected future cash flows due to the loss of a significant portion of the CGU's trade. If the budgeted cash flows used in the VIU calculation for that CGU had been 10% lower than management's estimates, the Group would have recognised a further impairment of goodwill in the amount of €200,000. If the estimated cost of capital used in determining the pre-tax discount rate for the CGU had been 1% higher than management's estimates, the Group would have recognised a further impairment of goodwill in the amount of €150,000.

With the exception of the impaired CGU, given the magnitude of the excess of the recoverable amount over carrying amount for all of the Group's other CGUs, no reasonable possible change in any of the key assumptions would give rise to an impairment charge, as follows:

- If the pre-tax discount rate applied to the cash flows had been 10% higher, no impairment loss would have arisen
- If the cash flow projections had been 10% lower, no impairment loss would have arisen

12. Investments in Joint Ventures and Associates

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

	Joint ventures €'000	Associates €'000	Total €'000
Balance at 1 January 2008	41,378	75	41,453
Share of profit/(loss) after tax			
- before exceptional items	2,616	(41)	2,575
- exceptional item arising on fair value losses on investment property	(1,593)	–	(1,593)
Share of other comprehensive income, net	(515)	–	(515)
Increased investment in year – cash	2,802	–	2,802
Loans advanced during the year	877	–	877
Disposals	(4,684)	–	(4,684)
Dividends received	(2,017)	–	(2,017)
Foreign exchange movement	(2,985)	–	(2,985)
Balance at 31 December 2008	**35,879**	**34**	**35,913**
Share of profit/(loss) after tax			
- before exceptional items	**1,575**	**60**	**1,635**
- exceptional item arising on fair value losses on investment property	**(7,385)**	**–**	**(7,385)**
Share of other comprehensive income, net	**(19)**	**–**	**(19)**
Increased investment in year – cash	**2,256**	**–**	**2,256**
Increased investment in year – deferred consideration	**800**	**–**	**800**
Loans advanced during the year	**592**	**–**	**592**
Reclassification from non-trade receivables due from joint ventures on capitalisation of amounts receivable from joint ventures as equity	**604**	**–**	**604**
Disposals	**(93)**	**(94)**	**(187)**
Joint venture becoming a subsidiary	**(934)**	**–**	**(934)**
Dividends received	**(1,779)**	**–**	**(1,779)**
Foreign exchange movement	**1,463**	**–**	**1,463**
Balance at 31 December 2009	**32,959**	**–**	**32,959**

The investment in joint ventures and associates as stated above is comprised of equity investments of €32,959,000 (2008: €29,530,000) and loans to joint ventures of €Nil (2008: €6,383,000).

Details of investments in the year are set out in Note 25.

No gain or loss arose during 2009 on revaluation of joint ventures' land and buildings. The Group's share of losses recognised in 2008 amounted to €431,000, net of deferred tax. These losses were recognised in other comprehensive income as they reversed previously recognised gains.

Following an exercise to revalue the Group's investment property (Note 10), the Group's share of its joint ventures' revaluation losses amounted to €7,385,000 (2008: €1,593,000), net of deferred tax.

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

	Joint ventures 2009 €'000	**Associates 2009 €'000**	**Total 2009 €'000**
Non-current assets	**28,623**	**–**	**28,623**
Employee benefit assets	**969**	**–**	**969**
Cash and cash equivalents	**10,104**	**–**	**10,104**
Other current assets	**30,725**	**–**	**30,725**
Non-current liabilities	**(3,678)**	**–**	**(3,678)**
Employee benefit liabilities	**(1,261)**	**–**	**(1,261)**
Current liabilities	**(30,251)**	**–**	**(30,251)**
Interest-bearing loans and borrowings	**(10,547)**	**–**	**(10,547)**
Share of net assets	**24,684**	**–**	**24,684**
Goodwill	**8,275**	**–**	**8,275**
Balance at 31 December 2009	**32,959**	**–**	**32,959**
Group share of revenue	**240,878**	**4,103**	**244,981**

Notes to the Group Financial Statements
(continued)

12. Investments in Joint Ventures and Associates (continued)

	Joint ventures 2008 €'000	Associates 2008 €'000	Total 2008 €'000
Non-current assets	32,894	51	32,945
Employee benefit assets	968	–	968
Cash and cash equivalents	9,934	–	9,934
Other current assets	29,247	2,239	31,486
Non-current liabilities	(2,429)	(27)	(2,456)
Employee benefit liabilities	(1,099)	–	(1,099)
Current liabilities	(28,188)	(1,810)	(29,998)
Interest-bearing loans and borrowings	(12,647)	(419)	(13,066)
Share of net assets	**28,680**	**34**	**28,714**
Goodwill	7,199	–	7,199
Balance at 31 December 2008	**35,879**	**34**	**35,913**
Group share of revenue	**256,499**	**8,231**	**264,730**

The carrying value of investments in joint ventures and associates are assessed for impairment when an event or transaction indicates that an impairment may have occurred. No impairment has arisen in 2008 or 2009.

13. Other Financial Assets

	2009 €'000	2008 €'000
Balance at beginning of year	**8,180**	9,462
Fair value movement through income statement	**–**	(5)
Fair value movement through available-for-sale reserve [(i)]	**2,913**	62
Impairment loss [(ii)]	**–**	(1,169)
Additions	**15**	47
Disposals	**(856)**	–
Foreign exchange movement	**91**	(217)
Balance at end of year	**10,343**	8,180
Available-for-sale financial assets measured at fair value	**9,750**	7,131
Available-for-sale financial assets measured at cost less provision for impairment [(iii)]	**593**	1,049
Balance at end of year	**10,343**	8,180

The Group has not designated any financial assets as held to maturity. The investments included above predominantly represent investments in unlisted equity securities with no fixed maturity or coupon rate. While these investments are classified as available-for-sale financial assets in accordance with IFRS, it is not currently the intention of management to sell these assets.

(i) The fair value movements through the available-for-sale reserve in the aggregate amount of €2,913,000 consist of €2,619,000 arising on re-measurement of unquoted equity investments at 31 December 2009, while a further gain of €294,000 arises from the re-measurement during the year of other available-for-sale financial assets which were subsequently disposed of with the gain recycled from other comprehensive income to the income statement (Note 2).

(ii) At 31 December 2008, the fair value of unquoted equity investments were reviewed, giving rise to an impairment charge of €1,169,000 recognised in the income statement, which includes the recycling of a fair value deficit of €62,000 previously recognised in other comprehensive income in 2007.

(iii) Certain of the Group's available-for-sale financial assets comprise investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Such investments are measured at cost, less provision for impairment where required. The carrying value of such investments amounts to €593,000 (2008: €1,049,000).

14. Inventories

	2009 €'000	2008 €'000
Goods for resale	**33,223**	36,429
Consumable stores	**2,462**	3,199
Total of lower of cost or net realisable value	**35,685**	39,628

15. Trade and Other Receivables

	2009 €'000	2008 €'000
Non-current		
Other receivables	**3,960**	3,286
Current		
Trade receivables	**218,384**	235,766
Trade receivables due from joint ventures	**2,686**	5,069
Other receivables	**18,766**	23,877
Prepayments	**4,634**	4,848
Non-trade receivables due from joint ventures	**1,281**	1,767
	245,751	271,327
Total	**249,711**	274,613

The Group's exposure to credit and foreign currency risk and impairment losses related to trade and other receivables is disclosed in Note 29.

16. Cash and Cash Equivalents, Short Term Bank Deposits and Net Debt

	2009 €'000	2008 €'000
Bank balances	**68,331**	66,726
Call deposits (demand balances)	**20,630**	18,567
Cash and cash equivalents	**88,961**	85,293
Bank overdrafts	**(4,337)**	(8,072)
Cash, cash equivalents and bank overdrafts	**84,624**	77,221
Non-current bank borrowings [(i)]	**(122,418)**	(79,112)
Current bank borrowings [(i)]	**(12,191)**	(57,564)
Finance leases	**(575)**	(745)
Net debt at end of year	**(50,560)**	(60,200)

(i) The change in the maturity profile of the Group's bank borrowings reflects the renewal of borrowing facilities during the year.

Notes to the Group Financial Statements
(continued)

17. Capital and Reserves
Share Capital and Share Premium

	Ordinary shares 2009 '000	Ordinary shares 2009 €'000	Ordinary shares 2008 '000	Ordinary shares 2008 €'000
Allotted, called-up and fully paid				
In issue at beginning and end of year	**351,887**	**3,519**	351,887	3,519

At 31 December 2009, the authorised share capital was €10,000,000 (2008: €10,000,000) divided into 1,000,000,000 ordinary shares of 1 cent each. The issued share capital at that date was 351,886,732 ordinary shares (2008: 351,886,732).

Share premium amounts to €252,574,000 at both the beginning and end of each year.

Attributable Profit of the Company
The profit attributable to equity holders of the parent dealt with in the financial statements of the Company for the year ended 31 December 2009 was €5,525,000 (2008: €10,629,000). As permitted by Section 148(8) of the Companies Act, 1963, the statement of comprehensive income of the Company has not been separately presented in these financial statements.

Other Reserves

	2009 €'000	2008 €'000
Currency translation reserve [a]	**(13,171)**	(19,354)
Revaluation reserve [b]	**17,797**	16,568
De-merger reserve [c]	**(122,521)**	(122,521)
Other equity reserves [d]	**3,637**	816
Total	**(114,258)**	(124,491)

(a) 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 borrowings designated as a hedge of those net assets.

(b) Revaluation reserve
The revaluation reserve relates to revaluation surpluses arising on revaluations of property occupied by the Group. This reserve is not distributable to shareholders under Irish Company Law.

(c) De-merger reserve
The operations of the Company were de-merged 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 de-merger, 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 de-merger reserve.

(d) Other equity reserves

Other equity reserves comprise the share option reserve, available-for-sale reserve, and cash flow hedge reserve, as detailed below:

	Share option reserve (i) €'000	Available-for-sale reserve (ii) €'000	Cash flow hedge reserve (iii) €'000	**Other equity reserves Total €'000**
Balance at 1 January 2008	**93**	**(62)**	**–**	**31**
Comprehensive income				
Profit for the year	–	–	–	**–**
Other comprehensive income:				
Gains on re-measuring available-for-sale financial assets, net	–	62	–	**62**
Effective portion of cash flow hedges	–	–	633	**633**
Deferred tax on items taken directly to other comprehensive income	–	–	(191)	**(191)**
Total included in other comprehensive income	–	62	442	**504**
Total included in comprehensive income	**–**	**62**	**442**	**504**
Transactions with equity holders of the parent				
Share-based payment transactions	281	–	–	**281**
Total transactions with equity holders of the parent	**281**	**–**	**–**	**281**
At 31 December 2008	**374**	**–**	**442**	**816**
Comprehensive income				
Profit for the year	–	–	–	**–**
Other comprehensive income:				
Gains on re-measuring available-for-sale financial assets	–	2,913	–	**2,913**
Gains on available-for-sale financial assets recycled from other comprehensive income to income statement	–	(294)	–	**(294)**
Effective portion of cash flow hedges, net	–	–	(664)	**(664)**
Deferred tax on items taken directly to other comprehensive income	–	–	190	**190**
Total included in other comprehensive income	–	2,619	(474)	**2,145**
Total included in comprehensive income	**–**	**2,619**	**(474)**	**2,145**
Transactions with equity holders of the parent				
Share-based payment transactions	676	–	–	**676**
Total transactions with equity holders of the parent	**676**	**–**	**–**	**676**
At 31 December 2009	**1,050**	**2,619**	**(32)**	**3,637**

(i) Share option reserve

The share option reserve comprises the amounts expensed in the income statement in connection with share-based payment transactions.

(ii) Available-for-sale reserve

The available-for-sale reserve includes net changes in the fair value of investments recognised in other comprehensive income.

(iii) Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

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, the amount of liquid assets on the balance sheet and return on capital (based on shareholders' equity, the composition of which is set out on page 45). 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 per cent of the average price over the previous five trading days. Any shares which may be purchased will be acquired either directly by the Company or through a subsidiary of the Company and will be held as treasury shares. Any purchases should have a positive effect on earnings per share.

Notes to the Group Financial Statements
(continued)

18. Minority Interests

	2009 €'000	2008 €'000
Balance at beginning of year	**53,528**	45,997
Share of profit after tax	**6,189**	5,984
Share of foreign exchange movement	**110**	(19)
Share of other items recognised in other comprehensive income	**839**	463
Share of comprehensive income	**7,138**	6,428
Minority arising on acquisition (Note 25)	**102**	7,154
Buyout of minority interests (Note 25)	**–**	(2,474)
Contribution by minority interests	**–**	1,770
Dividends paid	**(4,997)**	(5,347)
Balance at end of year	**55,771**	53,528

19. Borrowings

	2009 €'000	2008 €'000
Non-current		
Borrowings	**122,418**	79,112
Finance lease liabilities	**350**	400
	122,768	79,512
Current		
Overdrafts	**4,337**	8,072
Borrowings	**12,191**	57,564
Finance lease liabilities	**225**	345
	16,753	65,981
Total	**139,521**	145,493

Borrowings are repayable as follows:

	2009 €'000	2008 €'000
Bank borrowings and overdrafts		
Within one year	**16,528**	65,636
After one year but within two years	**61,004**	1,169
After two years but within five years	**59,901**	75,307
After five years	**1,513**	2,636
	138,946	144,748
Finance lease liabilities		
Within one year	**225**	345
After one but within five years	**350**	400
	575	745
Total	**139,521**	145,493

Further details in relation to the Group's borrowings are set out in Note 29.

Total future minimum lease payments on finance leases amount to €600,000 (2008: €797,000). Total interest-bearing loans and borrowings include borrowings of €2,649,000 (2008: €2,195,000) secured on property, plant and equipment.

20. Trade and Other Payables

	2009 €'000	2008 €'000
Non-current		
Other creditors	**3,434**	3,118
	3,434	3,118
Current		
Trade payables	**206,084**	237,920
Trade payables due to joint ventures and associates	**1,296**	1,329
Non-trade payables due to joint ventures and associates	**142**	547
Accruals	**34,765**	30,932
Other payables	**15,121**	19,297
Irish payroll tax and social welfare	**1,722**	1,869
Irish value added tax	**846**	1,588
Other tax	**8,111**	5,014
	268,087	298,496
Total	**271,521**	301,614

21. Deferred Government Grants

	2009 €'000	2008 €'000
Balance at beginning of year	**1,932**	2,385
Amortised to income statement (Note 2)	**(363)**	(508)
Grants received	**214**	55
Balance at end of year	**1,783**	1,932

Notes to the Group Financial Statements
(continued)

22. Provisions

	Deferred consideration 2009 €'000	Other provisions 2009 €'000	Total 2009 €'000
Balance at 1 January 2009	9,447	1,943	11,390
Discounting charge	434	–	434
Utilised during year	(1,142)	(1,943)	(3,085)
Revisions to previous estimates	3,263	–	3,263
Arising on acquisitions of subsidiaries	2,596	–	2,596
Arising on acquisitions of joint ventures	800	–	800
Foreign exchange movements	256	–	256
Balance at 31 December 2009	**15,654**	**–**	**15,654**
Non-current	11,010	–	11,010
Current	4,644	–	4,644
Balance at 31 December 2009	**15,654**	**–**	**15,654**

	Deferred consideration 2008 €'000	Other provisions 2008 €'000	Total 2008 €'000
Balance at 1 January 2008	11,606	–	11,606
Discounting charge	357	–	357
Utilised in year	(1,677)	–	(1,677)
Revisions to previous estimates	(5)	–	(5)
Arising on acquisitions of subsidiaries	4,736	–	4,736
Created during the year	–	1,943	1,943
Exit of joint venture arrangement	(4,684)	–	(4,684)
Foreign exchange movements	(886)	–	(886)
Balance at 31 December 2008	**9,447**	**1,943**	**11,390**
Non-current	8,366	–	8,366
Current	1,081	1,943	3,024
Balance at 31 December 2008	**9,447**	**1,943**	**11,390**

Deferred Consideration
Total deferred consideration amounts to €15,654,000 (2008: €9,447,000) 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, joint ventures and minority interests during the year amounted to €3,396,000 (2008: €4,736,000). The impact of revisions to previous estimates in respect of previous acquisitions of subsidiaries and joint ventures amounts to €3,263,000 (2008: €5,000). Total payments of deferred consideration during the year amounted to €1,142,000 (2008: €1,677,000).

Other Provisions
This provision at 31 December 2008 represented the estimated costs of fulfilment of certain contractual arrangements which had become onerous. The provision was utilised in full as envisaged during 2009.

23. 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 required to make under existing lease agreements.

	2009 €'000	2008 €'000
Less than one year	**8,546**	7,982
Between one and five years	**12,553**	14,587
More than five years	**11,255**	5,619
Total	**32,354**	28,188

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 lease at market rates after the initial period. During the financial year, €10,799,000 (2008: €10,372,000) was recognised as an expense in the income statement in respect of operating leases.

Leases as Lessor

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

	2009 €'000	2008 €'000
Less than one year	**1,280**	1,236
Between one and five years	**1,941**	2,245
More than five years	**–**	421
Total	**3,221**	3,902

In 2009, €2,088,000 (2008: €2,009,000) was recognised as rental income in the income statement.

24. Deferred Tax Assets and Liabilities

Recognised deferred tax assets and liabilities are attributable as follows:

	Assets 2009 €'000	**Liabilities 2009 €'000**	**Net 2009 €'000**	Assets 2008 €'000	Liabilities 2008 €'000	Net 2008 €'000
Property, plant and equipment	**151**	**(9,349)**	**(9,198)**	178	(8,791)	(8,613)
Intangible assets	**–**	**(6,096)**	**(6,096)**	–	(6,891)	(6,891)
Investment property	**–**	**(2,596)**	**(2,596)**	–	(2,444)	(2,444)
Derivative financial instruments	**88**	**–**	**88**	–	(356)	(356)
Employee benefits	**2,383**	**(707)**	**1,676**	2,207	–	2,207
Trade and other payables	**2,044**	**–**	**2,044**	1,979	(380)	1,599
Provisions	**–**	**–**	**–**	520	–	520
Other items	**521**	**(459)**	**62**	1,008	(1,958)	(950)
Tax value of losses carried forward	**937**	**–**	**937**	276	–	276
Deferred tax assets/(liabilities)	**6,124**	**(19,207)**	**(13,083)**	6,168	(20,820)	(14,652)
Set-off of deferred tax	**(316)**	**316**	**–**	–	–	–
Net deferred tax assets/(liabilities)	**5,808**	**(18,891)**	**(13,083)**	6,168	(20,820)	(14,652)

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

	2009 €'000	2008 €'000
Tax losses	**4,141**	4,367

No deferred tax asset is recognised in relation to certain income 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 is €299,000 (2008: €1,061,000).

Notes to the Group Financial Statements
(continued)

24. Deferred Tax Assets and Liabilities (continued)

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 is €3,842,000 (2008: €3,306,000).

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.

	Balance at 1 January 2009 €'000	Recognised in income statement 2009 €'000	Recognised in other comprehensive income 2009 €'000	Foreign exchange adjustment 2009 €'000	Arising on acquisition 2009 €'000	Balance at 31 December 2009 €'000
Property, plant and equipment	(8,613)	(41)	(449)	(102)	7	(9,198)
Intangible assets	(6,891)	1,166	–	(308)	(63)	(6,096)
Investment property	(2,444)	36	–	(188)	–	(2,596)
Derivative financial instruments	(356)	231	213	–	–	88
Employee benefits	2,207	(926)	389	6	–	1,676
Trade and other payables	1,599	434	–	11	–	2,044
Provisions	520	(520)	–	–	–	–
Other items	(950)	1,079	–	(19)	(48)	62
Tax value of losses carried forward	276	225	–	12	424	937
Deferred tax assets/(liabilities)	**(14,652)**	**1,684**	**153**	**(588)**	**320**	**(13,083)**

	Balance at 1 January 2008 €'000	Recognised in income statement 2008 €'000	Recognised in other comprehensive income 2008 €'000	Foreign exchange adjustment 2008 €'000	Arising on acquisition 2008 €'000	Balance at 31 December 2008 €'000
Property, plant and equipment	(8,499)	233	(447)	100	–	(8,613)
Intangible assets	(6,466)	644	–	965	(2,034)	(6,891)
Investment property	(2,270)	(645)	–	471	–	(2,444)
Derivative financial instruments	–	(165)	(191)	–	–	(356)
Employee benefits	833	(540)	2,027	(113)	–	2,207
Trade and other payables	1,664	362	–	(37)	(390)	1,599
Provisions	–	520	–	–	–	520
Other items	(522)	(541)	–	78	35	(950)
Tax value of losses carried forward	340	(33)	–	(31)	–	276
Deferred tax assets/(liabilities)	**(14,920)**	**(165)**	**1,389**	**1,433**	**(2,389)**	**(14,652)**

25. Acquisitions and Disposals

Acquisitions of Subsidiaries

During the year, and in line with its stated strategy to expand, the Group made a number of bolt-on acquisitions in the fresh produce sector in Ireland, the UK, and the Netherlands. Included within these combinations was the purchase of the remaining 50% which the Group did not already own in an entity previously treated as a joint venture. The difference between the carrying value of the joint venture at the date of these transactions of €934,000, and its fair value of €1,153,000, has been recognised in other comprehensive income.

During the comparative period, the principal combination completed was the acquisition on 31 August 2008 of 60% of Haluco B.V. and Nedalpac B.V. ('Haluco') in the Netherlands for initial cash consideration of €9.5 million, together with a deferred consideration element if certain profit targets are met by Haluco for the three years ended 31 December 2010. Haluco is a leading provider of fresh produce specialising in Dutch salad products, mainly tomatoes, capsicums and cucumbers which it supplies to customers across Europe.

Acquisitions of Minority Interests

During the comparative period, the Group acquired the remaining shares of certain subsidiaries for cash consideration of €1,322,000 and deferred consideration of €670,000. These changes in the Group's ownership interest in existing subsidiaries were accounted for as equity transactions. The difference of €644,000 between the fair value of consideration paid, €1,992,000, and the book value of the minority interest acquired, €2,636,000, was recognised directly in equity, with €482,000 accounted for directly in retained earnings. The remaining €162,000 was allocated to minority interests.

Investment in Joint Ventures

On 6 April 2009, the Group completed the acquisition of 50% of ASF Holland B.V. ('ASF') in the Netherlands, consisting of initial consideration and a deferred consideration element if certain profit targets are met by ASF over the five years ended 31 December 2013. ASF is involved exclusively in the soft fruit business.

Additionally, during both the current and prior year, the Group made further investments in its existing joint ventures in Ireland and India.

In respect of acquisitions during the year, information on the cost of combination, amounts recognised at acquisition date for assets, liabilities and contingent liabilities and goodwill arising are disclosed in aggregate as the combinations are considered individually immaterial.

The acquisition of Haluco in the comparative period 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.

	2009 Total €'000	2008 Haluco €'000	2008 Other €'000	2008 Total €'000
Identifiable assets and liabilities				
Property, plant and equipment (Note 9)	**2,447**	1,748	48	1,796
Intangible assets:				
– customer relationships (Note 11)	**934**	5,200	2,114	7,314
– brands (Note 11)	**–**	400	–	400
– supplier relationships (Note 11)	**–**	1,400	–	1,400
Inventories	**1,575**	2,752	612	3,364
Trade and other receivables	**6,263**	33,189	8,326	41,515
Deferred tax assets (Note 24)	**431**	–	–	–
Trade and other payables	**(6,901)**	(17,895)	(11,774)	(29,669)
Other non-current liabilities	**–**	(558)	–	(558)
Corporation tax payable	**–**	(410)	(98)	(508)
Deferred tax liabilities (Note 24)	**(111)**	(2,140)	(249)	(2,389)
Purchase of minority interests (Note 18)	**–**	–	2,636	2,636
Minority interests (Note 18)	**(102)**	(6,814)	(340)	(7,154)
Net identifiable assets and liabilities acquired	**4,536**	16,872	1,275	18,147
Goodwill arising (Note 11)	**4,271**	3,948	1,128	5,076
Goodwill arising from adjustments to prior year acquisitions (Note 11)	**3,263**	–	74	74
Excess of book value of minority interests acquired over consideration	**–**	–	(644)	(644)
	12,070	**20,820**	**1,833**	**22,653**
Satisfied by				
Cash consideration, including fees	**2,906**	10,102	4,133	14,235
Cash, cash equivalents and bank overdrafts	**2,152**	6,652	(2,965)	3,687
Deferred consideration on current year acquisitions (Note 22)	**2,596**	4,066	670	4,736
Revisions to prior year deferred consideration estimates (Note 22)	**3,263**	–	(5)	(5)
Joint venture becoming a subsidiary	**1,153**	–	–	–
Total consideration	**12,070**	**20,820**	**1,833**	**22,653**

Notes to the Group Financial Statements
(continued)

25. Acquisitions and Disposals (continued)

The acquisition method of accounting has been used to consolidate businesses acquired. Other than liabilities for deferred consideration, no contingent liabilities have been recognised on the business combinations in either year. The accounting treatment for some of the 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 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 the combination, together with the adjustments made to those carrying values to arrive at the fair values disclosed above, were as follows:

	Book values 2009 €'000	Fair value adjustments 2009 €'000	Fair value 2009 €'000
Non-current assets (excluding goodwill)	2,447	934	3,381
Current assets	7,838	–	7,838
Current liabilities	(6,901)	–	(6,901)
Deferred tax assets	431	–	431
Deferred tax liabilities	(48)	(63)	(111)
Minority interests	(102)	–	(102)
Identifiable net assets acquired (excluding goodwill)	**3,665**	**871**	**4,536**
Goodwill arising on acquisition			4,271
Goodwill on revisions to previous estimates			3,263
Total consideration			**12,070**

	Book values 2008 €'000	Fair value adjustments 2008 €'000	Fair value 2008 €'000
Non-current assets (excluding goodwill)	1,796	9,114	10,910
Current assets	44,879	–	44,879
Non-current liabilities	(558)	–	(558)
Current liabilities	(30,177)	–	(30,177)
Deferred tax liabilities	(355)	(2,034)	(2,389)
Purchase of minority interests	2,636	–	2,636
Minority interests	(4,747)	(2,407)	(7,154)
Identifiable net assets acquired (excluding goodwill)	**13,474**	**4,673**	**18,147**
Goodwill arising on acquisition			5,076
Goodwill on revisions to previous estimates			74
Excess of book value of minority interests acquired over consideration			(644)
Total consideration			**22,653**

	2009 €'000	2008 €'000
Cash consideration, including fees	(2,906)	(14,235)
Cash, cash equivalents and bank overdrafts acquired	(2,152)	(3,687)
Cash outflow per statement of cash flows	**(5,058)**	**(17,922)**

As the combinations in the current year represent bolt-on acquisitions involving significant re-organisation, integration and amalgamation with the Group's existing businesses, it is not possible to determine reliably the impact these acquisitions have had on the Group's revenues and profits.

26. Employee Benefits

Remuneration

	2009 €'000	2008 €'000
Wages and salaries	**124,008**	124,215
Social security contribution	**16,776**	18,082
Pension costs – defined contribution schemes	**2,995**	2,692
Pension costs – defined benefit schemes	**(1,770)**	1,677
Termination benefits	**1,210**	1,788
Equity settled share-based compensation expense	**676**	281
Recognised in the income statement	**143,895**	148,735
Actuarial (gains)/losses on defined benefit schemes recognised in other comprehensive income	**(2,908)**	18,403
Total employee benefit costs	**140,987**	167,138

Employee Numbers – Subsidiaries

	2009 Number	2008 Number
Production	**431**	362
Sales and distribution	**2,622**	2,709
Administration	**604**	614
	3,657	3,685

A further 755 (2008: 941) personnel are employed in the Group's joint venture's and associates.

The Group operates a number of 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 net pension credit in the income statement for the year in respect of the Group's defined benefit schemes, inclusive of a curtailment gain of €4,084,000, was €1,770,000 (2008: charge of €1,677,000) and €2,995,000 (2008: €2,692,000) in respect of the Group's defined contribution schemes.

Pension Disclosures

The Group operates five funded defined benefit pension schemes. Two of these schemes are based in Ireland, two are based in the United Kingdom and one is based in the Netherlands. The pension benefits payable on the two Irish schemes are determined based on years of service and the final three years' salary. The pension benefits payable on the two schemes in the UK are determined based on years of service and final years salary. The scheme in the Netherlands provides pension benefits based on career average salary.

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 2009. Full actuarial valuations were carried out of the Irish schemes at 1 January 2007 and 1 January 2008 and of the two UK schemes at 31 December 2006 and 6 April 2009. The last actuarial valuation on the scheme in the Netherlands was on 1 January 2008.

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.

Notes to the Group Financial Statements
(continued)

26. Employee Benefits (continued)

Curtailment gain

The Group and the Trustees of the two Irish pension schemes agreed on 1 July 2009 and 22 December 2009 to cap future increases in pensionable salary at the lower of CPI or 4%. A contribution into a defined contribution scheme will be paid for salary increases above this threshold. These changes in the benefit structure resulted in a reduction in the Group's net obligations. Arising from these changes, a credit of €4,084,000 has been recognised in the Group's income statement for the year ended 31 December 2009.

Assumptions

The financial assumptions that have the most significant impact on the results of the actuarial valuations are those relating to the long-term rate of return on investments, the rate of increase in salaries and pensions and the discount rate used to convert future pension liabilities to present values. These assumptions used are set out below.

Scheme liabilities

The principal long-term financial assumptions used by the Group's actuaries in the computation of the defined benefit liabilities arising on pension schemes at 31 December 2009 and 31 December 2008 are as follows:

	Ireland		UK		Europe	
	2009	2008	**2009**	2008	**2009**	2008
Rate of increase in salaries	**3.00%**	3.55%	**3.00%**	3.75%	**3.00%**	3.55%
Rate of increase in pensions	**2.00%**	1.80%	**3.50%**	2.75%	**0.00%**	0.00%
Inflation rate	**2.00%**	1.80%	**3.50%**	2.75%	**2.00%**	1.80%
Discount rate	**6.00%**	5.80%	**5.70%**	6.25%	**6.00%**	5.80%

Scheme assets

The long-term rates of return expected at 31 December 2009 and 31 December 2008, determined in conjunction with the Group's actuaries, analysed by the class of investments in which the schemes assets are invested, are as follows:

	Ireland		UK		Europe	
	2009	2008	**2009**	2008	**2009**	2008
Equities	**8.00%**	9.00%	**8.00%**	9.00%	**0.00%**	0.00%
Bonds	**4.50%**	4.25%	**4.75%**	4.50%	**0.00%**	0.00%
Property	**6.00%**	6.00%	**6.50%**	6.50%	**0.00%**	0.00%
Other	**2.50%**	2.50%	**2.50%**	2.50%	**5.80%**	5.80%

Future Life Expectancy Assumptions

The Group uses certain mortality rate assumptions when determining the net present value of scheme liabilities under IAS 19. These assumptions conform to best practice and based on these assumptions the assumed life expectancies were as follows:

Life expectancy of current pensioner aged 65:

	Ireland	UK
Male	20.7	20.1
Female	23.8	22.7

Life expectancy of 40 year old active employee at expected retirement age of 65:

	Ireland	UK
Male	21.8	21.9
Female	24.8	24.0

Analysis of Net Liability

	Ireland 2009 €'000	UK 2009 €'000	Europe 2009 €'000	Total 2009 €'000
Equities	40,505	21,901	–	62,406
Bonds	10,543	14,664	–	25,207
Property	3,436	2,063	–	5,499
Other	1,126	1,263	2,279	4,668
Fair value of scheme assets	55,610	39,891	2,279	97,780
Present value of scheme obligations	(59,037)	(43,867)	(2,807)	(105,711)
Net employee benefits liabilities	**(3,427)**	**(3,976)**	**(528)**	**(7,931)**
Analysed as follows				
Employee benefit assets	–	2,524	–	2,524
Employee benefit liability	(3,427)	(6,500)	(528)	(10,455)
Net employee benefits liabilities	**(3,427)**	**(3,976)**	**(528)**	**(7,931)**

	Ireland 2008 €'000	UK 2008 €'000	Europe 2008 €'000	Total 2008 €'000
Equities	30,729	16,292	–	47,021
Bonds	7,395	11,624	–	19,019
Property	4,190	903	–	5,093
Other	4,602	2,336	2,062	9,000
Fair value of scheme assets	46,916	31,155	2,062	80,133
Present value of scheme obligations	(62,701)	(31,408)	(2,702)	(96,811)
Net employee benefit liabilities	**(15,785)**	**(253)**	**(640)**	**(16,678)**
Analysed as follows				
Employee benefit assets	–	3,237	–	3,237
Employee benefit liability	(15,785)	(3,490)	(640)	(19,915)
Net employee benefit liabilities	**(15,785)**	**(253)**	**(640)**	**(16,678)**

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 2008	67,278	44,804	2,907	114,989
Expected return on scheme assets	5,068	2,726	123	7,917
Employer contributions	2,252	1,858	329	4,439
Employee contributions	224	468	–	692
Benefit payments	(1,807)	(2,681)	(18)	(4,506)
Experience adjustments on scheme assets	(26,099)	(6,052)	(1,279)	(33,430)
Foreign exchange movements	–	(9,968)	–	(9,968)
Fair value of assets at 31 December 2008	46,916	31,155	2,062	80,133
Expected return on scheme assets	3,472	2,319	129	5,920
Employer contributions	2,167	1,558	365	4,090
Employee contributions	228	437	–	665
Benefit payments	(1,868)	(1,270)	(23)	(3,161)
Experience adjustments on scheme assets	4,695	2,949	(254)	7,390
Foreign exchange movements	–	2,743	–	2,743
Fair value of assets at 31 December 2009	**55,610**	**39,891**	**2,279**	**97,780**

Notes to the Group Financial Statements
(continued)

26. Employee Benefits (continued)

Movements in the Present Value of Scheme Obligations in the Balance Sheet

	Ireland €'000	UK €'000	Europe €'000	Total €'000
Value of obligations at 1 January 2008	(64,576)	(49,390)	(2,463)	(116,429)
Current service cost	(2,141)	(977)	(167)	(3,285)
Interest on scheme obligations	(3,699)	(2,474)	(136)	(6,309)
Employee contributions	(224)	(468)	–	(692)
Benefit payments	1,807	2,681	18	4,506
Experience adjustments on scheme liabilities	(1,962)	(237)	–	(2,199)
Effect of changes in actuarial assumptions	8,094	9,086	46	17,226
Foreign exchange movements	–	10,371	–	10,371
Value of obligations at 31 December 2008	(62,701)	(31,408)	(2,702)	(96,811)
Current service cost	(1,629)	(627)	(183)	(2,439)
Interest on scheme obligations	(3,509)	(2,129)	(157)	(5,795)
Employee contributions	(228)	(437)	–	(665)
Benefit payments	1,868	1,270	23	3,161
Experience adjustments on scheme liabilities	2,097	(541)	15	1,571
Effect of changes in actuarial assumptions	981	(7,231)	197	(6,053)
Curtailment gains	4,084	–	–	4,084
Foreign exchange movements	–	(2,764)	–	(2,764)
Value of obligations at 31 December 2009	**(59,037)**	**(43,867)**	**(2,807)**	**(105,711)**

Movements in the Net Liability Recognised in the Balance Sheet

	Ireland €'000	UK €'000	Europe €'000	Total €'000
Net assets/(liabilities) in schemes at 1 January 2008	2,702	(4,586)	444	(1,440)
Employer contributions	2,252	1,858	329	4,439
Expense recognised in income statement	(772)	(725)	(180)	(1,677)
Actuarial gains/(losses) recognised in equity	(19,967)	2,797	(1,233)	(18,403)
Foreign exchange movement	–	403	–	403
Net asset/(liability) in schemes at 31 December 2008	(15,785)	(253)	(640)	(16,678)
Employer contributions	2,167	1,558	365	4,090
Credit recognised in income statement	2,418	(437)	(211)	1,770
Actuarial gains/(losses) recognised in equity	7,773	(4,823)	(42)	2,908
Foreign exchange movement	–	(21)	–	(21)
Net liabilities in schemes at 31 December 2009	**(3,427)**	**(3,976)**	**(528)**	**(7,931)**

Defined Benefit Pension Credit/(Expense) Recognised in the Income Statement

	Ireland 2009 €'000	**UK 2009 €'000**	**Europe 2009 €'000**	**Total 2009 €'000**
Current service costs	(1,629)	(627)	(183)	(2,439)
Interest on scheme obligations	(3,509)	(2,129)	(157)	(5,795)
Expected return on scheme assets	3,472	2,319	129	5,920
	(1,666)	(437)	(211)	(2,314)
Curtailment gain	4,084	–	–	4,084
Defined benefit pension credit/(expense) recognised in the income statement	**2,418**	**(437)**	**(211)**	**1,770**
Actual return on scheme assets	**8,167**	**5,268**	**(125)**	**13,310**

	Ireland 2008 €'000	UK 2008 €'000	Europe 2008 €'000	Total 2008 €'000
Current service costs	(2,141)	(977)	(167)	(3,285)
Interest on scheme obligations	(3,699)	(2,474)	(136)	(6,309)
Expected return on scheme assets	5,068	2,726	123	7,917
Defined benefit pension expense recognised in the income statement	**(772)**	**(725)**	**(180)**	**(1,677)**
Actual return on scheme assets	**(21,031)**	**(3,326)**	**(1,156)**	**(25,513)**

Defined Benefit Pension Scheme Credit/(Expense) Recognised in the Income Statement

	2009 €'000	2008 €'000
Distribution expenses	**(1,437)**	(1,016)
Administrative expenses	**(877)**	(661)
Other operating income – curtailment gain	**4,084**	–
	1,770	(1,677)

Defined Benefit Pension Credit/(Expense) Recognised in Other Comprehensive Income

	Ireland 2009 €'000	**UK 2009 €'000**	**Europe 2009 €'000**	**Total 2009 €'000**
Experience adjustments on scheme assets	4,695	2,949	(254)	7,390
Experience adjustments on scheme liabilities	2,097	(541)	15	1,571
Effect of changes in actuarial assumptions	981	(7,231)	197	(6,053)
	7,773	**(4,823)**	**(42)**	**2,908**

	Ireland 2008 €'000	UK 2008 €'000	Europe 2008 €'000	Total 2008 €'000
Experience adjustments on scheme assets	(26,099)	(6,052)	(1,279)	(33,430)
Experience adjustments on scheme liabilities	(1,962)	(237)	–	(2,199)
Effect of changes in actuarial assumptions	8,094	9,086	46	17,226
	(19,967)	**2,797**	**(1,233)**	**(18,403)**

The cumulative actuarial loss before deferred tax recognised in the statement of recognised income and expense is €16,548,000 (2008: €19,456,000).

The expected level of employer contributions for the year ended 31 December 2010 is €4,323,000.

History of Scheme Assets, Liabilities and Actuarial Gains and Losses

	2009 €'000	2008 €'000	2007 €'000	2006 €'000
Fair value of scheme assets	97,780	80,133	114,989	93,878
Present value of scheme obligations	(105,711)	(96,811)	(116,429)	(94,068)
Net liabilities in pension schemes	**(7,931)**	**(16,678)**	**(1,440)**	**(190)**

	2009	2008	2007	2006
Difference between expected return and actual return on assets (€'000)	7,390	(33,430)	(6,681)	3,036
As a percentage of scheme assets	7.6%	(41.7%)	(5.8%)	3.2%

	2009	2008	2007	2006
Experience gain/(loss) on scheme liabilities (€'000)	1,571	(2,199)	633	(1,736)
As a percentage of present value of scheme liabilities	1.5%	(2.3%)	0.5%	(1.9%)

Notes to the Group Financial Statements
(continued)

26. Employee Benefits (continued)

Share-based Payment

The Group established a share option scheme in December 2006, which entitles certain employees to purchase shares in Total Produce plc. No share options were awarded to employees under this scheme in 2009 (2008: 2,400,000). In accordance with the terms of the scheme, the options granted are exercisable at the market price prevailing at the date of the grant of the option.

The share options granted only vest when the 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 change in the consumer price index plus 5% compounded during that period. Subject to the achievement of the performance condition above, the share options vest three years after grant. The contractual life of the options is 10 years.

Details of options granted under these schemes are as follows:

	Vesting period	Number of options	Weighted grant price €	Average fair value €	**Income statement expense 2009 €'000**	Income statement expense 2008 €'000
9 May 2007	3 years	3,975,000	0.815	0.3236	**458**	180
20 September 2007	3 years	1,110,000	0.65	0.2604	**102**	42
5 March 2008	3 years	2,400,000	0.60	0.2039	**116**	59
					676	281

* The date at which employees may exercise their options is based on a non-market-related performance condition. In the current year we have revised the assumption on the date on which the performance condition will be met to 31 December 2011 for options issued in 2007 and on 31 December 2012 for options issued in 2008 (2008: 31 December 2012 and 31 December 2013 respectively) resulting in an acceleration to the income statement charge.

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:

	2009 Number of options	**2009 Weighted average exercise price**	2008 Number of options	2008 Weighted average exercise price
Outstanding options at beginning of year:	**7,485,000**	**0.722**	5,085,000	0.779
Options granted during year	**–**	**–**	2,400,000	0.60
Lapsed during year	**(175,000)**	**0.723**	–	–
Options outstanding at end of year	**7,310,000**	**0.722**	**7,485,000**	**0.722**

Analysis of the closing balance – outstanding at end of year:

Date of grant	Date of expiry	**2009 Exercise price**	**2009 Number of options**	2008 Exercise price	2008 Number of options
9 May 2007	9 May 2017	**0.815**	**3,875,000**	0.815	3,975,000
20 September 2007	20 September 2017	**0.65**	**1,110,000**	0.65	1,110,000
5 March 2008	5 March 2018	**0.60**	**2,325,000**	0.60	2,400,000
			7,310,000		**7,485,000**

The options outstanding at 31 December 2009 have a weighted average contractual life of 7.7 years (2008: 8.7 years). The market price of the Company's shares at 31 December 2009 was €0.34 and the range during 2009 was €0.16 to €0.41.

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 2008 and 2007 are as follows:

	Options granted in 2008	Options granted in 2007
Weighted average exercise price	**0.60**	0.779
Expected volatility	**40%**	35%
Option life	**9.65 years**	9.94 years
Expected dividend yield	**3.5%**	2.0%
Risk-free interest rate	**4.01%**	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 subject to vesting conditions which comprise a service condition and a non-market related performance condition, which is the achievement of growth in earnings per share as set out earlier. There are no related non-vesting conditions.

27. Capital Commitments and Contingencies

Capital Commitments

The directors have authorised capital expenditure of €15,900,000 (2008: €8,900,000) at the balance sheet date. Capital expenditure contracted for at 31 December 2009 amounted to €Nil (2008: €Nil).

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
Givejoy Limited
Goldcity Holdings Limited
Green Ace Producer Limited
Hugh McNulty (Wholesale) Limited
Iverk Produce Limited
McCann Nurseries Limited
Negev Limited
Quantum Personal Care Limited
Total Produce Group Procurement Limited
Total Produce International Holdings Limited
Total Produce International Limited
Total Produce Ireland Limited
Total Produce Management Services Limited
TPHBV (Ireland) Limited
TP Secretarial Services Limited
TP Personnel Services Limited
Uniplumo (Ireland) Limited
Waddell Limited
Wholefoods Wholesale Limited
XS Sales & Merchandising Limited

Guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies or joint ventures within the Group, the Company considers these to be insurance arrangements and accounts for them as such. The Company treats the guarantee contracts as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee. The following are details of contracts made by the Company at 31 December 2009 to guarantee the indebtedness of other companies or joint ventures within the Group:

(i) The Company has guaranteed the current bank borrowings of subsidiaries in the amount of €126,650,000 (2008: €127,217,000).
(ii) The Company has guaranteed its share of the interest shortfall on bank borrowings of a joint venture company, subject to a maximum of €900,000 (2008: €1,250,000).
(iii) The Company has guaranteed bank borrowings of €750,000 (2008: €500,000) within a joint venture company.

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.

Notes to the Group Financial Statements
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28. 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 directors, non-executive directors, Company Secretary and other senior personnel within the Group.

Remuneration of Key Management Personnel

	2009 €'000	2008 €'000
Short-term benefits (salary, bonus, incentives)	**4,594**	4,430
Post employment benefits	**744**	622
Share-based payment expense	**269**	109
	5,607	5,161

Related Party Transactions with Joint Ventures and Associates

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

	2009 Revenue €'000	**2009 Purchases €'000**	2008 Revenue €'000	2008 Purchases €'000
Joint ventures	**40,941**	**19,673**	39,921	20,819
Associates	**25**	**–**	92	550
	40,966	**19,673**	40,013	21,369

The amounts due from and to joint ventures and associates at the year end are disclosed, in aggregate, in Notes 15 and 20 respectively. The Group's significant joint ventures and associates are set out on page 97.

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 2009, the net amount due to Coplaca by EurobananCanarias SA was €4,916,000 (2008: €5,658,000).

Related Party Transactions with Shareholders in Group Companies

The Group has a 50:50 joint venture company with Blackrock International Land plc (chaired by Mr C P McCann) which holds the shares of companies that own 135 acres of land in Dublin. Total Produce's investment in this joint venture company to date consists of loan capital including interest and fees of €7,536,000 (2008: €6,545,000). During the year, the Group recognised a loss of €6,143,000 (2008: €1,393,000), being its share of changes in the fair value of the joint venture's investment property.

In addition, the Group has guaranteed its share of any interest shortfall on the joint venture's bank borrowings, subject to a maximum of €900,000.

29. Financial Instruments and Financial Risk

	Cash flow hedges 2009 €'000	Fair value through profit or loss 2009 €'000	Loans and receivables 2009 €'000	Available-for-sale 2009 €'000	Liabilities at amortised cost 2009 €'000	Total carrying amount 2009 €'000	Fair value 2009 €'000
Other financial assets (Note 13)	–	–	–	10,343	–	10,343	10,343
Trade and other receivables (Note 15)	–	–	245,077	–	–	245,077	245,077
Derivative financial assets (Note 29)	–	55	–	–	–	55	55
Cash and cash equivalents (Note 16)	–	–	88,961	–	–	88,961	88,961
	–	55	334,038	10,343	–	344,436	344,436
Trade and other payables (Note 20)	–	–	–	–	(271,521)	(271,521)	(271,521)
Bank overdrafts (Note 19)	–	–	–	–	(4,337)	(4,337)	(4,337)
Bank borrowings (Note 19)	–	–	–	–	(134,609)	(134,609)	(134,787)
Finance lease liabilities (Note 19)	–	–	–	–	(575)	(575)	(569)
Derivative financial liabilities (Note 29)	(81)	(275)	–	–	–	(356)	(356)
Deferred consideration (Note 22)	–	–	–	–	(15,654)	(15,654)	(15,654)
	(81)	(275)	–	–	(426,696)	(427,052)	(427,224)

	Cash flow hedges 2008 €'000	Fair value through profit or loss 2008 €'000	Loans and receivables 2008 €'000	Available-for-sale 2008 €'000	Liabilities at amortised cost 2008 €'000	Total carrying amount 2008 €'000	Fair value 2008 €'000
Other financial assets (Note 13)	–	–	–	8,180	–	8,180	8,180
Loans to joint ventures (Note 12)	–	–	6,383	–	–	6,383	6,383
Trade and other receivables (Note 15)	–	–	269,765	–	–	269,765	269,765
Derivative financial assets (Note 29)	668	702	–	–	–	1,370	1,370
Cash and cash equivalents (Note 16)	–	–	85,293	–	–	85,293	85,293
	668	702	361,441	8,180	–	370,991	370,991
Trade and other payables (Note 20)	–	–	–	–	(301,614)	(301,614)	(301,614)
Bank overdrafts (Note 19)	–	–	–	–	(8,072)	(8,072)	(8,072)
Bank borrowings (Note 19)	–	–	–	–	(136,676)	(136,676)	(136,710)
Finance lease liabilities (Note 19)	–	–	–	–	(745)	(745)	(751)
Derivative financial liabilities (Note 29)	–	(174)	–	–	–	(174)	(174)
Deferred consideration (Note 22)	–	–	–	–	(9,447)	(9,447)	(9,447)
Other provisions (Note 22)	–	–	–	–	(1,943)	(1,943)	(1,943)
	–	(174)	–	–	(458,497)	(458,671)	(458,711)

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
As market values for the Group's equity investments are not available, the investments are measured by deriving an enterprise value using an earnings multiple consistent with recent market transactions. The enterprise value is then adjusted for the net cash of the investee company, and a discount factor is applied to reflect the minority interest nature of the investment. The valuation is discussed further below.

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 carrying amount is deemed to reflect fair value.

Trade and other receivables/trade and other 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.

Notes to the Group Financial Statements
(continued)

29. Financial Instruments and Financial Risk (continued)

Derivative instruments (forward currency contracts and interest rate swaps)
Forward currency contracts are valued 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 floating rate 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.

Fair Value Hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

At 31 December 2008 and 31 December 2009, the Group recognised and measured the following financial instruments at fair value:

	2009 Total €'000	2009 Level 1 €'000	2009 Level 2 €'000	2009 Level 3 €'000
Assets measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	**55**	**–**	**55**	**–**
Available-for-sale financial assets				
Unquoted equity investments	**9,750**	**–**	**–**	**9,750**
Liabilities measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	**(275)**	**–**	**(275)**	**–**
Designated as hedging instruments				
Foreign exchange contracts	**(42)**	**–**	**(42)**	**–**
Interest rate swaps	**(39)**	**–**	**(39)**	**–**

	2008 Total €'000	2008 Level 1 €'000	2008 Level 2 €'000	2008 Level 3 €'000
Assets measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	702	–	702	–
Designated as hedging instruments				
Foreign exchange contracts	668	–	668	–
Available-for-sale financial assets				
Unquoted equity investments	7,131	–	–	7,131
Liabilities measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	(159)	–	(159)	–
Interest rate swaps	(15)	–	(15)	–

Additional Disclosures for Level 3 Fair Value Measurements

	2009 €'000	2008 €'000
At beginning of year	**7,131**	8,238
Loss recognised in the income statement	**–**	(1,169)
Gain recognised in other comprehensive income	**2,619**	62
At end of year	**9,750**	7,131

At 31 December 2008, the fair value of the Group's equity investments was calculated, giving rise to an impairment charge of €1,169,000 recognised in the income statement, which includes the recycling of a fair value deficit of €62,000 previously recognised in other comprehensive income. At 31 December 2009, the fair value of the Group's unquoted equity investments was reviewed, resulting in a fair value uplift of €2,619,000 recognised in other comprehensive income.

The fair value was measured by deriving an enterprise value using an earnings multiple comparable with recent market transactions. The resulting enterprise value was adjusted for the net funds of the investee, and a discount factor applied to reflect the minority interest nature of the investment. The foreign currency denominated fair value was then retranslated to euro at the closing exchange rate. The effect of a change to a reasonably possible alternative assumption does not have a significant impact upon Group profit, total assets, or total equity.

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 programme 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, and about the Group's objectives, policies and processes for measuring and managing the risk. 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 Chief Executive, the Director of Financial Strategy and Development, the Group Finance Director, the Head of Internal Audit, the Company Secretary and a representative of senior management. Risk evaluation and recommendations for 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 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
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. 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 is regularly monitored. The impairment provision is 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 also makes advances to key suppliers, generally to secure produce in key categories. Advances made are generally interest bearing and recovered through deduction from payments made in respect of produce delivered by the counterparty.

Notes to the Group Financial Statements
(continued)

29. Financial Instruments and Financial Risk (continued)

***Trade and other receivables** (continued)*

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. Limits applied to individual counterparty banks are reviewed regularly.

Other financial assets

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 through active participation in the execution of joint control, through regular reviews of the business plans and results of its joint ventures, and by ensuring such funds are used in a non-speculative manner by its joint ventures. Funding to joint ventures is generally undertaken only where it is matched by comparable contributions from the joint venture partner.

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:

	Carrying amount 2009 €'000	Carrying amount 2008 €'000
Other financial assets (Note 13)	**10,343**	8,180
Cash and cash equivalents (Note 16)	**88,961**	85,293
Trade and other receivables (Note 15)	**245,077**	269,765
Derivative financial instruments (Note 29)	**55**	1,370
Loans advanced to joint ventures (Note 12)	**–**	6,383
	344,436	370,991

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 reporting segments was as follows:

	Carrying amount 2009 €'000	Carrying amount 2008 €'000
Eurozone Fresh Produce	**103,019**	112,244
Scandinavian Fresh Produce	**50,314**	51,212
UK Fresh Produce	**34,761**	38,183
Other Fresh Produce	**19,630**	19,718
Consumer Goods and Healthfoods Distribution	**13,346**	19,478
	221,070	240,835

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 2009 €'000	Impairment 2009 €'000	Gross 2008 €'000	Impairment 2008 €'000
Not past due	**182,252**	**(1,124)**	195,063	(271)
Past due 0 – 30 days	**30,184**	**(871)**	33,837	(346)
Past due 31 – 90 days	**8,726**	**(999)**	9,561	(511)
Past due 91 – 180 days	**2,100**	**(632)**	2,750	(568)
Past due more than 180 days	**3,231**	**(1,797)**	2,270	(950)
	226,493	**(5,423)**	243,481	(2,646)

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 2009 €'000	Impairment 2009 €'000	Gross 2008 €'000	Impairment 2008 €'000
Not past due	**22,466**	**(820)**	28,260	(1,385)
Past due 0 – 30 days	**221**	**–**	477	(189)
Past due 31 – 90 days	**431**	**–**	–	–
Past due 91 – 180 days	**342**	**–**	–	–
Past due more than 180 days	**264**	**(178)**	33	(33)
	23,724	**(998)**	28,770	(1,607)

Non-trade
At year end, the Group has non-trade receivable balances due from its joint ventures of €1,281,000 (2008: €1,767,000). 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

	2009 €'000	2008 €'000
Balance at beginning of year	**(2,646)**	(3,082)
Arising on acquisition	**(263)**	(201)
Utilised on write-off	**1,609**	1,225
Charge to income statement	**(4,035)**	(838)
Foreign exchange movement	**(88)**	250
	(5,423)	(2,646)

Other receivables – impairment provision

	2009 €'000	2008 €'000
Balance at beginning of year	**(1,607)**	(1,187)
Utilised on write-off	**813**	4
Charge to income statement	**(164)**	(506)
Foreign exchange movement	**(40)**	82
	(998)	(1,607)

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.

The Group operates a prudent approach to liquidity management using a combination of long and short-term debt and cash and cash equivalents to meet its liabilities when due. This is in addition to the Group's high level of operating cash flow generation.

Notes to the Group Financial Statements
(continued)

29. Financial Instruments and Financial Risk (continued)

Liquidity Risk (continued)
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 €280 million in addition to approved overdrafts of €122 million. The directors believe that, as a result, the Group is well placed to refinance or repay all borrowings due for repayment as they fall due. The change in the maturity profile of the Group's bank borrowings reflects the completion of refinancing activities during the year.

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:

	Carrying amount 2009 €'000	Contractual cash flows 2009 €'000	6 months or less 2009 €'000	6-12 months 2009 €'000	1-2 years 2009 €'000	2-5 years 2009 €'000	More than 5 years 2009 €'000
Non-derivative financial liabilities							
Bank borrowings	**(134,609)**	**(138,779)**	**(12,552)**	**(1,534)**	**(62,581)**	**(60,493)**	**(1,619)**
Bank overdraft	**(4,337)**	**(4,337)**	**(4,337)**	**–**	**–**	**–**	**–**
Finance lease liabilities	**(575)**	**(599)**	**(159)**	**(75)**	**(144)**	**(221)**	**–**
Trade and other payables	**(271,521)**	**(271,759)**	**(268,081)**	**(144)**	**(332)**	**(2,216)**	**(986)**
Deferred consideration	**(15,654)**	**(16,512)**	**(4,636)**	**(37)**	**(8,310)**	**(2,087)**	**(1,442)**
Derivative financial instruments							
Forward exchange contracts:							
- inflows	**–**	**30,170**	**28,083**	**2,087**	**–**	**–**	**–**
- outflows	**(262)**	**(30,432)**	**(28,303)**	**(2,129)**	**–**	**–**	**–**
Interest rate swaps	**(39)**	**(39)**	**(39)**	**–**	**–**	**–**	**–**
	(426,997)	**(432,287)**	**(290,024)**	**(1,832)**	**(71,367)**	**(65,017)**	**(4,047)**

	Carrying amount 2008 €'000	Contractual cash flows 2008 €'000	6 months or less 2008 €'000	6-12 months 2008 €'000	1-2 years 2008 €'000	2-5 years 2008 €'000	More than 5 years 2008 €'000
Non-derivative financial liabilities							
Bank borrowings	(136,676)	(149,613)	(7,491)	(55,824)	(4,293)	(79,140)	(2,865)
Bank overdraft	(8,072)	(8,072)	(8,072)	–	–	–	–
Finance lease liabilities	(745)	(796)	(212)	(156)	(217)	(211)	–
Trade and other payables	(301,614)	(301,791)	(298,090)	(424)	(832)	(1,957)	(488)
Deferred consideration	(9,447)	(10,083)	(634)	(447)	(4,402)	(4,600)	–
Other provisions	(1,943)	(1,943)	(1,943)	–	–	–	–
Derivative financial instruments							
Forward exchange contracts:							
- inflows	1,211	43,107	42,717	390	–	–	–
- outflows	–	(41,896)	(41,496)	(400)	–	–	–
Interest rate swaps	(15)	(15)	(9)	(6)	–	–	–
	(457,301)	(471,102)	(315,230)	(56,867)	(9,744)	(85,908)	(3,353)

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 equity price risk, each of which are dealt with as follows.

Currency Risk
Structural 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 structural 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 cash flows generated by the underlying operations of the Group which provides an economic hedge. Post initial acquisition, these businesses generally fund their operations locally. To the extent that the net assets of foreign operations increase, the Group is exposed on the additional net assets. Such movements are dealt with in other comprehensive income.

Transactional currency risk

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. The vast majority of transactions entered into by Group entities are denominated in their functional currencies.

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

	Euro 2009 €'000	**Sterling 2009 €'000**	**SEK 2009 €'000**	**CZK 2009 €'000**	**DKK 2009 €'000**	**US Dollar 2009 €'000**	**Other 2009 €'000**
Trade and other receivables	**10,640**	**3,495**	**939**	**–**	**4,349**	**1,219**	**532**
Derivative financial assets	**45**	**10**	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents	**13,231**	**593**	**517**	**–**	**395**	**848**	**360**
Bank overdrafts	**–**	**(879)**	**–**	**–**	**–**	**(428)**	**–**
Bank borrowings (i)	**–**	**(13,248)**	**(45,349)**	**(10,800)**	**(15,107)**	**–**	**–**
Trade and other payables	**(51,365)**	**(2,929)**	**(74)**	**–**	**(979)**	**(1,620)**	**(844)**
Derivative financial liabilities	**(251)**	**–**	**(10)**	**–**	**(10)**	**(45)**	**–**
Deferred consideration obligations	**–**	**–**	**–**	**–**	**(896)**	**–**	**–**
	(27,700)	**(12,958)**	**(43,977)**	**(10,800)**	**(12,248)**	**(26)**	**48**

	Euro 2008 €'000	Sterling 2008 €'000	SEK 2008 €'000	CZK 2008 €'000	DKK 2008 €'000	US Dollar 2008 €'000	Other 2008 €'000
Trade and other receivables	5,701	3,388	1,008	–	5,794	760	2,783
Derivative financial assets	498	–	138	–	–	–	–
Cash and cash equivalents	11,446	695	–	–	863	6,228	979
Bank overdrafts	(696)	–	–	–	–	–	–
Bank borrowings (i)	–	(12,693)	(42,267)	(10,624)	(15,105)	–	–
Trade and other payables	(51,525)	(3,782)	(233)	–	(1,631)	(3,091)	(615)
Derivative financial liabilities	(48)	(113)	–	–	–	–	–
Deferred consideration obligations	–	–	–	–	(1,840)	–	–
	(34,624)	(12,505)	(41,354)	(10,624)	(11,919)	3,897	3,147

(i) 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.

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 2009 and 31 December 2008, would have increased/(decreased) other comprehensive income 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	Other comprehensive income €'000	Income statement €'000	Other comprehensive income €'000
31 December 2009				
Sterling	31	631	(26)	(697)
Swedish krona	1	2,159	(1)	(2,387)
Czech koruna	12	514	(12)	(568)
US dollar	(6)	(99)	6	110
31 December 2008				
Sterling	(1)	651	1	(719)
Swedish krona	(107)	2,012	118	(2,225)
Czech koruna	(177)	506	196	(559)
US dollar	(195)	(569)	216	538

Notes to the Group Financial Statements
(continued)

29. Financial Instruments and Financial Risk (continued)

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 to fixed rates. At year-end, the interest rate profile of interest-bearing financial instruments was:

	Carrying amount 2009 €'000	Carrying amount 2008 €'000
Fixed rate instruments		
Bank borrowings	**(1,800)**	(1,980)
Finance lease liabilities	**(94)**	(304)
	(1,894)	(2,284)
Variable rate instruments		
Cash and cash equivalents	**88,961**	85,293
Bank overdrafts	**(4,337)**	(8,072)
Bank borrowings	**(132,809)**	(134,696)
Finance lease liabilities	**(481)**	(441)
	(48,666)	(57,916)
Net debt	**(50,560)**	(60,200)

Cash flow sensitivity analysis for variable rate instruments

At 31 December 2009, the average interest rate being earned on the Group's cash and cash equivalents was 0.89% (2008: 2.56%). At 31 December 2009, the average interest being paid on the Group's borrowings was 1.48% (2008: 4.32%). 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 other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	50 basis point increase		50 basis point decrease	
	Income statement €'000	Other comprehensive income €'000	Income statement €'000	Other comprehensive income €'000
31 December 2009				
Variable rate instruments	(243)	–	243	–
31 December 2008				
Variable rate instruments	(279)	–	279	–

Equity 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

Derivative financial instruments are measured at fair value at inception and at each reporting date, with the movement recognised in the income statement unless they are designated as cash flow hedges under IAS 39. Where instruments are classified as cash flow hedges, they are accounted for under hedge accounting rules with gains or losses arising on the effective portion of the derivative instrument recognised in the cash flow hedge 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 cash flow hedge reserve are transferred to the income statement. The fair value of derivatives at the balance sheet date is set out in the following table:

	Assets 2009 €'000	**Liabilities 2009 €'000**	Assets 2008 €'000	Liabilities 2008 €'000
Forward currency contracts	**55**	**(317)**	1,370	(159)
Interest rate swaps	**–**	**(39)**	–	(15)
	55	**(356)**	1,370	(174)

Derivatives at the end of year are classified as follows:

	2009 €'000	2008 €'000
Cash flow hedges – assets	**–**	668
Cash flow hedges – liabilities	**(81)**	–
Fair value through income statement – assets	**55**	702
Fair value through income statement – liabilities	**(275)**	(174)
	(301)	1,196

The movement in cashflow hedges during the year was as follows:

	2009 €'000	2008 €'000
Effective portion of changes in fair value of cashflow hedge	**(218)**	4,442
Fair value of cashflow hedges transferred to income statement	**(530)**	(3,774)
	(748)	668

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 €84,504,000 (2008: €80,689,000). The gains or losses on the effective portions of such borrowings are recognised in other comprehensive income. Ineffective portions of the gains and 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 other comprehensive income are included in the income statement on disposal of a foreign entity.

30. Cash Generated from Operations

	Notes	**2009 €'000**	2008 €'000
Operating activities			
Profit for the year		**19,207**	21,341
Non-cash adjustments to reconcile profit to net cash flows:			
Income tax expense	6	**9,157**	8,470
Depreciation of property, plant and equipment	9	**13,210**	13,911
Impairment of property, plant and equipment	9	**1,197**	2,176
Fair value movement on investment property	10	**312**	(2,497)
Impairment of available-for-sale financial assets	13	**–**	1,169
Amortisation of intangible assets	11	**5,087**	4,776
Goodwill written off on termination of a business	11	**–**	396
Goodwill impaired	11	**1,025**	–
Amortisation of research and development	11	**287**	382
Amortisation of government grants	21	**(363)**	(508)
Movement on other provisions	22	**(1,943)**	1,943
Defined benefit pension scheme expense	26	**2,314**	1,677
Pension curtailment gain	26	**(4,084)**	–
Contributions to defined benefit pension schemes	26	**(4,090)**	(4,439)
Share-based payment expense	26	**676**	281
Net gain on disposal of property, plant and equipment		**(1,316)**	109
Financial income	3	**(1,539)**	(2,556)
Financial expense	3	**5,058**	8,335
Loss on non-hedging derivative financial instruments	2	**221**	199
Gain on non-hedging derivative financial instruments	2	**(372)**	(641)
Gains on available-for-sale financial assets recycled from other comprehensive income to income statement	13	**(294)**	–
Gain on disposal of joint ventures and associates	2	**(106)**	–
Share of loss/(profit) of joint ventures	12	**5,810**	(1,023)
Share of (profit)/loss of associates	12	**(60)**	41
Income tax paid		**(7,628)**	(7,071)
Interest received		**1,580**	2,788
Interest paid		**(4,437)**	(8,820)
Net cash flows from operating activities before working capital movements		**38,909**	40,439

Notes to the Group Financial Statements
(continued)

31. Accounting Estimates and Judgments
The preparation of financial statements in conformity with IFRSs requires management to make judgments, 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 judgments 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 judgmental provisions and accruals particularly those relating to deferred consideration obligations based on earn-out arrangements.

Impairment testing, 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 determination of appropriate assumptions such as discount rates and expected future rates of return as set out in Note 26.

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 Holdings B.V.	Investment holding company	100	Netherlands	Marconistraat 19, 3029 AE Rotterdam
Total Produce B.V.	Fresh produce company	100	Netherlands	Marconistraat 19, 3029 AE Rotterdam
EurobananCanaries 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

* Denotes subsidiaries owned directly by Total Produce plc.

Subsidiaries	Principal activity	Group share %	Country of incorporation	Registered office
Hortim International s.r.o.	Fresh produce company	75	Czech Republic	Breclao, ZIP 690 02, Haskova 18, ICO 47915528
Everfresh AB	Fresh produce company	100	Sweden	Långebergavägen 190, 256 69 Helsingborg, Sweden
Total Produce Nordic A/S* (formerly Lembcke Holdings AS)	Investment holding company	100	Denmark	Gronttorvet 220, Copenhagen, Denmark
Brdr Lembcke A.S.	Fresh produce company	100	Denmark	Gronttorvet 220, Copenhagen, Denmark
Haluco B.V.	Fresh produce company	60	Netherlands	Klappolder 224, 2665 MR Bleiswijk, The Netherlands
Nedalpac B.V.	Fresh produce company	60	Netherlands	Venrayseweg 128b, 5928 RH Venlo, The Netherlands
Total Produce International Holdings Limited*	Investment holding company	100	Ireland	Charles McCann Building, Rampart Road, Dundalk, Co. Louth

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. The Netherlands
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, Spain
Rapiprop 159 (Proprietary) Limited	Fresh produce company	40	South Africa	Parc du Cap, Building No 1 Mispel Road, Bellville 7530 South Africa
ASF Holland B.V.	Fresh produce company	50	Netherlands	Venrayseweg 126, 5828 RH, Venlo, The Netherlands

* Denotes subsidiaries owned directly by Total Produce plc.

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

Company Balance Sheet
as at 31 December 2009

	Notes	2009 €'000	2008 €'000
Assets			
Non-current			
Investments	34	**256,766**	254,682
Current			
Trade and other receivables	35	**15,222**	12,473
Total assets		**271,988**	267,155
Equity			
Share capital		**3,519**	3,519
Share premium		**252,574**	252,574
Other reserves		**3,669**	374
Retained earnings		**8,784**	9,206
Total equity		**268,546**	265,673
Liabilities			
Current			
Interest-bearing loans and borrowings	36	**23**	19
Trade and other payables	37	**3,419**	1,463
Total current liabilities		**3,442**	1,482
Total liabilities		**3,442**	1,482
Total liabilities and equity		**271,988**	267,155

Company Statement of Changes in Equity

for the year ended 31 December 2009

	Share capital €'000	Share premium €'000	Available-for-sale reserve €'000	Share option reserve €'000	Retained earnings €'000	**Total €'000**
As at 1 January 2008	**3,519**	**252,574**	**(62)**	**93**	**4,524**	**260,648**
Comprehensive income						
Profit for the year	–	–	–	–	10,629	**10,629**
Other comprehensive income:						
Gains on re-measuring available-for-sale financial assets	–	–	62	–	–	**62**
Total other comprehensive income	–	–	62	–	–	**62**
Total comprehensive income	**–**	**–**	**62**	**–**	**10,629**	**10,691**
Transactions with equity holders						
Dividends	–	–	–	–	(5,947)	**(5,947)**
Share-based payment transactions	–	–	–	281	–	**281**
Total transactions with equity holders	**–**	**–**	**–**	**281**	**(5,947)**	**(5,666)**
As at 31 December 2008	**3,519**	**252,574**	**–**	**374**	**9,206**	**265,673**
Comprehensive income						
Profit for the year	–	–	–	–	5,525	**5,525**
Other comprehensive income:						
Gains on re-measuring available-for-sale financial assets	–	–	2,619	–	–	**2,619**
Total other comprehensive income	–	–	2,619	–	–	**2,619**
Total comprehensive income	**–**	**–**	**2,619**	**–**	**5,525**	**8,144**
Transactions with equity holders						
Dividends	–	–	–	–	(5,947)	**(5,947)**
Share-based payment transactions	–	–	–	676	–	**676**
Total transactions with equity holders	**–**	**–**	**–**	**676**	**(5,947)**	**(5,271)**
As at 31 December 2009	**3,519**	**252,574**	**2,619**	**1,050**	**8,784**	**268,546**

Company Statement of Cash Flows

for the year ended 31 December 2009

	2009 €'000	2008 €'000
Operating activities		
Profit for the year	**5,525**	10,629
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Income tax expense	**–**	(13)
Impairment of available-for-sale financial assets	**–**	1,169
Share-based payment expense	**84**	34
Movement in trade and other receivables	**(1,140)**	(4,116)
Movement in trade and other payables	**1,956**	(1,418)
Corporate tax refunded	**–**	13
Net cash flows from operating activities	**6,425**	6,298
Investing activities		
Investments in subsidiaries	**(482)**	(10)
Dividends paid to equity holders	**(5,947)**	(5,947)
Net cash flows from financing activities	**(6,429)**	(5,957)
Net increase in cash, cash equivalents and bank overdrafts	**(4)**	341
Cash, cash equivalents and bank overdrafts at 1 January	**(19)**	(360)
Cash, cash equivalents and bank overdrafts at 31 December	**(23)**	(19)

Notes to the Company Financial Statements

31 December 2009

34. Investments

	Investments in subsidiaries €'000	Investments in joint ventures €'000	Available-for-sale financial assets €'000	Total €'000
Balance at 1 January 2008	245,291	2,000	8,238	255,529
Investment in subsidiaries	10	–	–	10
Capital contribution to subsidiaries	250	–	–	250
Impairment loss on available-for-sale financial assets	–	–	(1,107)	(1,107)
Balance at 31 December 2008	**245,551**	**2,000**	**7,131**	**254,682**
Investment in subsidiaries (i)	**117,405**	**–**	**–**	**117,405**
Capital contribution to subsidiaries	**615**	**–**	**–**	**615**
Joint venture becoming a subsidiary	**1,150**	**(1,150)**	**–**	**–**
Transfer of subsidiary (i)	**(118,555)**	**–**	**–**	**(118,555)**
Gains on re-measuring available-for-sale financial assets	**–**	**–**	**2,619**	**2,619**
Balance at 31 December 2009	**246,166**	**850**	**9,750**	**256,766**

(i) Included within both of these amounts is €116,477,000 relating to the reorganisation of certain subsidiary holding companies.

The principal subsidiaries, joint ventures and associates are set out on pages 96 and 97.

At 31 December 2008, the fair value of the Company's unquoted equity investments were reviewed, giving rise to an impairment charge of €1,169,000 recognised in the income statement, which includes the recycling of a fair value deficit of €62,000 previously recognised in other comprehensive income. At 31 December 2009, the fair value of the Company's unquoted equity investments was reviewed, resulting in a gain of €2,619,000. The gain has been recognised directly in the available-for-sale reserve.

The fair value was measured by deriving an enterprise value using an earnings multiple comparable with recent market transactions. The resulting enterprise value was adjusted for the net cash of the investee company, and a discount factor applied to reflect the minority interest nature of the investment. The foreign currency denominated fair value was then retranslated to euro at the closing rate.

35. Trade and Other Receivables

	2009 €'000	2008 €'000
Current		
Amounts due from subsidiaries	**15,222**	12,473

36. Cash and Cash Equivalents

	2009 €'000	2008 €'000
Bank overdrafts	**(23)**	(19)

37. Trade and Other Payables

	2009 €'000	2008 €'000
Amounts due to Group undertakings	**2,887**	1,123
Accruals	**532**	340
	3,419	1,463

Notes to the Company Financial Statements
(continued)

38. 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 owned by them and their outstanding share options, are set out in the Compensation Committee report on pages 35 to 38.

	2009 €'000	2008 €'000
Dividends received from Group undertakings	**8,225**	14,359

39. Employee Benefits
The aggregate employee costs for the Company were as follows:

	2009 €'000	2008 €'000
Wages and salaries	**1,585**	1,435
Social security contributions	**158**	154
Pension costs – defined contribution schemes	**30**	100
Pension costs – defined benefit schemes	**183**	146
Share-based payment transactions	**84**	34
	2,040	1,869

The average number of employees of the Company in 2009 was 9 (2008: 8).

40. Financial Instruments and Financial Risk

	Loans and receivables 2009 €'000	Available-for-sale financial assets 2009 €'000	Liabilities at amortised cost 2009 €'000	Total 2009 €'000	Fair value 2009 €'000
Investments	**–**	**9,750**	**–**	**9,750**	**9,750**
Trade and other receivables	**15,222**	**–**	**–**	**15,222**	**15,222**
	15,222	**9,750**	**–**	**24,972**	**24,972**
Trade and other payables	**–**	**–**	**(3,419)**	**(3,419)**	**(3,419)**
Bank overdrafts	**–**	**–**	**(23)**	**(23)**	**(23)**
	–	**–**	**(3,442)**	**(3,442)**	**(3,442)**

	Loans and receivables 2008 €'000	Available-for-sale financial assets 2008 €'000	Liabilities at amortised cost 2008 €'000	Total 2008 €'000	Fair value 2008 €'000
Investments	–	7,131	–	7,131	7,131
Trade and other receivables	12,473	–	–	12,473	12,473
	12,473	7,131	–	19,604	19,604
Trade and other payables	–	–	(1,463)	(1,463)	(1,463)
Bank overdrafts	–	–	(19)	(19)	(19)
	–	–	(1,482)	(1,482)	(1,482)

The Company has the same risk exposures as those of the Group as outlined in Note 29.

Credit Risk
The €15,222,000 (2008: €12,473,000) within trade and other receivables above relates entirely to amounts due from subsidiary undertakings. All are repayable on demand and there were no impairment provisions against these balances at year end.

Liquidity Risk
The €3,419,000 (2008: €1,463,000) within trade and other payables and the bank overdraft of €23,000 (2008: €19,000) are all due for repayment within six months.

Currency Risk
All financial assets and liabilities 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.

Notice of the Annual General Meeting Total Produce plc

Year ended 31 December 2009

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**'AGM'**) of Total Produce plc (the **'Company'**) will be held at the Radisson SAS Royal Hotel, Golden Lane, Dublin 8, on Thursday 20 May 2010 at 10.30a.m. for the following purposes:

1. To receive and consider the Statements of Account for the year ended 31 December 2009 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 2009.

3. (i) 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) Rose Hynes (Resolution 3(A)).

   (B) Rory Byrne (Resolution 3(B))

   (ii) By a separate resolution to elect as Director, Frank Davis, who was appointed during the year and retires at the AGM in accordance with Article 92(b) of the Articles of Association of the Company and, being eligible, offers himself for election. (Resolution 3(C)).

4. To authorise the directors to fix the remuneration of the auditor for the year ending 31 December 2010.

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 €1,172,956 (117,295,578 shares, representing one third 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 20 August 2011 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 A SPECIAL RESOLUTION:

   '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 €351,887 (35,188,673 shares) representing 10% of the nominal value of the issued share capital.'

7. AS A SPECIAL RESOLUTION:

   '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 20 November 2011, 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.'

8. AS A SPECIAL RESOLUTION:

'That, subject to the passing of resolution 7, 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 20 November 2011, whichever is the earlier, unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act, 1990.'

M T Reid
Secretary
16 April 2010
Charles McCann Building,
Rampart Road, Dundalk, Co. Louth, Ireland

Notice of the Annual General Meeting Total Produce plc

Year ended 31 December 2009

(continued)

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy (or proxies) to attend, speak and vote in his/her place. A proxy need not be a member of the Company. More than one proxy may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. 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 10.30 a.m. on Tuesday, 18 May 2010. Alternatively, a proxy may be appointed electronically, by visiting the website of Computershare Services (Ireland) Limited at www.computershare.com/ie/voting/totalproduce. A Shareholder Reference Number and PIN number will be required and can be found on the Proxy Form.

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 Tuesday, 18 May 2010 (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 Euroclear (UK & Ireland) Limited ('EUI')'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 10.30 a.m. on Tuesday, 18 May 2010. 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 EUI 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 16 April 2010 (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 7,310,000 new ordinary shares if such share options were to be exercised. Further the issue of all of these shares would represent approximately 2.04% of the enlarged equity or 2.26%, if the Company were to exercise in full the proposed authority being sought in resolution 7 above to purchase its own shares.

6. Biographical details for the Directors standing for election/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 2008 FRC Combined Code. On this basis, the Chairman and Board are pleased to recommend the election/re-election of those Directors.

Notes

Notes

Shareholder Information

Share price (Euro cent)

Year	High	Low	31 December
2009	41	16	34

Market capitalisation
The market capitalisation of Total Produce plc on 31 December 2009 was €120 million.

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

Frank Davis
Group Finance Director
Total Produce plc
29 North Anne Street
Dublin 7, Ireland
Telephone: +353 1 887 2600
Fax: +353 1 887 2731
Email: fdavis@totalproduce.com

Registrar
Administrative 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

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 Thursday 20 May 2010 at 10.30 a.m. Notice of the meeting is set out on pages 104 to 106 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 above 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.

FSC
Mixed Sources
Product group from well-managed forests and other controlled sources
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Tel **+353 1 882 1100**

Total Produce plc
Charles McCann Building
Rampart Road
Dundalk, Co. Louth
Ireland

Tel: +353 42 933 5451
Fax: +353 42 933 9470
Email: info@totalproduce.com

www.totalproduce.com